

No Budget deficit while I'm Premier, pledges Barnett

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Colin Barnett vowed yesterday never to preside over a deficit State Budget for as long as he was Premier.

With the Budget heading for a loss of up to \$500 million by 2011-12 under current projections, Mr Barnett went out on a limb to declare that it would not happen on his watch.

"I'm not going to lead a government that goes into deficit, I can tell you that right now," he said.

Treasurer Troy Buswell has been softening up the public for a horror Budget this year and has all but conceded the State will drop into the red as soon as 2010-11 financial year.

But Mr Barnett indicated he did not believe the projections.

"You never reach the out years, they're always year 3 and 4, you never get there . . . governments I lead will have surpluses," he said.

Last Friday, the State Treasury released figures to show the Government would be hard put to deliver a surplus in the current financial year.

With State revenues for February plummeting by \$547 million compared with the same month last year, the State's operating balance dropped to a modest \$424 million for the eight months of the current financial year.

The May Budget will be Mr Buswell's first and the State election is not

due until February 2013 when, by Treasury's latest estimates, the Budget would have had had two straight years of deficit. The Government is relying on the 3 per cent across-the-board "efficiency" cuts, a secondary round of cuts through a department-by-department economic audit and a recalibrated capital works program to slash public spending which grew by 13 per cent in February.

The Government has struck trouble finding the 3 per cent cuts and some big agencies such as health and education have recorded Budget blow-outs rather than savings.