

QUARTERLY FINANCIAL RESULTS REPORT — DECEMBER 2008

Statement by Parliamentary Secretary

HON BARRY HOUSE (South West — Parliamentary Secretary) [4.38 pm]: I seek leave to make a brief ministerial statement that was meant to be provided with the *2008-09 Quarterly Financial Results Report* of December 2008 that I tabled at the beginning of today's proceedings.

Leave granted.

Hon BARRY HOUSE: The Treasurer released the December 2008 edition of the *2008-09 Quarterly Financial Results Report* on Friday, 27 February 2009. I tabled that report earlier today. The report showed that while the general government sector returned a surplus for the six months to 31 December 2008, it was a significant \$532 million, or 40 per cent, lower than the same period last financial year. The surplus has been underpinned by revenue growth that was bolstered by iron ore prices and North West Shelf petroleum royalties. However, transfer duty continues to perform badly this year, with collections for the first six months of 2008-09 being \$610 million, or 50 per cent, lower than was the case at the same time in 2007-2008. This is a reflection of the substantial challenges facing the economy in Western Australia, interstate and overseas. Of greater concern is the 13.1 per cent increase in expenses for the half year, which has been driven by rising public sector salary costs. General government expenditure is continuing to grow at unsustainable levels, setting the scene for a rigorous and disciplined 2009-10 budget process. The house is well aware that this government is addressing spending control. We have asked agencies to find the three per cent efficiency dividend and we are conducting an economic audit and a capital works audit. These initiatives will help us to formulate what is expected to be a very difficult first budget.

Consideration of the statement made an order of the day for the next sitting, on motion by **Hon Ed Dermer**.