

CORONAVIRUS — STATE ECONOMY

154. Mrs L.M. O'MALLEY to the Premier:

I refer to the McGowan Labor government's significant investment in Western Australia's world-leading response to COVID-19 and supporting businesses and households through the pandemic.

- (1) Can the Premier update the house on how this government has ensured that the state has had the strong fiscal capacity to respond to COVID-19?
- (2) Can the Premier advise the house what the credit ratings agencies have said about this government's management of the state's finances?

Mr M. McGOWAN replied:

I thank the member for Bicton for the question.

- (1)–(2) Obviously, the last two years of dealing with COVID have thrown up many challenges. That is why we have now invested \$10.6 billion of state money to respond to COVID-19. A lot of that has been for hospital response, frontline services, direct support to businesses and households, capital works and easily rolled out initiatives to ensure that we kept the economy strong during a very, very difficult period. A total of \$10.6 billion is an amazing amount of money. That is about five Optus Stadiums of spend over the course of the last two years to ensure that the state was kept in the strong position that we are in. Since December, we have announced more than \$420 million of direct support to Western Australian small and medium-sized businesses as we enter a new phase of the pandemic. That includes the \$72 million level 2 COVID-19 business assistance package, the alfresco rebate program that I think the Minister for Local Government announced recently and a lot of support for small businesses to enable them, particularly those in the hospitality area, to cope with the situation that we now face.

One of the reasons we have been able to do this is our strong and responsible financial management since we came to government in March 2017. Today that has once again been recognised. Standard and Poor's Global Ratings has once again confirmed Western Australia's positive AA+ rating. I want to quote what Standard and Poor's had to say. It said that the positive outlook reflects Western Australia's budgetary outperformance compared with domestic and global peers. The report stated —

We assess Western Australia's financial management to be very strong. The current government has displayed a track record of robust cost control.

I think that is referring to the current government versus the last government, which obviously made a complete mess of the state's finances, lost our AAA credit rating and drove debt to unseen levels and deficits to extraordinary levels, which this government has turned around.

Standard and Poor's further said about our fiscal balance sheet that it is —

... a rare feat given the scale of the COVID-19 shock. This is despite the state upsizing its budgeted infrastructure program to a record A\$32.7 billion over the next four years.

The report points out —

Western Australia's debt-to-revenue ratio should continue to decline over the next few years, in stark contrast to the rising debt of many peers.

That would include every state and territory in Australia and the commonwealth government. In other words, Western Australia is setting a way forward that is contrary to and different from the rest of the country, because we actually have strong financial management, which has been recognised internationally. That has allowed us to invest in important COVID-19 response measures that have not burdened future generations in the way that other governments around Australia have. It allows us to do things like the free rapid antigen testing program and spend \$1.7 billion out of the \$10.6 billion in COVID-19 business support. Obviously, in the lead-up to the state budget we will continue to keep our finances strong and cost-of-living pressures as low as possible.