

McGOWAN GOVERNMENT — FINANCIAL MANAGEMENT

37. Ms C.M. COLLINS to the Premier:

I refer to the McGowan Labor government's responsible financial management, particularly amid global economic uncertainty.

- (1) Can the Premier advise the house how this government's strong management of the state's finances has positioned the state to appropriately respond to challenges that may arise?
- (2) Can the Premier outline to the house how this government's sensible budget management compares with that of the previous Liberal–National government?

Mr M. McGOWAN replied:

I thank the member for Hillarys for the question.

- (1)–(2) When we came to office in 2017, we came with a commitment to managing the state's finances properly, because the state had been through eight and a half years of disastrous financial management—the worst financial management in the history of Western Australia. Debt had climbed from around \$4 billion across the forward estimates to \$44 billion, so do the maths on that. We were in our first recession in living memory in Western Australia when we came to office, so when we came to office, we worked hard to manage the state's finances and did some difficult things in order to achieve that outcome. That has meant that we are the best placed of any government in Australia to deal with the situation that now confronts us.

There is high inflation around the world and high interest rates around the world—a hangover of COVID and the situation in Ukraine and Russia and its effect on global supply chains and the cost of certain goods globally. That has been a difficult thing for governments around the world to manage. It means that in that high interest rate environment, governments are like households: they have to pay interest on their debt. Governments in other states of Australia, nationally, and in other countries around the world obviously have to pay high interest on their debt. The Western Australian government, by reducing debt—the only government in Australia to do so—has actually reduced the interest burden on the people of Western Australia. That means we are better placed to invest in response to disasters or to the needs of the community. We are better placed to invest and better placed to deal with what is coming at us.

The other day we saw the New South Wales Liberal government post an \$11.4 billion deficit. Our surplus this financial year, at this point in time, is predicted to be \$1.9 billion. It is a very different situation here than in the other states. I advise the member—advisedly—that when I met with the other Premiers, they would much rather be in our position than in their position.

We get criticism from the Liberals and Nationals WA; they want us to go into deficit and they want debt. Everything they say and everything they commit to is that we should be in the position of having wrecked the state's finances, but we are not going to do that because that would not be responsible. Since we have been in office, debt has gone down to \$29 billion; it was tracking to \$44 billion under the last government. We managed COVID with a significant spend to deal with that situation, but despite that, we still have debt down to \$29 billion. We have recovered our AAA credit rating from Standard and Poor's, we have recovered an upgrade in our credit rating from Moody's and, at the same time, we have created 200 000 jobs.

I urge all Western Australians to beware of the Liberals and Nationals and their financial management. Their record is there for all to see and it is this government that has got this state back into the strong position we are now in.