

Barton Deakin Brief: Western Australia 2015-16 Mid-year Review

21 December 2015

The Treasurer of Western Australia (WA), the Hon Mike Nahan MLA, today released the [2015-16 Government Mid-year Financial Projections Statement](#) (the Mid-year Review). The Mid-year Review updates the economic assumptions and financial projections released in this year's State Budget.

The general government operating balance is now forecast to be in a \$3.1 billion deficit position in 2015-16. This is compared to the \$2.7 billion deficit forecast at Budget time.

Deficits of \$3 billion in 2016-17 and \$820 million in 2017-18 are also projected in the Mid-year Review. A return to surplus is expected in 2018-19.

The increased deficit position has been attributable to a slowing world demand resulting in commodity price declines, a contracting domestic economy, and lags in the GST distribution system exacerbating volatility in the State's revenue base.

General government revenue in 2015-16 is now estimated to decline by \$1.8 billion or 6.5 per cent relative to the previous year.

The State Government has introduced a \$1.3 billion savings package in light of the forecast deficit for 2015-16. New savings measures include:

- Six-month recruitment freeze;
- Salary underspend provision;
- Reduce non-salary expense indexation;
- Agency expenditure reviews;
- Government Regional Officers Housing reforms; and
- Insurance Commission of WA 2014-15 special dividend.

Further Information

A media release from Premier Barnett and Treasurer Nahan regarding the 2015-16 Mid-year Review is available [here](#).

Barton Deakin's Brief on the WA Government's 2015 State Budget can be read [here](#).

Barton Deakin's Budget Briefs page is available [here](#).

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