

## Western Australia: Treasurer Provides COVID-19 Economic Update

May 2020

Treasurer the Hon. Ben Wyatt MP has provided the WA Parliament with an economic update on the impact of COVID-19 on the Western Australian economy.

The Economic and Fiscal Update was tabled along with the March Quarterly Financial Results Report, which outlined the State's financial performance for the first nine-months of 2019-20, and largely reflects conditions prior to the COVID-19 pandemic.

The quarterly report highlights the success of the McGowan Government in bringing the budget back to surplus and net debt approximately \$9 billion lower than projected under former governments.

The Economic and Fiscal Update includes modelling by the State's Treasury which indicates significant economic shock due to COVID-19.

Treasury baseline modelling projects that Western Australia's Gross State Product will contract by 5.1 per cent in the June quarter 2020. This will reduce forecast growth to 0.7 per cent in 2019-20, with a 3.1 per cent contraction expected in 2020-21, before returning to growth in 2021-22.

Royalty collections have remained relatively stable during the pandemic, while significant downturns are forecast for other revenue sources including GST grants, payroll tax, transfer duty, land tax and vehicle licence duty.

Total general Government revenue over 2019-20 to 2020-21 is expected to be about \$1.8 billion lower than outlined in the 2019-20 Mid-year Review.

Government spending in response to COVID-19 is expected to reduce the \$2.6 billion surplus for 2019-20, which was anticipated in the Mid-Year Review.

Treasurer Ben Wyatt told Parliament today that forecasts should be treated with caution given the high level of uncertainty of the depth and duration of the ongoing effects of COVID-19 on the State, national and international economies.

The full media statement from Treasurer Benn Wyatt is available [here](#).

More information on business support & the WA Government COVID-19 response is available [here](#).

### Further Information

For more information, please contact your Hawker Britton consultant [Simon Banks](#), Managing Director on +61 419 638 587, or [Harrison Thompson](#), Policy and Business Analyst.