

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti;
Mr Mark McGowan; Mr David Templeman

McGOWAN GOVERNMENT — PERFORMANCE

Matter of Public Interest

THE SPEAKER (Mr P.B. Watson) informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the Opposition seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

DR M.D. NAHAN (Riverton — Leader of the Opposition) [3.00 pm]: Thank you, Mr Speaker.

Several members interjected.

The SPEAKER: Members!

Dr M.D. NAHAN: That must have been a private joke about suicide, which is something you should not joke about.

The SPEAKER: Leader of the Opposition, read it out please.

Dr M.D. NAHAN: I move —

That this house condemns the McGowan government for its failures in its first year of government, including broken promises on taxation, jobs and financial management.

It has been just slightly over a year since the election that brought in the McGowan government. One thing is quite clear: it had a plan to win government but no plan to govern. Indeed, any objective assessment of the government's performance against its own criteria shows that it has been a very hollow and weak performance. It is true. It was a major political victory that probably warranted a big party, such as the one held at the weekend. However, the big side of town that funded the big party and the champagne —

Several members interjected.

The SPEAKER: Members, I want to hear this in silence.

Dr M.D. NAHAN: The big side of town that funded the champagne and sat swilling it with members opposite will think twice next year because of the government's lack of performance.

Several members interjected.

The SPEAKER: Members! Minister for Transport, I call you to order for the first time and Minister for Housing, I call you to order for the first time. This is a matter of public interest. I will not have any interjections from the government side of the house.

Dr M.D. NAHAN: Members opposite came to government at a very important time when the economy was fragile, particularly households and business investments. We knew that. There were some signs of recovery particularly in commodity prices and tourism numbers, and an increase in the number of foreign students from a low level. It had a whole range of supports from the previous government, which this party has willingly opened and for which it has claimed credit. I might add that the tactic has been to claim responsibility for the assets but not the liabilities that fund them. The 3 000 hotel rooms underwritten by the previous government are potentially the basis for an expansion of international tourism. Members opposite forget about that. Yagan Square, Optus Stadium and the City Link project have all underpinned the economy over the last 12 months and have led to increased vibrancy in the city. Members opposite take credit for the assets but regularly deride us for the funding of them. The question is: what did they do? They inherited a very large capital works program, improved commodity prices, and committed to job creation. What did they do? A couple of issues illustrate their lack of preparation to meet their primary goal of job creation. By the way, the latest data shows that there were 9 000 fewer full-time jobs in Western Australia over the past 12 months. The basic key performance indicator is down. One of the reasons that had a major impact is that our population growth is way below the budget forecast; indeed, from my estimate, it is the lowest in 35 years. People are leaving the state in increasing numbers. Interstate migration is negative—still—and international migration is low to negative, the lowest level in 35 years. Housing prices are still negative. I think there was a positive one month but it was negative across the year and negative most of the month. In other words, the housing sector, which is one of our biggest employers in the state, is down sharply from the previous year. One of the policies that members opposite inherited from the previous government was the first home owner grant. That was one of the first moves they made and pulled out. The Treasurer, on the basis of advice from Treasury—it was probably more like his chief of staff—decided that there would be no negative impact on removing the first home owner grant. I have with me the record on house financing, and it has actually collapsed under Labor. That is the contribution to the housing sector from the people on the other side—a full collapse of one of our major sectors. This underpins not only economic activity, economic development and job creation, but also house formation. The question is: why is population growth collapsing? One reason is that interstate migration

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti;
Mr Mark McGowan; Mr David Templeman

is still negative. But one of the first things the Premier did—he promised to do this—was change the regional migration arrangements. He reduced the number of categories from 178 to 18 and shifted Perth from a regional centre to a capital centre. Do members know what that did? It told people to stay away: “People from overseas—migrants—are not welcome.” It also said that international students should stay away: “You’re not welcome here.” The Minister for Tourism says that that is not the case, but he has not talked to any international students. Most international students who come to Australia want the option to stay on after graduating either on a temporary or permanent basis so they choose places that give them access to that. In order to do that, we have to have categories that are open to immigration and points for, in this case, a regional centre. We are losing international students to Tasmania, South Australia and the Northern Territory. That is the Labor Party’s contribution. The government can send 40 people to China on taxpayers’ money to tell the Chinese that we like international students, but when they look at the Labor Party’s record and policies they say, “No thanks, mate; we’re off to Hawaii.” That is what the government has done. It has spent money to send 40 people to China—the Premier and everybody else—where they had big dinners, with the big side of town paying for it, no doubt. But what counts are policies on the ground and Chinese students know it. It is a failure—a complete and utter failure.

As we on this side of the house know, the biggest driver of our economy is the mining sector. Commodity prices have gone up and helped the government significantly, but the government had nothing to do with that. Fair enough. It was clear before the election that one sector that was improving and getting some energy and investment was the gold sector. It is the archetypical Western Australian sector. It is owned by Western Australians in the main and there are a large number of small projects. It is very labour intensive for the mining sector, particularly in the exploration and development of gold. The government saw that development coming up. Before the election, they promised no new royalties, no increase in royalties: “We won’t touch you.” Immediately after the election, gold miners were a bit worried. The government said that it would not increase the royalties, but it increased them in the budget and then it tried to increase them again. In other words, members opposite saw a sector that was growing, creating jobs and was expanding investment. Do members know what the government tried to do? It tried to stop it. It tried to stop that growth and claimed that an increase in royalties would have no impact on jobs investment. That is the Labor Party. On top of that, the new Minister for Mines and Petroleum has banned hydraulic fracturing until June 2020. He curtailed the growth in uranium mining —

Mr W.J. Johnston: What growth?

Mr B.S. Wyatt: Zero to zero!

Dr M.D. NAHAN: Actually, he did okay—four mines were developing and had approval. Of course, the Aurora Range—the government received advice from the Environmental Protection Authority that it should not be developed. But a government committed to job creation would have done it. Not only that, the Yindjibarndi land claim is affecting all the native titles across mining in Western Australia. It particularly affects the Fortescue Metals Group project. If it goes through, it will change the understanding and put at great risk all the native title agreements to date. Previous governments, and a government committed to development of the mining sector, would have participated in that. They chose not to. As a result of that, the Fraser Institute’s ranking of the state government has plummeted from ninth in 2016 to seventeenth in 2017 under a McGowan government.

Mr B.S. Wyatt interjected.

Dr M.D. NAHAN: The Treasurer laughs at that as though the mining sector is not important.

I now refer to agriculture. I talked to the farmers at Wagin Woolorama. Wool prices are good, lamb prices are good and oat prices are good. There has been a \$25 million investment in oat processing; so it is pretty good. The problem in the Wagin area was the Minister for Agriculture and Food; Regional Development. The ageing hipster from inner-city Perth is trying to impact negatively on genetically modified foods, live exports, the production of eggs —

The SPEAKER: I am sure that you were referring to a member in the upper house and you will use the proper title.

Dr M.D. NAHAN: Okay; Hon Alannah MacTiernan is frightening the hell —

The SPEAKER: She does have a house in Albany too, so she is an Albany person.

Dr M.D. NAHAN: She is frightening the hell out of the agricultural sector; I guarantee that.

The Minister for Regional Development is pulling money out of education in rural areas, including pulling back royalties for regions investment in water for the future. She is basically pulling money out of rural Western Australia and putting it into Albany, where her new home is, and other areas.

Mr D.J. Kelly interjected.

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti;
Mr Mark McGowan; Mr David Templeman

Dr M.D. NAHAN: It is a city, mate.

Our major areas of growth—international tourism, international education, mining, and agriculture—are down. There has been a lack of investment. One thing this government inherited is a significant capital works program. It likes to take credit for the assets but it blames us for the investment. The reality is if the government claims the new Perth Stadium as its own, it has to claim the funding with it too. If it loves Yagan Square, it has to claim the money with it.

Mr D.J. Kelly: If you don't want the stadium funding, you'd have to actually pull it down.

Dr M.D. NAHAN: No. If the government goes out and says, "That is the best thing for tourism in this state", it cannot decry the funding of it.

Mr D.J. Kelly: That is ridiculous.

Dr M.D. NAHAN: No, it is not. It might be ridiculous to the member, but nonetheless.

The SPEAKER: Minister for Water!

Dr M.D. NAHAN: One of the major issues this government inherited was a very large capital works program. The second largest one, after decrying all of those in opposition, was Perth Freight Link. The Labor Party went to the commonwealth and threatened to kill all the jobs associated with it. Like spoilt kids, it said, "If you don't give us all the money to redirect it, we're going to destroy all these jobs." The commonwealth government, being a mature government, agreed to it. It is a government committed to growth and to actual job creation. The commonwealth government allowed this government to do it. It took its \$1.2 billion in state money and allowed it to be moved to other projects. Of course, this government claims that is all job creation. It does not create a single new job. Taking one dollar from one construction project and putting it into another does not create any new jobs—they are the same jobs. In most cases, the government went out there without tenders and moved the same people who were actually working on the Perth Freight Link project to other projects. It can go out there with its spin merchants and say, "We're creating all these news jobs" but it is fake—fraud. In the end, the data will show it. The data will show that there is still a lack of job creation in the infrastructure area because this government, instead of adding to it, moved it somewhere else. I might add, when the commonwealth doubled down on the state government and said, "On top of that, here's an extra \$1.2 billion", it was refused. The Minister for Transport says that there is essentially no congestion problem on Leach Highway after High Street—it does not exist. Let us watch over the next three years. Yesterday, two serious accidents took place on Leach Highway. We will remind the government every time there is an accident on those roads. The Minister for Transport, whose brilliant idea it was, will be held to account.

Mr D.J. Kelly interjected.

The SPEAKER: Minister for Water, I call you to order for the first time.

Dr M.D. NAHAN: The government's commitment to job creation has just been words. Its job creation bill for WA is a fraud. Actually, it equates to job creation in New Zealand on the same grounds and parity as job creation in WA. It has said a lot of words, it has taken a lot of action, but it has done virtually nothing. One bad year; three more to go, I suspect.

MR D.C. NALDER (Bateman) [3.16 pm]: I stand in support of this motion and condemn the McGowan government for its failures. I will talk about a few specific things. The first point is that this government is spin over substance. I will directly relate this to the comments that the Premier made and show up that he does not understand the basic impact or consequences of pretty basic economic policy. I want to talk first about jobs. Coming into government, jobs was the mantra of the Premier. During question time, he started to spruik jobs for Western Australia. I am going to walk through some of the economic policies and the consequences that have actually negatively impacted on jobs in Western Australia. To frame it, let us look at what has happened with jobs. This government will say that jobs are increasing but it fails to tell us that it is in casual employment; it is not full-time employment. In fact, full-time employment has decreased by 9 000 positions from March last year to January. Unemployment has risen from 84 700 people to 85 500. We are seeing a reduction in full-time employment and an increase in unemployment. We can say that the total number of jobs is up, but as I said it is casual employment. If we are going to underpin an economy for it to grow into the future, full-time jobs need to be created in this state. Losing full-time jobs has a negative impact on the people of Western Australia. The Premier and the Minister for Transport talked about the job creation of the High Street upgrade. They have been spruiking that it will create 700 jobs. What they failed to tell the people of Western Australia is that by cancelling Roe 8 and Roe 9 in the first place, they removed 2 400 full-time jobs and up to 10 000 indirect jobs. That is what was taken out of the economy, yet they do not tell the people of Western Australia that. Here they are claiming 700 jobs, but they have not shared what they have taken out of the economy.

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti; Mr Mark McGowan; Mr David Templeman

As the Leader of the Opposition talked about, the flowthrough effect in industry by shutting down the first home buyers grant has been a dramatic drop in the number of new finance applications. We have seen the impact since the first home owners grant boost was removed. I am holding up for members in the chamber a graph that shows the net impact. The housing industry employs a lot of people in Western Australia. If the government makes an economic decision to take away the first home owner grant boost, it needs to understand what the flowthrough effect is. This is showing the impact since that economic policy was implemented by the current government. It is having a negative consequence. Yesterday, I raised an economic report looking at the impact of closing something simple like Moora Residential College that stated it would have an impact on 19 jobs, with a \$2 million impact on the economy. That is 19 jobs. What was the Premier's comment? He said it was not a real report and that it was false; it was wrong. The Premier said that it was wrong. The group that undertook that report is a government-supported institution for writing economic reports. To understand the basic consequences of economic policy, we have to look beyond one dimension, and unfortunately this Premier is one-dimensional in his thoughts on economic policy. He said there were not 19 jobs there to lose. We have to understand the flowthrough effect on the economy. If the government is going to close down Moora Residential College, there is a broader impact on the whole town of Moora—not just the jobs associated with teaching at the residential college, but its broader impact on the whole community of Moora. That is what that economic report was highlighting, yet this Premier fails to understand that. He only can see the number of teachers and a number of people supporting the hostel—the boarding masters and mistresses. He does not understand the broader impact on the economy of Moora as a whole. That is what we are seeing over and over again.

We have talked about the regional migration scheme. The regional migration scheme was all about giving local jobs. The government again did not understand the economic consequences of what fee-paying foreign students bring to this economy, as well as the people who come to visit those students who pay full fees at our universities. The impact on the regional migration scheme is that there has been a dramatic drop in the number of students studying in Western Australia, particularly relative to the rest of Australia. That is the disgraceful act that has been undertaken without an understanding of the full consequences of that policy. Just maybe there is a flowthrough to why we saw such a dramatic drop in the number of tourists in the last three months of 2017. That is maybe just an inkling of what happens when a government does not understand the consequences of its economic policies.

Let us look at a couple of other things this government has implemented in the last 12 months. When in opposition, the current government called the former government mean spirited when it lifted energy prices by three per cent, because it was tough economic times. We are still going through tough economic times and what do we see this government do? It lifts energy prices by 10.9 per cent. Even worse, we found out that the Treasurer had been informed that this was going to adversely impact other parts of the economy, particularly single household pensioners, with an increase equivalent to over 30 per cent. We wonder why parts of our economy are hurting. We wonder why the retail sector is hurting. We have demonstrated why the household sector is hurting. Yes, mining exploration is up and that is fantastic, and we are really happy about that, but there are consequences of negative impacts of basic economic political policy decisions made by this government.

I also want to mention the fact that this government continues to talk about the debt it inherited. The Premier needs to be corrected, because he talks about the debt he inherited being \$40 billion, when we know the audited accounts as at 30 June last year were \$31.96 billion. The Premier said, "Oh, it is \$32 billion. That is still a lot."

Mr D.J. Kelly interjected.

The SPEAKER: Minister for Water!

Mr D.C. NALDER: Yes, it is a lot, but the government wants to play funny numbers between \$32 billion and \$40 billion and say it is pretty much the same number when it is a further 25 per cent increase in debt. What is actually happening, members of this house? This government knows it is spending, it knows it is going to increase debt, but it is trying to get a free \$8 billion. It keeps leaning on the *Pre-election Financial Projections Statement* that stated that if debt were left unchecked, the forward estimates show it would grow to \$41.1 billion. What did the former government do? We went to the election saying we could not let that happen and that we would deal with it. We took policies to the election and had them costed by Treasury, and Treasury said that debt at the end of the term would be \$28.8 billion—\$29 billion. That is a big difference from the \$42.8 billion that this current government is now forecasting. Let us have a look at the impact on the interest expense that this state will be paying. Volume 3 of the current *Budget Statements* shows that we are paying around three per cent on borrowings, but that figure is forecast to grow to 3.4 per cent by the end of the forward estimates. With debt growing from \$32 billion to \$42.8 billion, we are talking about a 50 per cent increase in the interest expense over these four years. That is what is occurring under this government. It promised to pay down debt like a mortgage, it promised that it was going to deal with it, but we are seeing that the interest expense for this state will be climbing by over 50 per cent and debt will be growing by over 33 per cent. The government is not living up to the rhetoric it espoused

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti; Mr Mark McGowan; Mr David Templeman

during the election campaign. There are a number of other things I would like to talk about, but I am going to pass over to the Deputy Leader of the Opposition.

The other thing I will mention is the number of taxes that the government has been talking about introducing, after the Premier said, “There will be no new taxes, no tax increases under a government I lead, full stop.” That is what the Premier said. We have seen the current government announce a 10 per cent Uber tax, it sought to increase the gold royalty and threaten thousands of jobs, it has announced a betting tax, it has threatened a bank tax, and it has increased payroll tax and removed payroll exemptions for training. This is what we are seeing from this government. I think this has been a shabby performance over its first 12 months. People in the community will start waking up to the spin that this government has been putting forward, the rhetoric it has been putting forward. All we have to do is start lifting the lid on this current government and we start to see the real facts about what is happening.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [3.26 pm]: I thought someone from the government might get up at this point, as is usually a case in matters of public interest, but I shall continue on. In closing the argument of this MPI, I draw members’ attention to an article in *The Weekend West* of 10 and 11 March, in which the Premier, in summing up his first year in office, said that having to say sorry twice was not something he would easily forget. He said he thought that most people would think that it was not a bad broken commitment to tax large corporations with more payroll tax. Misreading how his government’s education cuts would be viewed in the community, which forced his second apology after returning from Christmas, was another memory of his first year. This article is so feeble. If we look at this government’s performance over the last year, all we see are broken promises, failures and backflips. To summarise what has been said, this government is now feeling the pressure of being in government knowing that it went to an election and said anything to win. It promised \$5 billion worth of commitments, it had no plan to govern, it had no plan to pay for those commitments and it excluded every option it could possibly have to fund those \$5 billion worth of commitments. The government said it would not privatise assets, except apparently wind farm assets, because they are not public assets that can be privatised—broken promise. The government said it would not increase fees and charges, but we saw an increase in the supply charge for electricity—another broken promise. There has been an increase in water charges—another broken promise. There has been an increase in public transport charges despite patronage dropping—another broken promise. There has been an increase in swimming fees for vacation swimming classes as part of the education cuts—another broken promise. The government promised it would not make any cuts to education. The government was going to cut Schools of the Air, but it backflipped on that—thank goodness. The government was going to cut the gifted and talented education program, but it backflipped on that—thank goodness for that.

I turn to Moora Residential College—what a disgraceful government position with respect to those students in Moora. What did one Labor member of Parliament have to say today, according to Paul Murray? The MP said it would not be a problem if rich farmers did not send their children to private education in the city. That is class war; war of envy. It is an absolute disgrace. The Premier comes into this place repeatedly and misleads the house, saying that it needs \$7 million to fix it, when we and the community of Moora know that only \$580 000 is needed to fix the school-year home of those children to make it fire safe for them to stay there. We know that. The Premier comes in here and says, “Stop talking down Moora.” We are not talking down Moora; we know that there is investment coming to Moora and that investment will mean more families and kids living around there, and they need that school and the boarding facility to stay in. That is the whole point—for \$580 000. That is all they need.

I go back to the cuts to education. The government thinks it has got away with those cuts. There are 170 positions to be axed, and they are still to come. Landsdale Farm School is closing. Other mistruths have been put out by the government with regard to the camp schools. It says that it is going to save millions of dollars by closing the camp schools. How can the government do that when the camp school at Point Peron costs only around \$300 000 a year, according to a former manager out there? There are 6 000 students going through Point Peron. My kids, who went to Newborough Primary School, went through there and they said that it was the best experience of their lives. Closing the camp schools is something that is going to come home to roost.

MR W.J. JOHNSTON (Cannington — Minister for Mines and Petroleum) [3.30 pm]: I am really pleased that we sat here in silence and did not interject on the opposition, so that we could have the same respect when we are on our feet.

Several members interjected.

The SPEAKER: The minister says that he wants to be protected, and I will protect him.

Mr W.J. JOHNSTON: Thank you very much.

Talk about leading with your chin! The opposition has come in here, talking about financial management, when its former ministers and cabinet were part of the worst performing managers in the history of the state. They come in here, trying to lecture us. Who is the Leader of the Opposition, I ask rhetorically? The former Minister for Energy. Who would ever have heard—perhaps a media person—of something called the Muja AB project?

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti;
Mr Mark McGowan; Mr David Templeman

Dr M.D. Nahan: It started under you! Read the report! Read the report!

The SPEAKER: Leader of the Opposition, I call you to order for the third time. There will be no interjections. He said that he does not want any interjections, so no interjections, please.

Mr W.J. JOHNSTON: Is this not great—I did read the report. In fact, I have it here in my hand! It states that in 2007 the Verve board approved the retirement of Muja A and B. It also states that in 2010, Inalco was selected to refurbish it in a joint venture. Who was in government in 2010? In September 2009 —

Dr M.D. Nahan interjected.

The SPEAKER: It is your last warning. That is three and a half, and the other half is very close, so no interjections, please.

Mr W.J. JOHNSTON: I refer to a media release dated Monday, 11 May 2009, by former Premier Colin Barnett and Hon Peter Collier in his capacity as Minister for Energy, announcing that they had just that day decided to refurbish Muja AB. Let us get rid of this lie that somehow the Labor Party decided on Kempe as the partner. That is not true. Anybody who says that either does not know what they are talking about is deliberately telling a lie. As is explained in detail in the report by the eminent Western Australian John Langoulant, the decision to grant the contract to Kempe was made in 2010, when the Labor Party was in opposition. Anybody who says that Kempe was chosen by the former Labor government is either lying or does not know what they are talking about, because that is simply not true. The decision to award the contract to Kempe was made after the Liberal government made the decision to refurbish the power station.

There were dozens of occasions on which the Leader of the Opposition came into this place and said that there was an extensive business case to back that decision. Just as an example, on 19 June 2013 the now Leader of the Opposition said in this place —

... the government of the day signed off on a report put together over the previous year or so by Verve and its joint venture partner. The business case was comprehensive; it assessed everything.

Yet when we read the Langoulant report, we find that that was simply untrue. Either the then Minister for Energy knew it was untrue—if so, there are consequences for his actions in the chamber—or he was incompetent and had no idea of the truth of the matter, and was simply incapable of doing his job. Either way, it is unacceptable, and that is why the Liberal Party has no capacity to talk about financial management. It is a disgrace. It ruined this state's public finances and it is not like we did not suggest to it that there were alternatives. Every day we sat over there, pointing out that it could not do it the way it was doing it and that there are consequences for bad decisions, and now the people of this state are bearing the costs of those bad decisions.

My mind explodes every time the member for Bateman says that the \$11 billion of debt held by Western Power is paid for in the budget. My mind explodes!

Point of Order

Mr D.C. NALDER: I made no reference to \$11 billion —

The SPEAKER: No, that is not a point of order.

Mr D.C. NALDER: He is making claims about what I have said.

The SPEAKER: It is not a point of order.

Mr D.C. NALDER: I would like some evidence of where I have said that.

The SPEAKER: Member, that is not a point of order.

Debate Resumed

Mr W.J. JOHNSTON: As I say, I know that there is \$11 billion of debt held by Western Power because I have read its annual report. For crying out loud! If the member is going to come in here and say that the debt of Western Power is paid for by the taxpayers of the state through the budget, all I have to do to know whether that is true is to read the Western Power annual report. Perhaps, given that he is the energy spokesperson, he might think to read its annual report. I would be surprised if a shadow Minister for Energy were to come in here and say that he has never read an annual report of Western Power; but, if he had, he would know how much debt was held by the company. Let me make it clear, for the 157th time, just for the benefit of the member for Bateman: Western Power's debt does not add to the budget deficit. It does not add one cent to the debt services cost of the Western Australian budget—not one cent. In fact, it has a positive influence on our budget position because Western Power has to pay a debt service fee to the Treasury Corporation, which goes into the budget to pay for the services in this state. If it borrowed more money, our debt services cost would go down, not up. I have absolutely no idea why the member for Bateman does not understand mathematics. He is a former senior banking

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti; Mr Mark McGowan; Mr David Templeman

official, yet he does not understand finances or mathematics. My head literally explodes every time he comes in here and talks about these things when he does not understand the basics of the state's finances.

I really think it is time for the Liberal Party to do the one thing it has not done yet, which is to apologise for the shambles it left to the Labor government—the shambles that we are trying to fix.

Mr B.S. Wyatt: Sorry is the hardest word to say!

Mr W.J. JOHNSTON: Sorry is the hardest word to say! I am amused that the member for Bateman, by interjection during question time today, and then during his comments in this debate, went on about the flow-on jobs that would have come from the building of Roe 8, and the second, third and fourth-order economic effects of that project. Guess what? There are second, third and fourth-order effects of the projects that we are doing. What is more, our projects are more labour intensive than the projects the Liberal Party designed, which means that, per expenditure of dollar, our projects are creating more jobs because they are more labour intensive and have less of a capital component. That means we are creating more jobs for the same amount of money. I have no university degree; I am just a year 12 kid, yet I understand mathematics better than the member for Bateman. I have read the Western Power annual report, and I have read the budget papers. I have even read the budget papers from when he was a minister, and apparently these are things that he has never done. I am very pleased that the National Party did not participate in this debate, because the fiscal vandals are trying to turn the country and the city against each other. National Party members are apparently supporting the Liberal Party, which says that regional cities are not part of the country.

MR B.S. WYATT (Victoria Park — Treasurer) [3.40 pm]: When I saw this matter of public interest, I was surprised to say the least. It is week 3 of year 2, and it is a generic spray at the government. I will give the Leader of the Opposition some advice. He actually sailed past a couple of specific issues that would not have made bad MPIs. I will draft them up and send them to him, just to give him a bit more focus. This is the sort of MPI that is bowled up in the last week of the year. I have a few that I have prepared. This is the sort of MPI we bowl up in the last week of the year. No wonder the opposition got itself confused yesterday and had to suspend standing orders to deal with what was clearly the key political issue of the day, then it comes in here with this general spray at government. Heavens above—focus, people!

Let me come back to an outstanding statement, “including broken promises on taxation” —

Mr D.C. Nalder interjected.

Mr B.S. WYATT: Just sit still, Dean, and I will get to you.

The MPI includes the words, “including broken promises on taxation, jobs and financial management”. That to me reminds the house that this is the party, now in opposition, that gave us the “fully funded, fully costed” election campaign of 2013, and was then turfed out of office on the back of debt heading towards \$41 billion. I know that frustrates the member for Bateman, and I know it frustrates some of his colleagues that they have left the state with \$41 billion worth of debt, but that was their record. I understand it frustrates the member, but I will give the opposition a tiny bit of its argument, on the basis of one thing—if the previous government had left the state in a surplus position. But it did not, did it, member for Bateman? It did not leave the state in a surplus position. I want to remind the member, because I have read the *Pre-election Financial Projections Statement*. I know this stings, member for Bateman. In the *Pre-election Financial Projections Statement*, not one surplus is forecast, which is why the opposition owns the net debt, all the way through. When we lost in 2008, we left the new government record surpluses.

Mr D.C. Nalder interjected.

Mr B.S. WYATT: Member for Bateman, I know it stings, and I am starting to understand why you might have left Australia Post. This confusion with the finances that the member for Cannington has just outlined is highlighted. I know the opposition says that it had a plan, but it did not. The *Pre-election Financial Projections Statement* left us on this side of the house with deficit after deficit after deficit after deficit. That is how the Liberal Party left the finances of this state. I know it stings; I get that it stings. The report from Mr Langoulant highlights the complete dysfunctional breakdown of governance, in which a budget was not a budget of rounds; it was a year-long feeding frenzy. That is how Mr Langoulant described it—a year-round feeding frenzy. That was the previous government's budget process. Mr Barnes, the Under Treasurer, is quoted as saying that he told them, but they just assumed that the GST was going to get better. That is the previous government's record.

I do not know what economy the member for Bateman was talking about, but it was not Western Australia's, because wherever I turn, whether it be the National Australia Bank, the Chamber of Commerce and Industry of Western Australia, or the Australian Bureau of Statistics, the data is all trending in a positive way. Even CommSec made the point in January that employment growth in Western Australia is as strong as it has been in five years. This is now a common theme of Western Australia over the last period of time. When Geoff Gallop became Premier in 2001, seasonally adjusted unemployment was 6.5 per cent. When the Labor Party lost office in 2008, seasonally adjusted unemployment was 2.9 per cent. When Mr Barnett lost office, seasonally adjusted

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti; Mr Mark McGowan; Mr David Templeman

unemployment was back up to 6.4 per cent. We now have it down to 5.7 per cent and trending in the right direction. There is a common theme to Labor and Liberal governments over nearly 20 years; that is, Labor works to reduce unemployment, and the Liberal party relies on the trickle-down theory. That is what the member for Bateman just talked about: relying on this whole idea that if we pump-prime in the right place, it will trickle down. On this side of politics, we actually go to the effort to ensure that jobs are created.

I find it interesting that we now hear the Leader of the Opposition, the former Treasurer, talking about tax increases. One thing I have not forgotten, and I am sure many Western Australians have also not forgotten, is that in a debate I had with Troy Buswell at the Hyatt Hotel in 2013, he told an audience of about a thousand people that the Barnett Liberal government would not be increasing taxes. Mike Nahan, as Treasurer, increased land tax three times in a row. That is land tax, member for Dawesville; I know that the member knows how it works. That is what the Liberal Party did three times in a row. If we look at the total dwelling investments that the member for Bateman was talking about, we can see the impact of that, as investors did not bother anymore because they were getting smacked time and again in an environment of increasing vacancies, declining property prices and declining returns on investment properties. That is what the Liberal Party did. Members opposite should not come in here and pontificate about taxes when, as the previous government, they had the greatest impact on the construction market that we have seen in the last 20 years beyond the normal economic cycle.

That is why Hon Dr Steve Thomas had the good grace to apologise for what the previous government did. The Premier has quoted him, and I will quote him again; he is a man I like. He said —

I apologise to the people of the South West, for the financial outcomes that they've been left with. It's probably multi-generational debt that'll have to be paid back by our children and grandchildren.

Hon Dr Steve Thomas summarised the legacy of the former Liberal government in two sentences, when he apologised and made the point that we tried to make for years in opposition—the \$41 billion debt the previous government has left is going to be there for generations.

There is one final point I would like to make, because the Leader of the Opposition always has a curious way of articulating his case. The point he was making was that now that we are opening infrastructure that was started by the former government, we now own the debt. I think that was the argument he was trying to make. Curiously, the Leader of the Opposition opposed the construction of the stadium. I know that he now says that it is one of the greatest things since sliced bread, but he opposed the construction of the stadium. We remember that. I am not sure whether it is a good thing or a bad thing that we own it and we have opened it. Either way, I will leave the Leader of the Opposition to try to explain himself.

I will conclude with this point. A general spray in week 3 of year 2—well said. I am going to sit down over the weekend and draft up some suggested MPIs, because I think I can nail a couple for the opposition. I will put some bullet points together, and the opposition might then come up with a constructive way to critique the government in specific areas that actually mean that we might get a decent policy debate. For the opposition to come in here with the record that it left to the people of Western Australia, and start critiquing the government around broken promises on tax, jobs and financial management, where everything improved the moment the previous government lost office, is not something I will cop.

MS R. SAFFIOTI (West Swan — Minister for Transport) [3.49 pm]: I find it quite bizarre that the opposition raised a gala dinner held a year after an election victory. At least we waited until we won before we had the celebration. Do members remember the opposition, the Liberal Party with the Daft Punk song *One More Time*? Do members remember it? To quote the words —

One more time
We're gonna celebrate
Oh yeah, all right
Don't stop the dancing
One more time
We're gonna celebrate
Oh yeah, all right
Don't stop the dancing

Do we all remember that? The Liberal Party was celebrating an election victory before it even got there.

Mr B.S. Wyatt: The job was done.

Ms R. SAFFIOTI: The job was done; the dancing was there.

Mr J.N. Carey interjected.

The SPEAKER: Member for Perth, I got the message.

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti; Mr Mark McGowan; Mr David Templeman

Ms R. SAFFIOTI: The job was done and they were dancing to *One More Time*. We saw the awkward high-five, member for Nedlands. That is in my memory as much as the dancing of the member for Scarborough. I cannot remember who the member for Nedlands was trying to do a high-five with, but it did not quite work, I remember that.

The opposition came in here talking about a dinner that we did not even hold just after we won; we wanted to wait a year and then we then had a gala dinner. The opposition had celebrated before the election was over. Let us figure out the backdrop of this. While opposition members were dancing to *One More Time*, the economy was in recession and the finances were out of control. The place was basically falling apart. Business confidence had record lows, unemployment record highs —

Mr D.J. Kelly: The Moora hostel was falling apart.

Ms R. SAFFIOTI: —and Moora hostel was being ignored. Projects were all over the place in disrepair, there was no confidence and the Liberal Party was dancing and celebrating. I wonder why it lost. Opposition members still do not realise that. Like I said, the deposed monarchy is walking and floating around, saying, “Look at how good we were.” After a year, as the member for Victoria Park said, the opposition moves a matter of public interest that we used to have on the top shelf collecting dust. When we were really desperate we would blow the dust off and use it. I do not remember us using it in the first years of opposition. This is when we were at the end of the year when everyone was thinking about Christmas holidays and we were all tired, not in the second year when the opposition should be coming at us with key issues. It brought it in and I think there are dust marks.

Mr B.S. Wyatt: Must have left it in the loophole!

Ms R. SAFFIOTI: Yes: “I think we prepared this for you earlier.” I can see the dust marks. The opposition blew the dust off and came in and that was the performance. Half of the Liberal Party were not even here for most of it. I calculated that it went down to four Liberal Party members. I know that it is not very hard to get to four from where the opposition is, but at least we used to sit and listen to our own MPIs. That is one thing; we had discipline in opposition. We had to sit there and listen to our MPIs. While the opposition is focused on a dinner we had a year after being elected, it was dancing to *One More Time*. It wrecked Daft Punk for all of us for the rest of our lives. I suspect Daft Punk is probably suing the Liberal Party.

Let us look at the key facts. The Chamber of Commerce and Industry of Western Australia’s “Survey of Business Confidence” states —

West Australian business confidence is stronger than it has been in four years, continuing the upward trajectory witnessed throughout 2017 ...

Business confidence is back. Do members know why it is back? It is because WA jobs are our number one priority, and everyone knows that. I do not know who the opposition is talking to out there. I get feedback that business loves infrastructure certainty. It loves that we have a plan for roads and rail in this state. It loves that there is a pipeline of work and it can see where those projects are coming and can work with the government to build those projects. Business loves infrastructure certainty. It does not like projects that are committed to and then cancelled. It does not like the fact that investors went out and bought land for the Metro Area Express light rail on the basis of a light rail project that was never delivered. It did not like that. We have a government prepared to invest in WA and in the right projects in WA. As the member for Cannington, the Minister for Mines and Petroleum, said, our projects are delivering more jobs. It is true: the smaller the project, the greater the labour intensiveness and we are seeing that all through the state. The projects are across the metropolitan area and regional WA.

We believe in investing in regional roads. The previous government, under the leadership of the former member for Pilbara said that he did not believe in investing in roads from royalties for regions. Not at all. As a result when I go out to regional communities —

Mr D.T. Redman: But we did invest in roads in RforR.

Ms R. SAFFIOTI: No, you did not. I have been in the great southern quite a bit, and honestly, the reception I am getting from shires and councils across the state is very positive. They cannot believe the level of investment. We visited Albany recently —

Mr R.S. Love: They don’t say nice things about you behind you.

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: I am getting very positive feedback from the fact we are investing in Indian Ocean Drive, member for Moore. They were projects that he did not fund.

Mr I.C. Blayney interjected.

The SPEAKER: Member for Geraldton!

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti;
Mr Mark McGowan; Mr David Templeman

Ms R. SAFFIOTI: We would think he would be appreciating that. In infrastructure there is an investment pipeline. I want to touch upon the bridge for a second because the opposition has no embarrassment that it waited for 16 months and not one bit of the bridge appeared. Remember that the bridge was supposed to be finished in December 2016. The previous government committed to the project in 2015. It waited and waited and not one bit of that bridge, arches or deck, ever appeared. The Leader of the Opposition is sitting here now asking, “Where is it?” Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: I do not know whether he has visited that precinct recently, but it is pretty much getting put together on the banks there. Then the member for Scarborough said, “They are not putting it together.” Go and look. Maybe I need to take everyone on a study tour of the bridge at Burswood. Maybe we can do that one day. The opposition is reluctant to support the WA workforce and manage its portfolios. This government has a massive agenda of reform. We have seen it today with liquor licensing, which is all about cutting real red tape, not some weird red tape reform project whereby the previous government came in and basically deleted obsolete parts of legislation that were not impacting any processes. We have real reform, tackling real issues across the state. We are very proud of our agenda. I notice too that the opposition is talking about broken election promises. Every day this opposition wants us to break election promises, in its stance on the Perth Freight Link it wants us to build Roe 8 even when we committed not to. The opposition discussed accidents. I will go through every accident over the past number of weeks. They were all over the state and all over the metropolitan area. Again, it aims to blame some person for an accident when the previous government had eight and a half years. If the opposition wants to play that game, every accident in WA is its fault because it had eight and a half years and it did not fix those roads. That is the type of approach we will have if the opposition wants to do that.

Mr D.J. Kelly: What about the wheatbelt towns?

Ms R. SAFFIOTI: Exactly; the previous government did not commit to fixing roads in regional WA. We have a strong program: business confidence is up and infrastructure certainty is back. We have a competent government that goes through processes to make sure that we analyse the commitments that we deliver, unlike the previous government as was borne out in the Langoulant review. It cannot handle it. It acts like a deposed monarchy. It does not realise that we have the authority to govern and we are delivering the projects we committed to.

MR M. MCGOWAN (Rockingham — Premier) [3.58 pm]: I heard the Treasurer indicate that he might go home and come up with a few matter of public interest ideas for the opposition, which is very kind of him, but I have a feeling by reading this one that he already has. He has given them this idea for this MPI in which he or perhaps the minister expressed that a couple of weeks into the parliamentary year they are already doing these broad sprays. I note that the opposition leader’s performance was so inspiring, the passion with which he expressed himself, it put me to sleep. I had to go into my office and have a cup of coffee to try to get myself back up again after watching that quite passionless performance.

This motion allows us to talk about some of the things that are going on. Finally, confidence is back in the Western Australian economy. It was not there before. We all know that during the dysfunctional reign of the Liberals and Nationals in office that confidence ebbed out of the Western Australian economy and the domestic economy was in recession for four whole years.

Now the domestic economy is back in growth and the export economy is powering ahead. The financial management of the Liberals and Nationals in office was the worst in the history of Australia, and members know it. John Langoulant, former Under Treasurer, and former CEO of the Chamber of Commerce and Industry of Western Australia —

Mrs L.M. Harvey: That’s a disgrace.

Mr M. MCGOWAN: Did you say that he is a disgrace? There we go! John Langoulant is a disgrace, according to the Deputy Leader of the Opposition. John Langoulant, a highly respected Western Australian, pointed out the deficiencies of those eight and a half years.

The SPEAKER: Premier, debate will be adjourned now under standing orders for private members’ business.

Business of the House — Standing Orders Suspension — Motion

On motion without notice by **Mr D.A. Templeman (Leader of the House)**, resolved with an absolute majority —

That so much of standing orders be suspended as is necessary to enable any time remaining and the vote on the matter of public interest to be taken forthwith.

Matter of Public Interest Resumed

Mr M. MCGOWAN: To finish what I was saying, John Langoulant in his comprehensive report pointed out the shocking financial management of the state. The other point I wanted to —

Mr Z.R.F. Kirkup interjected.

Extract from Hansard

[ASSEMBLY — Wednesday, 14 March 2018]

p733c-743a

Speaker; Dr Mike Nahan; Mr Dean Nalder; Mrs Liza Harvey; Mr Bill Johnston; Mr Ben Wyatt; Ms Rita Saffioti; Mr Mark McGowan; Mr David Templeman

Mr M. McGOWAN: The member for Dawesville is attacking John Langoulant as well.

Mr Z.R.F. Kirkup interjected.

The SPEAKER: Member for Dawesville—you are very frisky today! It must have been that football game at the weekend. I call you to order for the second time.

Mr M. McGOWAN: I will make a passing comment: one thing that I have noticed about the Liberal Party is that it has no understanding of Parliament and it has no respect for the institution and its practices.

Several members interjected.

Mr M. McGOWAN: Exhibit A. The Liberal Party has no respect for Parliament's practices.

The last thing I will say is that this government is working hard to rebuild those relationships with our traditional trading partners of China, Japan and Korea. We are working hard to secure more support from the commonwealth government. We have had more success than the Liberals and Nationals ever had because we are taking those relationships seriously. We heard from the Minister for Tourism that the former government did not even go to China or Japan. It had no interest in getting support from the commonwealth. This government is having more success in achieving those outcomes than members opposite ever could have dreamt of.

Division

Question put and a division taken with the following result —

Ayes (15)

Mr I.C. Blayney
Mr V.A. Catania
Mrs L.M. Harvey
Mr P. Katsambanis

Mr Z.R.F. Kirkup
Mr A. Krsticevic
Mr S.K. L'Estrange
Mr R.S. Love

Mr W.R. Marmion
Dr M.D. Nahan
Mr D.C. Nalder
Mr K. O'Donnell

Mr D.T. Redman
Mr P.J. Rundle
Ms L. Mettam (*Teller*)

Noes (37)

Ms L.L. Baker
Dr A.D. Buti
Mr J.N. Carey
Mrs R.M.J. Clarke
Mr R.H. Cook
Mr M.J. Folkard
Ms J.M. Freeman
Ms E. Hamilton
Mr T.J. Healy
Mr M. Hughes

Mr W.J. Johnston
Mr D.J. Kelly
Mr F.M. Logan
Mr M. McGowan
Ms S.F. McGurk
Mr K.J.J. Michel
Mr S.A. Millman
Mr Y. Mubarakai
Mr M.P. Murray
Mrs L.M. O'Malley

Mr P. Papalia
Mr S.J. Price
Mr D.T. Punch
Mr J.R. Quigley
Ms M.M. Quirk
Mrs M.H. Roberts
Ms C.M. Rowe
Ms R. Saffioti
Ms A. Sanderson
Ms J.J. Shaw

Mrs J.M.C. Stojkovski
Mr C.J. Tallentire
Mr P.C. Tinley
Mr B. Urban
Mr R.R. Whitby
Mr B.S. Wyatt
Mr D.R. Michael (*Teller*)

Pairs

Ms M.J. Davies
Mr J.E. McGrath

Ms S.E. Winton
Mr D.A. Templeman

Question thus negatived.