

APPROPRIATION (RECURRENT 2023–24) BILL 2023

Third Reading

Resumed from an earlier stage of the sitting.

DR D.J. HONEY (Cottesloe) [4.02 pm]: People do not remember the history, but it is quite fascinating that this government has claimed that the windfalls it has enjoyed are the result of good government. The GST share that the state was going to get from what it had contributed to the commonwealth coffers was to be 30¢ in the dollar in 2015–16, 30.3¢ in the dollar in 2016–17, and then it was projected to go up a bit. Of course, as members would know, based on the state’s current royalty income from iron ore and other minerals, as well as other income, we would have got 13¢ in the dollar if the old formula had been used. The Liberal–National government put that base on the GST share, and that is what has delivered a massive windfall to this government. That had nothing to do with what this Labor government has done. The *2016–17 Pre-election financial projections statement* outlined that the iron ore price was sitting at around \$US40 a tonne and that it was projected to go up by a small amount. Of course, this government has enjoyed iron ore prices of up to \$US160 a tonne. In fact, the iron ore price has sat well above \$US100 a tonne for the whole time it has been in office. That is the reason the government has had this massive surplus; it has had nothing to do with the government.

As I pointed out, government expenditure has blossomed under this government. This government is far from being fiscally prudent, because it keeps throwing buckets of money at every problem thinking that that will solve them, but of course it has not. That is the case with housing. I know that the Minister for Housing is earnest in what he says, but this government has completely failed to deliver, for no other reason than it stopped the workforce from coming into the state. Imagine that: it stopped workers coming into the state when it first came to office and then stopped them for a further two years during the COVID-19 pandemic because it did not apply sensible restrictions on entry to the state. Now we have a housing crisis and the government says, “Shucks, it’s not our problem”, but it stopped people from coming into the state to deal with it.

I turn to state development because that is important for this state. The reason I came into Parliament, literally, was my apprehension that my children and the many future grandchildren that I hope to have—I have one grandchild now, which is very exciting—will not have the opportunities in life that I have enjoyed in Western Australia. This is not just about an energy transition; we also have to transition our economy away from mining. Lots of evidence shows that although iron ore prices are excellent now, we can expect to see a significant downturn in the price of iron ore and some other minerals in the not-too-distant future. Although the price of critical minerals for the energy transition might go up, the price of iron ore will drop significantly, and that will have a big impact on us. That is why I am keen to see state development, and no more so than with Oakajee. We talk about an energy transition and that we are going to have new downstream industries, but nowhere will be more important for that, ultimately, than around Geraldton. Oakajee is the identified industrial area north of Geraldton. There have been numerous announcements that Oakajee will go ahead and be developed, but what do we see? I just got back some answers to questions on notice on Oakajee. Some while ago, the government announced that proponents were looking at moving into that area. Reassuringly, the answer from the Minister for State and Industry Development, Jobs and Trade is that those proponents are proceeding. However, we can get down to a couple of key areas. One would think that the construction of an access road would be pretty basic; that is probably going to commence within two years. I also asked whether there is going to be a port at Oakajee. We are talking about Oakajee having major industries and energy exports. I asked whether a port had been planned and got a one-word answer—no. I am not quite sure how we are going to get anything out of there. As I am sure the member for Geraldton and others know, Geraldton port is fundamentally constrained. Although some money is going into it, it is not going to cope with exports from major industries. I also asked whether there would be a proper transmission line connecting 330 kilovolts to the south west interconnected system by completing the high-voltage line from Three Springs, ultimately to Oakajee. The reply was that the government was talking to proponents about that. It is patently clear that that is a decade away, yet we are talking about the energy transition supposedly happening in the short term. We are not seeing state development.

There are some good things going on. As I have said in this place before, there has been some good progress on the work being done in Collie. I think the government is overly optimistic about the timing of the transition, particularly for skilled jobs, such as with the discussions around the magnesium smelter. I have looked into that proposal in some detail and it is a good project, but, boy, it is a long way from the rubber hitting the road on that. We are told that all the power jobs will shut down in 2029. If we are going to see that progress, things are going to have to happen a lot faster than they currently are in that area; otherwise, it will cause a major problem. If we lose those workers from Collie and they go into other areas and other communities, it will fundamentally militate against the transition of workers into other industries in Collie. In the budget papers the government talks about a hydrogen strategy refresh; we have not seen the development that we need to see in the hydrogen sector, at the pace at which it needs happen. Although some private sector proposals are coming forward, the industry is emerging far too slowly if we are to be globally competitive. It is really interesting to see what is happening around the

world; other nations are leapfrogging Western Australia and that is of major concern, because we know that the first movers in this area are going to have a significant advantage.

I want to talk a bit about that transition overall. We see in the budget papers a lot of discussion about the amount of money that is going into renewable energy and energy transition; I think something like \$2.7 billion has been allocated. I will talk about this a bit during the third reading debate on the capital bill, but the detail of where that amount is going does not seem to be reflected in the budget papers. I will talk about that separately, but I am interested to know where that is heading.

As I have said, the government has a massive surplus, which was delivered by factors outside its control, and it is allocating great amounts of money. I have not got onto the topic of Metronet, but allocating large amounts of money to those portfolio areas without proper execution is not good government. Money does not, of itself, build houses; it involves having other policies and processes in place and having the workers in this state who can actually build them.

MS R. SAFFIOTI (West Swan — Treasurer) [4.11 pm] — in reply: I rise to provide my reply to the third reading debate on the Appropriation (Recurrent 2023–24) Bill 2023. I thank all members, including the member for Cottesloe, for participating in the debate on the appropriation bills. Of course, I would like to acknowledge the former Treasurer, who introduced the budget into this place four weeks ago. Four weeks ago, when I sat in a different seat watching the then Premier; Treasurer delivering this budget, I did not expect that I would be the person who saw the passage of the budget through this house.

As has been mentioned, the 2023–24 budget highlights Western Australia’s sustained economic strength and continuing financial discipline. I refer to the comments made by the member for Cottesloe. The reality is that we have lived within our means and we continue to live within our means. The previous government also enjoyed revenue growth, but did not budget or live within its means. Our ability to continue to run strong operating surpluses has helped to manage a record capital works program and has ensured that, unlike other states, we will not be in a situation in which we will have to increase taxes or sack public servants.

The budget shows a \$3.3 billion operating surplus in 2023–24 and surpluses continuing on. As I highlighted earlier today, this budget contains a number of very significant initiatives. There is \$715 million for cost-of-living relief; a record \$2.7 billion of additional investment in health and mental health; \$750 million of additional investment for boosting housing supply; \$3 billion of investment to tackle climate change; and \$463 million for economic, infrastructure and diversification initiatives. As I said, debt is far lower than it would have been under a Liberal–National government, and we are saving billions of dollars in what would have been interest repayments.

The 2023–24 budget marks Western Australia’s sixth consecutive year of budget surpluses, after record deficits under the previous government. As I said, when the previous government was in power there was record revenue growth, yet it still managed to deliver deficits. The Labor government has a proud history in this state of strong financial management, supporting the WA economy and creating Western Australian jobs. I very much thank the house for supporting this budget; it continues the state’s very strong economic performance.

I thank all members for their contributions and everyone involved in the estimates hearings process. I understand that the opposition was keen to look at some statistics, but I remember being very frustrated in opposition when every second question in the estimates hearings was asked by the then government members. In this year’s estimates committee B, of which I was a member, 97 per cent of the questions were opposition questions.

Mr P. Papalia interjected.

Ms R. SAFFIOTI: The Minister for Police; Corrective Services highlights that there was only one government question in however many hours.

I thank everyone for their contributions. I thank the former Treasurer for introducing this bill into this place; all the Treasury officials who worked to help formulate this budget; all the Expenditure Review Committee ministers; the cabinet; and my State Parliamentary Labor Party colleagues, for all the work they have done, both in framing and in helping to sell this state budget.

Question put and passed.

Bill read a third time and transmitted to the Council.