

**McGOWAN GOVERNMENT — PLAN FOR JOBS**

*Standing Orders Suspension — Motion*

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [2.54 pm] — without notice: I move —

That so much of standing orders be suspended as is necessary to enable the following motion to be moved forthwith —

That this house condemns the McGowan government for its failure to deliver jobs, as promised, resulting in the highest unemployment rate in the nation and more Western Australians out of work than at any other time in our state's history.

I understand that a deal has been agreed to.

*Standing Orders Suspension — Amendment to Motion*

**MR D.A. TEMPLEMAN (Mandurah — Leader of the House)** [2.55 pm]: I move —

To insert after “forthwith” the following —

, subject to the debate being limited to 15 minutes for government members and 15 minutes for non-government members

Amendment put and passed.

*Standing Orders Suspension — Motion, as Amended*

**The SPEAKER:** As this is a motion without notice to suspend standing orders, it will need an absolute majority in order to proceed. If I hear a dissentient voice, I will be required to divide the Assembly.

Question put and passed with an absolute majority.

*Motion*

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [2.56 pm]: I move the motion.

Today's Australian Bureau of Statistics data is a shock. It comes in the context of yesterday's new glossy plan released by the Premier that said two things: “Job creation is my top priority and I want to be assessed by the KPIs I've set.” The Premier is a KPI man and he is going to be assessed. We put to him in question time today whether an unemployment rate of 6.8 per cent—the highest in the nation—is satisfactory. His Treasurer said that was not too bad. He was satisfied with 6.8 per cent, he was satisfied with the way things were going and he was satisfied with unemployment. There is an army of 97 600 unemployed people. Since the Labor Party came to government less than two years ago in March 2017, there are an additional 10 000 unemployed Western Australians. The government claims credit for that. It should, because it occurred because of the government. When the government was first elected, there was some job growth in the first few months. Since then, it has declined. Since October 2018, there has been a reduction of 15 000 jobs in this state. When we ask the government whether it is satisfied, it says, “Yes, we're satisfied.” Indeed, we have a problem. By any measure, this is a serious problem. This is the main KPI of that government—appropriately, job creation. The government reiterated it yesterday; it was elected on it. It is clearly failing. We ask the government about it. It does not recognise its own failing. If it does not recognise that failing, it cannot fix it and it will get worse.

The Treasurer wants to stand in this place and pontificate. On 22 August 2018, he said —

By pretty much any measure whatsoever—economic data, confidence data—things are much better today than they were when we won government in March 2017. I cannot find any data that indicates that things are worse, and I have been looking for it.

That is what he said. He should look at today's ABS data and cop it sweet, admit that the government has a real problem and do something about it. The reason the government will not admit it is that the problem lies with its own policies.

I will go through a few things that I saw when I picked up the paper today. The Galleria Shopping Centre, one of the largest shopping centres in Perth, announced that it had to cancel an expansion plan worth \$500 million. Vicinity Centres, one of the largest retail property groups in Western Australia, has written down the assets of all its shopping centres because the retail market, which the Treasurer says is glowing, is in the doldrums. The worst one is the housing sector. One of the government's first actions was to take away the first home buyer bonus. The Treasurer said it would have no impact, but let me read this shocking data from *Business News*.

**Mr B.S. Wyatt** interjected.

**Dr M.D. NAHAN:** It is shocking. If the Treasurer does not agree, I do not know why he is here. It shows that in WA the downturn in housing starts has plunged 350 construction companies into administration or liquidation over the last two financial years and 106 construction companies have gone under in just the last six months. Housing approvals are down 17.3 per cent over the year and approved loans are down 12 per cent. The WA housing

market is in freefall. Household balance sheets and households' sense of wealth are in freefall and the government is in denial of it. The industry is saying that. Indeed, Dale Alcock, one of the largest builders in WA, has said —

“You don't want to talk doom and gloom, but that seems to be the reality,”

That is the reality! The Minister for Housing knows it, and the Treasurer is in denial because all this is due to the policies that he has put in place. The member for Nedlands asked the Premier a very good question. We have growth in the mining sector but it is dependent upon us getting skilled labour—mining engineers, metallurgists, geophysicists, geologists. Without them, mining growth will stop. The WA School of Mines is essential. It is now shutting down academics and reducing the number of students. The government's policies are limiting the ability of foreign students to study here. What was the Premier's response? He denied it. The government has to cop it sweet. It is facing a job-creation crisis. The unemployment rate is the highest it has been in 17 years—the highest in the nation. The housing market is collapsing. In tourism, what did the Tourism Council say? It said that there is a crisis, the worst it has seen since 9/11 and the collapse of Ansett. What do you guys say? Denial! This hubris leads to not only loss of government, but also a crisis of confidence in our state and suffering in our suburbs. It is the government that is at fault. Cop it sweet, stop denying and change these stupid policies.

**MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA)** [3.02 pm]: They are not quite as buoyant as they were yesterday, are they, members? There is a little bit less of a spring in the step of the Premier today than there was yesterday when he was presenting his plan for jobs. Let me review. The Labor Party is the party that went to the last election with a plan for jobs. I would drive back from my electorate in the central wheatbelt and I could not miss seeing, as I was coming in from Great Eastern Highway, the massive billboard on Roe Highway, with the Premier's face, that said “Plan for Jobs: Vote Labor”.

Several members interjected.

**Ms M.J. DAVIES:** I could not.

Several members interjected.

**Ms M.J. DAVIES:** I will take that, minister.

We are midway through the government's term and the ABC news website, which I looked at just before I walked into this chamber—has the headline “WA unemployment rate highest in since 2002 as record numbers seek work”. An article by Jacob Kagi on the ABC news website on 21 February 2019 states —

The seasonally-adjusted unemployment rate of 6.8 per cent, ... equal highest WA jobless figure since January 2002.

It says that 100 000 people are looking for work off the back of yesterday's announcement that the government is going to create jobs because it has a plan for jobs. Remember that the Labor Party came to government in 2015 with a plan for jobs. The government has talking about it since 2015. It had the plan, it spruiked the plan and now it has egg on its face because WA has the highest rate of unemployment in this state since 2002. Only Tasmania can claim to have a higher rate. This is happening in the Western Australian economy that was the powerhouse of the nation, with the natural resources it has. WA's unemployment rate is at a record high.

Let me remind the house what the then Leader of the Opposition said in November 2016 when the unemployment rate rose to 6.5 per cent, which is less than what it is today. I quote —

Opposition Leader Mark McGowan said the figures represented the “worst number of unemployed people in the history of our State” and accused the State Government of failing to diversify the economy beyond mining. “Over 92,000 West Australians are out of work,” he said.

It goes on —

This is a jobs crisis of monumental proportions in WA ...

But there is nothing to see here today with 100 000 people out of work!

Premier, Treasurer, members opposite, our proposal is that you need to look seriously at the payroll tax threshold. We put this back after the first budget to take some pressure off small businesses, which are the backbone of our state's economy. It is easy to do. Small businesses would absolutely reinvest anything that they save into the creation of jobs right across the state, including in regional WA. All we have got from the Premier has been arrogance and more careless comments when real and genuine questions were asked by me and the member for Roe about what the government's plan was. We are facing what the Premier himself in opposition said was an absolute crisis. This government is now in crisis by its own definition and it needs to do better.

**MR D.C. NALDER (Bateman)** [3.06 pm]: I again have the privilege of reiterating the key points made by the Leader of the Opposition and the Leader of the Nationals WA today. I want to reinforce what we heard from the Leader of the Opposition today. The government seems to have misunderstood: the unemployment rate is 6.8 per cent. That is up from 6.4 per cent and is the highest since 2002. Yesterday the Treasurer said—he actually agreed with me—that history was repeating itself. He is delivering the same results as his once mentor Eric Ripper

did. History is repeating itself, Treasurer. The Treasurer is now overseeing the highest unemployment rate since the time of the former Labor government under Eric Ripper, yet he does not want to acknowledge it.

The Leader of the Nationals WA also referred to the Plan for Jobs. I would like to remind members what the Treasurer forecast for jobs in the budgets of 2017–18 and 2018–19. A total of nearly 50 000 jobs were expected to be created over 2017–18 and 2018–19. Guess what happened? Only 10 700 jobs have been created since that time. Another 40 000 will have to be created in the next four months if the government is to hit its target. I think the government is failing on the basic key performance indicator that it put in its budget. I think everyone in this chamber acknowledges that that fails to meet a basic KPI. The government has not delivered on that KPI. What is worse is that in the current financial year, jobs are down 5 500. Maybe the Treasurer is not aware of this because the numbers he was spruiking during question time do not match up with Australian Bureau of Statistics data. In fact, since October 2018 nearly 15 000 jobs have been lost. Do we hear the Treasurer talk about that? No, we do not. But in the last 12 months, whenever there is a positive result, we see him grandstand over there. Where is the Treasurer? Does he acknowledge the downside? He wants to claim the upside, but does he acknowledge it when there is a problem?

What is really interesting is that this government uses the participation rate. We heard that from the Premier this afternoon and we have heard it many times from the Treasurer. Yesterday he talked about the participation rate. Today he said it was 98 per cent. I thought, “98 per cent?” The ABS data shows that it is actually 68 per cent.

**Mr B.S. Wyatt:** Did I say 98?

**Mr D.C. NALDER:** It is 68 per cent and you said 98 per cent.

That got me thinking. Western Australia has a very high participation rate. No-one ever talks about the age demographic and the fact that we have a strong mining sector and that a lot of young people come to Western Australia seeking jobs in the mining sector. That being said, we do have a high participation rate, but it got me thinking about the unemployment rate of 6.8 per cent and the participation rate of 68.5 per cent. I wondered what that was when we had low unemployment? It must have been low. God forbid, I looked it up. The seasonally adjusted participation rate, which is currently 68.5 per cent—can members guess what it was?—was 69.9 per cent in December 2008, when our unemployment rate was less than three per cent. I am a bit confused, because the participation rate is now lower with a higher unemployment rate, yet the government blames participation. I thought, “Maybe that’s an aberration. Let me have a look at the figures back in 2008.” They were 69 per cent, 69.5 per cent, 69 per cent, 68.5 per cent, 69.9 per cent, 68.9 per cent and 69.3 per cent. Those figures were all higher than the participation rates have been in the last eight months. We have a government that keeps claiming that it is unfortunate and it is unfair that we have a high unemployment rate, because we have a high participation rate. Guess what? We had a high participation rate when we had unemployment of under three per cent. It is not a justifiable excuse. We call on this government to acknowledge the issue that currently exists. The policies it has been implementing are having an adverse effect on the people of Western Australia. It has hit small businesses with 40 per cent power increases; 20 000 small businesses have had a 40 per cent power increase. If it hits households with a household charge increase of 13 times the rate of inflation when wages are going up by one per cent, it will have an adverse impact on industry in Western Australia, and this is the problem we have. It is time this government acknowledged the problem and said what it is going to do for the nearly 100 000 people who are seeking a job today in Western Australia.

**MR B.S. WYATT (Victoria Park — Treasurer)** [3.11 pm]: It is worth spending some time to reflect on why we took to the election a plan for jobs. Although it has been mocked, particularly today by the Leader of the Nationals WA, but generally the opposition, it is worth reflecting on why jobs became such a centrepiece of the last state election. There are a range of reasons that I will go through in detail. In the second term of the Liberal–National government, the number of unemployed people increased by 21 per cent. That is why the Labor Party took a plan for jobs to the election.

**Mr D.C. Nalder** interjected.

**Mr B.S. WYATT:** It is a serious debate. I did not interject on the member for Bateman; he can sit there and listen to me. That is why we took a plan for jobs to the election and why it is a very serious issue. The shadow Treasurer says that all he wants the government to do is acknowledge the issue. That is why we have set ourselves a target. There is a reason we have taken it upon ourselves to set clear targets. It has not been done before in Western Australia; other states have done this. One of those key targets is creating 150 000 jobs by 2023–24. That is an important target. I want it to be higher than that, but we are going to do all we can to reach that target.

I need to respond quickly to one comment made by the shadow Treasurer when he critiqued Eric Ripper. I remind the house again, as I did yesterday, that when Geoff Gallop came to power in 2001, he inherited from Richard Court an unemployment rate of 6.5 per cent. He drove that down to 2.9 per cent. When Alan Carpenter lost in 2008, the unemployment rate was, incredibly, 2.9 per cent. Under the Liberal–National government under Colin Barnett, Mike Nahan, Dean Nalder et al, the unemployment rate increased again to 6.3 per cent. The reality is that when one comes into a role such as this, with an economy in recession, when the previous government has

increased the pool of unemployed people by 21 per cent and when the economy is shedding 17 000 jobs a year, it takes time to resolve that. That is the point I was trying to make at question time today.

In the Liberal–National budget of 2015–16, the Nahan budget, the then government assumed employment growth of 1.75 per cent; that is, it assumed that 23 000 jobs would be created in 2015–16. Instead of the 23 000 jobs created, the state lost 5 000 jobs. That is a 28 000 job difference. In 2016–17, the Liberal–National government was a little more modest in its assumptions, but assumed job growth of 0.25 per cent. Even though it assumed very modest job growth of 3 000 jobs, what did it deliver? It delivered a loss of 12 000 jobs. Over the last two years of the former government, it assumed in its budget that it would create 26 000 jobs, but instead lost 17 000 jobs. I will not for one minute take a lecture from the mob that threw a wrecking ball into the state economy that I got to inherit when I became Treasurer. For two years I have heard the interjections. It took eight and a half years to do the damage the former government did—eight and a half years of concerted effort to drive up debt, to deliver to Western Australia the largest operating deficits we have seen on record, to drive the state into the only recession on record, and to see the economy shed 17 000 jobs a year by the time it was defeated. It takes some time to turn that around. Despite that, the Leader of the Opposition got up and said—apparently he was quoting me—that I am satisfied with the outcome, which of course I did not say. The Leader of the Opposition is known for being a bit loose with the truth, shall we say. The reality is that we are now creating jobs. The participation rate is an interesting issue.

**Dr M.D. Nahan** interjected.

**The DEPUTY SPEAKER:** Leader of the Opposition, I think you have been called a few times this afternoon. The Treasurer did keep very silent during your contribution.

**Mr B.S. WYATT:** We are now creating jobs. In the last two years, we have created about 18 000 jobs a year. That is the turnaround from the 17 000 jobs a year that were being lost from the WA economy.

The participation rate is going up for one reason: people are now confident that there are jobs in the economy to pursue. That is why the figure has increased. The one thing I agree with the shadow Treasurer on is that, historically, WA has always had a very high participation rate. We have had that probably since modern records were started. However, at the same time as jobs have been created, a flood of Western Australians have been coming back into the labour force. That is why we see, at the same time, the perverse outcome that, although more Western Australians are moving into jobs, our unemployment rate is going up, because the labour force is growing as a result of that surge of Western Australians looking for jobs. That is why the specific target has been about job creation. That was not something that was plucked from the air. We have to create the jobs to accommodate the Western Australians who are coming into the labour force, who are, yes, putting pressure on and therefore increasing the unemployment rate, but that is why we are focused on creating 150 000 jobs—so we can accommodate those people. That is why—I mentioned this point in question time today—I have been particularly pleased to see that the time it takes Western Australians to find a job when they come back into the labour force has decreased over the past two years. I notice that that was not mentioned by opposition members in their contributions this afternoon. That figure is decreasing. It got to the point under the former government at which it took so long to find a job—people could not find one—that the labour force left and, hence, the participation rate declined. There is a logic to this. It is not easy to explain, but that is it. However, now that there is confidence in jobs being created, we are seeing the labour force increase again.

Our challenge is to ensure that jobs continue to be created. The 2018–19 year was going to be more challenging than 2017–18. That should not be a surprise to anybody in this place, because I will, for their benefit, assume that they have read the budget papers that highlight the fact that employment growth would be weaker than it was last financial year. That appears to be the case. There are still a few months to come, and the monthly data is volatile, but that certainly appears to be the case at this point, consistent with what we expected.

I want to make a couple of other points. Again, I like the history repeating itself; that is what we are doing. The Liberals drive unemployment up and take jobs out of the economy. We create jobs; we get Western Australians working again. The Liberals drive up debt; we reduce debt. The Liberals go into deficit; we bring it back to surplus. There is a pattern that has probably been fairly consistent now since the early 1990s to be honest. I want to highlight a couple of points about that history. In the last 12 months of the former government, annual employment growth, an important measure—this is in the last 12 months; let alone over the eight and a half years of destruction—went from 0.06 per cent to negative 1.4 per cent. Those are the jobs the Liberal–National government destroyed in the economy. We are now back to growth of 1.5 per cent. I want it to be higher, but it is growing. The focus of the shadow Treasurer for most of the first 18 months I have been in this role has been: where are your full-time jobs? All the jobs we are creating now are full time. Annual full-time employment growth in the last 12 months went from contracting by 1.6 per cent to contracting by 4.2 per cent. Think about that. Full-time employment growth was negative 4.2 per cent when the Liberal–Nationals lost power. We now have that back to 3.2 per cent. That is a pretty good increase in full-time employment. Again, we want to see it higher. Compared

**Extract from Hansard**

[ASSEMBLY — Thursday, 21 February 2019]

p781b-786a

Dr Mike Nahan; Mr David Templeman; Ms Mia Davies; Mr Dean Nalder; Mr Ben Wyatt

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to the legacy of a contraction of 4.2 per cent left by the Liberal–Nationals, that is certainly a much better outcome than anyone on the other side could possibly have delivered.

I make these points, as I did in question time. Job vacancies now are growing at the fastest annual rate in 12 years. That includes the period of the mining boom. It is the highest annual rate in 12 years growing at about 44 per cent. That is a good sign because it highlights the fact that employers are looking for people. That is a leading indicator, and, hopefully, we will see jobs continue to be created as a result. That highlights the fact that Western Australians are coming back into the labour force, and, hopefully, being matched up with those jobs.

Underemployment—another figure—got to a high of 10.7 per cent under the previous government. If people could not get the hours or the work they were looking for, generally they either stuck with what they got or left the labour force. That is why the participation rate went down. Now they are coming back because jobs are there. We have brought that down from 10.7 per cent to 9.2 per cent. That is quite a significant move in just two years. We still need to see that reduce, and over time, as those jobs are absorbed, that will continue to decline.

Business confidence is the highest in six years. I want to speak about business confidence and business investment for a minute. It was the decline in business investment at rates unprecedented that drove the WA economy into recession. It was into that environment of rapid decline of business investment that the Nahan–Nalder–Harvey–L’Estrange Liberal–National government introduced three increases in land tax in about a two-year period. That was what it did. This is not me making this up. I get that it is awkward and embarrassing for the Liberal Party, but that is what it did. Into that environment, it introduced three increases in land tax. To be honest, the property sector has not really recovered since then. As the Leader of the Opposition is inclined to do—he contradicted himself in the space of an hour or two—just the other day he said that property prices have been bumping along at the same level now for about 10 years and today he came in and said it was in freefall and destruction.

**Dr M.D. Nahan** interjected.

**Mr B.S. WYATT:** I am just going through the Leader of the Opposition’s contradictions. That is why, in the face of the Nahan destruction, we had to have a plan. The plan is all about looking forward. That is why we set a target of 150 000 jobs—a target that the Leader of the Opposition says we will never meet but the shadow Treasurer says it is too easy to meet. I cannot work out the angle of attack on the target or whether members opposite are just cranky that we are as a government prioritising that as something we want to be measured by.

**Dr M.D. Nahan** interjected.

**The DEPUTY SPEAKER:** Leader of the Opposition, I call you for the third time.

**Mr B.S. WYATT:** Once I have been in this place and in government for as long as the Leader of the Opposition, he can assess that. In the meantime, I am cleaning up his mess and trying to fix the job wreckage he created.

I have one final point. The Leader of the Nationals WA said, “Why don’t we simply raise the payroll tax threshold?” That is interesting, of course, because despite, I think, \$6.5 billion being spent through royalties for regions, that did not enter as a priority of the Liberal–National Party at the time. It is funny how that worked when members opposite were on this side of the house spending on everything other than what they demanded when they moved to the other side of the house. I quote Allan Duncan again, to come back to the link between the unemployment and participation rates. Perhaps it is one for the wonks, but it is something we need to understand. He said on ABC radio on 1 February —

... the unemployment figures are a positive sign ... unemployment is rising more because more people are looking for work rather than there being a decline in the number of jobs available.

I repeat: he said, “Decline in the number of jobs available.” The jobs are being created. That is why I look and keep a keen eye on job vacancy data. That is why I look and keep a keen eye on the time it takes a Western Australian who enters the labour force to find a job. That is why I look at data around business investment and business confidence and consumer sentiment. All those figure are going well. I want to repeat a statement the Leader of the Opposition was cranky about me saying. Almost every indicator I look at is better now than it was when I became Treasurer. Absolutely. Whether it is jobs being created, surplus debt, expense growth, economic growth, business investment, business confidence, consumer confidence, retail spend, housing commitments, finance commitments or apartment commitments, all those data sets are better now than they were when I became Treasurer.

I determine that in the time I am Treasurer, I will leave this place much better off than when I found it. The reality is that jobs are being created. We have taken the job destruction of the previous Liberal–National government and turned it into growth and will continue to do so.

*Division*

Question put and a division taken, the Deputy Speaker (Ms L.L. Baker) casting her vote with the noes, with the following result —

**Extract from *Hansard***  
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Dr Mike Nahan; Mr David Templeman; Ms Mia Davies; Mr Dean Nalder; Mr Ben Wyatt

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Ayes (16)

Mr I.C. Blayney  
Ms M.J. Davies  
Mrs L.M. Harvey  
Mrs A.K. Hayden

Dr D.J. Honey  
Mr P. Katsambanis  
Mr Z.R.F. Kirkup  
Mr A. Krsticevic

Mr S.K. L'Estrange  
Mr R.S. Love  
Mr W.R. Marmion  
Mr J.E. McGrath

Dr M.D. Nahan  
Mr D.C. Nalder  
Mr P.J. Rundle  
Ms L. Mettam (*Teller*)

Noes (34)

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 M. McGowan  
Ms S.F. McGurk  
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  
Mrs M.H. Roberts  
Ms R. Saffioti  
Ms A. Sanderson  
Ms J.J. Shaw  
Mrs J.M.C. Stojkovski

Mr C.J. Tallentire  
Mr D.A. Templeman  
Mr P.C. Tinley  
Mr R.R. Whitby  
Ms S.E. Winton  
Mr B.S. Wyatt  
Mr D.R. Michael (*Teller*)

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Pairs

Mr V.A. Catania  
Mr D.T. Redman  
Mr K. O'Donnell

Mr F.M. Logan  
Ms M.M. Quirk  
Ms C.M. Rowe

Question thus negatived.