



Government of **Western Australia**
Department of **Treasury**

2022-23 Budget

WACOSS Briefing

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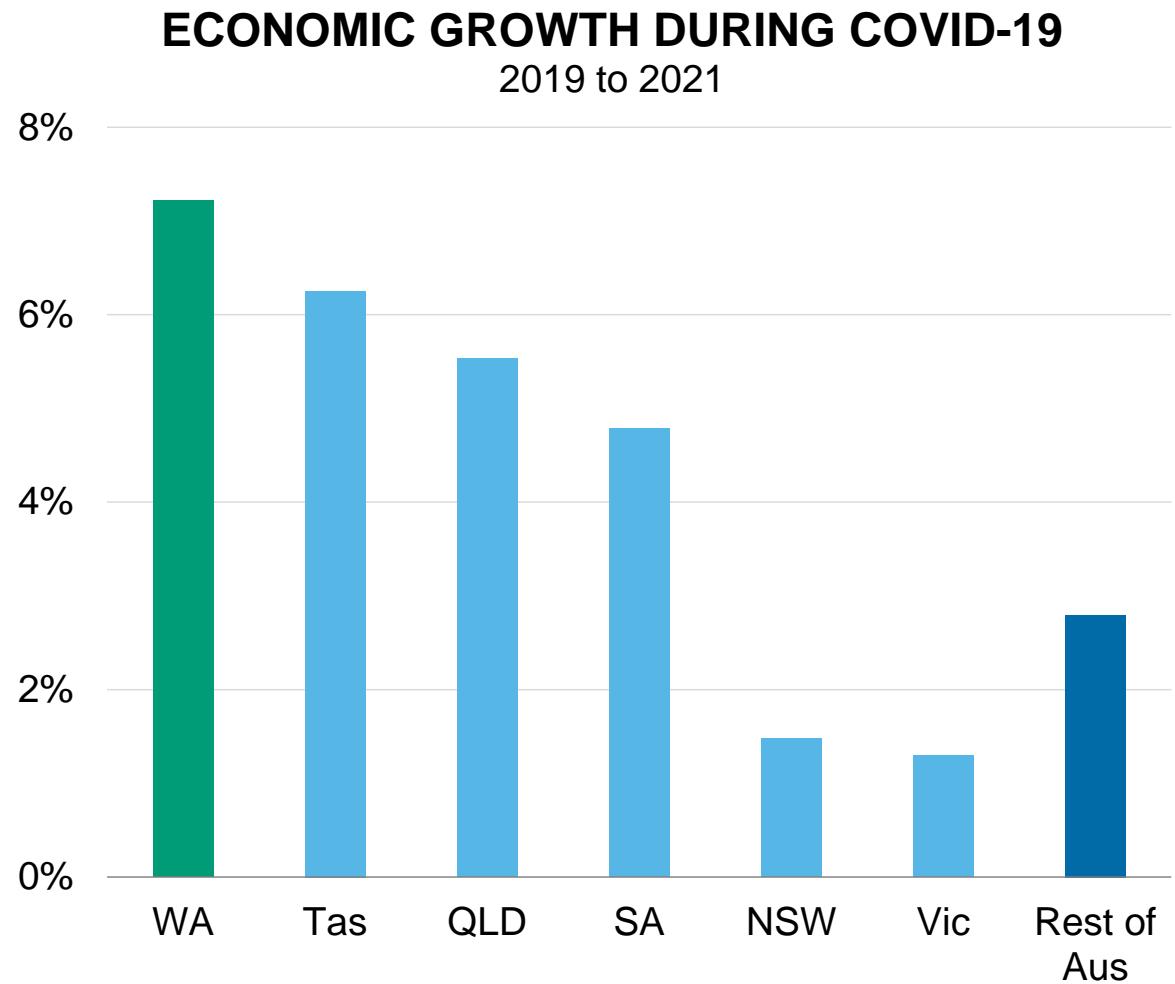


WA Economic Outlook



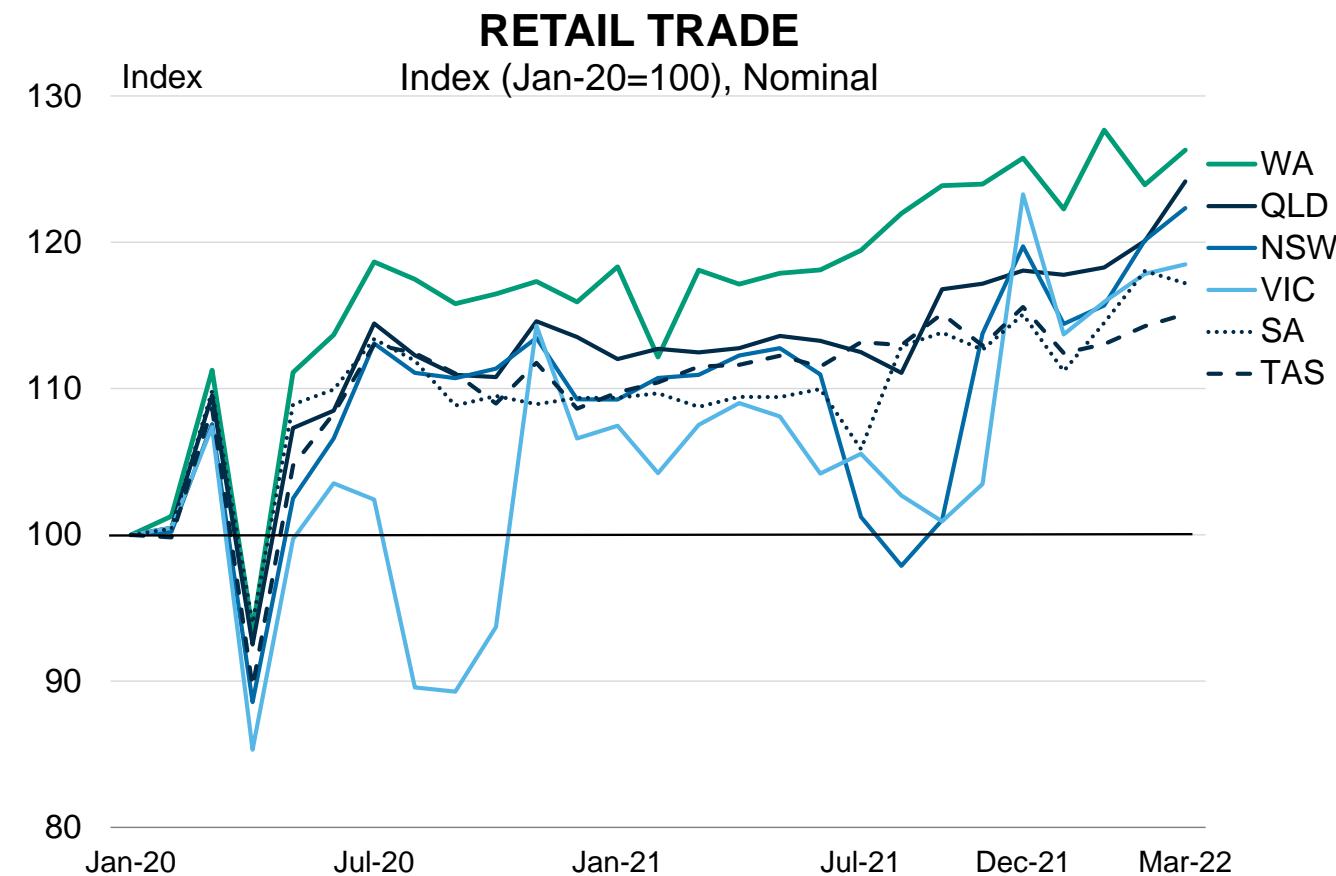
Economic Performance

- ▶ WA's domestic economy has grown by 7.2% since the beginning of the pandemic
- ▶ WA has contributed almost 40% of growth in national GDP over the past two financial years



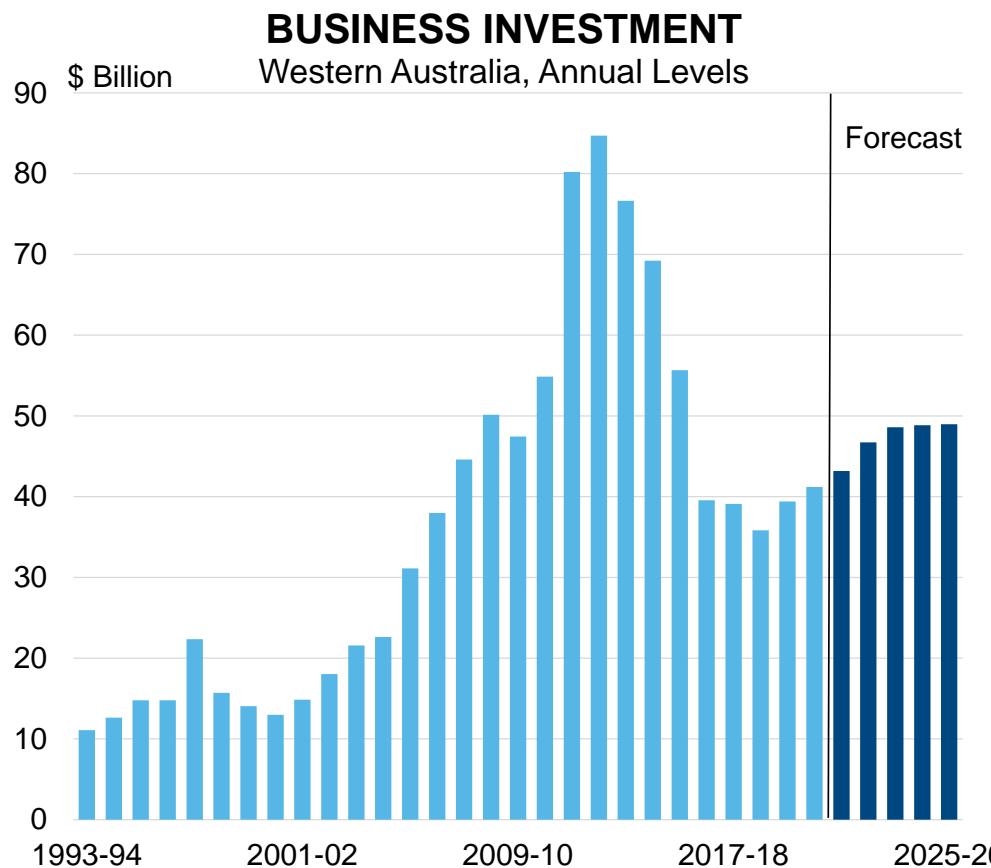
Household Spending and Retail Trade

Spending has remained strong throughout the pandemic, with annual retail trade 22.5% above pre-COVID levels



Business Investment and Exports

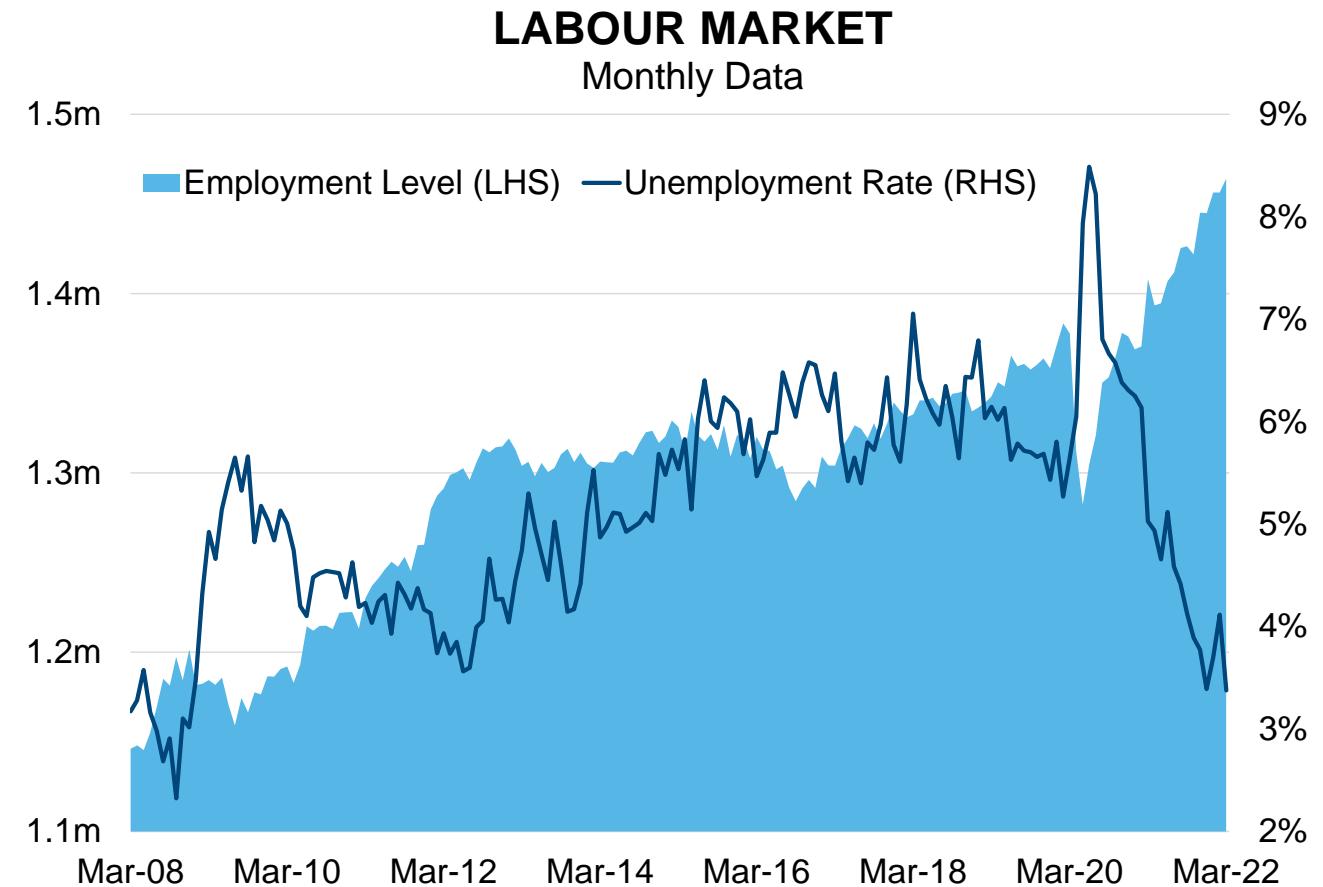
The uninterrupted operation of the mining sector allowed business investment and exports to remain strong





Labour Market

- ▶ 1.46 million employed
- ▶ Lowest unemployment rate in the nation and a 13-year low at 3.4%
- ▶ Highest participation rate on record for any State at ~70%
- ▶ 160,000 jobs added since March 2017



Economic Forecasts

- ▶ Strong economic outlook with domestic economy forecast to grow by 5.25% in 2021-22 and 4% in 2022-23
- ▶ Strong labour market expected to continue with a lift in wages forecast

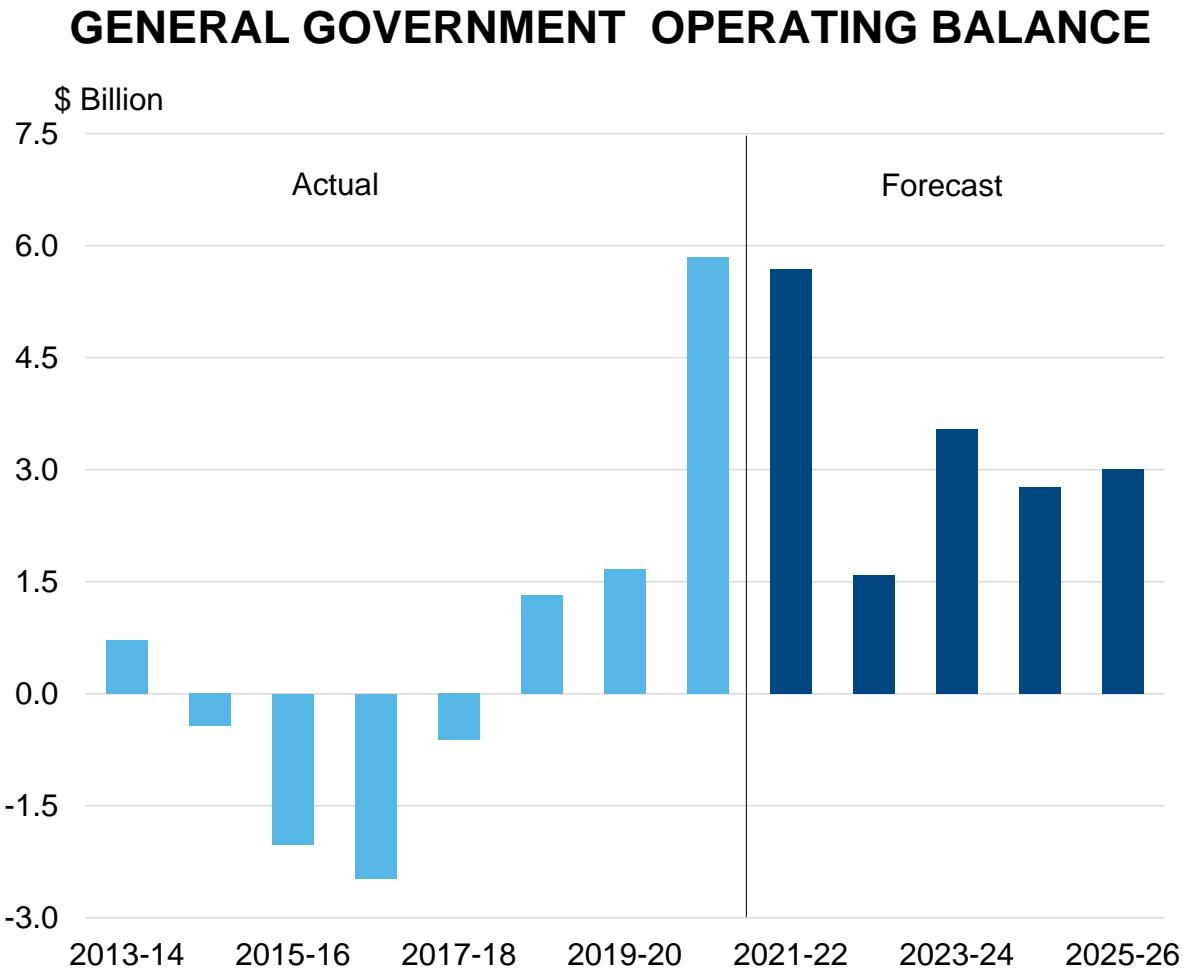
	2020-21 Actual	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear
Real Gross State Product growth (%)	2.6	3.75	2.0	1.0	1.5	1.5
Real State Final Demand growth (%)	4.4	5.25	4.0	3.0	2.25	2.5
Employment growth (%)	1.8	5.0	2.0	1.25	1.25	1.25
Unemployment rate (%)	6.1	4.0	3.75	3.75	3.75	3.75
Wage Price Index growth (%)	1.5	2.0	2.75	3.0	3.0	3.0
Perth Consumer Price Index growth (%)	1.6	4.0	2.75	2.5	2.5	2.5

State of the Finances



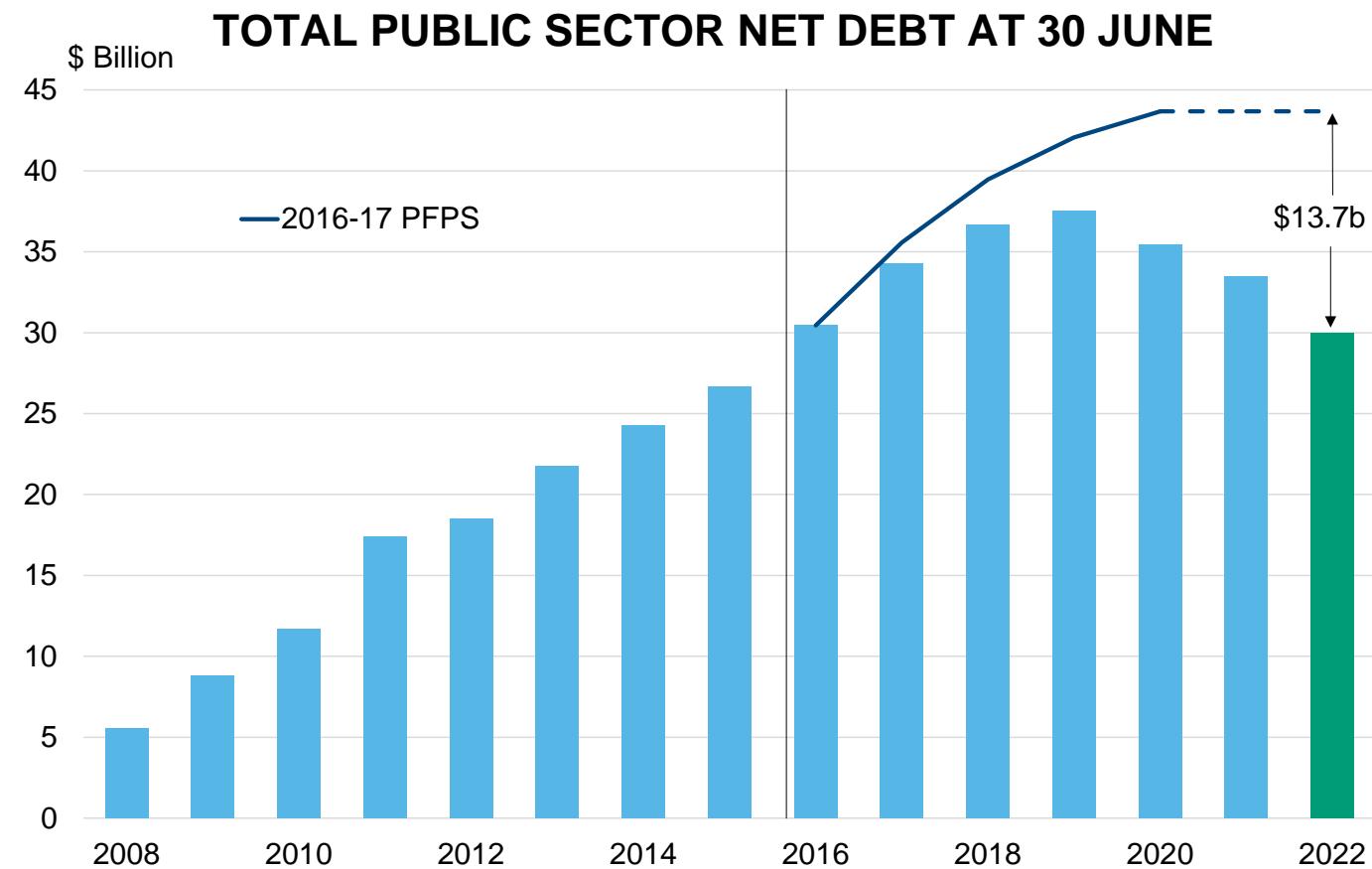
Net Operating Balance

- ▶ A strong operating surplus of \$5.7B is expected in 2021-22
- ▶ A \$1.6B surplus is expected in 2022-23 with solid surpluses thereafter based on conservative revenue assumptions



Net Debt

- ▶ Net debt to fall for a third consecutive year to below \$30B, the lowest level since 2015
- ▶ Reduced our exposure to rising interest rates



Budget Initiatives and Investment



Cost of Living

- ▶ \$400 Electricity Credit provided to all households at a cost of \$445m
- ▶ 3.8% decrease in household fees and charges in 2022-23
- ▶ Third consecutive year of below CPI increases in household charges
- WA Free RAT program saved households at least \$150

Health and Mental Health

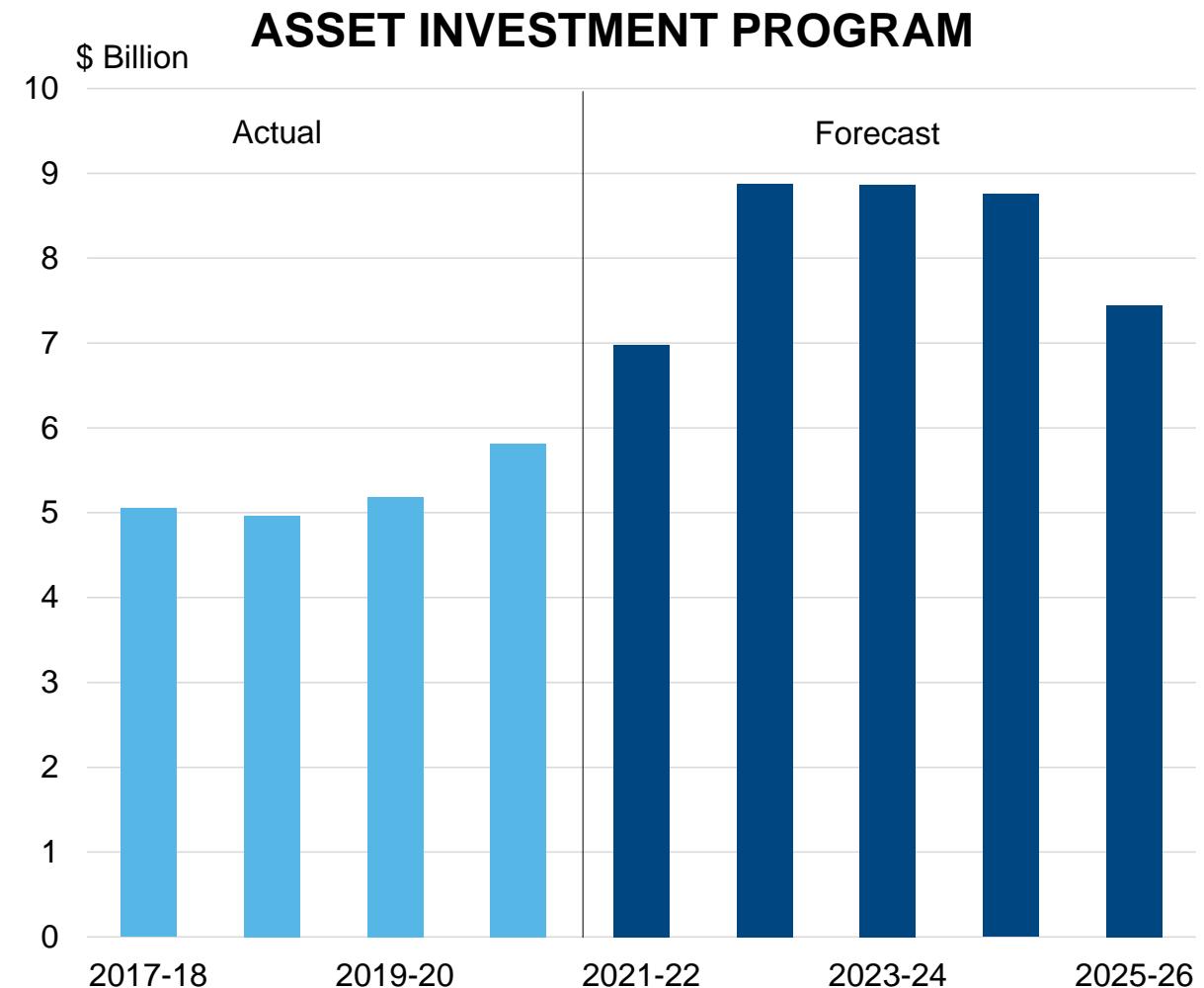
- ▶ Record \$2.5B spend on health and mental health, total of \$5.7B in new spending since last Budget
 - ▷ \$630m of additional hospital services spending
 - ▷ \$252m Emergency Department package
 - ▷ \$223m new health infrastructure investment, bringing total to \$1.6B
 - ▷ \$181m additional spend on mental health
- ▶ \$181m additional spend on mental health, which follows a record of over \$800m committed in the 2020-21 and 2021-22 Budgets
- ▶ Over \$11.2B in COVID-19 response measures to date
 - ▷ \$1.6B approved in this Budget

Climate Action

- ▶ \$652m to address climate change and protect our environment
 - ▷ \$500m boost to the Climate Action Fund to \$1.25B
 - ▷ \$30m boost to Native Forest Just Transition Plan to \$80m
- ▶ \$60m Clean Energy Car Fund
 - ▷ \$3,500 rebates for vehicle purchases
 - ▷ Grants for recharging infrastructure
- ▶ \$62m for Rottnest Island to deliver 75% of its energy through renewables and water upgrades
- ▶ \$31m for WA Climate Policy initiatives to reduce emissions across various sectors

Infrastructure Investment

- Record \$33.9B AIP over next four years
- Additional investment of \$1.4B in road projects
- \$1B for METRONET projects, including new projects
 - ▷ \$6B investment over forwards
 - ▷ \$2.4B obtained from Cmwlth
 - ▷ Three projects delivered – FAL to be opened in 2022



Education and Training

- ▶ Additional \$505m approved in this Budget
- ▶ \$32m boost to the Educational Adjustment Allocation to improve educational outcomes for students and schools
- ▶ Major new school projects
 - ▷ \$88m for Primary School expansions
 - ▷ \$39m for Alkimos College Stage 2
- ▶ \$38m to maintain low TAFE fees
 - ▷ Enrolments grew to a record 150,000+ in 2021
 - ▷ Apprenticeships and traineeships up 31%
- ▶ \$38m for targeted training initiatives

Safer and Stronger Communities

- ▶ \$114m in measures to support vulnerable children, including in the child protection system
- ▶ \$96m to support people with disabilities
- ▶ \$95m for NGHSS indexation
- ▶ \$34m boost to FDV initiatives
- ▶ \$350m for a Remote Communities Fund
- ▶ \$67m investment in emergency services
- ▶ \$40m for Kimberley youth and community initiatives

Housing Supply and Tax Reform

- ▶ 50% land tax concession for new build-to-rent projects
- ▶ 100% transfer duty rebate for eligible off-the-plan apartments
- ▶ Density bonus for developments with social housing
- ▶ New Keystart loan product for METRONET precincts and priority urban infill areas
- ▶ \$19m to increase residential land supply in Kalgoorlie and Karratha
- ▶ Keystart property price limits increased for the Pilbara

Social Housing

- ▶ This Government continues to invest in improving social housing outcomes:
 - ▷ An additional \$31.4 million for an expanded spot purchasing program
 - ▷ More SHERP grants being provided to Community Housing Providers to assist with new builds, refurbishments and maintenance of community housing
 - ▷ An extension of current homelessness contracts for a further two years, ahead of finalisation of NHHA negotiations with the Commonwealth

Regional Spending

- ▶ \$4.2B Royalties for Regions program over next four years
- ▶ Record \$12B in regional infrastructure
- ▶ Spend across a range of areas, examples include:

Creating Jobs and Economic Diversification	Health, Mental Health and responding to COVID-19	Education and Training	Safe and Strong Communities	Roads and Transport
\$80m boost to Investment Attraction Fund	\$30m for regional paramedics and ambulances	\$68m to upgrade regional TAFE infrastructure	\$15.7m to expand earlier intervention services to priority regional areas	\$159m Regional Road Safety Program
\$48.6m to establish a WA Regional Digital Connectivity Program	\$5.1m for Mental Health Emergency Tele-Services	\$37.6m Employer Incentive Scheme in regions	\$15.9m upgrade to Emergency WA website	\$1.5m to expand Wheelchair Accessible Vehicle taxi service scheme, including to regions
\$4.5 million boost to the Local Capability Fund	Step Up/Step Down units in Broome (\$2.3m) and Karratha (\$1.6m)		\$99.4m investment in Government Regional Officers Housing to 2025-26	

- ▶ More details available in *Regional Fact Sheets*

Thank you