

STATE BUDGET 2022–23

**272. Ms C.M. COLLINS to the Treasurer:**

I refer to the McGowan Labor government's commitment to responsible financial management and its safe and cautious approach to the COVID-19 pandemic. Can the Premier advise the house whether the upcoming budget will continue this government's record of strong financial management; and, if so, outline what this will mean for Western Australians?

**Mr M. McGOWAN replied:**

I thank the member for Hillarys for the question.

When we came to office in 2017, we were committed, and we remain committed, to responsible financial management and restoring the state's finances after the financial wreckage of the last Liberal–National government. Under the last government, debt was climbing across the forward estimates to \$44 billion. There were record deficits and major downgrades by the credit rating agencies, therefore, costing the state more in interest payments. Since 2017, we have worked hard to turn that around.

Prior to the upcoming budget, this government had already paid down the debt across the forward estimates by \$11 billion. Debt was on a pathway to \$44 billion and now—we will reveal this tomorrow—net debt will be under \$30 billion. In other words, one-third of the Liberal–National government's debt has been eradicated under this government, despite spending \$11 billion on COVID response initiatives. It is the only government in Australia that is paying down debt.

By paying down debt—the debt that was left to us by the last Liberal–National government—we are saving Western Australians billions in interest payments. Over the last four years, we have already saved \$2.5 billion in wasteful interest costs. That is about \$950 for every Western Australian. We have seen with the recent rises in interest rates that it is financially responsible to pay down debt, and we will see other governments around Australia, including the commonwealth government, suffer enormously because they have allowed debt to get out of control. The commonwealth government's debt is now heading towards \$1 trillion—\$1 000 billion—a fivefold increase on when it arrived in office. One of its largest spends is now interest; the seventh largest spend in the commonwealth budget is interest. The commonwealth spends \$25 billion a year on existing interest rates, which is more than the annual cost of the disability pension.

Not only are we in a good financial position because of the state's management and safe handling of the pandemic, but also it has been confirmed by a range of independent sources. In its latest outlook, released last week, Deloitte Access Economics said —

*Western Australia can lay claim to being among the strongest economies in the world ...*

WA's hard border was vital to its relative success through the first two years of the pandemic ...

It also said a range of other complimentary things that, due to my humility, I will not read out!

Members will see in this budget major investments in health; the emergency department reform package that we announced recently; record spending in mental health; incentives for electric vehicles; the conversion of Rottnest Island to largely being a renewable power location; and important investments in child protection and combating family and domestic violence. The budget will come down tomorrow and what it will show is that Western Australia once again is in the rightful position of leading this country and, in fact, leading the world when it comes to economic and financial management.