

HOUSEHOLD FEES AND CHARGES — 2022–23 STATE BUDGET

**305. Dr D.J. HONEY to the Treasurer:**

I remind the Treasurer of the \$600 million of relief in electricity charges that he provided over the summer of 2021, along with a freeze on government charges.

- (1) Was the Treasurer aware in framing this budget that Perth's inflation rate hit a massive 7.6 per cent in the March quarter, the highest in many years and significantly higher than the one per cent inflation rate in the March quarter of 2021?
- (2) If the Treasurer was aware of the surge in inflation, why did his budget provide hundreds of millions of dollars less in financial relief to householders than he provided in 2021, without the relief of freezing government charges?

**Mr M. McGOWAN replied:**

I thank the Leader of the Liberal Party for the question.

- (1)–(2) It is true, as the Minister for Transport said, that he is a critic of the \$600 credit that we provided to people in October 2020, not 2021. When he says that it lacked targeting, it gave some cost-of-living relief to everyone—every family in Western Australia, including, as I said, all those hardworking working-class and middle-class families who never receive anything. That is exactly what we wanted to do. I will take him back to the period. It was a very frightening and concerning period and there was a lot of concern about what was going to happen or what could happen. The Attorney General finalised and secured the Bell Group payment after 30 years of effort, with \$620 million or thereabouts, and we said that we would give it back to people at that time, which was a very dim and dark time. Back in May 2020, we made the decision to freeze water and electricity charges in light of what was going on with COVID at the time. Those two things happened during the course of that calendar year. They were big issues to help people across Western Australia with cost-of-living relief.

Now the member's criticism seems to be that because the inflation rate was, as I think he said, seven per cent in the March quarter, somehow we are not doing enough. By giving people \$400 and underlying that with a 2.5 per cent increase in water and electricity charges, somehow we are not doing enough, even though he has claimed that the inflation rate is seven per cent. The other day, his shadow Treasurer demanded that water and power charges should not go up by more than the inflation rate, so we put them up by less than the inflation rate and we gave people a \$400 credit, yet now his criticism is that the inflation rate is seven per cent. What is he suggesting—that we should have put it up by more so that it was closer to seven per cent? Is that what he is suggesting? I do not understand the logic of his argument. The reality is that the inflation rate should be considered over the course of a year. The inflation rate is a snapshot of a year, and that is the way that Treasuries both here and in other states in Australia analyse these things from financial year to financial year. Our inflation rate estimates are similar to the Victorian Treasury's inflation rate estimates.

I realise that the member thrashes around and lashes out, looking for things to be critical of. The reality is that we are the only government in Australia providing real relief for every family, in terms of cost-of-living pressures; a targeted energy assistance payment for households with a health care card, giving another \$318, totalling \$718; \$400 for every family around Western Australia; and the overall basket of household goods and services goes down by 3.8 per cent next financial year.