

GOVERNMENT BUDGET SURPLUS

Motion

HON DR STEVE THOMAS (South West) [1.12 pm]: I move —

That this house —

- (1) notes that —
 - (a) the 2023–24 *Government mid-year financial projections statement*, also called the midyear review, released in December 2023 has again shown that the Cook Labor government has underestimated state revenue for this financial year, especially iron ore royalties revenue;
 - (b) the latest figures are again predicting a multibillion-dollar surplus for Western Australia; and
 - (c) Western Australian residents and families continue to struggle with higher costs of living while the Cook Labor government continues to roll in and flaunt its wealth, which it owes to high international iron ore prices rather than its own financial management.
- (2) calls on the Cook Labor government to urgently do more for struggling Western Australian residents and families.

This is not exactly what I had expected today, but this is another parliamentary sitting day and another example of the mountain of cash that the Cook Labor government is rolling in. The government is continuing its process of underestimating its revenue, so it has plenty of cash in the money bin available for the next budget to roll into the next state election. Let me guess that is what is going on. I thought we might have seen a more honest change in the government and a more accurate set of figures revealed. I think we are supposed to see the next round of quarterly financial statements soon. I am a bit disappointed that on 28 February they have not yet been released because I suspect they will show that the Cook Labor government has again underestimated its revenue and is pushing money back into the money bin. We might have lost Scrooge McDuck, but Donald and Daisy are still pushing money into the money bin at a massive rate.

The midyear review was interesting because although the government sort of half acknowledged that the iron ore price was still high and that it was still doing reasonably well out of the GST changes, it moved the potential budget surplus up only a fraction. It went from \$3.3 billion projected in last year's budget up to \$3.8 billion, so that is half a billion dollars extra. But what happened to the projections of iron ore prices? The iron ore price, which was lifted in the midyear review to \$US104.20 per tonne, needs to be compared with the average and the price today. The prediction in the midyear review was \$US104.20 a tonne, and I imagine the government had to crank up its miserly projections prior to that. It has managed to crank it up a little bit, and that has pushed an extra half a billion dollars into the budget surplus. The government is obviously starting to crank up spending. We can expect that it will crank up spending this financial year and that this budget is going to be an election budget. I am sure government members are running around, working out where this largesse is going to go. The government is going to crank up its revenue a little bit—not to the point of reality, just a little bit. It will be a stepping stone.

The next step is the quarterly financial statement. That might even come out this afternoon. It would have been useful if it had come out this morning; we could have included it in this debate, but no. The government is a bit tardy. We might be lucky that there is a 29 February this year because it is due at the end of the month.

Hon Darren West: There's a lot going on!

Hon Stephen Dawson: It might've come out yesterday, but the news cycle got in the way!

Hon Dr STEVE THOMAS: It did. The Minister for Emergency Services makes a good point! I have been watching for it, and I am still watching for it. There will be economic debates in this house that I will still be very much part of, so government members should not assume for a minute that they are going to be let off the hook. They should not assume that it is all comfortable and easy now! This is still going to occur. I am going to stand up here and berate the government for its financial mismanagement. This will still occur.

Several members interjected.

The PRESIDENT: Order!

Hon Dr STEVE THOMAS: I am pleased to hear members on the other side talking about piles of cash, because I have been talking about it as well.

Hon Pierre Yang: That was yours!

Hon Dr STEVE THOMAS: Hon Pierre Yang just repeated it, so I thank him very much. He can go outside and repeat it a bit more. I am more than happy to be quoted. I will give Hon Pierre Yang some budget numbers that he can use, and guess what? He will be proved more right than the Treasurer. He will be far more accurate than Hon Rita Saffioti if he takes my numbers and starts talking about them—he is welcome to! I will send him a copy, if he likes. When the quarterly financial statement comes out, I will probably put out a press release, and I will probably send the member a copy of it, if he likes, because he can use those numbers! I should not seek interjections from the other side. Even though I am not in my previous role, I might still receive a letter later this year, despite that.

What has actually happened? We saw iron ore move up in the midyear review to \$US104.20, but what is the actual price today and what is the average for the year to date, bearing in mind that we are at the end of February and are about to go into March. We are eight months into the financial year. The average price to date is \$US121.49. Today's price, depending on which measure is used, is anywhere from \$US117 to \$US175 a tonne. The average for the year has been around \$US121. It has declined a little from \$US125-plus, but what does that mean for the budget of Western Australia? What does it mean for the money bin? That is what we are talking about; we are talking about the Cook Labor government's money bin from which it can throw money around. The price of iron ore has had an impact to date, to the end of February; I know we have one day to go, but let us assume it is not going to change much. It has added \$1 billion in revenue because the difference between the \$US121.49 actual and the budgeted \$US104.20 is \$US17.29. If we multiply that by \$US93—even members opposite could probably add that up, although some might have to take their shoes and socks off—over the year, it will be \$US1.6 billion. That is a billion dollars already. The government is a billion dollars wealthier than it is telling people it is.

It will be interesting to see what the quarterly financial statement that is due out today or tomorrow actually contains. Will the government crank it up a little higher because it is a little embarrassed about the process of keeping all that money hidden? It is very good at keeping money hidden. It takes revenue from normal government trading enterprises and keeps it in so that the dividends are retained and do not go through the budget papers. There are billions of dollars more that should have been flowing into the money bin, but they are in the little money bin. They are not sitting in the big Scrooge McDuck money bin. They are in the little government trading enterprises money bin, still sitting there ready for the government to use. If the government was a sound financial manager, as is traditionally the case, it would put it all together and it would say that, overall, its infrastructure spend is such and such. But no, the government puts it in the little money bin and says that is for the desalination plant. Let us face it, Water Corp gives the government the little money bin. The billions of dollars that are in the little money bin do not go through the budget papers in the same way, so the government gets to pretend they are not there. Instead of bringing it in and saying it is revenue, because it is revenue the government has received, the government runs a set of black books out to the side. The government is involved in a fanciful accounting process.

I am not going to have time to get into a lot of detail, but we could discuss what happens with the debt reduction account, which is another little black book and off-the-edge item whereby a bit of insurance corporation funding comes in, and what does is done with it? For the most part it does not go to debt reduction. It goes to this thing the government says is offsetting new debt. It is another fanciful accounting trick whereby it says it will pay money out of this particular account so it does not have to take on debt. It is another little fiddle on behalf of this Treasurer and this government. It is a few extra millions of dollars, hundreds of millions of dollars, that go through and a few extra billion dollars that look different. The government is very good at disguising what it is doing, and it is not very good at openness and accountability.

Other parts of the motion also need to be addressed. When I say that Western Australian families and residents continue to struggle, that is true. When I say that the Cook government continues to roll in and flaunt its wealth, I suspect that we will never see that at a greater level than we are about to see in this budget process. We see Labor members rolling around the place waiting for the money bin to open and start pouring out revenue into electorates. That is what will happen. It is because the government has been very good at squirrelling it away. It has not changed anything. Labor financial management has not shifted—except in a few bad examples. For the first two years after Labor came into power in 2017, the debt and deficit forecast did not change. It was not new brush, new team in and different financial management. The financial management did not change until 2019. What happened? The current iron ore mining boom started.

The current iron ore mining boom has poured \$6 billion surpluses year in, year out, into the Labor Party money bin. It had a \$6 billion surplus. Until Queensland's surplus last year of, I think, \$9 billion, WA had the biggest surpluses of any state's history in the Federation of Australia since colonies. It was the largest amount of money a state has ever had year in, year out—\$6 billion surpluses. The wealth is astounding and not because of financial management. The government has been lucky to be the recipient during the biggest boom of royalties in this state's history. What will the government spend it on and how will it manage its accounts?

We are talking about financial management, which is interesting, because one of the things this government has done is throw out its very strict wages policy. All those who are on the right wing of the political spectrum and like

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to see good economic management also like to see a standardised and reasonably strict wages policy. Guess what? The new broom is in. The new Premier Roger Cook said he was chucking that out. What is the first thing that happened? There were public sector pay rises of \$40 000 and \$50 000 for people right at the top of the sector. How on earth is the government justifying that to nurses and teachers and people working at the bottom end of the process? Some people in the public service do not earn \$40 000 or \$50 000.

Hon Pierre Yang: It's SAT. It's not a government decision.

Hon Dr STEVE THOMAS: The member makes a very good point. I am going to give him credit here, which will probably destroy Hon Pierre Yang's career. The member has a brain and his input is not terrible, some of the time.

Hon Pierre Yang is absolutely right; the Salaries and Allowances Tribunal makes that decision. But do members know what? The Salaries and Allowances Tribunal takes the government's wages policy into account. The government removed the wages policy and SAT said, "What are we going to use to measure what public service wages should be? We've thrown the pullback model out the window. What will we use? We'll use competition with everybody else." Funnily enough, some directors general make \$600 000 or \$700 000. I am surprised it did not jump in and compare it with the federal sector, because it pays a bit better again. But it remains the case that because the government threw out its very strict wages policy, SAT had free range to give pay rises of \$40 000 and \$50 000, which is more than many of the people the Labor Party purports to represent earn in a year. There might be some public sector union representatives before the state. Is that the Missos? Who is in that group? I am not sure which union I should be referring to. The Labor Party represents people who earn less than the pay rises at the top end. I am interested to see how government members justify that and think that is reasonable.

Do members opposite know what the outcome of that will be? Everybody else is going to say, "If you're going to give \$40 000 or \$50 000 to the top end, do you think we're going to stand by and accept four per cent or five per cent?" Guess what? The government should get ready for the tsunami, a deluge. The government might say that because it is an election year, it will throw reasonably big pay increases at a lot of public servants. It is very dangerous making public sector wage rises a part of a political campaign, but maybe that is where we will end up. I suspect that the pressure will be high because now that the government has allowed the standard to be set, it will have a lot of very difficult negotiations on its plate. How do the unions feel—I do not know, but members opposite can tell me when they stand up to contribute to this motion—having accepted a pay rise of four per cent each year for the next two years when it is now open slather? I am sure the government negotiated fairly hard by saying that it had a standardised wages policy. That policy is now out the window.

I suspect that in this cost-of-living crisis in which we find ourselves, the impact on directors general is reasonably modest. If they have just had a \$40 000 pay rise, they can probably afford to plug their Tesla car into an electrical outlet. However, the standard worker is still struggling. Families out there are in crisis because of the higher interest rates. Yes, I understand that they are not as high as they used to be. I remember 15 per cent, 16 per cent and 17 per cent interest rates. Members who are getting a bit long in the tooth like me can probably remember that as well. The people of Western Australia are, in some cases, struggling to put a roof over their heads and food on the table, and that struggle is not benefited by \$40 000 pay rises to directors general and the government filling up its money bin. I suspect that in a few months, the government will open the door and throw some more dollars at people who are struggling, but here is a tip. Why did the government not throw open the doors last year? Why does it take an election year before the enormous money bin of the McGowan and Cook Labor governments is directed towards the cost-of-living needs of the people of Western Australia? Why has the government put the political expediency of the Labor Party and the McGowan–Cook Labor governments ahead of the needs of the people of Western Australia? Why will the government wait until the pre-election budget to do that? It could have done it last year or the year before. The boom started in 2019 and, at that point, the economy looked very different, but that is what it was supposed to do.

I used to have great economic debates with Hon Alannah MacTiernan, whom I miss, although I am sure that Hon Stephen Dawson will put in a valiant effort here. For those Keynesians in the chamber, let us talk about what Keynes said. He said that when things are good, governments step back, and when things are tight, governments step up their expenditure. Some people say that is communism or government intervention, but Keynes was pretty moderate. He was fairly middle of the road. What has this government done? As the economics developed, as we got into this boom, it increased its spending. Instead of following the so-called left-wing mantra of Keynes, those guys over there plunged into modern monetary theory. They are sitting there going, "We'll just accumulate all this wealth and throw it out there with massive infrastructure spends", at the expense of all those people trying to build houses. There is a reason why trying to build a house, which used to take 10 months, is now taking two years, and on occasions three. The building industry cannot get workers or materials. The government added a state stimulus package to a federal stimulus package and made it worse in Western Australia. It doubled up. Other states did not do it; they relied on the federal package. This mob put in a state package and overheated the marketplace. All this construction was suddenly trying to get into the marketplace, and, at the same time, the government shifted its

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state infrastructure spend up to \$8 billion and then \$9 billion; it is now \$11 billion. That was in direct competition with everybody trying to build a house. Is it no wonder that people are struggling to put a roof over their heads? They are in direct competition with the government.

It will be really interesting; we are about to go into a pre-election budget, and I think the government will make it worse. I think the government will walk in and start chucking a bit more money about. Maybe that is its plan. Maybe the government has it finally worked out that it cannot afford to add anything more into the infrastructure budget because it has overcooked the marketplace. It is a burnt sausage! It is blackened and sitting on the edge of the barbecue, and nobody can eat it. The government has overcooked this marketplace to blazes. Maybe the government's strategy is to spend the money somehow, so it is going to chuck it into wages. The Minister for Emergency Services will maybe tell us about this and outline the magic strategy. The government cannot do anymore infrastructure; it has cooked that. Where is it going to put the money? I think it will be really interesting; the pre-election budget will have so much money that the government cannot spend. It means that the government has not been able to set things out over a time frame and it does not have a plan for infrastructure expenditure that actually works. It is a bit like its plan for power transition; that does not work either. None of these things are properly and strategically put together. Its economic management is actually bad, not good.

Despite everything the government says, it has been incredibly lucky in being the recipient of the biggest royalties boom we have ever had, but its economic management is falling down. The people of Western Australia are suffering. The group of people that the government is not giving a \$40 000 pay rise to are struggling to put food on the table. The government has overcooked the marketplace, so people have been waiting two years to get a house built. It has overcooked the marketplace. At the same time, the construction cost of a house has gone up by more than the combined state and federal grants that were handed out. A lot of those houses are now \$100 000 more expensive than they were when the build first started. The government has overcooked this marketplace to a point, and now it will try to chuck more money into it to buy the next election and save the reputation of this government, and the people of Western Australia will suffer for it.

HON TJORN SIBMA (North Metropolitan) [1.33 pm]: It is with a great deal of enthusiasm that I address the chamber today on the first substantive motion of 2024. If I speak in absolute wholehearted support of the motion, the spirit with which it has been written and the contents, it is because it behoves us to concentrate our minds on the flow of money in Western Australia. I use that phrase advisedly. Over my summer break I reacquainted myself with a number of film classics that I had never got around to viewing. One of them was *All the President's Men*. Aficionados of American political history will understand the significance of that. A phrase was used when people were trying to get to the bottom of the President's complicity in the Watergate scandal. The phrase was "follow the money". I think any sensible observer of the state of politics in Western Australia and the performance of this government has to follow the money and not be mystified or waylaid by its enormous budget surpluses. It is a story about the way that surplus has been accumulated and how that funding has been utilised to address dire areas of public need in Western Australia. It needs to continually be the focus of this chamber.

I am a nerd, and like any good political nerd, I like to read government reports. My friend Hon Dr Steve Thomas likes to read government reports too, and he referred to one in the opening statement of his motion. I want to draw the attention of members present today to another catalogue of annual reports; I will not say that the reports are speedily published, but they are generally published annually. I will refer to a report that the Western Australian Electoral Commissioner is obliged to deliver. It is a report on the operation of part IV of the Electoral Act 1907. What is all this about? It is about political finance. Why would I bring that up? Well, it is a way of referring to a category of expenditure that every statutory department or government trading enterprise undergoes each year. It tries to measure how much of the money of the taxpayers of Western Australia is being given to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. This is done by instruments of governments, not political parties—largely the public service.

I wondered how much money has gone out the door to fund propaganda over the course of the McGowan and Cook governments. These are statements of record and get to the sense of whether this is an appropriate level of expenditure. Some variability can be explained, but I want to go through the sum totals. In the first year of the McGowan Labor government, \$92 million was spent on government propaganda; in 2018–19, \$103 million was spent; in 2019–20, \$107 million was spent; in 2020–21, \$115 million was spent; and in 2021–22, \$147 million was spent. That last figure can be explained to a degree by the COVID pandemic and the need for government communication. I am not saying that there is never any need to communicate to the public, but I am trying to understand if this scale and scope of huge expenditure is justifiable in the main.

The interesting thing about this is that those sum totals equate to about half a billion dollars. Half a billion dollars has been spent on advertising by this government. However, that is a dated figure. If I am to round it accurately, it is more around \$560 million. There is a delay in the reporting. I have asked the Electoral Commissioner for an explanation of why we do not have the most recent document, which was tabled in November last year in the last or

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second-last sitting week, available to us. It related to expenditure for the year up to June 2022. This report, the most present report, was already 18 months out of date. What should we assume the trajectory of expenditure has been since then? I think we can reasonably assume that about \$100 million was spent in the 2022–23 budget year. That would then take that total from \$600 million closer to \$700 million already.

However, that itself is a dated figure. I think we all understand that there has been a catalogue of government advertising campaigns since June last year, particularly related to Metronet and the transport portfolio. Hon Dr Steve Thomas is right; a momentum has been established. I can only anticipate that a reasonable political observer would think that the largesse, the expenditure on advertising and the devotion to propaganda will only increase at a frenetic pace until the issue of the writs in February next year. This is how the game is played, and this government plays it particularly hard. What will that mean? It is a reasonable expectation or estimate to suggest that by this time next year, the McGowan and Cook Labor governments would have spent the sum total of around \$800 million on propaganda purposes. When we put a figure like that to the people of Western Australia, it boggles the mind, but is that an appropriate level of expenditure? Does it indicate that this is a government that has come to grips with the needs of modern Western Australia and understands cost-of-living pressures and, we forget, cost-of-business pressures, particularly among small to medium-sized enterprise in the metropolitan and regional areas of the state that are still allowed to get on with their industry—if it is not stripped from underneath them, like the timber industry; is not threatened to be nationalised, like the rock lobster industry; or has not had fishing grounds constrained, like the commercial fishing industry? I have not even addressed live export yet. I will leave that to another time. What has happened under a Labor government is an absolute abomination by which it has demonstrated a lack of support and appreciation for those people who face tangible, difficult life choices in running a family budget or a business.

I will cite an example. The vegetable growers in Wanneroo face a dual problem. One is an increase in water charges; the other is a constraint on their capacity to draw water. What will this eventuate in other than a higher cost for produce, which means more expensive fresh fruit and vegetables for the local market? Local families cannot afford more expensive groceries. We all understand this. Why are we then pursuing, without any strategic cohesion, these episodic little fixes that complicate life and make it more expensive for producers in this state? It defies all common sense, all logic and all appreciation.

I understand that the government's recourse to addressing the cost of living is largely through rebates, and I appreciate that. The first big rebate relief was gifted by way of the resolution of the Bell case by the Insurance Commission of Western Australia. I refer to that organisation today not with any depth of focus, but I find it a necessity to put something very clearly on the agenda here. A bill was introduced to the other place on the last sitting day last year; it is called the Insurance Legislation Amendment (Motor Vehicle Claims Harvesting) Bill 2023. This bill proposes something noble and probably necessary—that is, to clear up a dodgy practice of claims harvesting among dodgy lawyers and other associated entities in their representation of individuals to settle a claim and take a take. That is a problem worth addressing. The bill does so much more than that, and I do not think it has been fully understood by the ministers responsible for the portfolio over the course of the last two years—that being, the ex-Treasurer, Hon Mark McGowan, and the now Treasurer, Hon Rita Saffioti.

I have spent the last two weeks wearing my justice portfolio hat and speaking to a number of eminent lawyers in this city about their concerns about the bill. Last Friday, I think there was a media release issued by the Australian Lawyers Alliance. I anticipate that the legal fraternity across the board and, indeed, across specialisations will become more vocal about this over the course of the next week. First and foremost, they are concerned that the proposed legislation, from a legal standpoint, is unworkable. But what they are concerned about at a human level, at the level of their clients and the capacity to obtain for them a fair and equitable outcome, is the pressure or the constraints that this new model would apply. These concerns are foremost. I will not betray the origin of this. I will provide a copy to Hansard, but I do want to read in something. Their concerns boil down and distil to two key points, and then I will describe how they are relevant to this motion. The concerns are —

1. ICWA's proposed legislation would prevent many claimants from commencing legal proceedings in order to obtain fair compensation after being injured in a motor vehicle accident or run over by a motor vehicle;
2. In many cases, the legislation would have the effect of forcing claimants to accept whatever amount ICWA was prepared to offer in the knowledge that the claimant was unlikely to be able to afford to commence legal proceedings.

I cannot think of a cohort of more vulnerable people than victims of motor vehicle accidents. This is a calamity that can befall any of us here present or any of our friends or loved ones at any time. What concerns me grievously is that we are, potentially and without reflection, in order to address a problem over here, causing a catastrophe on

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the other side of us and putting at jeopardy a fair and equitable financial and legal outcome for people who through no fault of their own have been injured in a motor vehicle accident.

I am not the kind of person who plays silly games, and that phrase has some sort of resonance among those who have been following along in the last few days. I have taken the view that I should read these very, very modest and very considered arguments into the *Hansard* if only to warn the government against its own legislation because I know a number of other things about this legislation and the correspondence that has occurred between the associated parties. This gets down to the nature of this motion. This is the richest state government Western Australia has ever seen or is likely to ever see again in 30, 40 or 50 years. I do not begrudge people their success or organisations their luck because I think to do so tempts the gods most grievously. I will accept my luck—good, bad or indifferent—and I will never, ever criticise a government for being lucky. But what I expect, at some level, is a concession or an admission that, frankly, we do not actually run a business here; we run a government, and our primary income source is derived from royalties. We do not set the price for those royalties. We do not set the supply and demand parameters for those royalties, but we have been gifted an enormous economic boom. What, then, is our responsibility? Maybe the government should target that expenditure or make good that surplus and address areas of dire need.

What the government should not do, in relation to this insurance matter that I am drawing some attention to now, is use every opportunity to penny pinch and give the public a take-it-or-leave-it deal. I think that is absolutely abysmal, and I expect better from a Labor Party. Perhaps we have forgotten something along the way. Perhaps we have become drunk! Perhaps the government has become a parody of itself. It is a get-rich government that got rich fast and lost its way. I think the government is doing that, unfortunately, but, with all due respect, it is not necessarily the members opposite who will suffer. The people who suffer here are the people we are elected to serve. The people who suffer from the misplaced priorities of the members opposite are the ones who trusted them and voted for them in overwhelming numbers. I am just here, from the opposition, humbly saying that the government needs to slow down and think about what it is doing. It needs to think about why it is spending on the projects it is spending on.

I will just round out with the obvious infrastructure project that is going to demolish and absolutely devour future budgets in Western Australia—that is, Metronet. I have said this 100 times, so let this be the 101st time: I believe in appropriate investment in public transport infrastructure. Of course it is needed. Do I think it was a bad idea to build a spur line to Yanchep? No. Do I think it was a bad idea to do the Morley–Ellenbrook line? No. Do I think it was a bad idea to go to Thornlie and beyond? No, of course not. However, the length of track in the metropolitan area was approximately 70 kilometres long up until about a year ago. What has happened through Metronet—the project that started at \$3 billion and has now grown by about 400 per cent to \$12 billion in capital terms—is that the government has expanded the network at a time when patronage is still lagging. It has now caught up to pre-COVID numbers. What will it mean in sheer discretionary spending terms? I have been putting a figure across for the last 18 months. I say this with respect because I respect her capacity: the now Treasurer, Hon Rita Saffioti, has never once said that I was wrong in saying that, effectively, the annual subsidisation expense and running costs will be at least \$2 billion a year. We need to start putting these things in proper proportion. If we consider, for example, the annual operating budgets for child protection services, or the Department of Communities more broadly, and the Western Australia Police Force, we find that an enormous amount of subsidisation has gone into making Metronet work and, frankly, and without playing silly games, making the Treasurer and Minister for Transport look particularly good. She is capable enough, but what we do not need to do is pay for it. We do not need to pay for it to the tune of an extra \$2 billion, which we will need to find from somewhere over the forward estimates.

Can I just counsel the government? The good times never last—ever. We have a completely dysfunctional global environment. We have absolute chaos in Gaza; the Red Sea freight routes are absolutely disrupted. We have a prolonged conflict in Ukraine that does not look like it is going to solve itself soon, and we have the potential impending catastrophe of the US presidential election at the end of this year. We are heading into a period of global and regional uncertainty, and we are just spending money willy-nilly on ourselves and promoting propaganda and not focusing on the pressures here and now, let alone the problems that we are going to face over the next five to 10 years. There is an opportunity for the government to fix this. This is not a condemnation; this is a warning. This is absolutely what it has been doing—and doing wrong. I imagine that the budget will be the government's opportunity to fix it and get itself sorted out, because if we continue at this rate, all the government is going to do is disappoint all those people who voted for it and not make their lives one little bit better. Please improve.

HON NEIL THOMSON (Mining and Pastoral) [1.52 pm]: I also rise to support the motion moved by Hon Dr Steve Thomas. We have talked before in this place about the cost of living. In fact, I spoke at length about this during the last budget process. I also aired my concern about the representative household table on page 316 of budget paper No 3 when I spoke on the appropriation bills. I am still waiting for a response on this matter from the minister representing the Treasurer. There has not been an appropriate response to what I believe was a change in the methodology of the assessment of the impacts of cost-of-living increases on Western Australians. Yesterday, I spoke about the fact that there is not enough transparency. We had the report from the Auditor General about the Perth parking levy, and we saw the lack of transparency about that issue. I just make the point that I still think

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there has not been enough emphasis on reporting. I will continue to raise this issue during estimates committee hearings after the next budget. I put the Department of Treasury and the minister on notice that I want clarification on that issue.

Although the state government has a limited set of levers that can affect cost of living, it has some very important levers. It also has direct impacts. I will come back to that because there are issues here in the midyear review that I think are important to get a real cut of the jib of this government, in terms of understanding the style of this government and the way it operates around a whole range of things. We will debate the Residential Tenancies Amendment Bill 2023 in this place shortly. That is apparently going to limit landlords—those hardworking people who save up to own a house then buy another house as an investment property. It is going to put more limitations on them around what they can do and how they manage their own assets and provide affordable housing in Western Australia. I will tell members what: they do the heavy lifting for affordable housing. I can tell members that the government is not doing the heavy lifting for affordable housing. It is a serious issue. This government has been abysmal with social housing. There are fewer social homes now, with the government trying to invest at the last minute and increase social homes in Western Australia. We have seen a decline in the number of social homes. I have spoken many times on this issue.

Let us have a look at the style and hypocrisy of this government. With Osprey Village in Port Hedland —

Hon Dan Caddy: You are brave bringing that up!

Hon NEIL THOMSON: The other side mocks me because this is an embarrassment to the government. Osprey Village was established to provide affordable housing for critical workers, for the people who provide services into towns like Port Hedland and Karratha, where the cost of living is through the roof and it is really hard to get a rental. We know that the rental costs in those towns have again escalated, and to get a basic home—a three-by-two or whatever—in those communities, people pay over \$1 000 a week, maybe even more for a four-by-two in places like Karratha: \$1 600 to \$2 000 a week.

The embarrassment to this government is that on 1 July, through DevelopmentWA and through its own arrangements, it put up the rent! This is a model landlord, and we expect people to follow its example. We are talking about the Western Australian government. There is a whole range of apartments in Osprey Village. One of those is a three-by-two called the Acacia apartment. Critical workers can qualify to rent that apartment. On 30 June 2023, workers would have paid \$540 a week. People in Perth would think that is quite a high rent, but maybe now with the rising cost of living, people would say, “Okay, that is fair enough, especially if you are working up there.” Many of those people are only on \$70 000 to \$80 000 a year, working in the retail and services sector, providing critical services. The government put up the rent to \$648 a week.

Hon Dr Steve Thomas: That’s a big increase.

Hon NEIL THOMSON: That is a big increase! I think that is roughly 15 per cent—that is an off-the-top-of-my-head calculation. That is a big increase. What happened on 1 January, six months later? Six months later that rent went up to \$760 a week. There is a model landlord for you, folks. That is an example. Then the government has the audacity to bring a bill to this place to tell private landlords that they cannot charge a market-based rental, when the rent for a development specifically designed to provide support that critical workers need is increasing at a six-monthly rate over a period of time that —

Hon Stephen Dawson: Honourable member, you had better check your facts.

Hon NEIL THOMSON: I have the tables here.

Hon Stephen Dawson: I understand it was the agreement signed by your government —

Hon NEIL THOMSON: You are in charge. The government is in charge!

Hon Stephen Dawson interjected.

Hon NEIL THOMSON: We can see it pinches a nerve for the minister opposite, who has his office in South Hedland. It pinches a nerve because that is what is happening. That is the model landlord, called the Western Australian government, which has this incredible hypocrisy. That is where relief could be provided or directed. I have spoken about the incredible increases in stamp duty in relation to the rise in insurance costs. That is something of grave concern. We saw \$600 million of additional revenue just sneaked in through the midyear review last year. An additional \$600 million of stamp duty was thrown in because of the increased misery occurring across Western Australia, as we saw after those big storms. Of course, that flows through to the insurance costs. People have a right to insure their homes and protect their properties. In the face of the big fires and floods that we constantly face, people are now paying tens of thousands of dollars, or millions of dollars—\$600 million—in additional stamp duty on insurance. I checked and it was good to see there has not been a further increase, but it is still an excessive amount. There is an opportunity to look at these things and, as part of the government’s massive surplus, to focus

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on reducing the cost of living. The government could examine how we could have a fairer outcome. It could look at the report from the Australian Competition and Consumer Commission and its recommendations. It could be done in a way that is fairer regionally. I am talking for my own region where people face excessive costs in the north. Some of them are retirees who own homes up north, pretty much north of Geraldton, where insurance costs are escalating at a rapid rate. Many retirees are finding it harder and harder to live in regional communities because they cannot afford to insure their own homes.

Yet again, in the midyear review there is another massive increase in the stamp duty charged on motor vehicles. The government has to have taxation revenue to pay for things, but this is a very tangible duty that could be examined for its impact on people who are struggling to pay for the upkeep of their vehicles. What happened with COVID and the challenges with the supply chains around the world with the delivery of motor vehicles is there have been massive delays in the delivery of new motor vehicles. That had a direct impact on the second-hand car market. Over the last two years, there have been massive increases in transfer duties associated with motor vehicles. I am just giving these suggestions to the government. It could have looked at how it can provide a bit of relief, particularly for affordable motor vehicles. Someone on a lower income might have to purchase or upgrade their motor vehicle and often they cannot afford a brand new motor vehicle; they have to purchase a second-hand motor vehicle. Again, there are big increases in total revenue. It is not because the percentage is increasing. It is because the cost of motor vehicles has been escalating at such a rate. The basic needs for the Western Australian community are being able to get from point A to point B, take the kids to school, get down to work and access the services they need, particularly in the regions where we know that the need to have a safe motor vehicle is a very important issue. Motor vehicle safety relates directly to people's ability to drive safely from point A to point B. This is particularly when we see things like the patient assisted travel scheme flatlining over the last few years. An extra grant that was provided through the royalties for regions scheme was removed and no adjustment was made. People in the regions are really struggling, particularly retirees or people who may need more regular health treatments. Health service treatments have been removed in those communities and they cannot access health treatments. I talk to people in towns like Carnarvon, and they have to travel down to Geraldton quite regularly to get basic services because they cannot access those services in Carnarvon. They often have to drive because it is probably the cheapest way for them to do it.

Yet again, it is a challenge to ensure that those cost pressures are not there. The government could be doing many things to improve the cost-of-living situation for the Western Australian community. This is becoming more and more important. As presented very ably by my colleague Hon Dr Steve Thomas, we see an ongoing underestimation of the royalty revenue that keeps flowing into the coffers. It keeps pouring in like great rivers of gold. The opportunity to change those structural arrangements in Western Australia is not being addressed in a structured way, and the most basic of services continue to lack reliability.

This document shows a reduction in lithium royalties, which highlights that some emerging sectors are not guaranteed to succeed. We cannot guarantee that a critical minerals industry will emerge. The nickel industry has had terrible news, and it has been placed in huge risk because of regulatory pressures. This is going to have a direct impact on jobs in our community, particularly in Kalgoorlie. We saw terrible job losses in the alumina industry in Kwinana, and I will speak more about that another time. These are the challenges. This government has become reliant on the tap of royalties from our iron ore industry, the flow of money from increases in motor vehicle insurance and the misery tax on our insurance industry. This government has made the ongoing assumption that we will have continual growth, but it is not doing the hard work to deal with structural and cost-of-living issues in the Western Australian economy to make sure that our community is serviced and gets the best benefit from this amazing windfall.

The *Government mid-year financial projections statement* shows that incredible revenue is flowing in from the GST fix agreed to by the federal coalition government. That has been a major boon for this government but, again, the government has not taken advantage of it during a time of record inflation and record increases in, and challenges around, food prices that are faced by our horticultural sector, as outlined by Hon Tjorn Sibma. Hon Tjorn Sibma and I visited horticulturalists north of Wanneroo who are worried about the massive increases in fees for their water entitlements and the challenges that they will face in delivering seasonal food to our tables and growing greens that require cooler temperatures during the heat of the summer. We have to be careful with what we do. The government should look at everything it does through the lens of how it will affect consumers, the people of Western Australia, and how to make their lives less expensive. We should have the best outcomes in Australia.

For my last point, I will come back to the issue of housing. The midyear review shows a massive increase in the transfer duty associated with our housing market. Again, this government just rides on the back of inflation and gets all this revenue pouring in. It pours it into its hollow logs—those special purpose accounts—loading them up and not paying down the debt that it should be paying. As I said yesterday in my speech about the special purpose accounts, it is costing \$14 million—I should say \$14 billion. Excuse me. I am sure that Hon Dr Steve Thomas would have picked me up on that point. The \$14 billion in the special purpose accounts is not getting the best value out

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of the dollar. It costs \$50-odd million in lost revenue, which the state could get from offset interest if the government actually focused on reducing debt.

Coming back to the impact of the transfer duty, I will say that that is again having an impact. People who are moving in and out of the housing market and people who might want to downsize, for example, face challenges. Some limited intervention has occurred but, again, the government could pull more levers to ensure that our housing market becomes more affordable and make greater progress in that space. Again, I want to focus on how more could be done for social housing and for first home owners.

The Opening Doors program was very effective in delivering shared equity in Western Australia. People could go to the Opening Doors website to see whether they could get into a shared equity scheme for a house. It was a very effective scheme that ran for a number of years and provided a stepping stone for many people to get into the housing market. It was provided by the Housing Authority and previously had hundreds of home options available for young people to get into their first home. It was a great idea for low-income earners, service workers or those who work in the caring industry, which unfortunately probably pays too little for the tasks they do. Those people need a roof over their heads and the security to get out of the rent trap. I have been told that, apparently, if people go to the Opening Doors website now and look for a house, not a single house is available. I would love to hear from the government what is happening to shared equity; I think it has been completely abandoned. The government does not believe in it or in looking after the Western Australians who need it most.

As Hon Dr Steve Thomas put it, this government's midyear review yet again shows the continued underestimation of revenue, in particular, from the mining and iron ore sectors. There are some worrying signs on the lithium front. Since the midyear review was released, there has been even more worry and concern about some of the value-added areas in our mining sector. We cannot take that sector for granted. The structural changes have not been made.

Most of all, this government has failed the residents and families who continue to struggle with the higher cost of living. This government continues to flaunt its wealth and simply did not make changes when the opportunity was there.

The ACTING PRESIDENT (Hon Stephen Pratt): I give the call to Hon Dan Caddy.

Hon Martin Aldridge: Oh! The government response!

HON DAN CADDY (North Metropolitan) [2.13 pm]: Thank you, Mr Acting President. No, I am not giving the government response. I believe that my good friend the Minister for Emergency Services will give the government response. I was not going to speak —

Hon Martin Aldridge: One day.

Hon DAN CADDY: He will get there. He needs to listen to a lot of opposition members to get together any sort of substance that he can respond to. Therein lies the problem, and it has been a problem with opposition members for some time.

I was not going to rise today, but I take the opportunity to speak because a couple of things were said that struck me as odd. The contribution we just heard was an interesting one that went all over the place, as the contributions of members opposite often do. The member talked about what has happened in the light of decision-making and all sorts of things, and one thing he brought up was Osprey Village. I was staggered that a member opposite would bring up Osprey.

Hon Darren West: I think they've had enough own goals this week.

Hon DAN CADDY: Yes. The member is having a bad enough week already. It was interesting that he brought up Osprey; I am surprised that he did not bring up MAX light rail as well!

Osprey Village was fascinating. It was very much a jewel in the crown for the royalties for regions wastage under the previous government, and that is why I am so staggered that the member brought it up. There are obviously "super towns", and I will always support money being invested into the regions, but money went into some towns that then saw a decline in population. That was interesting. I will stick with Osprey, because it was fascinating. Many of us on this side have read the Langoulant report; I would implore the member to also read it. The report goes into great detail about Osprey Village and the process—one might say the lack of process—behind that development, which was acquired for \$115 million, despite retrospectively being found to be valued at only \$51 million. It cost millions in management fees, and it was never ever going to generate a return. I think it is really important that we in this chamber reflect on that poor decision-making, because when members opposite stand —

Hon Neil Thomson interjected.

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Hon DAN CADDY: If the member would like to listen, he might actually learn something. If the member wants to stand there and bring up and talk about Osprey in this place, he needs to realise that it is one of the biggest own goals of the previous government.

Hon Martin Aldridge: Tell us about the Office of Shared Services!

Hon DAN CADDY: I am responding to the member. I appreciate your interjection.

Hon Martin Aldridge: Tell us about rapid antigen tests!

Hon DAN CADDY: I realise that the member's interjections will be wide and varied, but I am talking specifically about Osprey, which was mentioned by the previous —

Hon Neil Thomson interjected.

Hon DAN CADDY: Member, I listened to you.

Several members interjected.

The ACTING PRESIDENT (Hon Stephen Pratt): Order, members!

Hon Neil Thomson interjected.

The ACTING PRESIDENT: Order!

Hon DAN CADDY: It does not happen very often, but for once, I listened to the member in silence. That is the reason I felt compelled to get up and remind everyone of the history. This motion moved by Hon Dr Steve Thomas, which I do not agree with and do not support, was all around decision-making. The member was talking within that context, and it was within that context that the member chose to bring up Osprey Village. Now, I choose to talk about Osprey because it was, I quote, the “jewel in the crown” for the royalties for regions program. I suggest it was the jewel in the crown of the inept attitude and managing of that program. The minister at the time at one point had spent \$37 million on the project with no business case—not even an inadequate business case, a back-of-the-envelope drawing or an Excel spreadsheet on anything, as far as we are aware. The former minister spent \$37 million with nothing behind it, and that did not include the cost of maintenance, rates or strata fees. It was not any of the administrative costs; it was straight out —

Hon Neil Thomson interjected.

Hon DAN CADDY: Member, please listen. I am not taking interjections. I did not interject on the member; I normally do, but I did not today, so I would appreciate the same in return. I will not talk for long. I really want to get the point about Osprey Village on the record. I am happy to digress; I am happy to talk about other things. We can talk about Pelago West. That was a \$7 million waste. Then there was Pelago East. My recollection is—I am getting hazy now, because it was during the member's time—that it cost \$30 million to buy 50 units at Pelago East, but I will give the member one thing: compared with Osprey, it actually had a business case. The development may have been significantly flawed, but at least there was a business case in place. To quote Mr Langoulant's *Special inquiry into government programs and projects* report —

The State took on a significant risk associated with the development to ensure it went ahead.

That report was damning. If the member has not read it, I am very happy to provide a copy so that he can have a read. He will see written in the report that this project was undertaken on the run, had no planning and that the risk assessment undertaken was insufficient. All these things are in the report. The member then may be a little more circumspect when he comes into this place and starts throwing the Osprey project around because, my good friend, this was a classic example of policy on the run, spending on the run and the wastage of the previous government that led us to the \$40 billion debt we inherited as a government all those years ago.

Hon Dr Steve Thomas: You inherited \$32 billion.

Hon DAN CADDY: It was \$40 billion—\$32 billion? I am not sure of the member's position, as things have changed around a bit, but if the humble backbencher who was once a very fine shadow Treasurer says \$32 billion, and he is prepared to hang his hat on that, I will take \$32 billion! Who would argue over a few billion dollars? It is a hell of a black hole, my friend!

I know other members want to speak. I do not just want to talk when there is nothing left, but there is a lot left to say! I could go into the agreement with National Lifestyle Villages. I could go on about a whole lot more stuff. I just wanted to draw the member's attention to the history of Osprey, so he may think twice before choosing to bring it up again in this chamber and mention the name of what was one of the biggest own goals—there were quite a few of them—that the previous government kicked.

HON COLIN de GRUSSA (Agricultural — Deputy Leader of the Opposition) [2.22 pm]: It looks like the government does not really want to respond to this motion. I am sure that in due course the minister will respond,

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and it will be riveting for all of us—as all our contributions are. I want to thank Hon Dr Steve Thomas for moving the motion. My colleagues ahead of me have spoken at great length in particular about limb (1) of this motion, which is about the midyear financial projections, the budget and so on. I want to talk a bit more about limb (2) of the motion, which reads —

calls on the Cook Labor government to urgently do more for struggling Western Australian residents and families.

I do not think that is an unreasonable request at all, even for those sitting on the other side of the chamber, because we can always do more for those in our communities who are struggling, particularly those struggling with the current cost-of-living crisis. I want to give a little bit of perspective to some of the challenges people face in our community. The wonderful service Lifeline Australia recently revealed that it received 39 per cent more calls in 2023 than received in the year prior. That was 116 000 calls, and it was the first time as an organisation that it supported more than 100 000 people. That is an extraordinary amount of support that that organisation offers and a real indicator of the struggle people face in the current cost-of-living crisis. Organisations like Foodbank report that 36 per cent of all households in Australia experienced food scarcity in the last 12 months. That is a pretty significant statistic. It shows the level of pressure facing Australians and Western Australians to put food on the table and look after their families.

I was at an agricultural conference on Monday, the Grains Research and Development Corporation's Grains Research Update. Interestingly, one of the guest keynote speakers at the beginning of the day was a demographer. I cannot recall everything he talked about, but he was a fascinating individual, of German descent and very charismatic—that is the word I would use. He talked about Western Australia, in respect of its demographics, as being the youngest state in the nation. A lot of younger people are being attracted to the state, obviously as a result of the mining industry and its ability to attract people here. He also pointed out the issues that that brings, in terms of housing those people and providing them with the services they need while still providing services to the already existing community. He talked at length about what that actually means for our state. Although it is a good thing that we have a younger demographic, there are still great challenges facing us.

How will the government address some of those challenges? I am sure the minister, in his reply, will tell us all about the things that the government is doing to address the cost of living. I again reflect on the second part of the motion, which calls upon the government to do more. That is not saying that the government has not done enough; it is saying that we need to do more, and I think that is the important point here. We can always do more.

I have seen this a number of times and have done the odd soup run with those who provide food for the needy out there, and the first time I did that—a few years ago, now—I was surprised. People might have a stereotype in their head about what they expect to see when they deliver those sorts of services to the community, but the reality is that it may be the nicest house in the street, beautifully presented, with the most immaculate garden, and it may be just as much of a struggle for those people as it is for anyone anywhere else in the community. I think that is really the key here: this cost-of-living crisis is affecting so many people, from all demographics and from all walks of life. That really brings home to me the need for the government to make sure it works hard in this space.

What can the government do? Obviously, fees and charges are a big earner for government. My colleague Hon Neil Thomson talked about stamp duty. There are other obvious fees and charges in respect of motor vehicles and stamp duty on home purchases and so on. There are all sorts of relief measures that could be put in place or increased. Another challenge in respect of the additional costs that people face are the choices they have to make to not spend money on other things. This is a federal issue and one that I know will probably rile a lot of people up, but let us talk about nicotine addiction, for example. Let us talk about people who are addicted to nicotine, because that is ultimately what makes people want to smoke; no-one would want to smoke otherwise. The government thinks that increasing taxes on cigarettes is a way of addressing that problem, but when a packet of cigarettes costs more, it means that a person who is addicted to nicotine will ultimately spend more money on cigarettes and less money on putting food on the table.

Hon Lorna Harper: Are you suggesting that we reduce the price of cigarettes?

Hon COLIN de GRUSSA: I am not suggesting that we reduce the price of cigarettes; I am suggesting that we understand that people will make the choice to smoke because they are addicted. We need to treat the addiction. A financial penalty for that sort of condition is not always going to work. We need to understand the choices people make and we need to look at those options in terms of reducing the fees and charges that people are paying, to try to minimise the impact that they have on people's budgets.

No doubt, government members will talk about the government's plans for housing. I have seen that firsthand. A family of four moved in with us for five weeks over the summer recess because their landlord decided that they wanted to move back into the rental property, so they had nowhere to go. Obviously, we were in a position to help them and, luckily, they were eventually able to purchase a property to move into. That is the sort of thing people are facing now with the housing crisis. Builders are struggling to pay bills and build the houses that we need. I am

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sure that the government is acutely aware of all these issues—no doubt about that. I do not pretend that there is a silver bullet for all these things, but I think we could certainly provide more relief in fees and charges, whether that be motor vehicle licensing fees, stamp duty or business taxes. Let us remember that businesses may decide to cut someone's hours rather than have to pay them if that created a taxation issue for them.

I will leave it at this point. I am sure other members want to contribute to this motion. Again, I thank Hon Dr Steve Thomas for moving this motion. I hope we can have a rational discussion about the ways in which we can all work to address the cost-of-living crisis that is facing communities and individuals right across Western Australia.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Emergency Services) [2.31 pm]: I thought I better get in just before we run out of time. I will not take up my whole time, so if other honourable members want to make a contribution this afternoon, they can. I was going to say I thank the shadow Treasurer, but I thank the person formerly known as the shadow Treasurer for moving this motion this afternoon and for his acknowledgement of the fine work that the government is doing to balance the budget.

Many members on the far side served in the last Liberal–National government and, of course, we are all aware of how they spent like drunken sailors at the time. Although they would have us do the same in government, we have not and we will not. We pride ourselves on good fiscal management and we will continue to do so.

I was busy scribbling notes as I was listening to the contributions of honourable members this afternoon. At least one honourable member spoke to us about his summer holidays and the fact that he got to watch some movies. I thought the honourable member should have watched *Monty Python's Life of Brian* in light of the headline on today's paper and the very pertinent line, "He's not the Messiah ... He's a very naughty boy!"

Of course, this motion makes members on this side feel like it is groundhog day. I have not gone back to last year's *Hansard*, but I think the same motion was moved numerous times. It is good to see the opposition is getting good at recycling because it was not very good at recycling when it was in government many years ago! The opposition has moved this motion and failed to acknowledge that when we gained the Treasury bench in 2017, we were left with a disastrous set of books. We have done the heavy lifting and worked incredibly hard to not only turn around the economy but also balance the budget and deliver for Western Australians.

One of the things Hon Dr Steve Thomas raised in his contribution was the dividends retained by Western Power, Water Corporation and the other government trading enterprises. He said that they were retained to reduce the surplus. I think that is conspiratorial. It makes prudent sense for GTEs to have money to start planning for the projects that are underway over the next few years in this state, including a new \$2 billion desalination plant and the road to decarbonise the state's economy in the south west interconnected system in particular, which is estimated to cost around \$3.5 billion or \$4 billion.

In his contribution, he also spoke about the Salaries and Allowances Tribunal and the fact that a number of senior leaders in the public sector got a pay rise in the past few weeks. I think it was disingenuous for him to say the government has done this, because those who pay attention in this place realise that the Salaries and Allowances Tribunal is independent of the government. Sometimes the Salaries and Allowances Tribunal makes decisions that we like and sometimes it does not. It is disingenuous to blame us for the decisions made by that body. The government continues to consult with the trade union movement in this state about its new wages policy because, at the end of the day, it wants to deliver fair wages to public sector workers, who do an amazing job. They certainly did an amazing job over the past few years during the trying times of the COVID-19 pandemic.

In his contribution, Hon Neil Thomson raised the issue of Osprey Village. I responded to him by way of interjection, but I will quickly touch on it now. Hon Neil Thomson said that Osprey Village rental prices had increased recently. This issue was brought to my attention earlier in the year by one of my constituents in Port Hedland. It was brought to my attention that the policy for these increases was set by the former Liberal–National government when Hon Neil Thomson was a senior —

Hon Neil Thomson interjected.

Hon STEPHEN DAWSON: The policy was signed, the agreement was signed, the contract was signed—we cannot get out of it. Although Hon Neil Thomson was not a member of Parliament at that stage, he was, of course, a very senior public servant in this state, so I am happy to lay the blame with him. Thought should be given to contracts like this that could have significant impacts on future generations. Hon Neil Thomson was asleep at the wheel when he was a senior public sector worker, because the contract that was signed by the former Liberal–National government has led to rent increases for people in my electorate.

Hon Neil Thomson: No responsibility.

Hon STEPHEN DAWSON: I did my homework for this motion—Hon Neil Thomson did not.

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What has the government been doing? We are constantly criticised by the opposition. From time to time, the former Leader of the Opposition used to give us some kudos. I hope the new—I was going to say recycled—returned —

Hon Martin Aldridge interjected.

Hon STEPHEN DAWSON: Resurrected! I hope that, from time to time, the resurrected Leader of the Opposition will do the same and give us credit for the things we do.

We have been working incredibly hard. We cannot take one step without being criticised. We have been criticised numerous times over the past few years and, from time to time, the opposition talks down the Western Australian economy and, indeed, the state's construction and building industry. The Leader of the Liberal Party has been on the record about this. In May 2020, she said that Western Australia was facing a significant jobs crisis, and that the McGowan government should be doing all it could to invest in the Western Australian construction industry and local jobs. In June of that year, she said that infrastructure spending is an obvious and necessary stimulus area. In August that year, she said —

... Western Australia has record unemployment. What we need is local jobs right now.

At the time, the Master Builders Association of WA, the Housing Industry Association and individual builders requested that the government put in place cash grants and incentives to support the industry. That is what the government and the commonwealth government did. Bear in mind, that was done at a time when we were told by treasury officials around the world that the economy was going to go south and there would be turmoil. Since then, we have made some difficult decisions, but we have also undertaken significant work to smooth out the pipeline of infrastructure projects beyond the current boom. That process will ensure that there is enough skilled labour and material to meet the needs of both public and private infrastructure projects. That has freed up skilled labour, such as bricklayers, carpenters and other tradespeople, and ensured that the construction of homes can be completed. I am advised that the number of homes under construction in WA is decreasing and the completion numbers are increasing, which is leading to shortened delays.

The cost of building a home in Western Australia remains lower than it does in most other states. Cost escalation has also been lower in Western Australia compared with that in other major states. Granted, I am aware that some people in the community—I acknowledge the contribution made by Hon Colin de Grussa; it was a tempered and even-keeled contribution—are doing it tough. The government will continue to ensure that it provides cost-of-living assistance to Western Australian households. We have done that a number of times over the past couple of years. We have invested in initiatives that are hopefully easing the cost-of-living burden on WA families. I am trying to talk about our time here, but I am reminded of the fact that when the Liberal–National government was in power, costs of household fees and charges increased significantly. We are working to limit those increases to keep the burden low on families in this state.

We have also provided an electricity credit to Western Australian households. In the 2023–24 budget, cost-of-living relief measures were about \$700 million or thereabouts. We delivered our second electricity bill credit of \$200 in December just gone, and another \$200 a few months before that. At the time, the then shadow Treasurer called them “untargeted cash handouts”. I think that was the language he used. He cannot say on one hand that they are untargeted cash handouts, when they are in fact helping ordinary Western Australians with the cost-of-living pressures that they are feeling. Of course, we did not just provide household credit, we also provided relief to the cost of public transport. There is free public transport for school student travel and free public transport for the entire community every Sunday, which is estimated to save families, particularly with children. I have to check the figure for *Hansard*, but I think the savings for a family of two school-age children is in the order of about \$560 or \$570 a year. That is significant for families. We had free public transport during the Christmas period from Christmas Eve until the end of January or thereabouts.

Our WA rent relief program is helping families stay in their homes. We are providing fee-free TAFE, which is providing about 22 000 fee-free TAFE places at the moment. I have spoken to families in my electorate who have benefited and participated in those free TAFE courses, which are helping people get jobs. They are upskilling and helping people get new well-paid jobs in the state. We also had a back-to-school payment for people who foster and grandparent carers—people who do tremendous work in our community looking after their grandchildren, as the case may be, or their foster children. We are very grateful to them for the work that they are doing. We are very happy to have been able to provide cost-of-living relief to those people. We have increased the amount that we provide in KidSport vouchers to Western Australians. They have doubled from about \$150 to \$300. We continue to monitor the Western Australian economy, as members would expect us to do. We are mindful that there are people in the community who are not doing as well as others. We will continue to make decisions in the best interests of all Western Australians.

Of course, while we have been providing cost-of-living relief, we have also been keeping fees and charges low. In the last budget, fees and charges rose by a lower rate than the consumer price index. We continue to keep those as

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low as possible. This is the fourth consecutive year that the rise in the cost of the basket of household fees and charges has been kept to below inflation. This is what we are doing in WA, in stark contrast to what is happening on the east coast, where it is vastly different and where electricity prices have risen by as much as just over 25 per cent. We are keeping energy bills low in WA because it was a Labor government that put in place the state's gas reservation policy.

I am looking through my bits of paper to see whether I have answered the various points that were raised by honourable members in this place. The patient assisted travel scheme was raised by one of the contributors. Certainly, during our time in government—I think in 2021–22—we increased funding to PATS. That increased the nightly subsidy available for patients who have to stay in commercial accommodation. It also expanded the eligibility criteria for escorts to accompany patients travelling to receive specialist medical care. That has been fully implemented, with a significant benefit for Western Australians, particularly in my electorate, and also in the electorates of others around the state.

We have made, and continue to make, significant investments into our health services in regional Western Australia. Over the past 10 years, there has been significant investment into country health services, with the WA Country Health Service delivering a capital works program and spending about \$1.5 billion on over 80 projects right across the state. We acknowledge that we need to make sure that hospitals in the regions deliver a quality standard of care to residents in the regions.

Iron ore royalties were raised. It is a favourite issue of Hon Dr Steve Thomas, who raises it quite often in his contributions in this space. I have said before and I will say again that the iron ore price is extremely volatile. That has been recognised by us in this state, the commonwealth and by treasuries across the country. Even this year it has swung—it is up there and it is down again. We have to budget sensibly and acknowledge that volatility exists. Our budget incorporates cautious iron ore price assumptions.

Yesterday I was told about a project. I think it was in Guinea. A significant investment is being made by international companies. They are building massive train lines—dual train lines that will help them move iron ore a lot faster than ever before. We cannot put all our eggs in one basket and say that the price of iron ore is going to stay as it is at the moment forever. We need to be cautious, sensible and smart.

Time and again, I have said that we have learned from the mistakes of the past Liberal–National government. That government really banked in very high-expenditure growth based on overly optimistic iron ore price assumptions. Of course, as we have heard, that trajectory led to the debt levels that we took on when our government was elected.

Regarding iron ore prices, the midyear review included an upward revision to the assumed iron ore price of \$US74.10 a tonne in the budget to \$US104.20 a tonne. That reflects higher average prices that were supported by demand from infrastructure and manufacturing activity in China and a lower assumed Australian to United States dollar exchange rate since the budget. We are always cautious with the iron ore price assumption because we have seen periods in which prices fell. Prices fell by more than 50 per cent from early April 2022 to late October 2022. That reflected weaker steel demand in China, and that will happen from time to time.

Hon Dr Steve Thomas: What were the prices at that time?

Hon STEPHEN DAWSON: They were high, but there was still a significant drop.

Hon Dr Steve Thomas: You are right, but if it drops from \$US235 a tonne to \$US180 a tonne, it is a significant drop, but the base price is still incredibly high.

Hon STEPHEN DAWSON: Yes, but the problem with the member's government was that it banked every single dollar and spent it. It spent too much. The previous Liberal–National government spent too much because it did not have conservative assumptions.

Around that time, just a little bit later than that drop, in November 2022, the member said in media statements “The end of the boom is coming” and “The biggest boom in our state's history ... had to end eventually”. He also said “the correction we all knew was coming has certainly started.” This is not *Chicken Little* with the sky falling in, but at the time, he did say “You know what, there is a bit of fluctuation. We can't rest on our laurels.”

Hon Dr Steve Thomas: I am not disagreeing.

Hon STEPHEN DAWSON: But the member seems like he has changed his tune today!

I want to quickly go to the assertion by the opposition that we are not spending enough money on government services or that we are not supporting WA households. That is simply untrue. We continue to spend sensibly and be aware of what is going on in the community, but we do not spend beyond our means. I think Hon Dr Steve Thomas suggested in his contribution today that we were sitting on bags of cash. That is not correct.

Hon Dr Steve Thomas: Mountains of cash!

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Hon STEPHEN DAWSON: There is no big mountain of cash up in Dumas House. We are not borrowing as much as the previous government did. It is not a case of having lots of cash. Hon Dr Steve Thomas says we are sitting on mountains of cash. I am saying we are not sitting on mountains of cash and we are not borrowing as much as we would be had we not been frugal or sensible.

Somebody—it might have been Hon Neil Thomson or Hon Dr Steve Thomas—spoke about the election coming up in March 2025. We are not focused on March 2025; we are focused on the job we were elected to do in 2021—that is, to deliver good, quality services for Western Australians. Undeniably, we will continue to do that.

I note that over the last few months, the Liberal Party has made—I do not know—in the order of \$3 billion worth of promises, so it continues to go back to its old ways. It continues to want to spend like a drunken sailor, but, of course, we will not do that. We did not follow the previous government's footsteps after we took over government, and we certainly will not do it now. We will continue to deliver quality services for Western Australians and make sure that we are responsive to their needs.

The motion that the opposition has moved today is a political stunt and so, for that reason, I will not support it.

HON WILSON TUCKER (Mining and Pastoral) [2.51 pm]: I was not going to make a contribution, but I felt compelled to after listening to a few other contributions. I also note that the Minister for Commerce is away on urgent parliamentary business, so I would like to get a few cheap shots in in advance of the debate on the residential tenancies legislation reform. Members can certainly let the minister know. We expect the rental tenancy reform bill to be debated in a couple of weeks.

Hon Kate Doust: If you are afraid to say this when the leader is not here, should we just call you a gutless wonder?

Hon WILSON TUCKER: They are Hon Kate Doust's words, not mine. Is that parliamentary language; I am not sure?

Hon Kate Doust: It is!

Hon WILSON TUCKER: Okay. As long as Hon Kate Doust is sure! We will let that slide. Let us get back to debate.

The ACTING PRESIDENT: Hon Wilson Tucker, you have the call.

Hon WILSON TUCKER: Thank you, Acting President.

I would like to talk about renters. We heard Hon Neil Thomson lament the situation facing property developers and landlords at the moment—they are the ones putting up all the capital and taking a lot of risk—but I think we are ignoring people who really are doing it tough at the moment and they are the renters. They are at the bottom end of that contract. We also heard Hon Colin de Grussa speak about the younger demographic in WA. We know there is an intergenerational wealth disparity in Australia, and certainly in WA. Anyone lucky enough to be from the boomer generation or even older is probably sitting on five or six negatively geared properties, such is the policy that has been directed at that generation since the 1950s through concessions on stamp duty. The property market has been treated like an investment pool as opposed to an essential right for Australians and Western Australians. This has made it incredibly difficult for the younger generation to get into the property market. There are certainly reports that back that up. The Australian Housing and Urban Research Institute has put out some reports in that space. It says that 30 per cent of Western Australians are renters, which is just under one-third of the population. Of that 30 per cent, about 30 per cent of those renters do not feel they could ever get into the property market. Housing is a spectrum, including social housing and affordable housing. Renters in that affordable housing component are at risk in the face of cost-of-living increases that are quite targeted in how they affect people. If someone is lucky enough to have paid off their mortgage, with the cash rate and interest rates going up, they are not directly affected. But, certainly, if someone is renting, in the majority of cases, those increases trickle down and they are feeling the pinch. There is a large demographic of people renting in Western Australia—certainly the younger demographic—who are facing a very difficult situation right now.

The Minister for Emergency Services talked about the WA rent relief program, and it is a good program. I do not have any issues with it. Yesterday I received a response from the Minister for Commerce on that program. To date, 2 024 people have expressed an interest to participate in that program; however, zero people were identified as being critical applicants. I can certainly put the minister in contact with a number of people who are facing homelessness and, indeed, people who are homeless. If the minister needs any help connecting to the public, please let me know, because there are people who are at extreme risk of being forced out of their rental because they are unable to meet their rent payments.

I am having these conversations with renters. I am out there talking to people, and the mood on the street is pretty grim. We talk about the rent relief coming from the government, which is apparently pulling out all the stops—I cannot remember the exact terminology; is it all the tools in its toolkit?—but there is not much on the horizon that people get very excited about. I will get into the tenancy reforms when we get to debate the Residential Tenancies

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Amendment Bill 2023 in a couple of weeks, but when I have these conversations and try to give people a sense of relief about what the government is doing, there really is not too much in that bill to get excited about. People will be able to hang up some paintings and they may have pets, but there is nothing in the bill about rental caps.

The elephant in the room, and the thing that most rental advocacy groups are calling for, is to address no-fault evictions. Members will be familiar with that. A no-fault eviction is used when a tenancy expires and the landlord does not give a legitimate reason for not renewing the lease. A no-fault eviction can be used as a catch-all for landlords who want to raise the rent over a certain period, basically renewing the contract with a higher rate, and they do not need to give a reason for that at all. Addressing no-fault evictions is the one thing that renters are asking for to get some assurance in the situations they are facing. A lot of renters are renting for a longer period. As I mentioned earlier, and as highlighted in the AHURI report, a percentage of renters do not feel as though they will ever get out of the rental market. Giving them assurance with some definite terms in the contractual obligations between themselves and landlords is eminently sensible. I also note that WA is the only jurisdiction in Australia that is not looking at scrapping or completely removing no-grounds evictions. We can certainly get into that debate in a couple of weeks.

I will just say that it is not too late. The government has time to review its own legislation and listen to the general public on this point and put in place a very sensible amendment in the next two weeks. Rather than siding with the property developers in this state, the government has the opportunity to try to get a balance that is more in line with renters facing a very tight rental market. WA was heralded as the rent-rise capital of Australia. I think Perth had the tightest rental market of any other place in Australia for a while. Rental availability got down to about 0.1 per cent. In some regional areas, it was basically zero. People on fixed incomes or any sort of government subsidy could not afford a rental anywhere. The balance is not right. Renters want some more security and assurance in the current rental situation, which they are facing for longer periods. One way of achieving that security very, very quickly and effectively would be through removing no-grounds evictions. The government has an opportunity to listen to the voice of reason and to other states and territories, put its finger into the wind to gauge the sentiment on the street with the population and include removing no-grounds evictions in upcoming tenancy reform.

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [2.59 pm]: I stand to make a few comments on this motion. I understand that the mover has a five-minute right of reply. We seem to have this continued infatuation by the current government with the governing modus operandi of the previous government. Although that seems amusing, it is not because it is so serious. It reminds me of a similar circumstance under the last Labor government. Its obsession with the opposition cost it government. I remind members of that. It became so obsessed with the Liberal–National opposition in 2007–08 that the Premier called an early election. The Labor government thought it would capitalise on the opposition. It forgot that we had massive teacher shortages all over the state and the lowest paid nurses in the nation. We had people on trolleys in our hospitals and we had the great escape down at the Supreme Court, if members remember that one. Everything was going haywire, but the Liberal Party was having leadership problems at that stage. There was a lot of disruption and conjecture. What did the Premier do? He called an early election in August to capitalise on what was perceived as dysfunction within the opposition, forgetting what people out there were thinking about. Ljil and Eric were swanning around in Onslow on holiday. No-one knew about it: “We’re going to take advantage of the Liberal disaffection and have an election.” Do you know what happened, Acting President? We won. I do not know how we did, but we won. The public out there saw through it.

After seven years, the public is sick to death of hearing you guys talk about the Barnett government, but members opposite come in here day after day and relentlessly do exactly that. We have had Coldplay, the wrestling and all the rest of it. What did Juvenal, the Roman poet, say? If you throw them bread and circuses, they will forget about what is actually going on. If they have this distraction of bread and circuses, they will forget what is going on. I will tell members what is going on out there. A total of 473 police officers resigned the year before last and over 300 resigned last year against an average of 150. That is what is going on. The police are completely and absolutely disillusioned. The nurses are so satisfied with this government that they are starting their own political party! That is what is going on out there. The police are starting their own political party because they have had enough as well. That is what is going on out there. Members can walk down any street in Western Australia now and see dozens of people without a home. That is what is going on out there. The Standing Committee on Estimates and Financial Operations did a wonderful report on homelessness throughout Western Australia. Members should have a look at what is going on in Kalgoorlie, Bunbury and Geraldton and up in the north. They will find people all over the streets and women with nowhere to go because they are the victims of domestic violence. What did this government do? The recommendation in the committee’s report was to provide increased services for women in crisis, but you guys rejected it. The government is too busy worrying about having a barney with the Lord Mayor of Perth to fix the problems with domestic violence and crisis care. That is exactly what is going on out there.

After seven years, members opposite are still obsessed with us. I have a cautionary tale for members: do not forget 2008. I should not be giving members this advice. Let us remember that in 2020, you guys suffered a 9.4 per cent

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swing in Darling Range, Labor lost government federally and our polling, which would have been reflected in Labor's polling, showed that we were going to win six to eight seats. Believe it or not, that is why I am still sitting here. As a result of that, members opposite were cactus after one term; they might have just scraped across the line. Yes, they had the cover of COVID and the adulation that was bestowed on the then Premier. Guess what, guys? That is gone. COVID is finished and Premier McGowan is gone. Now members are being judged on their own performance. If they can honestly say, hand on heart, that things are peachy with our service workers and things are peachy in the community and that the cost of living is not having an impact, they have their heads in the sand.

It is all well and good for the government to sit there and muse and be so emboldened by the massive majority it has and continue to treat this place with contempt. As it did in 2008, the public will not judge the government on the opposition's performance. The public will judge it on its performance. That is what it will do. The public will look back and ask, "Are we better off now than we were eight years ago or are we worse off?" That is exactly what it will do. Members of the public will look at how long they have waited in a hospital ramping line; they will look at their education system and see whether they have a qualified teacher in their classrooms. They are going to feel whether they are better off than they were eight years ago. Come March next year, we will find out. That is what we will find out. As I said, the cake and circuses mentality, in which the government throws things at the public as a distraction, might work for a moment, and there is a bit of a sugar hit when it gets publicity and a couple of front-page headlines et cetera, but when it comes down to it and the public goes to the ballot box and asks, "Are we better off?", that is what the government will be judged on in about 12 months.

Evidently, we have challenges on this side of the chamber and we are working on them. All we know is that every one of us hears from members of the public that they are not happy. We are going to try to be a voice for them in the next 12 months and give them a viable alternative come March 2025. I encourage the government to keep doing what it is doing. It should keep its obsession with the opposition. That is great, because its cake and circuses approach is not going to work in 12 months' time. Ultimately, it will be judged on its performance. Having said that, I emphatically support the motion of Hon Dr Steve Thomas.

HON DR STEVE THOMAS (South West) [3.06 pm] — in reply: There are a few things I would like to reply to. There is probably no point in replying to the repetitive responses from the Labor Party. Once again we raised significant issues, which were brushed off by the minister. He goes back to previous governments and goes back to standard replies. He does not answer the questions properly. He drags out a few bits and pieces. Rather than waste the chamber's time in picking apart the contribution of the Minister for Emergency Services, I thought I would make this contribution useful and respond to the intelligent commentary from Hon Wilson Tucker. I urge Hon Wilson Tucker to try to have a slightly different view on tenancy and landlords, because, in my view, it is not the case that landlords having investment properties is driving young people out of the investment market. There is an issue with the baby boomers and generation X—my generation, not his—in terms of the impact of young people being able to afford a house, and it is the price of housing. What has changed significantly is the price of housing. It is not the fact that there are people investing in housing—that is not driving up the price of housing as much as all the other things; it was originally the price of land. It is an open and competitive market and the price of land was driving the additional price of residential housing for nearly 20 years. Now it is less the price of land and more the cost of construction, thanks to the things I mentioned earlier, such as investment strategies and government grants that blew up that particular housing market.

Hon Wilson Tucker: Wages have not kept up with housing prices. That is valid. It is down to negative gearing, which is a policy that is incentivising investment into that finite pool of property. That is a direct competition, I think, when you are talking about first home owners.

Hon Dr STEVE THOMAS: Negative gearing is a tax deduction for a legitimate expense and, if it is not a legitimate expense, the tax office will not allow it. Ultimately, there is no point having negative gearing forever because people will be losing money on their investment forever. It is not the case that negative gearing is the great enemy that people think it is. The federal Greens hate negative gearing. Negative gearing is a tax deduction for a legitimate expense. Where we see the difference is in the incredible growth in the price of housing. I can show members a chart. I think I have probably tabled it before. It is the comparison of wage rise increases and the average cost of a house. I have said this before. When I bought my first house, my wage was \$25 000. That was the average Australian wage at the time and I bought a residence for \$42 500, so it was one and a half times the average wage. Today, the average wage is in the \$90 000s; let us round it up to \$100 000, just for easy maths. The average house price in Western Australia has now hit \$600 000, so what was one and a half times the average wage is now six times. That is what is keeping young people out of the market, including, ultimately, my children at the moment, who have to rely on the bank of mum and dad, like so many others. Most of those young people have to go into rentals because of the purchase price. The problem is that if the government has policies that drive down the value of houses, that is not going to make it popular, particularly with everybody who owns a house.

Hon Louise Kingston: Look at Manjimup!

Extract from *Hansard*
[COUNCIL — Wednesday, 28 February 2024]
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Hon Dr STEVE THOMAS: Yes, that is right. The government can close down the timber industry and people do not want to be there. They have to shatter the town. Collie will go the same way, as the government destroys the coal sector and the power stations. That is exactly right. Unless you destroy the economy of a region, you are not going to change the housing price. I would urge members to have a look at that aspect because, if there is an issue that young people might feel a bit aggrieved on, it is the fact that almost two generations of landowners have made their wealth out of the capital growth of their own homes. Probably far too many people have; that is their only major asset, but that is where the growth is. Reversing that would be a very dangerous trend. The message I would give is do not demonise landlords for what is ultimately not their fault.

Division

Question put and a division taken, the Acting President (Hon Dr Sally Talbot) casting her vote with the noes, with the following result —

Ayes (10)

Hon Peter Collier
Hon Donna Faragher
Hon Nick Goiran

Hon Louise Kingston
Hon Steve Martin
Hon Tjorn Sibma

Hon Dr Steve Thomas
Hon Neil Thomson
Hon Wilson Tucker

Hon Colin de Grussa (*Teller*)

Noes (21)

Hon Klara Andric
Hon Dan Caddy
Hon Sandra Carr
Hon Stephen Dawson
Hon Kate Doust
Hon Sue Ellery

Hon Lorna Harper
Hon Jackie Jarvis
Hon Ayor Makur Chuot
Hon Sophia Moermond
Hon Shelley Payne
Hon Stephen Pratt

Hon Martin Pritchard
Hon Samantha Rowe
Hon Rosie Sahanna
Hon Matthew Swinbourn
Hon Dr Sally Talbot
Hon Dr Brian Walker

Hon Darren West
Hon Pierre Yang
Hon Peter Foster (*Teller*)

Pair

Hon Martin Aldridge

Hon Dr Brad Pettitt

Question thus negatived.