



2023-2024

State Budget Briefing

With special guests from the WA Department of Treasury,
The Centre for Women's Safety and Wellbeing, Shelter WA,
Youth Affairs Council of WA and Social Reinvestment WA



shelterwa



**SOCIAL
REINVESTMENT**
WESTERN AUSTRALIA



CENTRE FOR
Women's Safety
and Wellbeing



Government of **Western Australia**
Department of Treasury



Agenda

- *Introduction and Acknowledge of Country – Louise Giolitto*
- *Budget Overview – Department of Treasury*
- *WACOSS Budget Analysis – Chris Twomey*
- *Housing Focus – Kath Snell, Shelter WA*
- *Women’s Budget Statement – Eva Perroni, CWSW*
- *Q&A Panel:*
 - *Including Youth Affairs Council of WA and Social Reinvestment WA*



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

Western Australia
State Budget
2023-24

WACOSS Post Budget Presentation – 12 May 2023

Michael Andrews, Assistant Under Treasurer

Alistair Jones, Assistant Under Treasurer

Acknowledgement of Country

Treasury acknowledges the Traditional Custodians throughout Western Australia and their continuing connection to the land, waters and community

We pay our respects to all members of the Aboriginal communities and their cultures, to Elders both past and present and to all Aboriginal and Torres Strait Islander people here today



Highlights – 2023-24 WA State Budget

- The 2023-24 Budget provides cost of living relief for households and small businesses, delivers improved services, and invests in future priorities

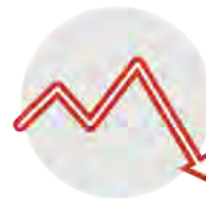


Cost of living support
\$715 million cost of living package, including a **\$400 electricity credit for every household** plus additional support for those who need it most.



NDIS

\$1.3 billion to increase the State's contributions to the NDIS



Net Debt

\$27.9 billion at 30 June 2023



Surplus

\$3.3 billion net operating surplus forecast for 2023-24



Economic growth

4.25 per cent economic growth in 2022-23, strongest in nine years



Health and Mental Health

Record \$2.7 billion new investment taking total additional spending to \$10 billion since 2021



Housing

\$750 million additional spending to boost housing and land supply and address homelessness



WA Jobs

218,621 jobs added since March 2017, with unemployment at 3.4 per cent



Climate Action

\$3 billion towards WA's transition to cleaner, reliable and affordable energy, and to take action on climate change



METRONET

\$5.9 billion investment over the next four years including delivery of the Morley-Ellenbrook Line



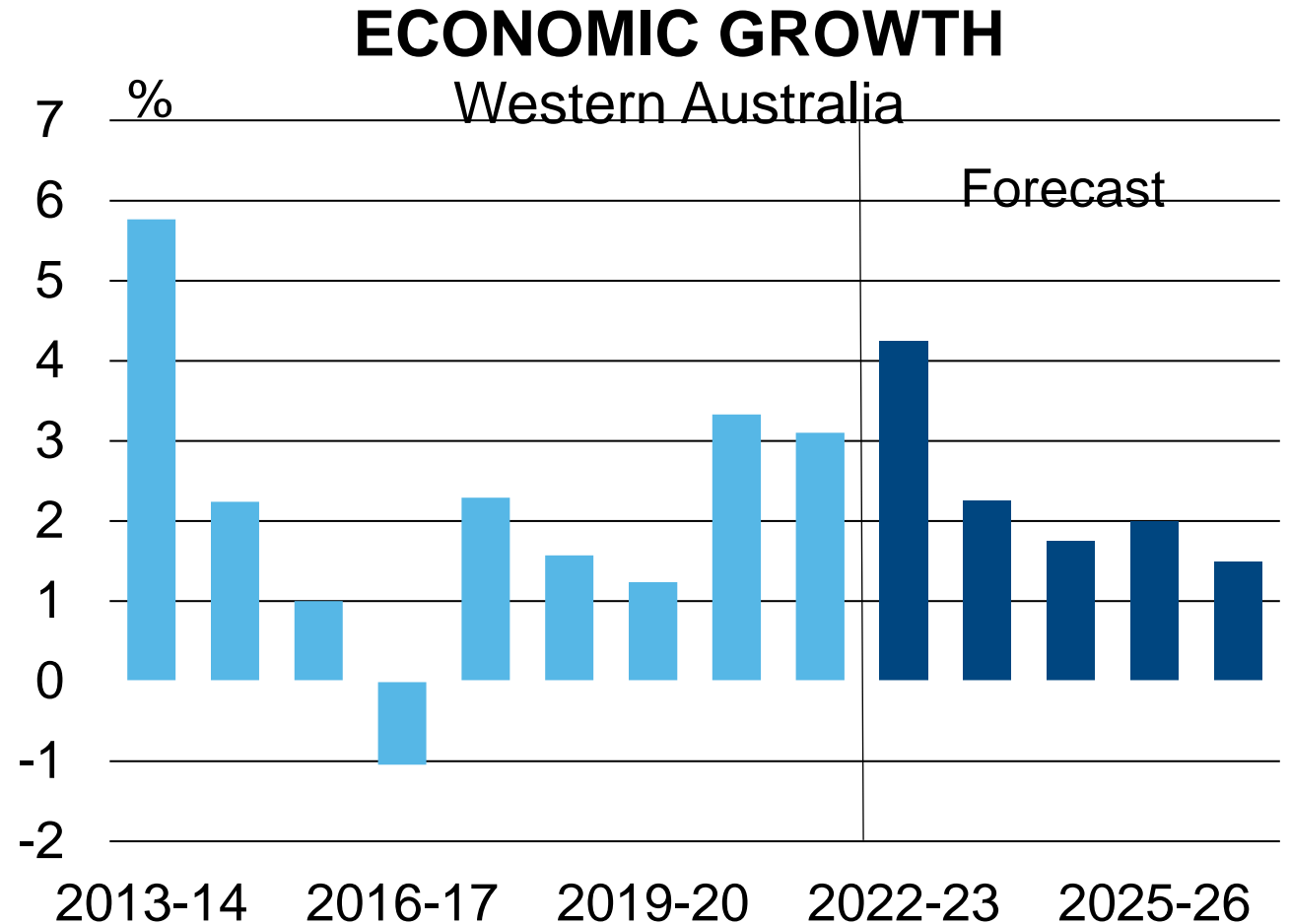
Education and Training

\$965 million additional expenditure for education initiatives and training towards jobs of the future

WA Economic Outlook

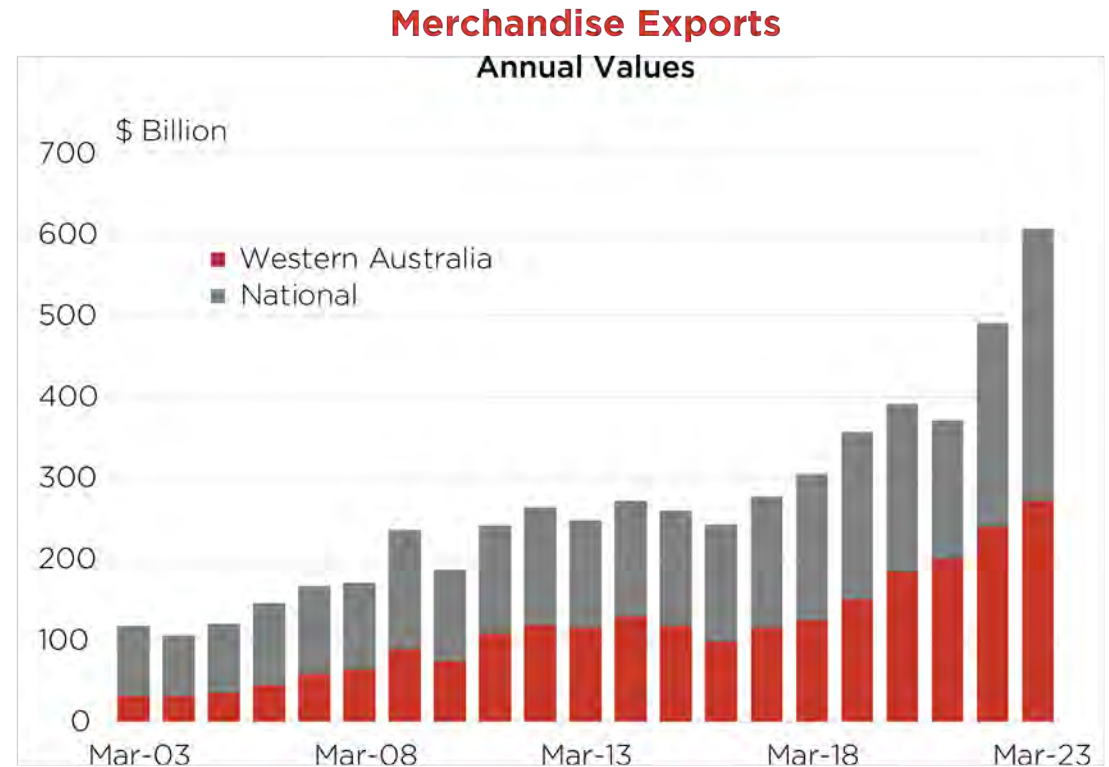
WA Economy

- Strong growth in Gross State Product – 2022-23 at 4.25%
- 1.53 million Western Australians employed
- Inflation forecast to ease to 3.5% by the June 2024 quarter
- Elevated global interest rates expected to moderate growth, but remains strong



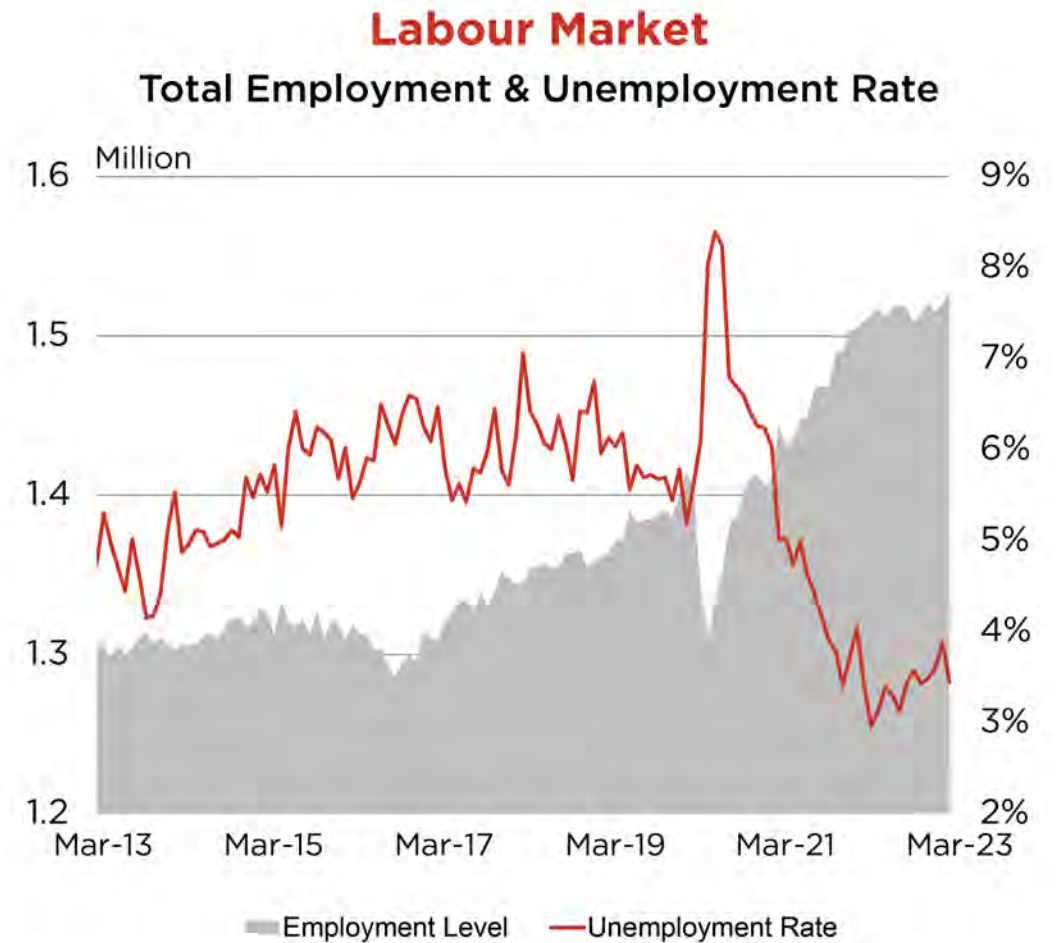
Export Performance

- WA's strong economy supported by growth in exports
- Record goods exports worth \$272 billion over the year to March
- WA accounts for 45% of national goods exports



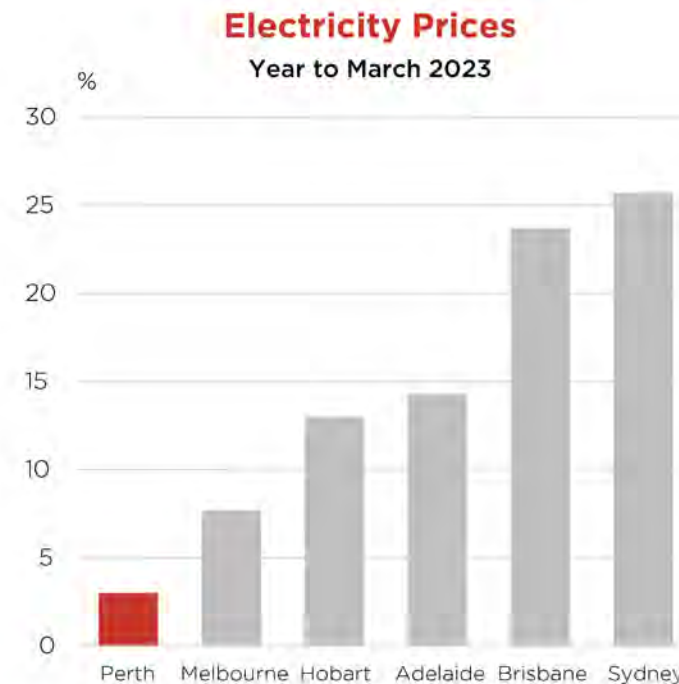
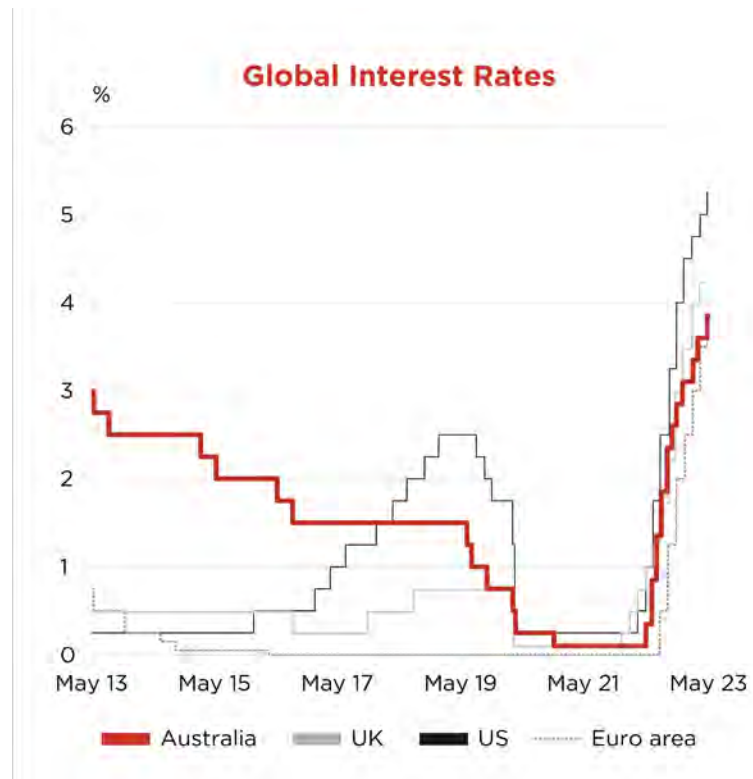
Labour Market

- Record 1.53 million Western Australians in work
- Strong employment results supported by growth in full-time work for women – growing by more than 10% over the past 12 months
- Unemployment rate remains very low at 3.4%
- 218,621 jobs added since March 2017



Interest Rates and Inflation

- Global tightening of interest rates in response to high inflation is expected to slow global growth this year
- Eleven rate rises by the RBA expected to moderate activity
- Inflation appears to have peaked and is forecast to ease in 2023-24



Economic Outlook

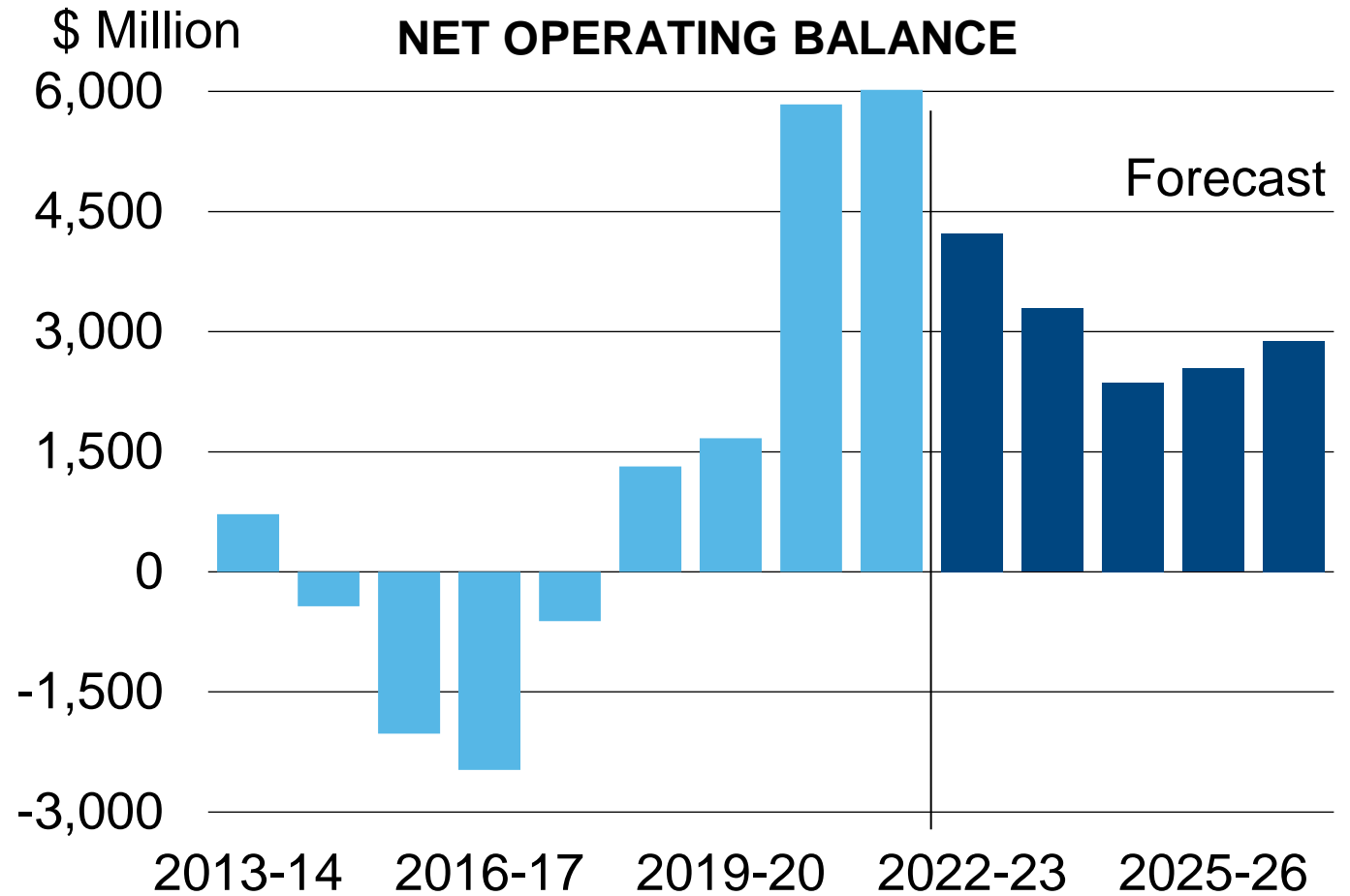
- Looking forward, higher interest rates and inflation are expected to moderate activity. However, WA's domestic economy is still forecast to grow by a solid 3% in 2023-24
- Gross State Product is expected to grow by 2.25% as exports level off at high levels and spending on overseas travel normalises

	2021-22 Actual	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear
Real State Final Demand growth (%)	5.6	3.25	3.0	2.5	2.75	2.5
Real Gross State Product growth (%)	3.1	4.25	2.25	1.75	2.0	1.5
Employment growth (%)	5.8	1.75	1.0	1.25	1.25	1.5
Unemployment rate (%)	3.7	3.5	4.0	4.25	4.5	4.5
Consumer Price Index growth (%)	5.1	5.75	3.5	2.75	2.5	2.5
Population growth (%)	1.2	2.0	1.8	1.7	1.6	1.6

State of the Finances

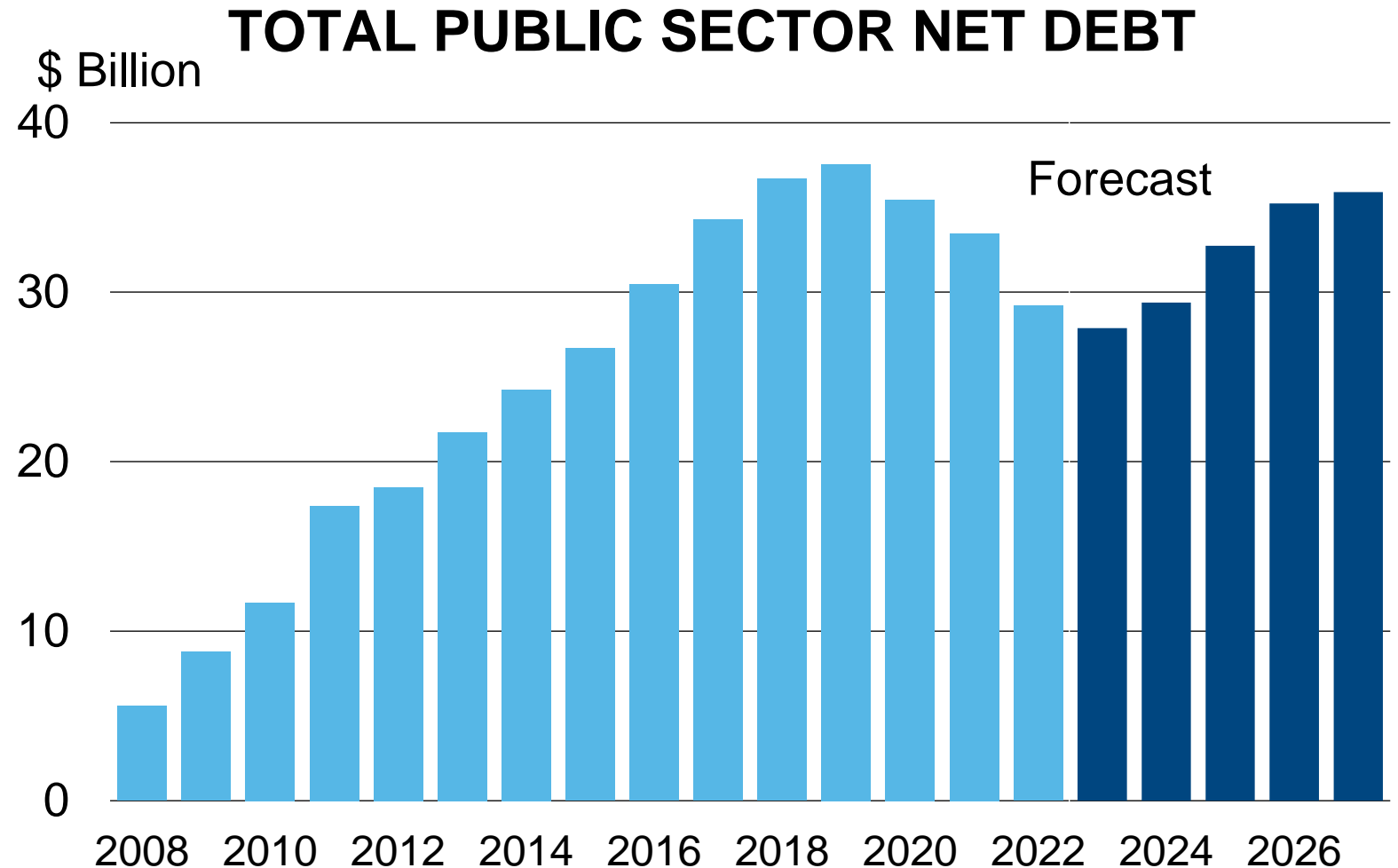
Net Operating Balance

- \$3.3 billion operating surplus expected in 2023-24, with surplus position maintained over next four years
- Strong operating position used to deliver cost of living relief, boost services and fund future priorities
- \$39 billion of infrastructure investment over the next four years



Net Debt

- Net debt expected to decline for a fourth consecutive year to \$27.9 billion
- Debt now almost \$16 billion lower than projected, saving around \$4.3 billion in interest
- Net debt profile remains favourable compared with other States, and supports our AAA credit rating



Conclusion

The 2023-24 Budget provides:

- cost of living relief for households
- record investment in the health and mental health systems
- further investment into social housing supply and housing supply
- funding to meet the State's contributions to the NDIS to support people with disability
- further funding to extend the Target 120 program, Kimberley Juvenile Justice Strategy initiatives, and the Aboriginal Community Connectors program



wa council of
social service

2023-24 State Budget Analysis

The Federal Budget Story

- A moderate budget
- Political choices
- Shifting welfare narrative
- The Wellbeing budget
- Managing inflation

The Federal Budget Story

- A moderate budget – in unprecedented times
COVID ... War ... Rising costs ... Falling wages ... Climate ...
- Political choices ...
Poverty ... vs Stage 3 tax cuts & defence
- Shifting welfare narrative – but inadequate spending
JobSeeker boost, PPS reform, social housing \$...
- The Wellbeing budget? ... *missing in action*
- Managing inflation?
Free cash is inflationary, free services ... not so much?

Total Profits and Wages index

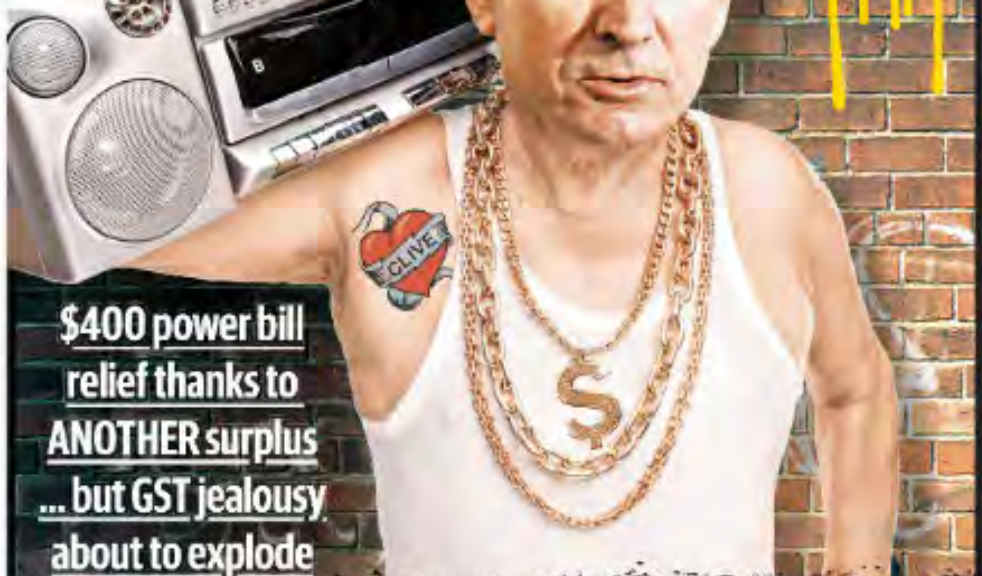
(March 2001 = 100)



Source: Greg Jericho
The Australia Institute

Excludes wages for education and health care to allow for comparison with profits

Chart: Centre for Future Work • Source: ABS 5676.0, Tables 11 & 17 derived • [Get the data](#) • Created with [Datawrapper](#)



\$400 power bill relief thanks to ANOTHER surplus ... but GST jealousy about to explode

NO MONEY NO PROBLEM

JOSH ZIMMERMAN

The State's fifth Budget surplus in a row — this time reaching \$4.2 billion — is set to fan the flames of Eastern States jealousy and reignite debate over WA's GST share. The strong result — hocked up by \$11.1b of sur-

pluses across the forward estimates — paved the way for Premier Mark McGowan to shower a third round of power bill credits on every household in the State. Next year's surplus is forecast to total \$3.5b while net debt will fall to \$27.9b by the middle of the year,

continuing an established downward trend that places WA in stark contrast to the east. The centrepiece of Mr McGowan's third Budget as Treasurer is a \$400 power credit payable to every family in WA. Seniors and vulnerable households will get a combined State-Federal

EDITORIAL P4 » DECODING THE SPEECH P6-7 » FIVE-MINUTE GUIDE P8



ENVY OF THE NATION'

er bill handout public sector workers who have watched their earning power erode for multiple years under McGowan Government wages policies that have failed to keep pace with...



OF THE NATION'

seems destined to draw ire of the Eastern States mid-year review. However, high-class support act after royalties surged \$270m above the...



WA budget confirms state has the best performing economy in the nation, but there are clouds gathering

By James Carmody

Western Australia's position as the nation's strongest economy remains unchallenged as Mark McGowan delivers his third budget as treasurer, and issues a warning over anyone eyeing off the state's GST share.

Updated 16h ago



The Premier's Narrative

'Responsible' ... 'surplus' ... 'infrastructure' ... 'progressive values' ...

- ▶ Familiar budget story – *but some important nuances*
- ▶ Cost of Living relief – *Extra for those who need it most*
- ▶ *'Social housing investment' ... 'Transition to net zero' ...*
- ▶ Job creation – low unemployment – wage growth (EBAs)
- ▶ WA exports drive the national economy ... *AAA credit rating*
- ▶ Health and mental health – *more beds ...*
- ▶ Diversifying the WA economy ... *How diverse? How effective?*

Thursday 11 May 2023

Media Release

Temporary cost of living relief welcome, but much larger challenges remain

The Western Australian Council of Social Service has welcomed state budget investments to address cost of living pressures, build more social housing, expand family and domestic violence support, and for decarbonisation and climate change initiatives.

For the fourth year in a row Premier Mark McGowan has ushered in a huge surplus and delivered a state budget that promises to keep government fees and charges down, and provide \$400 electricity credits for all households.

WACOSS CEO Louise Giolitto said that this timely cost of living relief is critical, but more needs to be done to prepare for the increasing wave of households entering financial hardship.

"We are pleased to see the Premier has responded to our calls from previous budgets and provided additional targeted relief to concession card holders, providing them with an additional \$100 on that credit," Ms Giolitto said.

"We are keen to work with the WA Government on how we can boost emergency relief and financial counselling services to help WA households through this difficult period and prevent too many falling into long-term financial difficulties.

"The increase to the Hardship Utility Grant limits (HUGS) by 10 per cent is welcome and much needed, with payments remaining static since 2017/18 not keeping pace with increases in energy and water costs. This will provide better support for those households experiencing difficulties with their utility bills.

"The electricity credits provide temporary assistance to households in the midst of the current cost of living crisis, but we are concerned there is a lack of investment in community services to provide the support households will need as this situation continues.

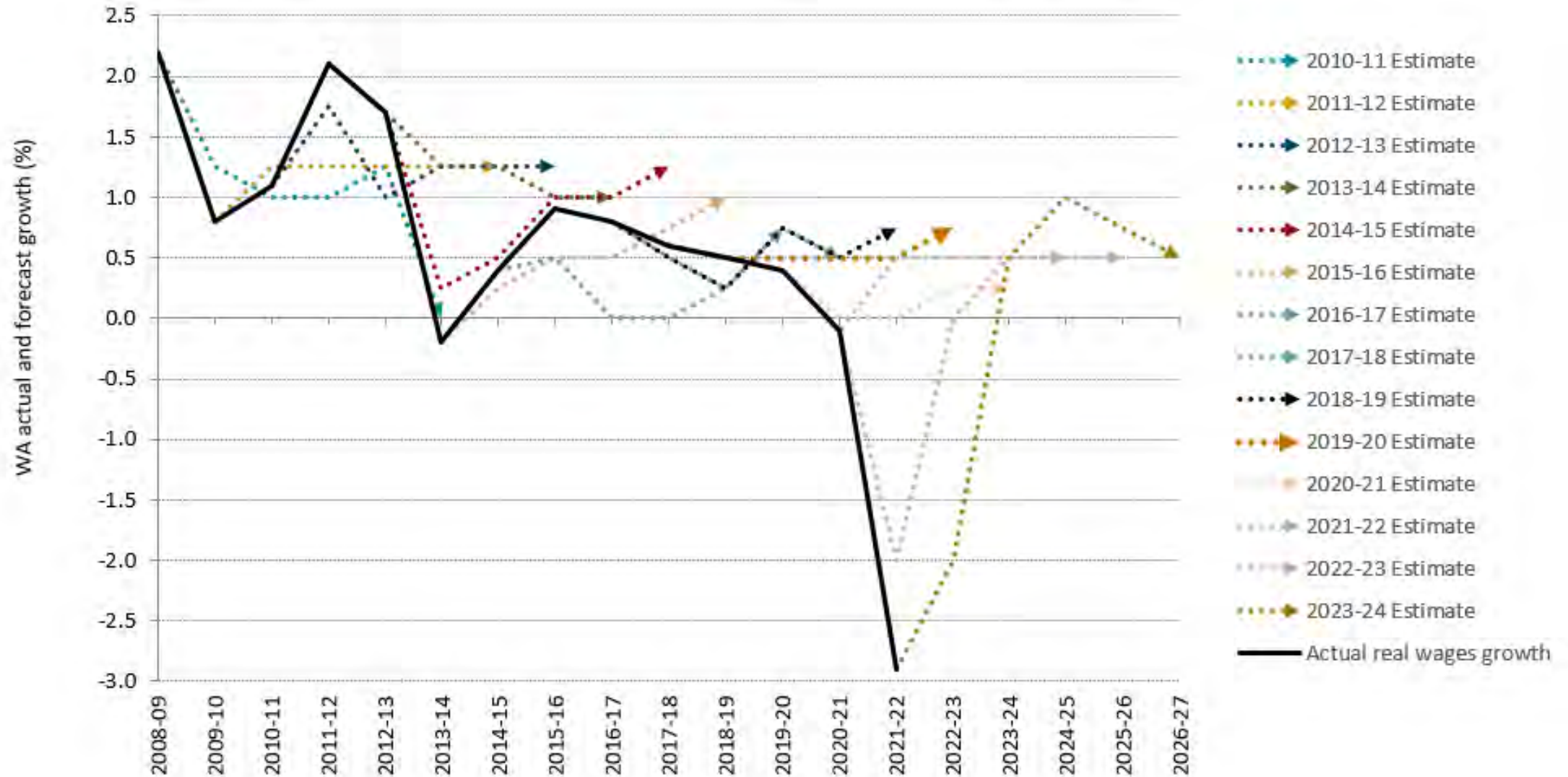
WACOSS already operates on a shoestring budget - is in desperate need of additional supports to people in the community who are particularly vulnerable, including women.

Political context

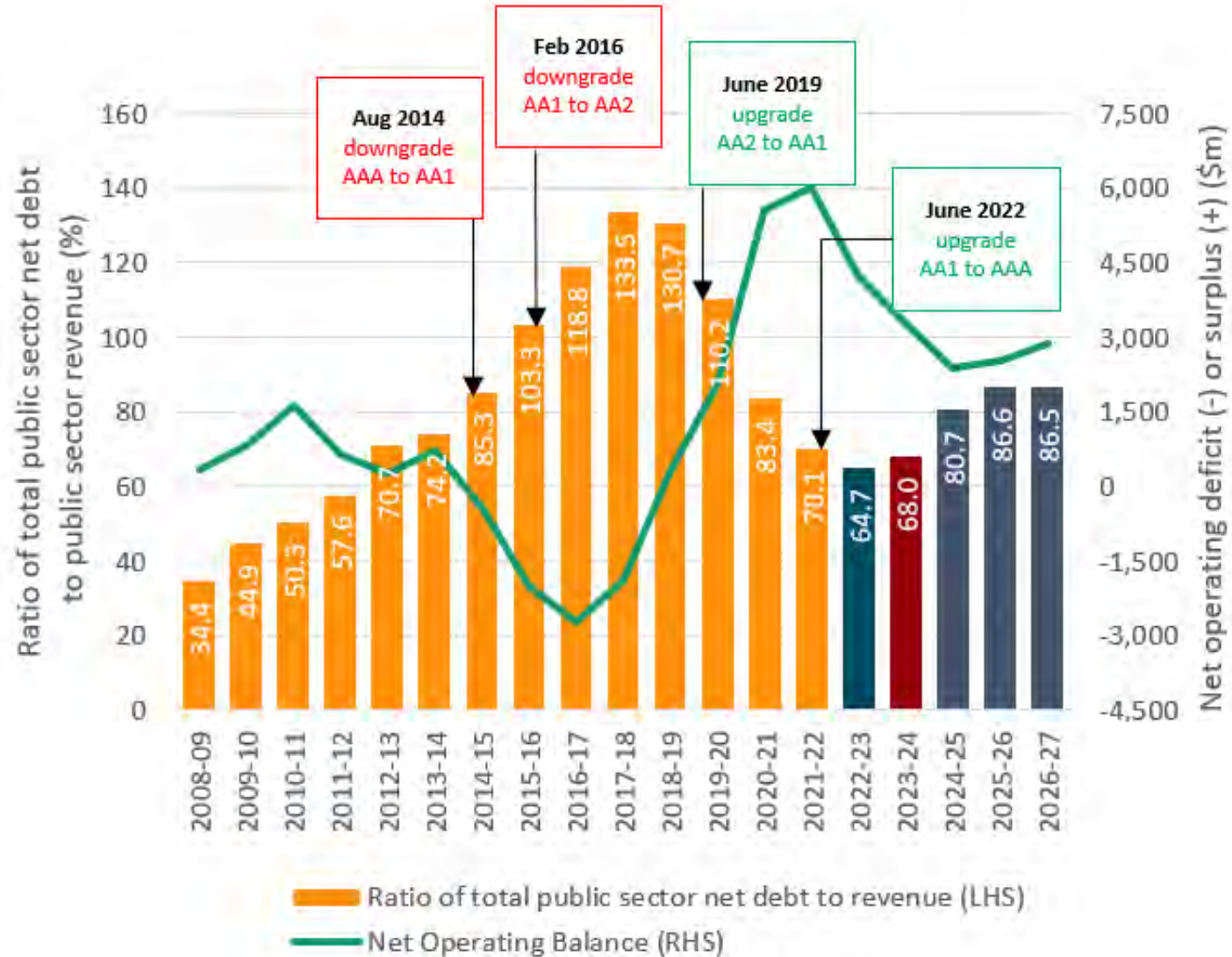
- ▷ One-off infrastructure investment ... *not ongoing services*
- ▷ Cost of living crisis deepened significantly – *with more to come ...*
- ▷ Temporary relief ... *Gap in early support for hardship*
- ▷ Wave of mortgage defaults, rise in homeless ... *next 6-18 months*
- ▷ Call for ER & FC boost – *outreach & cross-referral strategies...*
- ▷ Youth crime front and centre ... *will the toxic narrative shift?*
- ▷ Feds leading on progressive policy ... *But WA has the cash...*

WA actual and forecast real wage growth

May 2002 to May 2024 budgets (%)



Ratio of total public sector net debt to public sector revenue: 2008-09 to 2026-27 (est)



Key Announcements ...

- ▶ \$715m Cost of Living support (*\$400 per household, +\$500 EAP up to \$826*)
- ▶ \$750m Housing & Homelessness (*\$450m SHIF = 4000 new social houses*)
- ▶ \$3b Climate Action Fund (*500MW Collie & 200MW Kwinana batteries, King Rock & Eneabba windfarms, \$126m network upgrade*)
- ▶ \$1.4b Mental Health (annual budget), *health workforce HECS loans, ED funds*
- ▶ \$1.3b to NDIS * \$52.5m Family Violence * \$18.9m CLCs
- ▶ \$54.6m Youth at Risk - *Target 120, Kimberley Juvenile Justice strategy ...*
- ▶ \$281m Aboriginal Wellbeing *\$6m CASWA, \$31m community connectors*
- ▶ Household fees and charges capped
- ▶ HUGS increased by 10% (*up to \$640 /hh, or \$1060 north*)





WACOSS Factsheets

- ▶ Family Violence
- ▶ Housing & Homelessness
- ▶ Aboriginal Wellbeing
- ▶ Household Fees & Concessions
- ▶ Climate Resilience & Energy
- ▶ Regional Investment
- ▶ Youth
- ▶ Justice

Winners and losers ...



wa council of
social service

WINNER  WEST AUSTRALIANS 	NEUTRAL  HOUSEHOLDS 	WINNER  HEALTH 	LOSER  RENTERS 	LOSER  PUBLIC SERVANTS 	NEUTRAL  DV VICTIMS 
NEUTRAL  ENVIRONMENT 	WINNER  HOUSING 	WINNER  CONSTRUCTION 	LOSER  AT-RISK YOUTH 	NEUTRAL  INFRASTRUCTURE 	NEUTRAL  EDUCATION 

What's Missing?

Make Renting Fair


- ▶ Drop no-cause evictions
- ▶ Rent controls
- ▶ Better standards

More Support ...

- ▶ Boost Emergency Relief & Financial Counselling
- ▶ Active outreach & cross-referral





 shelterwa
State Budget
2023/24

**Housing and
Homelessness
Focus**

SUMMARY

+ INCREASED SUPPLY OF SOCIAL AND AFFORDABLE HOUSING

- INVESTMENT TO URGENTLY ADDRESS THE HOUSING AND HOMELESSNESS CRISIS

Details: Highlights



- **\$750m new funding for social housing, homelessness and lands, including:**
 - \$450 million top up to the Social Housing Investment Fund.
This fund will now deliver:
 - \$49m for regional supportive landlord model
 - \$254m for housing and homelessness business cases
 - \$77.5m for refurbishments
- \$52.5m family and domestic violence (FDV) services
- \$11.8m for at risk youth in Kimberley
- Additional funding to extend operation of existing services
- \$61.6m increased funding for Government Regional Officer Housing (GROH) housing

Details: Missed Opportunities

- Significant funding boost for homelessness services
- Rent relief
- Additional Investment in Aboriginal Community Housing Organisations or homelessness services providers
- Extension of GROH housing to key NGO workers
- Energy efficiency schemes



CENTRE FOR
Women's Safety
and Wellbeing

Preventing violence
Promoting health
Advancing gender equality

Budget Briefing Supporting Women

By
Eva Perroni



Budget Key Measures for Women

Women's Safety

- **\$16.3 million** one-stop FDV hub in Broome
- **\$13.4 million** for Mirrabooka and Kalgoorlie FDV Hubs
- **\$18.25 million** additional funding for refuges and safe houses

Women's Health and Wellbeing

- **\$544 million** new Women and Babies Hospital
- **\$2 million** expansion of BreastScreen Australia
- **\$7.8 million** to support nurses and midwives

Gender Equity

- **\$3 million** for 400 scholarships in non-traditional trades
- **\$700,000** for the Rural, Regional and Remote Network



Improving Outcomes for Women

Women's Safety

- Investment across the FDV continuum
- Prevention – Crisis Response – Recovery
- Investment in community-based sexual violence support services

Women's Health and Wellbeing

- Implementation of Western Australian Women's Health and Wellbeing Policy
- Chronic Conditions – Gender-based violence – Maternal, reproductive and sexual health – Mental health and Wellbeing

Gender Equity

- Workforce development
- Gender-responsive budgeting unit

Advocacy & Strategy

- ▶ Careful aligned messaging – *insider & outsider strategies*
- ▶ Agree core priorities – *balance easy wins & drop-dead issues*
- ▶ Cross-industry & cross-portfolio alliances - *public sector allies*
- ▶ Playing a long game ... *Prevention, early intervention, diversion ...*
- ▶ Leveraging Federal opportunities ... *while avoiding sensitivities*
- ▶ Expertise & credibility – *cost of living, lived experience, frontline ...*

Gender Equity – Care Economy – Wellbeing Budgets – Early Years

QUESTIONS?

