

BUDGET SURPLUS FORECAST

528. Mr T. BUSWELL to the Treasurer:

In the absence of the Minister for Planning and Infrastructure, who is no doubt getting the correct lead readings -

The DEPUTY SPEAKER: Member for Vasse, I suggest you ask your question.

Mr T. BUSWELL: In May 2006, the Treasurer forecast a budget surplus of \$1.2 billion for the 2006-07 financial year. In May this year, the Treasurer revised that amount to \$1.8 billion. We now know the actual figure is an obscene \$2.3 billion, which is more than \$1 billion more than the original estimate.

- (1) Given that this is a repeat of the Treasurer's history of failing to accurately forecast, how can he expect the Western Australian public to have any confidence in him or in his department's budget forecasts?
- (2) Is it not the case that it suits the government politically to continually underestimate the surplus to reduce the pressure on the Treasurer and his government to reduce taxes?

Mr E.S. RIPPER replied:

- (1)-(2) A strong surplus is a good thing for Western Australia and for Western Australians. Every single dollar of that surplus is invested in our future to ensure economic growth. Every single dollar is used to build infrastructure or retire debt. Using the surpluses of the past three years, we have retired or avoided \$3.7 billion worth of debt. The state's finances are in the strongest shape ever. This is the best balance sheet that the state has ever had. It is certainly a better balance sheet -

Several members interjected.

The DEPUTY SPEAKER: Order, members! I do not know what brought that on. The Australian Football League Grand Final will be held on the weekend; it is not being held at this moment. The Deputy Leader of the Opposition might not like the answer but, by heaven's, the rest of us want to hear it, including Hansard. Show the Parliament more respect. The Deputy Leader of the Opposition is called to order for the first time.

Mr T. Buswell: Keep going you bleating fool!

Withdrawal of Remark

Mr A.P. O'GORMAN: I distinctly heard the member for Vasse call the Treasurer a bleating fool. I ask him to withdraw that comment.

The DEPUTY SPEAKER: Member for Vasse, that is unparliamentary. I did not hear the remark, but if you said it directly, I ask you to withdraw.

Mr T. BUSWELL: I withdraw the use of the word "bleating".

The DEPUTY SPEAKER: The member for Vasse will try again in the appropriate manner.

Mr T. BUSWELL: I withdraw.

Questions without Notice Resumed

Mr E.S. RIPPER: The state's balance sheet is at its strongest ever. It is certainly a lot stronger than when the Leader of the Opposition was a member of the Court cabinet that delivered five budget deficits out of eight. We have made the state's balance sheet bullet proof. We have protected the state's finances against future economic shocks.

Mr P.D. Omodei interjected.

Mr E.S. RIPPER: The Leader of the Opposition would do that; that is his form.

Several members interjected.

The DEPUTY SPEAKER: Order, members! It seems that some members are very slow learners. It will be a short question time if that behaviour continues.

Mr E.S. RIPPER: We have just delivered the largest capital works program in the state's history combined with the lowest level of state debt ever recorded. State debt is under \$3 billion, and for the fourth year in a row we do not have any debt on our schools, hospitals, police stations and non-income earning assets. We have positive financial assets in the general government sector. The opposition likes to talk about the surplus in derogatory terms whatever the size of the surplus. There is another surplus in Western Australia; namely, Peter Costello's surplus, which is the difference between what Peter Costello collects in Western Australia and what he spends in Western Australia. There are two differences between Peter Costello's Western Australian surplus and the state government of Western Australia's surplus. The two differences are this: firstly, Peter Costello's

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Mr Troy Buswell; Deputy Speaker; Mr Eric Ripper; Mr Tony O'Gorman

Western Australian surplus of \$5 billion is more than twice the size of the state government's Western Australian surplus of \$2.3 billion; and, second, every single dollar of the Western Australian surplus is spent on Western Australians building infrastructure and retiring the debt that they owe. Alternatively, every single dollar of the \$5 billion Peter Costello Western Australian surplus is spent outside this state - that is, \$2 440 per Western Australian is taken from this state and spent elsewhere. If the opposition wants to talk about surpluses not being put to the use and benefit of Western Australians, they should think about the Peter Costello Western Australian surplus of \$5 billion. They should not talk about the \$2.3 billion surplus of the state government because every single dollar of that money is used to build infrastructure or retire debt. The shadow Treasurer has nowhere to go given the strength of the state finances. They are the strongest that the state has ever experienced. All the shadow Treasurer can do is mouth derogatory words about the surplus that is used for the benefit of all Western Australians. The shadow Treasurer asked a questioning about forecasting. We take the professional advice of the Department of Treasury and Finance. Its record on forecasting compares favourably with the record of comparable organisations in other states. It does as well or better than any other Treasury in the country.