



2013 **BUDGET BRIEFING**



#BudgetBriefing

2013-14 State Budget Overview

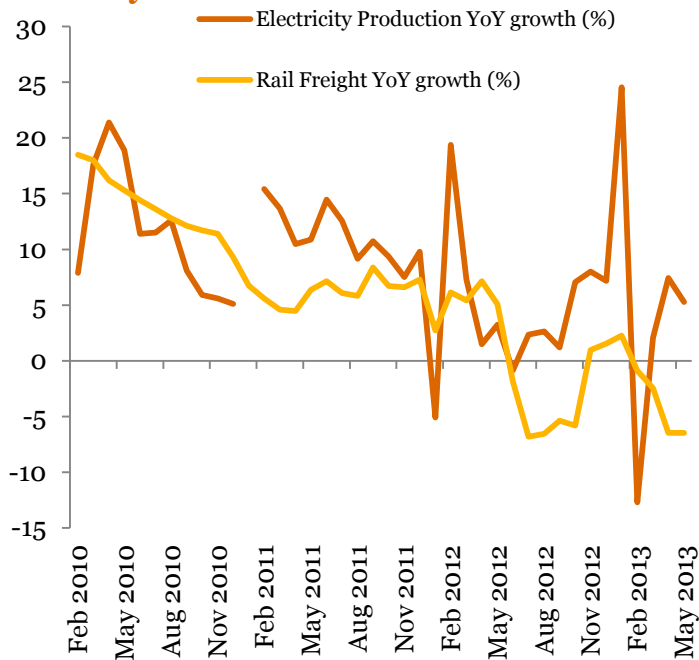
Richard Watson

Chief Economist
PwC Perth

The Budget as a structural circuit breaker

A temporary slowdown in China's growth

China – Indicators of Industrial Activity

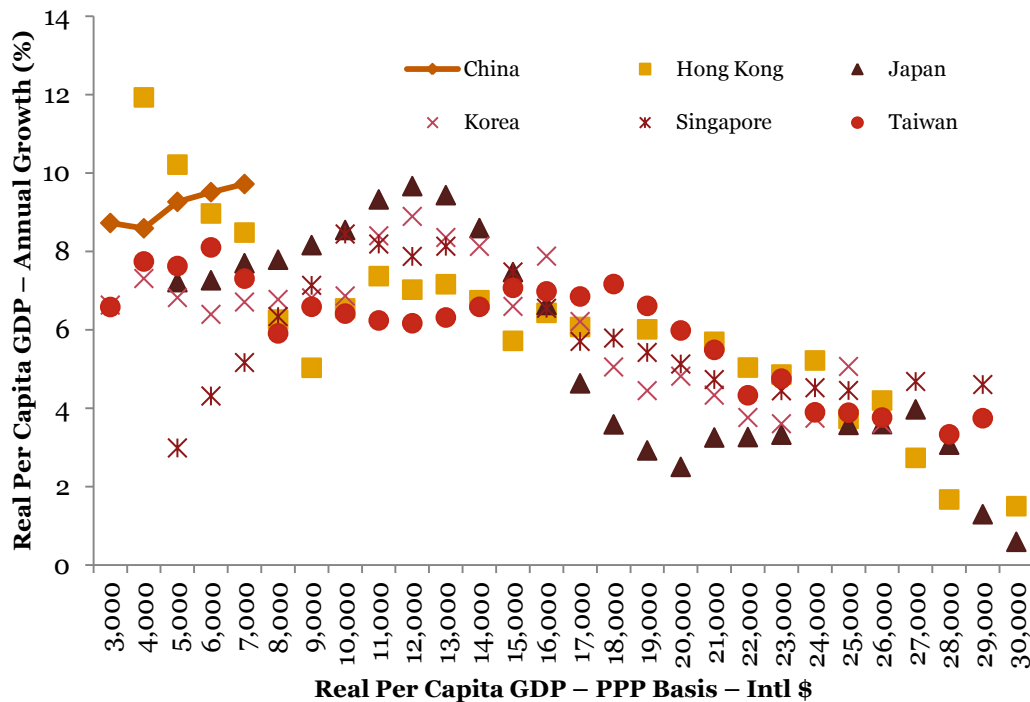


2013-14 State Budget

PWC

Source: CEIC and Penn World Tables

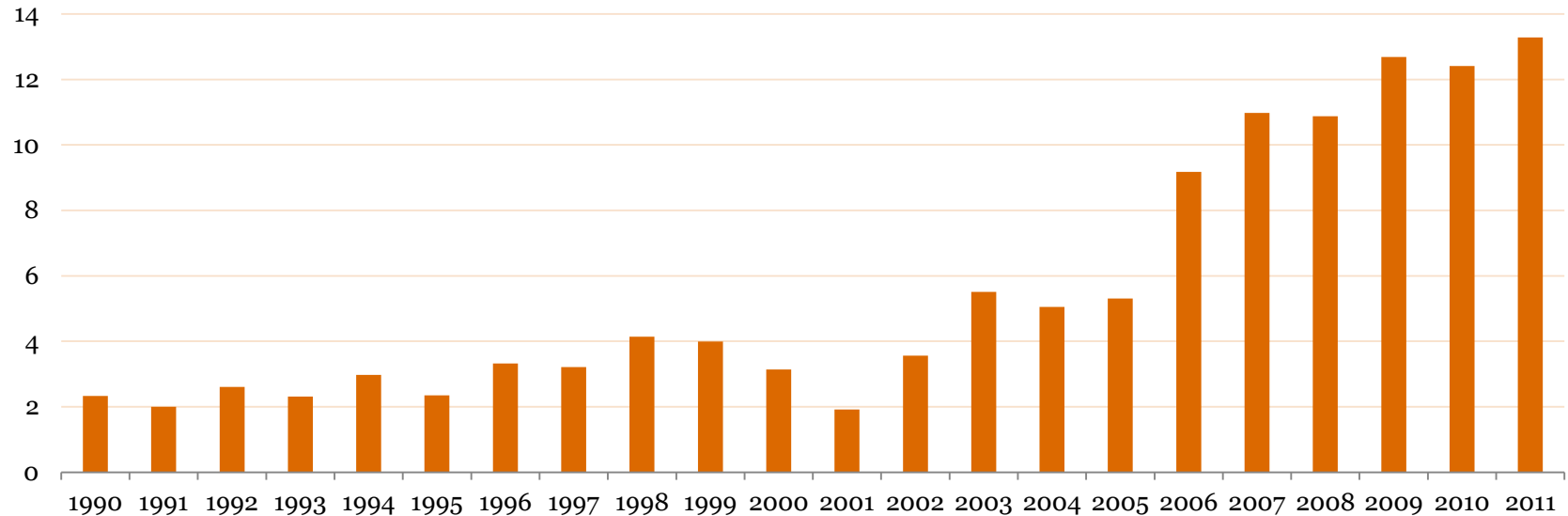
Per Capita GDP Growth Paths



August 2013

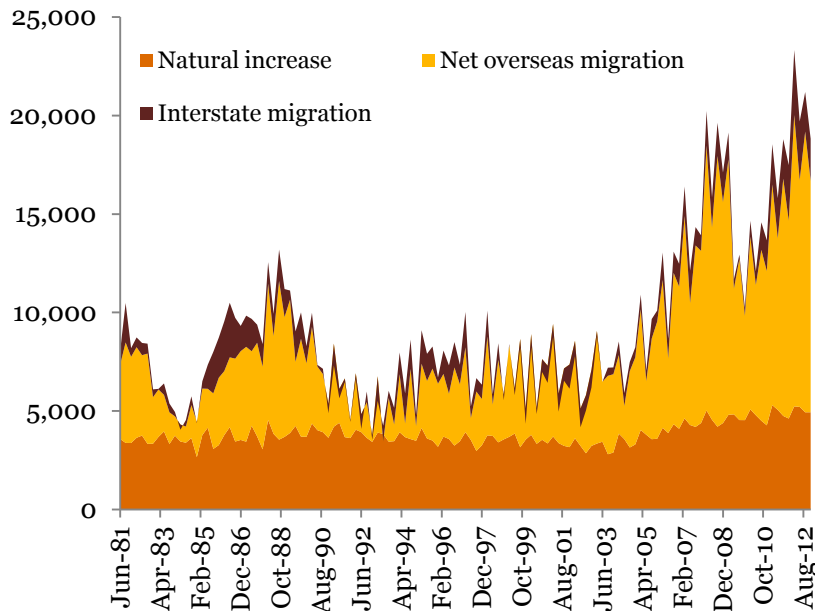
Impacting on an economy where recent growth has been underpinned by resources projects

Western Australia – Non-residential New Engineering Construction – Share of SFD (%)

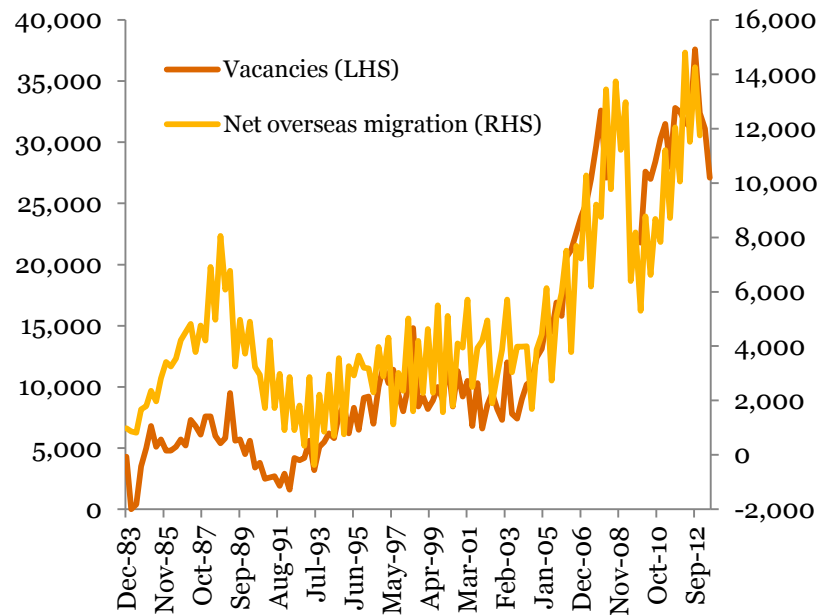


With a continuing need to meet the demands of a growing population

Western Australia – Contributions to Quarterly Population Change (number)

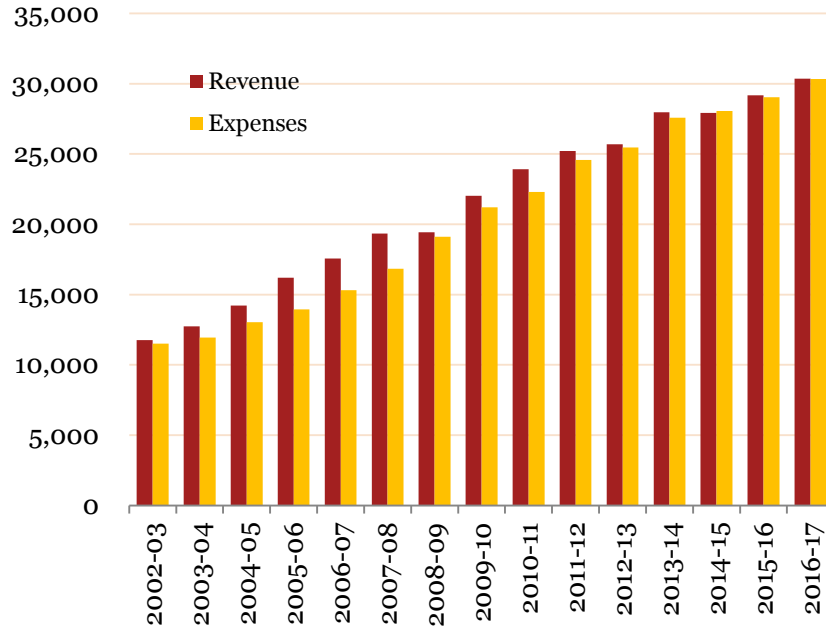


Western Australia – Job Vacancies and Population (number)

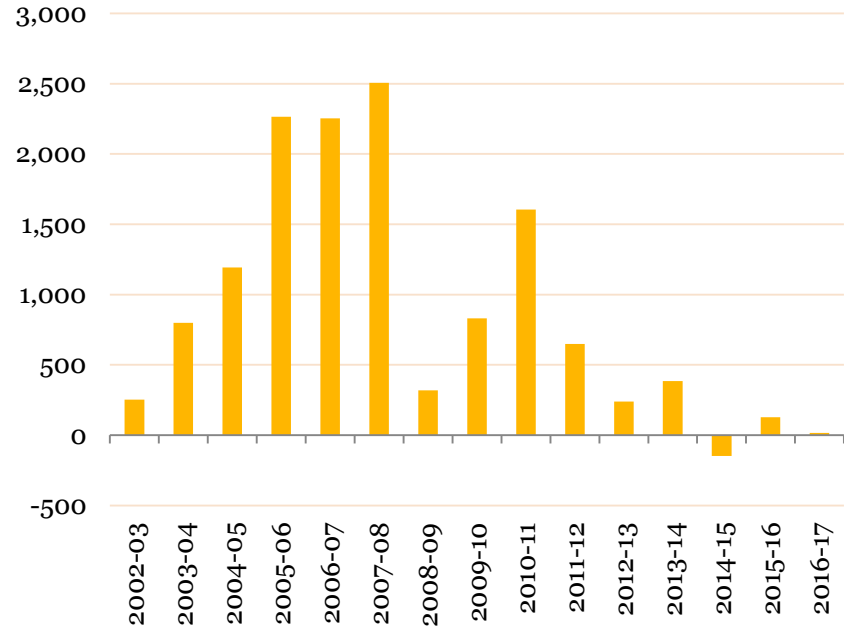


Where expense growth is placing pressure on the Budget

General Government – Revenue and Expenses (\$ million)

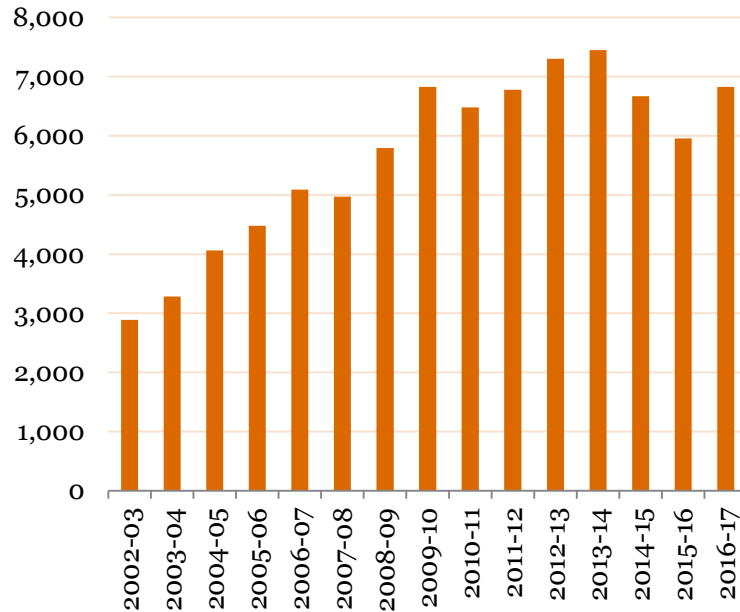


General Government – Net Operating Balance (\$ million)

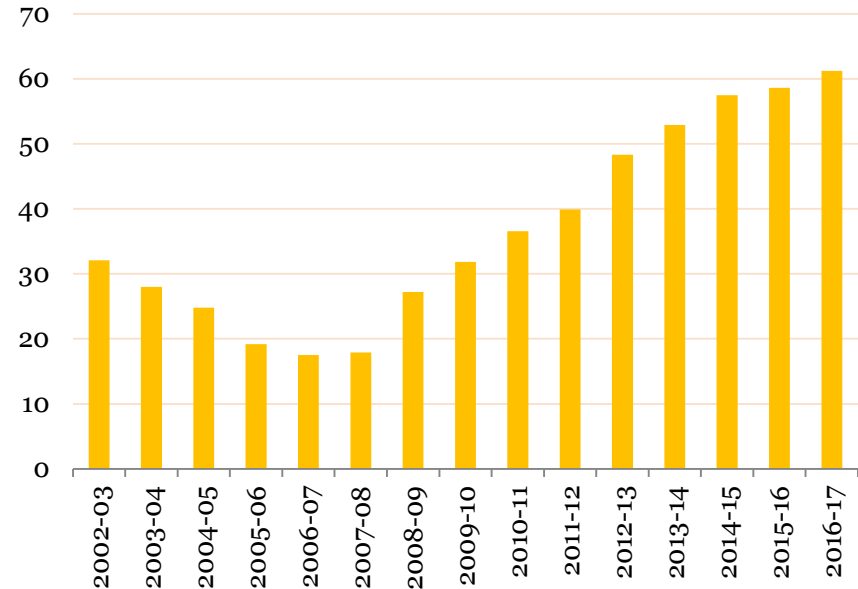


...and the need for infrastructure is driving increasing debt

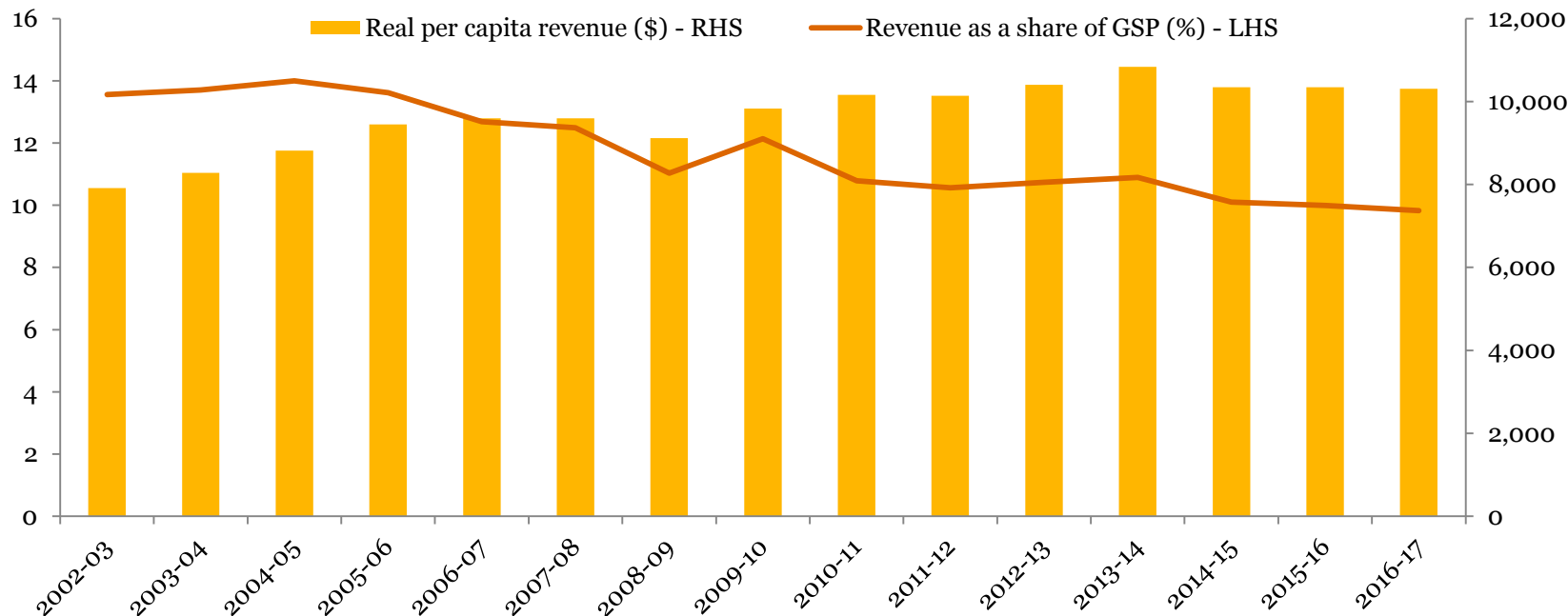
Asset Investment Program (\$m)



Net debt to revenue ratio (%)

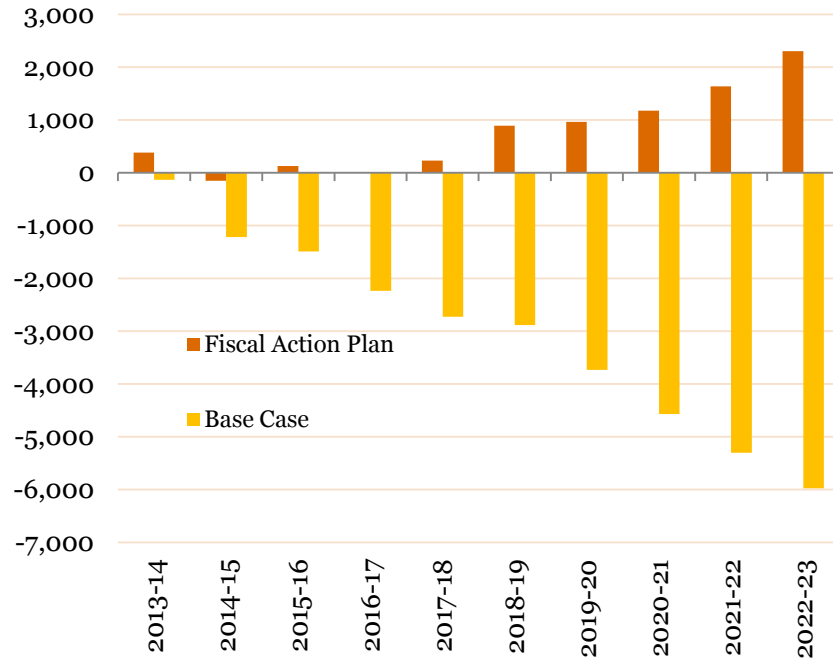


While Government's capacity to pay for services is static

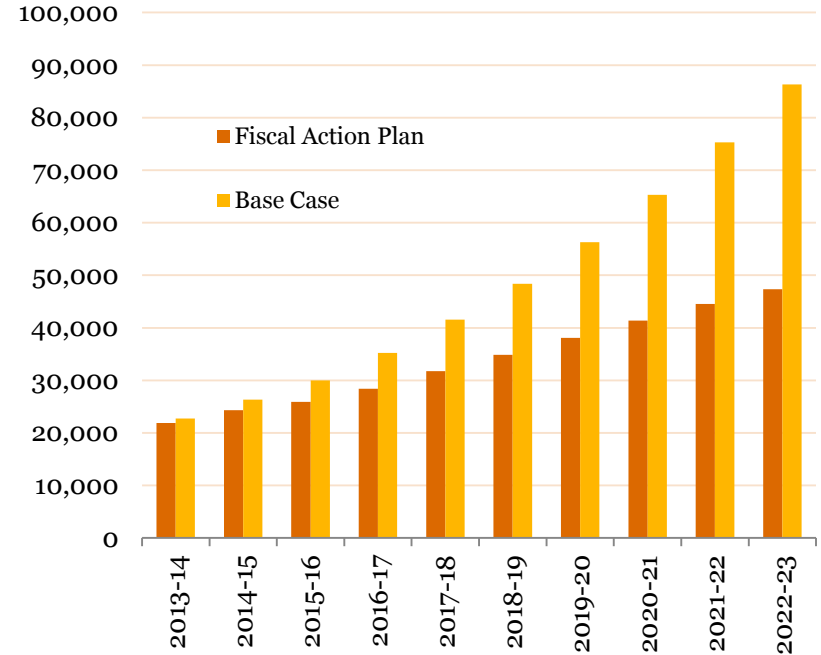


...and, without action, not sustainable

Net Operating Balance (\$m)

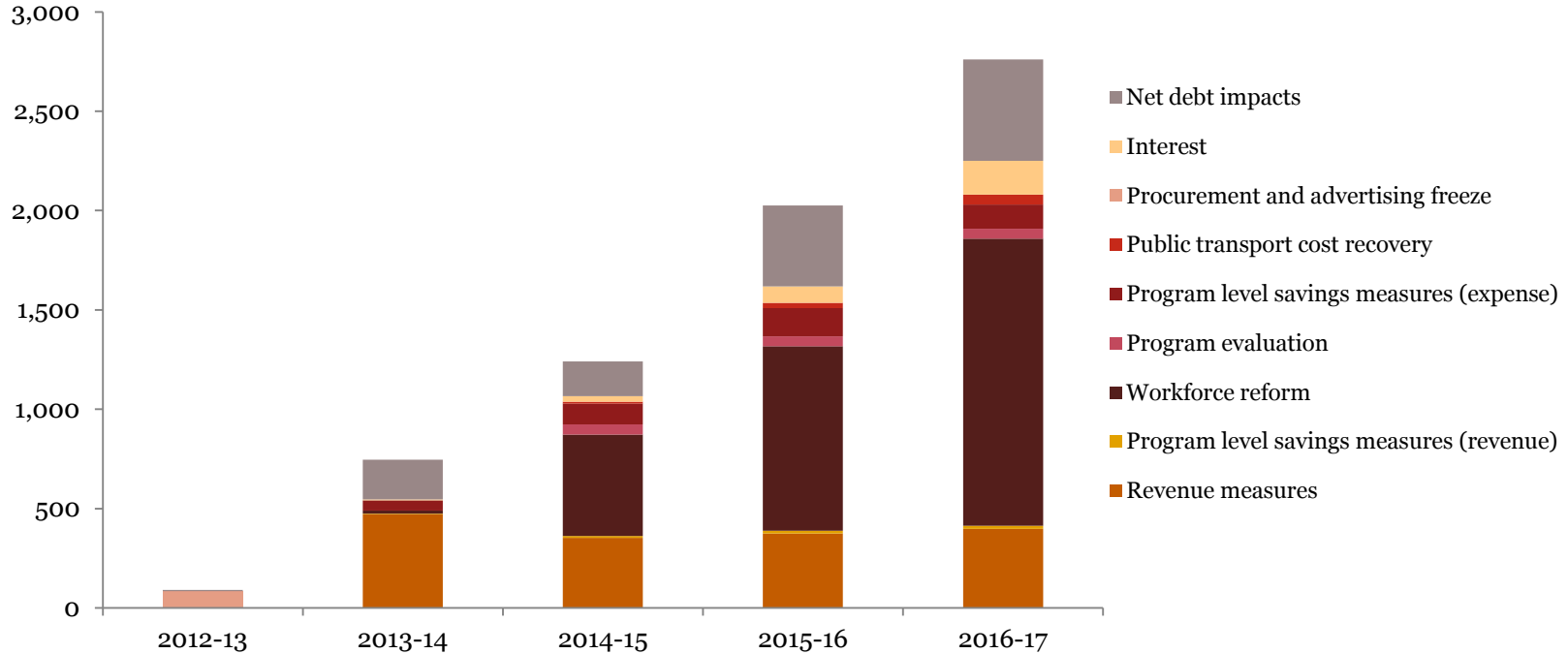


Total Public Sector Net Debt (\$m)



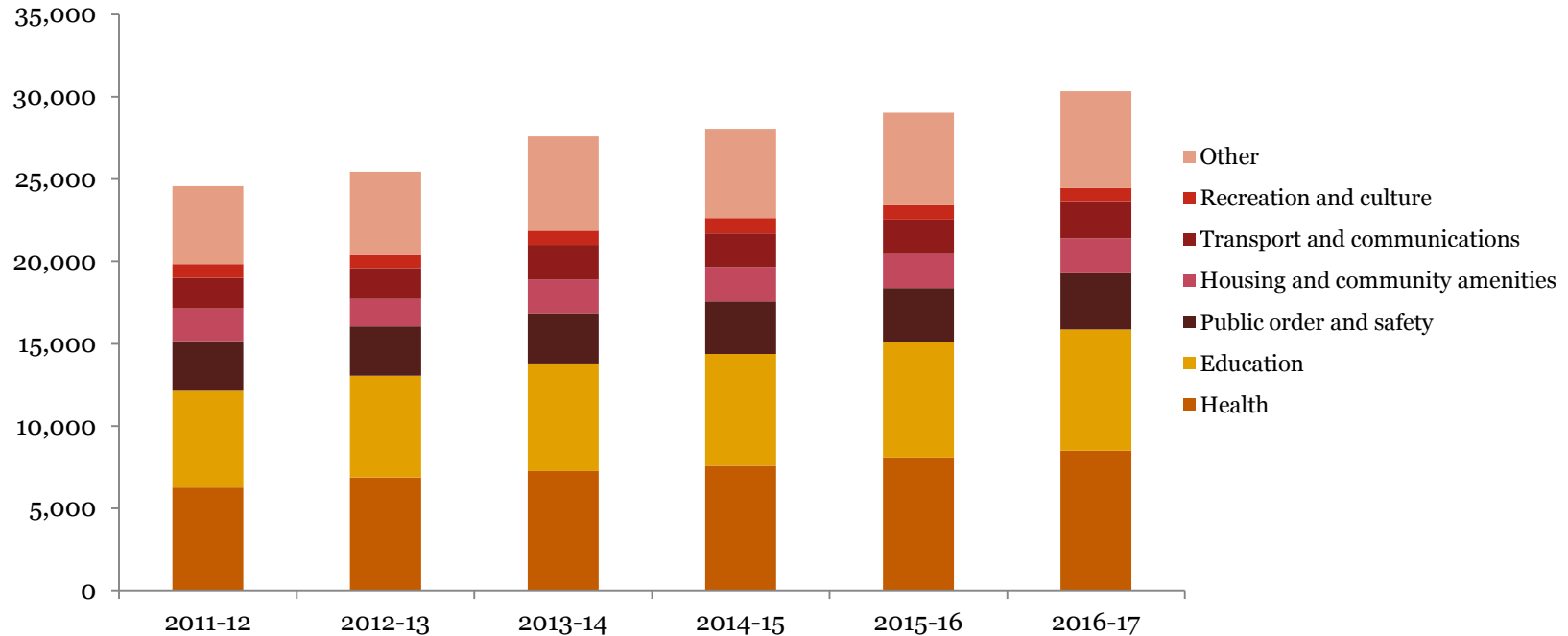
Fiscal Action Plan

Fiscal Action Plan (\$m)



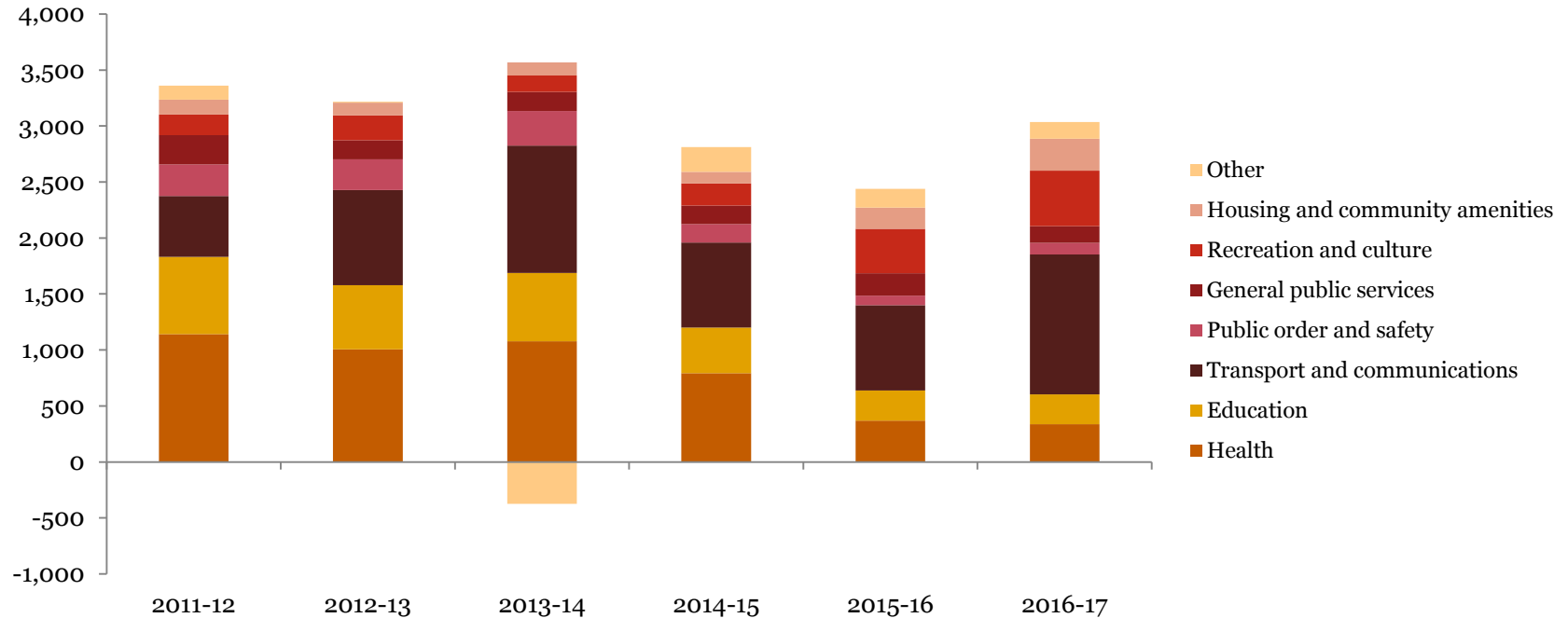
Expenses – recurrent

General Government Operating Expense (\$m)



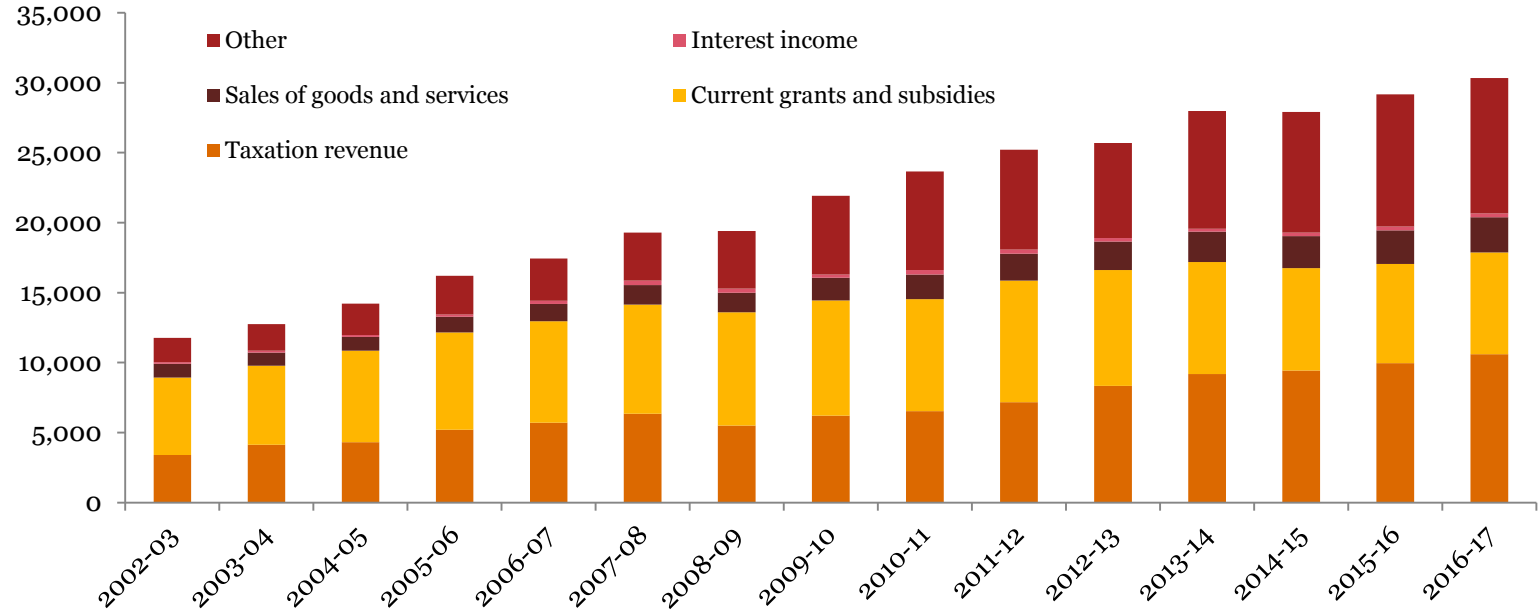
Expenses – capital

Purchase of new non-financial assets (\$m)



Revenue

General Government Operating Revenue (\$m)



Microeconomic reform

- Economic Regulation Authority to undertake an inquiry into microeconomic reform priorities every four years, commencing in 2013-14.
- Department of Finance's Regulatory Gatekeeping Unit to simplify and streamline residential planning and building approvals processes.

The 2013-14 Budget marks a break with the past and sets out a challenging agenda for the Public Sector over the next four years

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