

BRIEFING PAPER

September 2017

Summary of Western Australian Budget 2017/18

7 September 2017

Introduction

The State Budget 2017-18 was handed down on 7 September 2017. Western Australia's economic growth is forecast to increase to 3 per cent in 2017-18 as the State recovers slightly from the economic downturn. This growth is likely to result in a small decrease in unemployment rates with the creation of 20,000 jobs.

Despite these increases in growth expectations, general government revenue has declined for the past four years. The deteriorating revenue outlook has resulted in an increased in public sector net debt to an estimated \$37.8 billion in 2017-18 peaking at \$43.6 billion by 2019-20. A deficit net operating balance is forecast for the next three financial years with no return to surplus anticipated until 2020-21.

Key items of relevance and interest to carers are as follows:

- **NDIS**

A decision is yet to be made on the delivery model for the NDIS however the WA trial site roll out continues and this is reflected in the forward estimates. Transition to full scheme commenced on 1 July 2017 in the Pilbara, Kimberley and South Metropolitan areas (i.e. Rockingham and Mandurah). This is in addition to the existing Lower South West and Cockburn-Kwinana NDIS trial areas.

- **Health**

The Budget provides total funding for health services of \$8.9 billion in 2017-18, up from \$8.6 billion in 2016-17. Investment in hospital infrastructure continues with upgrades and developments at the following facilities; Joondalup Health Campus, Royal Perth Hospital, Osborne Park Hospital, Fiona Stanley Hospital, Geraldton Hospital, Bunbury Hospital and Collie Hospital. Delays continue in the completion of the Perth Children's Hospital. The Government is undertaking a Sustainable Health Review with the aim of developing a more innovative and cost effective health system.

Of interest, \$2 million is targeted to establish Urgent Care Clinics to reduce pressure on Emergency Departments and \$800,000 has been allocated to the introduction of an online patient opinion

system at public hospitals to update the way feedback is captured in the health system
<https://www.patientopinion.org.au/services/wa> .

- **Mental Health**

An increase of \$61.7 million over four years will be used to fund mental health and programs to support the community's response to reducing alcohol and other drug-related harms. This includes the provision of additional inpatient beds, expansion of community-based prevention and treatment services and a youth program in the Peel region. \$131.7 has been allocated to implement the Methamphetamine action plan.

- **Education**

\$465 million has been allocated to build 11 new schools and upgrade 28 existing schools.

\$119 million over four years has been earmarked for 120 extra teachers in public school. Starting in 2018, 300 extra education assistants and 50 extra Aboriginal and Islander Education Officers will begin to be placed in WA schools.

- **Transport**

\$1.34 billion will be spent over four years on the Metronet program. This includes

- the Forrestfield Airport link — due for completion in 2020;
- extension of the Joondalup line to Yanchep which is now expected to cost \$520 million; and
- the Thornlie to Cockburn line which is now expected to cost \$536 million.

- **Household Costs**

Tariffs, fees and charges for a representative household (2 adults and 2 children) will increase by an average of \$377 effective from 1 July 2017 (the announcement of these fees was made in June). This includes increases in:

- power bills;
- water charges, sewerage and drainage fees;
- public transport charges; and
- vehicle registration fees.

- **Aged Care**

The Home and Community Care (HACC) program, which supports older Western Australians to stay at home and within their own communities longer, will receive \$2.1 million in additional funding. \$121.7 million will come from the WA Government and \$187.9 million from the Australian Government. Funding will be directed to current providers: Independent Living Centre of WA, Technology Assisting Disability WA, Volunteer Task Force, Alzheimer's Australia WA, Rise Network, Care Options, and Share and Care Community Services.

- **Royalties for Regions**

The Royalties for Regions program will change significantly. While 25% of all state royalties will still be directed into the scheme, regional programs which used to be funded separately out of consolidated revenue will now come out of Royalties for Regions funds. This includes funding for remote communities, regional schools and TAFEs, as well as the Patient Assistance Transport Scheme (PATS).

- **Public Sector**

The recent amalgamation of government departments in the Machinery of Government changes will contribute to a projected \$1.7 billion in public sector savings. An estimated 3,000 redundancies will be required to achieve these savings as well as the reintroduction of a wage freeze for higher level public servants.