

GOVERNMENT SPENDING IN 2002-03

1123. Mr J.B. D'ORAZIO to the Treasurer:

I refer to the front page of today's *The West Australian* and the Leader of the Opposition's comment that, despite a strong economy, government spending has not been reduced. Will the Treasurer advise the House of government spending in 2002-03?

Mr E.S. RIPPER replied:

I was a bit surprised to read the remark attributed to the Leader of the Opposition. He is confusing me and I am sure he is confusing his own troops, because sometimes he wants to be the champion of the right and sometimes he wants to be the champion of the left. On the one hand he appears to be taking the Government to task for spending, and on the other hand he appears to be castigating the Government for trying to rein in spending in the health area.

Mr C.J. Barnett: Especially for get-fit classes for elderly people.

Mr E.S. RIPPER: Is the Leader of the Opposition in favour of more or less spending?

Mr C.J. Barnett: I am in favour of maintaining keep-fit classes for elderly citizens.

Mr E.S. RIPPER: The Leader of the Opposition is in favour of reducing spending in general, but he does not support any specific reduction that the Government puts up. He compounds his error by suggesting that the Government is not being generous enough in its response to the pay claims of teachers, nurses, police and other public sector workers. The Leader of the Opposition wants us to spend more and less at the same time. It is true that, in 2002-03, government expenses were \$504 million greater than was forecast in the budget. However, only \$79 million of that increase was the result of policy decisions by the Government. Those policy decisions included a response to the Gordon inquiry and the homelessness task force, provision for drought relief, an increase in our aerial firefighting capacity last summer, salary increases for the State's firefighters, provision for aerial shark patrols, and financial assistance for the Pemberton Sports Club. Does the Leader of the Opposition consider any of that unnecessary expenditure?

Mr C.J. Barnett: I will tell you what is unnecessary: 252 committees, task forces and review panels.

Mr E.S. RIPPER: The Leader of the Opposition does not consider any of that unnecessary expenditure. The expenditure figure also contained additional commonwealth grants of \$163 million for items such as the meningococcal program. Additional commonwealth grants add to our revenue but they also add to our expenditure, because part of the condition is that they be spent. There was also a carryover of \$73 million by agencies from the previous financial year. There was also what the Department of Treasury and Finance calls parameter changes; for example, an increase in depreciation due to the revaluation of the State's road network and a change in accounting for projects such as the Perth convention centre. Of that \$504 million in additional expense, only \$79 million was attributable to policy decisions by the Government. I believe that shows remarkable discipline.

Mr C.J. Barnett: That is the whole point, if you understood it.

Mr E.S. RIPPER: Nevertheless -

Mr C.J. Barnett: That is the point. When will you learn?

The SPEAKER: Leader of the Opposition, order!

Mr E.S. RIPPER: The Leader of the Opposition will learn a bit in a moment. I have another lesson and another teaching aid to assist in delivering the message. I promise the Leader of the Opposition another chart.

There is insatiable demand for spending by Governments, but we must stick to financial management targets if we are to have the ability to deliver on community needs and to deliver real wage increases to public sector workers sustainably into the future. Controlling expenditure is an ongoing battle. That is why the Government had the functional review and why it is implementing in the current budget recommendations arising out of the functional review. The Government has been disciplined with its policy decisions. The fact that it has been disciplined, coupled with better than expected revenue, has meant that it has been able to make an investment in the future by reducing debt to levels lower than those left to it by the previous Government.

I want to contrast what we have done with what the previous Government did. Let us test the credibility of the Leader of the Opposition. In May 2000 - less than a year before the last state election - Richard Court brought down his last budget in which he spelt out his financial plan for the following four years. The ink was barely dry on that plan when coalition ministers, including the current Leader of the Opposition, went on the biggest pre-election, between-budgets spending spree in the history of this State. What did they spend between the May

budget and the call for the election eight months later? They added \$1.015 billion to spending decisions in the forward estimates, sending the budget into the red in 2002-03 and leaving the Treasury coffers empty for the incoming Government. I have in my hand an example of how *The West Australian* described the spending spree. It called it a cash spree of more than \$1 billion -

Several members interjected.

The SPEAKER: Members!

Mr C.J. Barnett: Your staff spend hours doing that sort of nonsense. What a joke!

The SPEAKER: I call the Leader of the Opposition to order for the first time.

Mr E.S. RIPPER: These were not accounting or parameter changes or commonwealth grants; they were explicit policy decisions made by the Court Government and its budget committee, of which the Leader of the Opposition was a member. The decision was to spend up big between budgets. It was the worst loss of financial discipline in the State's history. When we came to office, we had to deal with that difficult situation. One of the things that we noticed when we dealt with that situation was that the Leader of the Opposition had been one of the worst offenders. He was on radio yesterday talking about his prowess in negotiating enterprise bargaining agreements. The only trouble is that they were never funded. We had to bring in a budget that provided for funding the decisions he had made. He could not even balance the budget in his own portfolios. The performance of the Court Government was summed up by Alan Wood in his column in *The Australian* when he said that Premier Richard Court's brief flirtation with fiscal responsibility had ended in a sea of red ink. That red ink is all over every member of the Cabinet of the last Government, in particular all over the hands of the Leader of the Opposition, who was a member of that Government's budget committee.