

STATE FINANCES

578. Ms C.M. COLLINS to the Treasurer:

I refer to the McGowan Labor government's efforts to create jobs and deliver a strong economy.

- (1) Can the Treasurer please outline to the house how these efforts are underpinning this government's strong financial position?
- (2) Can the Treasurer advise the house how this government's strong financial position is helping to deliver unprecedented investment in our health system and support for public sector workers?

Mr M. McGOWAN replied:

I thank the member for Hillarys for the question.

- (1)–(2) While we were away, the surplus figures for Western Australia for the last financial year came out. It was a \$6.1 billion surplus for Western Australia. It is a very strong surplus compared with every other state and territory government and the national government of Australia, which are in significant deficit.

When we came to government five and a half years ago, we inherited a set of books with record deficits and the highest debt the state had ever seen. Under the last Liberal–National government, the state lost the AAA credit rating. We have restored the AAA credit rating. We have turned deficits into surpluses across the forward estimates. We have turned around the economy from recession to having the highest employment and the lowest unemployment rate and the strongest participation rate in Australia. We have just recorded our fourth consecutive operating surplus. That funds our infrastructure program across the state and pays down debt at the same time. I will talk about that again in a minute.

One of the good things about good financial management is that governments are able to invest in things that count. Since the 2021–22 budget, we have put another \$5.7 billion into our health system—that is, \$5 700 million additional dollars into the health system. That has allowed us to employ 1 739 additional nurses as full-time employees since July of last year—a massive increase in the number of nurses that we have employed. On top of that, it allows us to, as I outlined a moment ago, make sure our wages policy is very heavily calibrated towards the lowest paid workers. Our wages policy is very much about ensuring those people who do it toughest get the biggest wage increases. I do not apologise for that; I actually think it is a good thing that those people who need it the most get the most. They are the people who are out there doing the jobs that other people do not want to do. We want to pay all our public sector workers better. We want to make sure we settle the arrangements. We have a much more generous wages policy than New South Wales or Victoria.

I want to come back to the debt situation. We are actually paying off debt. When we arrived in office, the debt in the forward estimates was climbing to \$43.7 billion. We have reduced that to \$29.2 billion. We are the only government in Australia paying down debt. Had we not done that, what would have happened? First, we would not have regained the AAA credit rating and, second, in a high interest rate environment, our interest payments would be higher. They are two important things to note. When interest payments are higher, we have less to invest in services and infrastructure. There is a lot of fear out there in the world about a global recession, and I share it. There is a lot of talk that there will be a recession around the world next year due to a range of things, including perhaps the hangover of COVID, the Russian invasion of Ukraine and supply chain difficulties. All those things are causing a lot of concern about a global recession. What is the best thing a state can do in light of that? It is to get its house in order in preparation, and that is what we are doing. As I said, we are the only government in Australia paying down debt and preparing for that eventuality. That is why it is very important that we continue to stay on the right path and keep the state in the strongest possible position to counter what might occur.