



WA STATE BUDGET 2019-20

THE WA ECONOMY & WA JOBS

The McGowan Labor Government is focused on creating jobs, repairing the State's finances and **supporting the ongoing recovery in the Western Australian economy.**

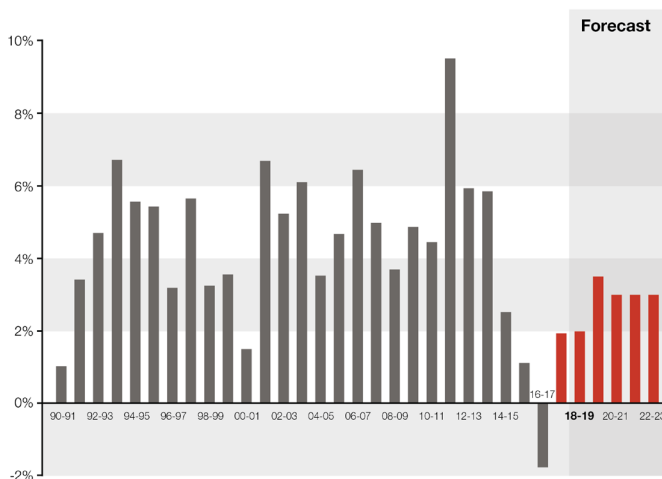
THE STATE OF THE WA ECONOMY

- Western Australia's economy continues to grow, with Gross State Product expected to increase by 2% in 2018-19.
- This is despite a deterioration in the global and national economic outlook. The IMF recently downgraded global growth forecasts, and household consumption and dwelling investment have been impacted nationally by tighter access to credit and falling house prices in response to the Banking Royal Commission.
- The McGowan Government has responded with its **Keystart stimulus package** to support home ownership and jobs in the construction sector and the **lowest increases to household charges in 13 years.**
- **Growth in GSP is expected to accelerate to 3.5% in 2019-20, and 3% in 2020-21 onward, with further growth in exports and the domestic economy becoming the major driver of growth.**
- A substantial lift in business investment is expected for the first time in seven years in 2019-20.
- This plus the McGowan Government's increased investment in **METRONET and road projects** are expected to support employment growth.
- **A stronger labour market**, increased population growth and improved consumer confidence are expected to underpin a lift in household consumption and dwelling investment.
- The continued growth of the WA economy in a challenging economic environment is a sign of our growing resilience and diversification, with the McGowan Government funding key areas to help continue to diversify our economy

ECONOMIC GROWTH

GROSS STATE PRODUCT

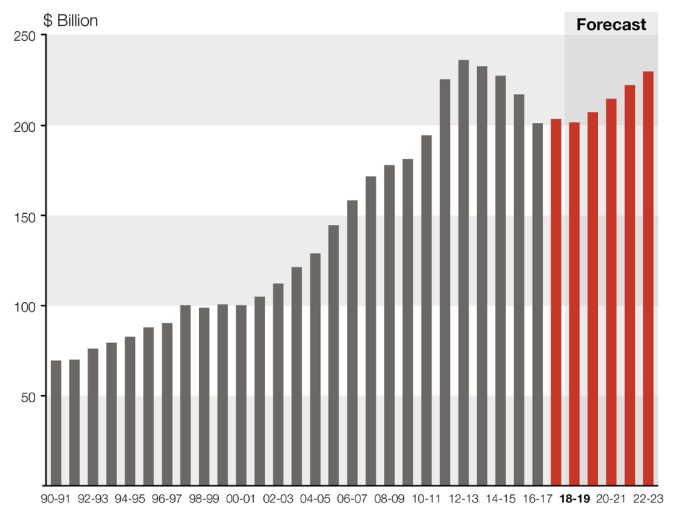
Western Australia, Annual Growth



DOMESTIC GROWTH

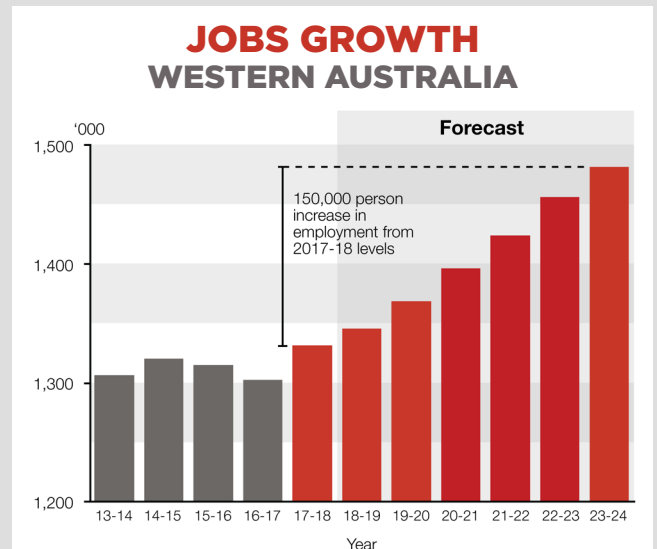
STATE FINAL DEMAND

Western Australia, Annual Levels



EMPLOYMENT

- Around **37,000 jobs have been created** in Western Australia since March 2017, including 27,000 full-time jobs.
- The rebound in business investment as spending on a new wave of resource sector projects gathers pace, coupled with Government investment in major road and rail infrastructure, is expected to see employment growth of 1.75% in 2019-20, up from an estimated 1% in 2018-19.
- **In 2019-20, a further 23,500 jobs are expected to be created.**
- Across the forward estimates period, employment growth is expected to be further supported by an increase in residential construction activity as housing supply tightens and population growth drives demand for new housing.
- **The Government is focussed and is on track to achieve its target to create an additional 150,000 jobs by 2023-24.** Treasury modelling suggests the target will require an increase in annual employment growth from 1.1% currently to 1.8% to 2023-24. This compares to long-run annual average employment growth in Western Australia (since 1989-90) of 2.1%.



METRONET:

The State Budget includes a record \$4.1 billion investment in job-creating METRONET projects.

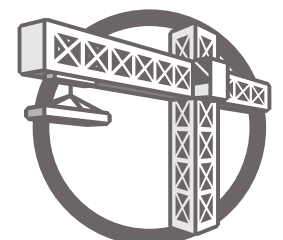
- \$536m to build the Thornlie-Cockburn Link, with construction expected to start later this year
- \$520m to build the Yanchep Rail extension, with construction expected to start later this year
- \$146m to build the new Bayswater Station, the first stage of the Morley-Ellenbrook Line, with construction expected to start later this year
- \$207.5m over the forward estimates to remove level crossings on the Armadale Line at Oats Street, Mint Street and Welshpool Road
- \$1.2b allocation for projects in detailed planning stages, including the Byford Rail Extension, Morley-Ellenbrook Line, Midland Station Project and new Karnup Station

INVESTING IN JOB-CREATING INFRASTRUCTURE:

The McGowan Government is putting Western Australians to work through a significant investment in infrastructure throughout WA.

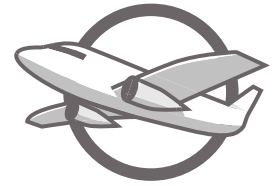
The Budget includes a \$4.2 billion investment in upgrades to roads, including more than \$2 billion on building, upgrading and maintaining roads in regional WA.

- \$1.2 billion for the Tonkin Highway Transformation Project
- \$852 million for the Bunbury Outer Ring Road
- \$310 million for the ongoing construction of Karratha-Tom Price Road
- \$275 million for Great Northern Highway - Bindoon Bypass
- \$230 million for the Fremantle Traffic Bridge replacement project
- \$180 million for the Great Eastern Highway Bypass grade separated interchanges at Roe Highway and Abernethy Road
- \$175 million for the Albany Ring Road
- \$87.5 million to upgrade Great Northern Highway from Broome to Kununurra
- \$87.5 million for Wheatbelt Secondary Freight Routes upgrades
- \$40 million for Coolgardie-Esperance Highway upgrades
- \$27.5 million for Stage One Pinjarra Heavy Haulage Deviation



SUPPORTING THE TWO-YEAR TOURISM ACTION PLAN:

The McGowan Government's Two-Year Action Plan for tourism is working, with the latest figures showing the highest international and interstate visitor numbers on record



- More than \$22 million for the creation and ongoing management of national parks, marine parks and conservation reserves
- \$12 million in new funding for international destination marketing
- \$10 million for international aviation development to secure more direct flights to Perth
- \$10 million for Collie Adventure Trails to turn Collie into WA's premier adventure trail town, as part of the Industry Attraction and Development Fund
- \$4.5 million to implement the StudyPerth International Education Plan
- \$3.6 million to support Aboriginal Tourism Initiatives

DIVERSIFYING THE ECONOMY:

- \$182.4 million for a new Employer Incentive Scheme and training delivery, including over \$45 million for regional WA. The Scheme will help WA employers with the costs of employing apprentices and trainees
- \$131.5 million additional expenditure to support agriculture in WA, grow export markets and create long-term jobs, including \$39.6 million for the Boosting Biosecurity Defences, Asian Market Success and Grains Research and Development support programs, in addition to the \$45 million for Grains Research and Development in the 2018-19 Budget
- \$60.1 million for the Collie Industry Attraction and Development Fund
- \$52 million towards the Future Health Research and Innovation Fund
- \$48.4 million to upgrade port facilities across WA
- An additional \$19.5 million for the Forrestdale Business Park
- \$10 million towards the new LNG Futures Facility
- \$7 million to build and operate a state-of-the-art marine finfish nursery facility in Geraldton
- \$8 million for a new multipurpose bushfire facility in Collie as part of the Collie Industry Attraction and Development Fund