

**TREASURER — ECONOMIC MANAGEMENT**

*Motion*

**HON MARTIN PRITCHARD (North Metropolitan)** [11.27 am] — without notice: I move —

That the Legislative Council acknowledges the hard work of the Treasurer, Hon Ben Wyatt, in restoring faith in the Western Australian economy which has enabled the McGowan government to —

- (a) stop the spiralling growth of government debt;
- (b) improve our credit rating;
- (c) limit the increase to household expenditure;
- (d) build new infrastructure; and
- (e) negotiate a better deal for all Western Australians from our federal government.

The motivation for moving this motion is that we have had many motions come before this house that tend to congratulate the government, and then the opposition moves another motion to suggest that the accomplishments are not as has been put, but I do not think too many people would disagree with me that the Treasurer over the last three years has done a magnificent job. That is the motivation. We can often spend a lot of time trying to drag each other down, but, as I said, I do not think too many members in this house would not suggest that the Treasurer has done a magnificent job.

When I first conceived of this motion, the circumstances were quite different from what they are today. The Treasurer had not at that time announced that he would not be recontesting his seat of Victoria Park. I am very sad about that. As I said, I think he has done a magnificent job. I am pleased that he will see out the term and I am sure that another capable minister will step into his place. However, I am quite sad that he will not be recontesting his seat, because he set us on a path and I would have liked to see where that path would have ultimately led. At the time of conceiving the motion, we also did not have a full picture of how much the coronavirus would impact upon us. I did at some point consider putting forward a different motion, but along with all the news that goes out we need to look at some positive aspects of what we are doing well, to show our constituency that it is not all doom and gloom and that we are doing things that will actually make their lives better.

I listened to your contribution yesterday, Mr Acting President (Hon Dr Steve Thomas). I hope you do not mind me paraphrasing you, but you mentioned that our response to the coronavirus would be either humanitarian or economic. I have a lot of respect for the honourable member and listen very intently when he makes speeches in this place, but I actually disagree with him on this occasion. I am sure he will not mind me doing that. We have to listen to all the advice during this crisis. I do not mean advice from the internet, which a lot of people unfortunately listen to, but advice from the Chief Health Officers of this state and this country. I think we need to enact all the precautions that we can to try to deal with the current situation. I agree with the Premier: we will get through this. Things may change a little in the future and we will obviously experience many difficulties over the next six months or so, but we will get through it. As leaders in this state, we need to look at what shape the state will be in when we get to the other side, as I am sure we will. To quote the old saying, I do think we can walk and chew gum at the same time. When I first came to Parliament, I think I was fairly innocent in thinking that, as the last discussion put it, it would be great to fix every problem by putting a lot of money into it, but we cannot take money away from other responsibilities of the state government to do that, so I do think we need to do more than one thing at the same time.

I know that the opposition probably expects me to get stuck into the mess it made when it was in government. I will probably refer to that, but I will, hopefully, look mostly at where we have come in the last three years, where we will go next year and where we will go in the future, because that is what is important. Over the last three years, the Treasurer has managed to take us to a position in which we will be about \$7 billion better off than was projected in the forward estimates of the last government. That is a remarkable situation, given the trajectory we were on. That in itself will save the state \$800 million in interest. The real issue I had with the last government was not so much the one-off expenditure it was in the habit of making, which was disproportionate to income, but more how its recurrent spending got out of hand. It is very difficult to turn around recurrent expenditure. It is easy to say that we will not do a particular project and save money that way—that is easy work—but this Treasurer has managed to turn around a recurrent spend that, over the eight years of the previous government, had increased by about 6.4 per cent. That trajectory of recurrent spending was going to bankrupt the state. For the Treasurer to be able to turn that around in a couple of years is remarkable. I think it is at just over two per cent at the moment and is on a downward spiral, projected to go to 1.6 per cent. As I said, that is a remarkable accomplishment.

I would like to quote from a couple of newspaper articles from the middle of last year, not to denigrate the opposition but to highlight the concern I have with recurrent spending. The first was published in *The West Australian* of 7 June and states —

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon  
Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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The State's financial strength has been given a tick by credit agency Moody's thanks to growing revenue, tight purse-strings —

That is the point —

and a fairer share of the GST.

Further down it states —

Moody's, which changed its outlook for WA from stable to positive, attributed the ratings upgrade to a sustained period of solid revenue growth and control over spending.

It also states —

Chamber of Commerce and Industry chief executive Chris Rodwell said disciplined spending restraint by the State Government was showing dividends.

He said last month's State Budget showed a \$6.8 billion reduction in peak net debt since the Government's first Budget.

That is great. It is nice to have that sort of feedback, which reinforces my view on how well the Treasurer is seen to be doing by those outside this place. I go to another article in *The West Australian* of 18 June last year that provides an example of what we cannot go back to. It states —

In an unusually strong statement yesterday, WA Chamber of Commerce and Industry chief economist Rick Newnham said that Mrs Harvey's newly announced policies were "out of step" with the business community and put State efforts at Budget repair at risk.

Within hours of taking over as Liberal leader, Mrs Harvey said she supported pay rises for police and public servants but also thought the Government should post a Budget surplus.

I want to narrow in on that for just a second. I come from the union movement and would like nothing better than to be able to promote big wage increases for state public servants—we are trying to resolve a pay increase for police at the moment—but that sort of approach does not help. We cannot continue to put everything up without having some regard to the budget. I wish the police union well; I hope it can reach some agreement with the state government and that it gets resolved. However, comments like that lead me to suspect that if there were a change of government in 12 months' time, we might revert to a situation in which the easy solution for the then state government would be to just borrow money and buy itself out of the problems it faces. I was here for the last two years of the previous government's term. The Loan Bills that came forward at that time for billions and billions of dollars needed mainly to pay debt incurred through recurrent spending were eye watering.

In looking at that, I wondered whether that was an inward view that we are doing a good job. But it is not. If we look outside ourselves and at who is reflecting that view, we can see the newspaper articles. *The West Australian* is not always very kind to a Labor government, but it obviously thinks that we are doing a good job. We can also look at credit agencies. Moody's has looked at the way in which we look after our finances and it has also made a judgement. This state used to have a AAA credit rating. In 2012, Moody's started to be concerned with the spending of the previous government, and put forward a warning to the state government about the way in which it was spending. In 2014, Moody's made a judgement that the then government was not taking note, so it took us down to a Aa1 rating. That still did not seem to get the message across, so in 2016 it took us down to a Aa2 rating. In the first couple of years that the Treasurer, Ben Wyatt, has been in charge of the finances of this state, he has managed to turn that around. As I said, the main thing is turning around the rate of recurrent spending and making sure that we keep a close watch on that sort of spending. He has managed to drag us up from Aa2 to Aa1. Who would not expect that at some point in the future we will regain our AAA credit rating under his leadership? I suspect that we will get to that point at some time in the future.

The reason I wanted to make sure that I put this motion forward is to not just congratulate the Treasurer, but also say that the objective for us is to have the capacity to make sure that we can challenge the problems that come before us. Of course, the coronavirus is the one that is at the forefront now. The work that the Treasurer has done, according to Moody's and others, has put us in the best position possible to be able to tackle that issue, not just with the money that we can put into the medical side in trying to deal with that, but also by making sure that when we get through it, as I know we will, we will be in the best financial position that we can possibly be in. We all know there will be a lot of pain. People will pass away, and there will be a lot of economic pain, but I think the legacy that the Treasurer will leave us at the beginning of next year is the best position possible. Our constituency, the people of Western Australia, should be mindful of the fact that, of all the states in Australia, and probably the world, we are in the best position to be able to deal with the issues that currently face us.

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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**HON DARREN WEST (Agricultural — Parliamentary Secretary)** [11.43 am]: Thank you, Mr Acting President. I am surprised that nobody else jumped up, but I will take the call. The motion before us today is one of the best that we have had in this house. I encourage members to stand and make a contribution, because I do not think they will find a more fitting motion put by anyone in this house in this term. We should be grateful to and show the greatest respect for our Treasurer, Hon Ben Wyatt. We should pay homage to him for the great job that he has done in fixing the mess that we found the Western Australian economy in when we came to government early in 2017.

Ben Wyatt is a great man. He is a very good friend of mine, and is a very capable and good person. Ben Wyatt is a barrister, and a graduate from the London School of Economics. But just as important as all that, Ben Wyatt is a graduate of Laverton Primary School. I think that country grounding is what has helped him shape Western Australia from the financial basket case that it was when we came to government to now being the only state that is repaying debt. Our credit rating is on the rise, and with Ben Wyatt's leadership over the last three years, which will continue for the next year, we are on the way back to AAA. That is a little slogan that I think we all might remember—on the way back to AAA. We had a AAA credit rating the last time Labor left office. How quickly that was trashed. We are on the way back to AAA, and that is a good thing. It is a good thing for the state for its borrowing. Debt ballooned under the previous government, but we now pay a lower interest rate because of that credit rating increase. It is also good news for investors—people who want to come here to invest and create jobs—and the working people of Western Australia. We have a stronger and more stable economy, which is all due to the sound financial management of our Treasurer, Ben Wyatt. I cannot praise him enough for the very hard work and very great work that he has done over the last three years. He is restoring faith in the Western Australian economy.

As has been articulated in this place before, it was under the previous government that debt soared from \$3.8 billion to around \$35 billion and was projected to go to \$44 billion. That is unprecedented. As was discussed in debate on the previous motion, governments cannot just keep doing things and booking it up on the card. It works for so long, but at some point someone has to come in and fix that mess and save the day. That person in Western Australia is Hon Ben Wyatt. I have said many times in this house that the greatest Treasurer that Western Australia has ever had was Hon Eric Ripper, but I think now I must concede that Eric might be just pipped into second place by the current Treasurer, Ben Wyatt. People may recall that I made this quip a few years ago, but under the previous government, we had seven Treasurers—seven different Treasurers! We called them Colin Barnett and the seven Treasurers. I am sure members could name the seven Treasurers a little bit like we could name the seven dwarfs. I will not do that. I will let people speculate on the names that might match those seven different Treasurers—all of them totally incompetent, totally incapable, and with no clue how to manage a state's economy.

Sensible financial management has returned to Western Australia. The Western Australian people are grateful for that. The Western Australian business community is grateful for that. Small businesses are grateful for that. Companies that are now winning local work in Western Australia because of that good financial management are grateful for that. I will tell members who else is grateful. People who are going to struggle over the next however long this pandemic of COVID-19 takes are also going to be grateful, because we have got the finances back in a position that we can help the people of Western Australia who need it the most. We can freeze government fees and charges, provide extra payroll tax relief to small businesses and help businesses that are struggling, through no fault of their own, as a result of this pandemic. That is another good reason why sound financial management is important: we never know what is around the corner. But under the Liberals and the Nationals, we knew what was around the corner—spiralling debt, poor financial management, record deficits, infighting, dysfunction and disunity. It was a mess. Thank goodness those days are over.

Economies around the world are struggling. There are difficult financial times all around the world. Governments everywhere are struggling to pay down debt. Even the federal government has more than doubled its debt since it came to power in 2013. This is not reported on enough. We crashed through half a trillion dollars of federal government debt months ago. As we saw prior to the election campaign, there was some roting and waste of federal funds. The federal government is now not particularly well equipped to deal with the current pandemic and, of course, the aftermath of the bushfires because it cannot pay down debt and it is spiralling out of control.

We are paying down debt in Western Australia; we are reducing debt, and that is hard. That is really hard. The Treasurer has had to have some difficult conversations with all kinds of people, including members of Parliament, about why we need to be responsible and prudent with the state's finances. We have never ever been so far in debt as we were in the dying days of the doomed Liberal–National government and we are fixing that by reducing that debt, increasing our credit rating, getting back to work and getting the state out of recession and getting back on track. We are on the way to AAA.

The Treasurer explained this the best. One of my favourite speeches Hon Ben Wyatt has made—he has made some outstanding speeches, and I encourage members to read them—is his first budget speech, delivered in September 2017. On that day, delivering his very first budget, the Treasurer said —

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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Mr Speaker, the 2007–08 Annual Report on State Finances outlined a general government operating surplus of \$2.6 billion and total public sector net debt of just \$3.6 billion.

He is taking us back to when the Barnett Liberal–National coalition took the treasury bench. He continues —

The net debt to revenue ratio for the total non-financial public sector was 19 percent.

Fast forward nine years and the estimated financial results for 2016–17 show a general government operating deficit of \$3 billion and total public sector net debt standing at \$32.5 billion. The net debt to revenue ratio is now a staggering 83 percent.

The net-debt-to-revenue ratio went from 19 per cent to 83 per cent under the coalition. To continue —

They are extraordinary numbers, but we need to understand what they mean so we can all understand the necessity of addressing them. Mr Speaker, at the end of 2007–08, we would have had to pay 19 cents of every dollar the State received in taxes, royalties, GST, utility and other charges to repay all of our net debt that year. Fast forward to today and that figure is now a whopping 83 cents of every dollar the State collects—a 437 percent increase.

To put it another way, there was \$1,673 in total public sector net debt for every person in the State at 30 June 2008. At 30 June 2017, that had grown to \$12,592 per person.

What a catastrophic mess the Barnett Liberal government made of our state finances—money that belongs to all people in Western Australia. The Treasurer, Ben Wyatt, has saved the day and has us back on the way to AAA. Even the Chamber of Commerce and Industry of Western Australia praised Treasurer Ben Wyatt on the work of our government. On 27 September 2019, it said —

The Chamber of Commerce and Industry WA ... congratulates the State Government on today's 2018–19 Annual Report on State Finances, which confirms the Government has achieved a \$1.3 billion operating surplus—\$851 million higher than expected at the 2019–20 Budget—and reduced total public sector net debt by \$819 million.

That is an unlikely source of praise for a Labor government.

The Treasurer is the best we have ever had. He has guided us out of the economic mire created by the previous government. He deserves all the accolades he gets. I wish him well in the next chapter of his life. He has been a great asset to WA.

**HON DR STEVE THOMAS (South West)** [11.53 am]: I will quite enjoy making a contribution to the motion before the house today. I note the motion of Hon Martin Pritchard and his contribution. I will mention a couple of points in particular. The first matter he talked about was improving the credit rating of the state. Hon Martin Pritchard is a good, honest fellow. He quoted from the ratings agency and said that things had changed in a number of ways—in particular, increased revenues and the fix of the GST, as well as restraint in expenditure. I will concentrate on a couple of those increased revenues and the fix of the GST, for which, of course, we can thank again the now Prime Minister, Scott Morrison, who was the Treasurer of the day when the GST fix was first mooted and the Prime Minister of the day when the GST fix was put into place.

Let us talk about increased revenues, because I have been banging on about this for most of the last 14 months. We have had a significant increase in the price of iron ore. It might interest members to know that in the 2016–17 budget, that was already going to have an impact on the future GST distribution because in that budget, the estimation for GST for that year was \$2 billion. It was expected to go to \$6 billion in 2019–20, the current financial year. The reason for that was this, and I quote from the 2016–17 *Economic and Fiscal Outlook* —

Western Australia's GST grants are forecast to rise to \$6.0 billion by 2019–20, due to the lagged response in GST grants to the sharp reduction in iron ore royalties and North West Shelf grants in recent years, and weak growth in taxes compared to other States.

Basically, the sharp reduction in iron ore was predicted to result in a significant increase in GST, but guess what this government had when it arrived in office? It had a sharp increase in the iron ore price and that resulted in additional iron ore royalties in the order of \$2.5 billion over the past financial year alone, and we are looking at \$3 billion if the price stays up at around \$US90 a tonne, which is about where it sits today. That has made a significant difference. Members might remember—I have mentioned this before on occasions—that on 13 February last year, I asked the Treasurer whether he would model what would happen to his revenue if the iron ore price stayed at about \$US90 a tonne or more. The answer he gave was —

A scenario where the average price of iron ore remains at \$90 a tonne has not been modelled, as this assumption is highly unrealistic.

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon  
Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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It has not proved to be particularly unrealistic because it sits at about \$US90 today. I have great respect for the Treasurer of the day. I was in the lower house—the house that shall not be named—when he entered politics and he was immediately placed on the Public Accounts Committee, of which I was the deputy chair and the current Attorney General was the chair. We took him under our wing as our Padawan in politics. I have enormous respect for him. When he started his family, I gave him the baby blankets that enclosed my girls. I was hoping that a little of that Liberal stuff might rub off because the Wyatt family has some good Liberal links and I was hoping that the next generation might be infused with Liberal enthusiasm. We will wait to see whether that was successful.

I have asked questions about the iron ore price on a number of occasions to try to pin down this government's windfall for which it takes credit. As good as Treasurer Hon Ben Wyatt is, I do not think he caused the dam burst in Brazil that resulted in the increase in Western Australia's iron ore prices. I have mentioned question without notice 13, but I have also asked questions without notice 80, 656, 938, 961, 1142, 1362, 1400, 1440 and 1460, plus a few more this week. I think I ask more questions of the Treasurer than anybody else in the Parliament and every time I receive an absolutely dismissive answer. The most recent example of one of my questions about the iron ore price was on 3 December when I asked whether the Treasurer would talk about what his windfall looked like. He replied —

The honourable member should consult the ... *Quarterly Financial Results Report*.

He said in December that the price of iron ore was trending down, which I thought was an interesting contribution. He was certain that it was going the other way. As recently as 19 February this year, I asked a similar question. In question without notice 113, I asked how much extra money the government had made. The Minister for Environment passed on this information from the Treasurer —

In line with previous responses provided to the member, daily spot price information is readily available from publications such as *The West Australian*.

We just go to the paper. That is the implication from the comments of the Treasurer—we go to the paper. In answer to the second part of the question asking what are the updates and how much money will the government make, the answer was —

Updated iron ore price assumptions and royalty income estimates for the 2019–20 financial year will be disclosed in the forthcoming 2020–21 budget.

In other words, “You can just wait for it. We don't worry. We work this out over time.” Mr Deputy President might understand how I was somewhat astounded as I browsed that same publication, to which the Treasurer referred me this morning, and found an “Insider” article—a lovely piece—on the Treasurer of the state. It is hot off the press today. I will quote some of the article. Apparently, it is fine for everybody to wait until the next round of budget papers or to read the newspaper to see what the iron ore royalties are doing, but is that what the Treasurer does? Let me quote from this article, which is hot off the press in today's paper. It states —

It's 7.35am when I ask Ben Wyatt what was the first number he looked at this morning. He grins and quickly grabs his phone. But the magic number he is about to reveal was too important to wait until dawn. His mornings start late at night.

“This is the email I get every fricken night. It's like the Treasury is haunting me. I can't actually go to bed until I get that email.”

His ghost is the iron ore spot price, the glowing number around which so much of Wyatt's precious budget apparition relies.

Last night the email arrived at 10pm. The number was good—up another dollar.

Another \$80 million —

His instant mental calculations know that's another \$50 million to the State's coffers —

Every dollar is probably worth more like \$80 million, but anyway —

He could drift off to sleep peacefully, counting leaping dollars instead of sheep.

That is in today's newspaper. Should I seek leave to table it so that members can read it?

**Hon Peter Collier:** It sounds Churchillian.

**Hon Dr STEVE THOMAS:** Yes, so he counts dollars instead of sheep. That was an astounding piece of literature. It is okay for us to wonder what might be happening to the budget and how much in additional iron ore royalties this government has to play with this year. In February of the 2019–20 financial year, the iron ore mini boom started. It went through all 2019 just blipping briefly under \$US90 a tonne. Even through the current crisis, which

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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will be critical for the future fortunes for Western Australia, it has sat at \$US89, gone down to around \$US85 and back up to \$US90. It is holding very firm. We would be very interested to know what this \$2.5 billion windfall is doing for the budget of Western Australia, but it is okay, because we should be waiting for future budgets. The Treasurer is happy to make sure that we do not get the information that we require when we require it. We can wait, because he is getting it in his email every night and he cannot go to sleep until he receives it.

I have great respect for the Treasurer of this state. I consider him to be a friend. I congratulate the mover of the motion for wanting to pay his respects. But the government made the best out of a rewarding situation and made it look as though it was due to its own activities. The honourable member might have made a small error in the motion in the paragraph on limiting household expenditure. When the GST fix was put in place and iron ore royalties were starting to go up again, household expenditure increases under this government were not insignificant. The member will say that that happened on top of the increases under the previous government, and that is exactly right, but this government has increased household fees and charges significantly. For the member to suggest at the last minute that it might have frozen fees and charges for the next three months before the next budget was obviously a nonsense.

**HON LAURIE GRAHAM (Agricultural)** [12.03 pm]: It gives me pleasure to stand and support the motion of Hon Martin Pritchard, which acknowledges the very strong work that Hon Ben Wyatt has done to address the spiralling debt and forecast debt levels of the previous Liberal–National government. WA Labor has returned to sensible management of the WA economy. In trying times, when economies from around the world have struggled to pay down debt, and even the federal government continues to borrow money, WA is forging ahead. It could be said that that is happening thanks to the iron ore price, as pointed out today, but I am sure that it is not only the iron ore price that has led to the improved financial situation we enjoy today.

Never before has our state been so far in debt as we were in 2017–18. Never before have we needed the sensible, stable and cautious economic management that only WA Labor has provided. In the last months of the doomed Barnett government, state debt ballooned out of control. Grand promises were made in the run-up to the 2017 election. The Treasurer explained it best in the second reading speech for his first budget delivered on 7 September 2017. It states —

... the 2007–08 Annual Report on State Finances outlined a general government operating surplus of \$2.6 billion and total public sector net debt of just \$3.6 billion. The net debt to revenue ratio for the total non-financial public sector was 19 percent.

Fast forward nine years and the estimated financial results for 2016–17 show a general government operating deficit of \$3 billion and total public sector net debt standing at \$32.5 billion. The net debt to revenue ratio is now a staggering 83 percent.

They are extraordinary numbers, but we need to understand what they mean so we can all understand the necessity of addressing them. ... at the end of 2007–08, we would have had to pay 19 cents of every dollar the State received in taxes, royalties, GST, utility and other charges to repay all of our net debt that year. Fast forward to today and that figure is now a whopping 83 cents ... a 437 percent increase.

To put it another way, there was \$1,673 in total public sector net debt for every person in the State at 30 June 2008. At 30 June 2017, that had grown to \$12,592 per person.

That is a staggering increase. Even the Chamber of Commerce and Industry of Western Australia praised Treasurer Ben Wyatt and the work of our government. On 27 September 2019, it posted the following statement on its website —

Western Australia's footy teams may not have made it to the grand final this year, but it's safe to say that the release of today's updated State Finances clarify that WA is up near the top of the table for astute budget management.

The Chamber of Commerce and Industry WA (CCI) congratulates the State Government on today's 2018–19 Annual Report on State Finances, which confirms that the Government has achieved a \$1.3 billion operating surplus—\$851 million higher than expected at the 2019–20 Budget—and reduced total public sector net debt by \$819 million.

The Government's continued focus on reducing expenditure growth is good news for WA businesses and households alike, with general government expenditure \$316 million less than expected at the 2019–20 Budget.

External factors have contributed to general government revenue growing by 9.1 per cent, relative to 2017–18, namely higher than expected iron ore royalties —

Which was touched on earlier —

and additional GST flowing through to WA.

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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We have been very lucky that these higher royalties have continued. For the first time in its history, WA is not being punished for exporting more iron ore, and never again will this occur. This will continue to have enormous benefits to WA's finances and economic outlook for generations to come. When Moody's upgraded its outlook for WA earlier this year, it indicated an improvement in the trajectory of the state's financial position, which is extremely positive. Regaining the state's AAA credit rating is critical. The higher our credit rating, the lower the government interest payments on debt will be. That money could be used to build new roads, hospitals and schools. Western Australians knew they were getting a surplus by Christmas 2019, but the \$2.6 billion surplus was a welcome bonus. Confidence in the growing economy is a clear sign of the strong financial discipline the government has shown. Particularly welcome is the constraint of government expenditure growth of 1.6 per cent per annum on average over the next four years. Ensuring sustained operating surpluses mitigates Western Australia's exposure to global uncertainty. I am sure that COVID-19 is adding more to that uncertainty every day. Premier Mark McGowan and Treasurer Ben Wyatt deserve credit for their disciplined financial management. The 2018–19 financial year marked the first time Western Australia's finances had been back in the black since 2013–14. An improved position in 2019–20 locks in the second midyear review in which government expenditure is constrained, with net debt of \$3.2 billion since the May budget.

Time is running away, so I will move on to another section. It is fantastic to see that under the McGowan government, net debt will be \$7 billion less than what was expected in the previous government's forecasts. As I mentioned earlier, that is a saving of \$800 million in interest payments. Western Australia was the only state with debt expected to climb, but it is expected to fall to \$34.6 billion by 2022–23. Although higher iron ore prices will provide some benefit to the budget over the next 12 months, we are again seeing ongoing volatility in response to coronavirus. The government achieved a surplus of \$1.4 billion in 2018–19. There has been much discussion in Parliament about the government's economic stimulus. Although it could be argued that the one-off grant of \$17 500 gives taxpayers their own money back, there is no doubt that it is a great stimulus to the businesses I talk to and that it will be broadly welcomed by them. The upper payment applies for businesses with a \$4 million turnover and roughly 50 employees.

It has been great to see a combined total of \$281 million spent on the maintenance of schools and hospitals. Most of that expenditure has gone to local businesses. It is great to see those businesses benefit in these hard economic times. I am very pleased to support the motion moved by Hon Martin Pritchard that highlights the achievements of Hon Ben Wyatt.

**The DEPUTY PRESIDENT:** I will go now to the crossbenches, but I indicate that Hon Tjorn Sibma and Hon Pierre Yang, who is away on business, are still on my list. If there is time, the minister might wish to comment. I bring that to members' attention. Hon Diane Evers.

**HON DIANE EVERS (South West) [12.14 pm]:** Thank you, Deputy President. I will cut my time short so that other members can have a go. Usually, I do not contribute to these tit-for-tat motions, but economic matters are very important to me. As Hon Dr Steve Thomas said, some things have gone in the government's favour in this term, but things went in favour of the previous government in the eight years that it was in power. Government debt when the Liberal Party and Nationals WA formed government was \$3 billion and ended up at \$30 billion, and it was forecast to reach \$40 billion. I cannot understand how that could happen during the boom. I am very pleased that this government has stopped debt from climbing, because the interest payments were also spiralling out of control.

I will speak on limiting the increase in household expenditure. I recognise that household expenditure has gone up during this term of government. I am strongly concerned about that, particularly for those who are at the bottom end of the socioeconomic spectrum who are struggling to meet their payments. They are the ones we need to look after. Sometimes jobs are not the solutions for people. Sometimes other things are needed. We need to make sure that those people can live a fair life that is similar to ours in that they do not have to struggle to pay their household utilities and other expenditure that they cannot get away from. There is still work to be done there. Transport concessions must continue to be made available so that people continue to have access to transport. TAFE fees have been halved but I think they could go down further. The ranger program is excellent. Get programs out there so that people can work and earn an income.

The government has done well financially, but some other things need to be done. We are looking at ways to increase the movement of people from the city to the regional areas because the regional areas have so much potential. We need to fix the transport issues by getting more goods on rail and to look at a long-term solution to providing easy transport options in the regional areas where there is the possibility of cheaper power through the renewable technologies that are becoming more available. Because of mechanisation, we do not need so many people working. We can take the goods that are developed, processed or produced in the regions, add value to them and then transport them on a solid rail structure to our ports for export without having to go through urban centres. People in the regions could be employed to do those jobs.

Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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The government has done quite good economically by limiting the debt and it has had good things go its way, but it is about what the government does with the good economic situations that come its way. We did well to have a surplus last year. Whether it was because of the price of iron ore, good management or whatever, it is there. Although we have done very well financially, there is still work to be done socially and environmentally. I hope that is where our future lies. The government needs to take this good management and do the best that it can to make sure that people and the planet are looked after. In the end, that will benefit our economy and keep us strong and moving forward.

**HON TJORN SIBMA (North Metropolitan)** [12.18 pm]: Bearing in mind the nature of this business, I will abbreviate my remarks. I want to directly address the fatal flaw in the motion. There are a number of them, but the principal one is this: there is in this place, and in general commentary, a serious and avoidable conflation of the economy and the state's finances. These things are not interchangeable. They are distinct, although there is a connection. When we assess motions such as this, words are important. I will address the Western Australian economy. The ultimate assessment of the health of the Western Australian economy, dated 23 January this year, emanates from the Chamber of Commerce and Industry of Western Australia, an organisation quoted innumerable times in defence of this motion. The press release on 23 January this year was also, I believe, replicated in *The West Australian*.

The press release begins —

Western Australia's economy begins the decade with weak business and dwelling investment, a contracting domestic economy and subdued economic activity. By these measures the economy is treading water, reinforcing the view that WA is merely surviving, not thriving.

This is the assessment in the Chamber of Commerce and Industry WA's (CCIWA) biannual forecast for the WA economy, Outlook.

Weak business investment has reduced employment opportunities in WA, constraining growth in household income and consumption. Average household income is no higher than it was in 2012–13. Lower rates of property turnover and price growth have reduced consumption further. Completing the vicious cycle, weak consumer demand and growth prospects have weighed on business confidence. The upshot is the domestic economy is now 15 per cent smaller than it was seven years ago.

Do members know to whom those quotes are attributed? It is Mr Aaron Morey. Guess what his last job was? He was an economic adviser to the Treasurer of the state, Hon Ben Wyatt. If government members want to come into this chamber with motions like this, they should at least get their facts straight. If government members want to cherry-pick quotes and endorsements from organisations, give us the broad sweep. The fact is that the Western Australian economy is on life support and it is going into this COVID-19 crisis in an exceptionally weak position. We do not know what the future will hold, but there is an absolute lack of confidence. The government should do its best to address substantial issues facing businesses in the Western Australian economy. Government members should not come into this place at this particular time with silly blandishments of self-congratulation. Frankly, the Treasurer's job is just beginning. It is too early to give him these kinds of endorsements. I wish him well. I actually wish the Premier well and the government well in negotiating our way through this economic crisis, as much as it is a health crisis and a social crisis. These kinds of motions might assist at preselection time and with the member's relationships within caucus, but they do not advance the cause of Western Australian businesses. It is shameful and it is a joke that the member brings this kind of stuff in here!

**The PRESIDENT:** Hon Martin Pritchard, given that we are heading into the last few minutes, did you want to make a reply? My apologies; I forgot which motion we were dealing with at this time.

**HON PIERRE YANG (South Metropolitan)** [12.22 pm]: I could not disagree more with Hon Tjorn Sibma's remarks. I think this is a tremendous motion on the tremendous work of a brilliant Treasurer over the past three years. I am not going to talk about the finances per se. I have talked about the state's finances many times. I have put on the record many times my comments about the previous government's track record of wrecking the state's economy. I am going to talk about the sentiment of this motion and this great Treasurer.

I met Hon Ben Wyatt back in 2006, when he was preselected as the candidate for the seat of Victoria Park, which was vacated when Hon Geoff Gallop retired. We have heard about the Treasurer's academic record from his time in London and his primary and high school years, but I want to add that he is a graduate of the Royal Military College at Duntroon.

**Hon Tjorn Sibma** interjected.

**Hon PIERRE YANG:** The member made his contribution. I will not take his interjection anyway. I will continue with my remarks.



Hon Martin Pritchard; Hon Darren West; Hon Dr Steve Thomas; Hon Laurie Graham; Hon Diane Evers; Hon  
Tjorn Sibma; Hon Pierre Yang; Hon Colin Holt

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The Treasurer was a second lieutenant. He inspired me to apply to become an officer in the Australian Army Reserve. I wanted to put that on the record. I understand that the mover of this wonderful motion may want to give a speech in reply, so I will conclude my remarks.

**HON COLIN HOLT (South West)** [12.24 pm]: I want to make a very short contribution to the debate on this motion. I have to acknowledge and congratulate the Treasurer for his hard work. A major leadership role in government is hard work and it takes a great deal of commitment. I am sure that the Treasurer's workload in the last three and a half years in some way led to his decision to resign his post in Parliament in order to spend more time with his family. It is hard work. But I have to say that not all the Treasurer's hard work has been for the benefit of regional Western Australians.

One of the Treasurer's greatest challenges was to somehow find money in the budget for all those metro-based election commitments. Of course, I refer mostly to the unfunded and uncosted Metronet program. We still do not know how much it will cost. The Treasurer obviously had the major task of finding and freeing up money to deliver on that massive election promise. Last week, we debated the cost shift out of royalties for regions. I note that Hon Darren West was very forthright in his appraisal of, and praise for, Hon Ben Wyatt's leadership in fixing the budget, but he also did a lot of cost shifting—ably supported by the Minister for Regional Development. He has cost shifted over \$500 million out of royalties for regions back into consolidated revenue to deliver new infrastructure. We are still waiting for tracks to be laid on any Metronet project. We also heard last week that \$315 million of the royalties for regions fund was underspent—another good job by the Treasurer—so that it could flow back into consolidated revenue to build all the new infrastructure in metropolitan Perth. All the new country Labor members who stood up and congratulated Hon Ben Wyatt for the great job that he has done, are applauding him for doing that. There would be great disappointment in regional Western Australia, as Hon Darren West knows, that that cost shift occurred so quickly. All those regional opportunities and all those aspirations held by regional communities are now greatly reduced because of this Treasurer's great work.

The Treasurer has been hard at work. I think back to the sale of the TAB and his negotiations with the racing industry, which, given the current times, would love to receive greater proceeds from the sale of the TAB. But, of course, the process run by the Treasurer's office will deliver one-third of the proceeds back to the racing industry and keep two-thirds for the government's budget. The Treasurer has been working hard to ensure that he somehow found money for those major election promises, a high percentage of which are metro based. He has done a really good job. He has worked hard to ensure that that cost shift continued. Over \$500 million was shifted out of royalties for regions into consolidated revenue to enable that expenditure.

Motion lapsed, pursuant to standing orders.