

# WA STATE BUDGET 2020-21

## THE WA ECONOMY & WA JOBS

The McGowan Labor Government has focused its response to the COVID-19 pandemic on maintaining and creating new local jobs and supporting the on-going recovery of the WA economy.

### THE WA ECONOMY AT A GLANCE

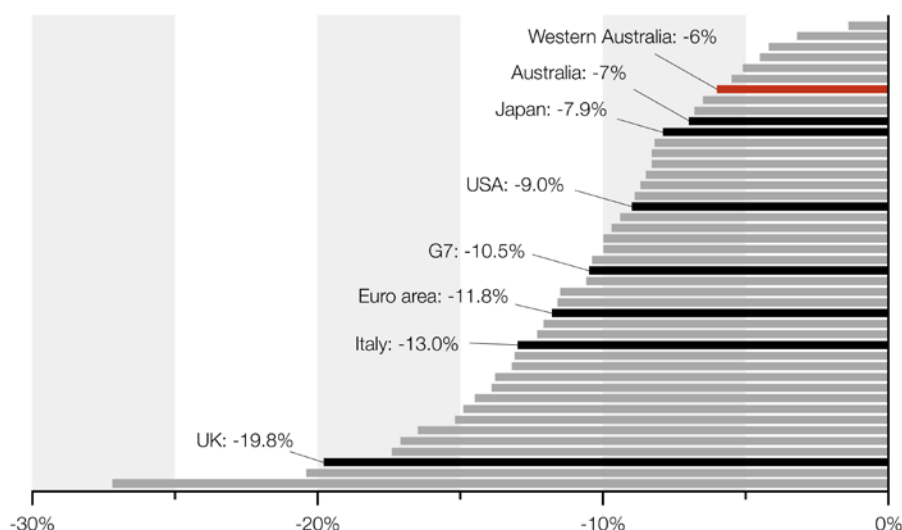
- The 2020-21 State Budget reveals **the WA economy is expected to grow by 1.25 per cent in 2020-21.**
- Western Australia's response to the COVID-19 pandemic has positioned the economy to **rebound faster and stronger than first expected.**
- This follows **growth in the State's domestic economy of 1.1 per cent in 2019-20** – Western Australia was the only State to record positive growth.
- The forecast for continued growth is supported by a **range of economic indicators that have already returned to, and in most cases exceeded, pre-COVID levels**, including household and business confidence, retail trade and jobs advertised online. Across most of these indicators, Western Australia is leading the nation.
- **Strong budget and economic management** over the last three years meant that the Government had the fiscal capacity to immediately respond to households and businesses most in need of support.
- The resilience of the economy throughout the pandemic has been strongly supported by the immediate response measures included in the McGowan Government's more than **\$5.5 billion WA Recovery Plan.**

#### STATE FINAL DEMAND

	Quarter	Annual
<b>NSW</b>	-8.6%	-1.8%
<b>Vic</b>	-8.5%	-1.0%
<b>Qld</b>	-5.9%	-0.1%
<b>WA</b>	-6.0%	1.1%
<b>SA</b>	-5.8%	-1.6%
<b>Tas</b>	-7.4%	-0.1%

#### COVID-19 ECONOMIC PERFORMANCE

June quarter 2020 compared to March quarter 2020

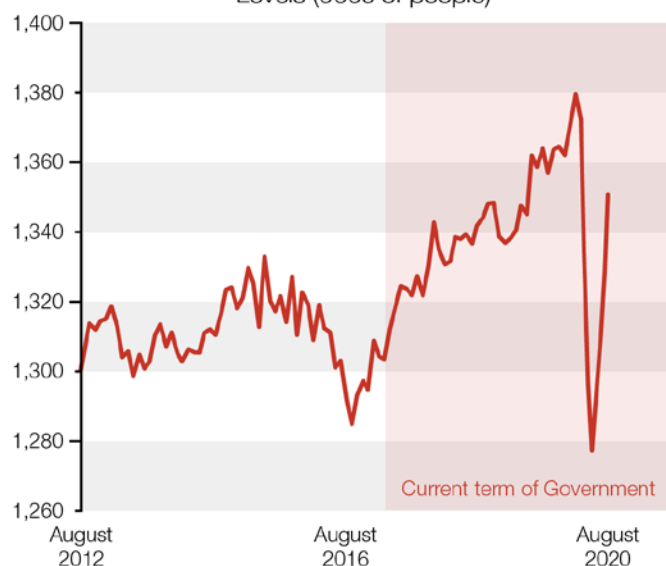


### WA JOBS

- When COVID-19 hit WA, the McGowan Labor Government made the difficult decision to shut down parts of our economy to ensure the health and wellbeing of our community. However, **employment is now tracking strongly after the initial impact of the pandemic.**
- While there is still more work to be done, the **State recorded its largest ever monthly fall in unemployment in August.**
- As at August 2020, **more than 70 per cent of jobs lost between February and May 2020 had been recovered.**
- Almost **90 per cent of the fall in hours worked, had also been recovered.**
- Online vacancies in August (according to the Department of Education, Skills and Employment) are at their **highest level since October 2014, and 6% higher than pre COVID levels.**
  - The ABS job vacancy series indicates that between May and August job vacancies rose by a record 91.7% - the highest of any State.
  - The number of vacancies in August exceeded pre-COVID levels and are at their highest since 2012.

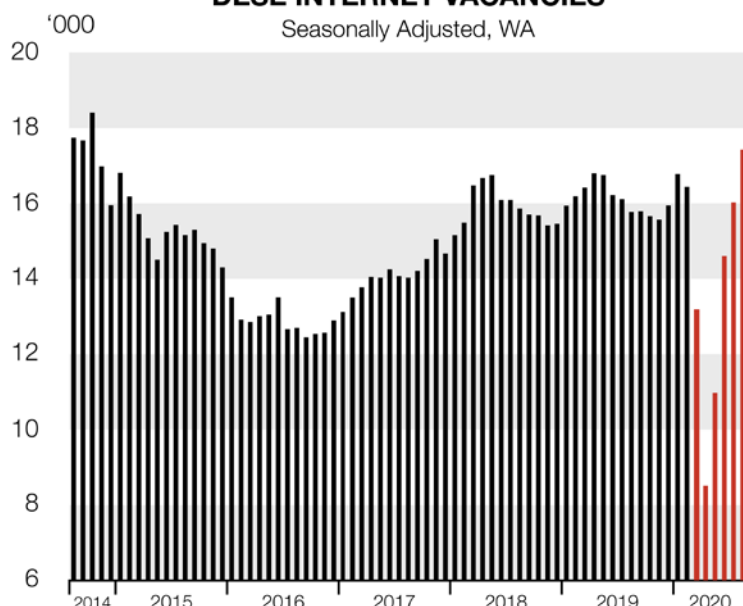
## EMPLOYMENT

Levels (000s of people)



## DESE INTERNET VACANCIES

Seasonally Adjusted, WA



- More jobs are expected to be created through the McGowan Labor Government's record-breaking **Asset Investment Program, which totals \$27.1 billion over the next four years.**
- Job creation is being further supported through measures to reskill the **workforce by providing assistance**, through reduced fees and free short courses, for people to attend upgraded TAFE colleges.

## PROJECTS AND INITIATIVES TO CREATE AND SUPPORT JOBS

The 2020-21 WA State Budget includes:

- **\$1.7 billion to support businesses, households and community groups;**
- \$475m for the **housing construction sector;**
- \$453m for **frontline service delivery;**
- Around \$230m for **training related initiatives**, including \$167m to build and refurbish TAFEs and other training facilities;
- \$492m for **new schools and school improvements;**
- \$330m to **improve opportunities for industry;**
- \$127m for **renewable energy technology**, investing in **environmental projects** and **creating jobs in the environmental sector;**
- \$300m for **sports, community and cultural facilities;**
- \$260m on **road and rail infrastructure;**
- \$150m for **tourism initiatives**, including affordable regional airfares and providing new and refurbished tourism related facilities;
- \$95m to **upgrade and refurbish police stations;** and
- \$78m for **Stage 3 the Bunbury Waterfront Redevelopment** (Phase 1).

## BUILDING METRONET

- After years of waiting and broken promises by the previous Liberal-National Government, this Budget delivers on our commitment to build the Morley-Ellenbrook Line.
- Works are already underway at Bayswater Station, the connection point for the Morley-Ellenbrook Line. The preferred proponent for the final main contract of the Morley-Ellenbrook Line was recently announced and is expected to be awarded in the coming weeks.

- The Recovery Plan and record infrastructure spend includes the bring-forward of a number of additional METRONET projects, including:
  - three level crossing removals on the Armadale Line (at Oats Street, Mint Street and Welshpool Road);
  - the Byford Rail Extension, including the fast tracked removal of the Thomas Road level crossing; and
  - the Midland Station Redevelopment.

## SUPPORTING JOBS THROUGH SUPPORTING BUSINESSES

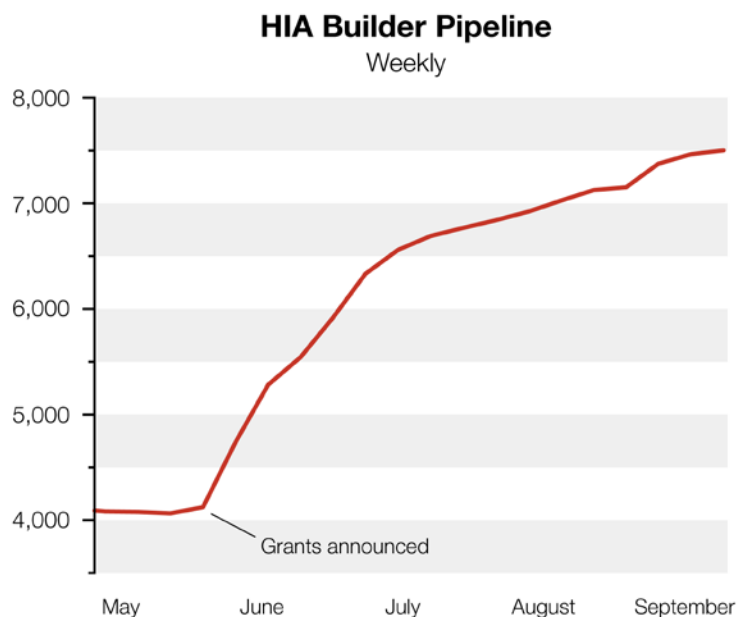
Many measures in the Recovery Plan have already directly supported jobs and businesses, this includes the following \$943m worth of initiatives:

- A **\$2,500 offset for electricity bills** for some 95,000 small businesses;
- Up to \$100 million to **waive a range of licence fees** for affected sectors including trades, commercial fishing and tourism;
- A **waiver for liquor licence renewal fees for 2020** with refunds provided for businesses that have already paid;
- The bringing forward of the **increase in payroll tax exemption threshold** to \$1 million by six months;
- A **four month payroll tax waiver for employers** who have taxable wages less than \$7.5 million as at 29 February; and
- A **payroll tax exemption** for wages provided under the JobKeeper scheme.

## BUILDING BONUS

The housing construction sector had faced a cliff in its pipeline of work. However, **the McGowan Labor Government's \$20,000 Building Bonus grants, in addition to support from the Commonwealth, has resulted in a surge in activity.**

- Land sales have surged and the HIA pipeline of works shown on the chart has **almost doubled in the three months since its announcement in early June to September.**
- **An additional \$30 million on top of the initial \$117 million has been committed,** given strong demand for the grants.
- This has **secured the jobs of some 65,000 Western Australians** employed in the industry.
- In addition, the McGowan Labor Government has **committed a further \$319 million towards social housing,** which not only supports jobs in the housing construction sector, but importantly, provides homes to hundreds of vulnerable Western Australian families.



# WA STATE BUDGET 2020-21 STATE OF THE FINANCES

**The fiscal strategy for the 2020-21 Budget focuses on supporting the economy's recovery from COVID-19, and creating a pipeline of jobs for Western Australians.**

Since being elected, the McGowan Labor Government's responsible financial management resulted in the budget returning to surplus and debt declining.

This strong budget position provided WA with the capacity and flexibility to respond quickly and comprehensively to COVID-19.

## STATE FINANCES AT A GLANCE

- The McGowan Government's focus is on **supporting the Western Australian economic recovery**.
- **Net debt will increase** to support the WA economy, but remain affordable.
- There have been **significant write-downs in operating surpluses** over the forecast period in response to COVID-19.
- Budget projected to stay in surplus, helping **fully fund the WA Recovery Plan and the record infrastructure investment, creating WA jobs**.

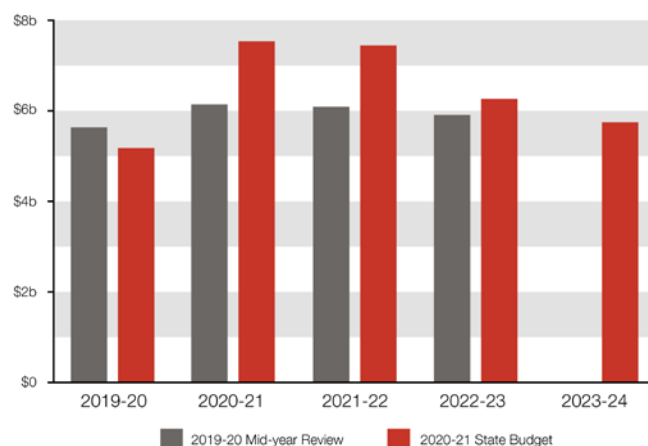
## CHANGES IN EXPENDITURE & REVENUE

- Recurrent expenditure \$4.9 billion higher than at the 2019-20 Mid-year Review, underpinned by an increase in COVID-19 related spending.
- The 2020-21 Budget fully funds the Government's \$5.5 billion WA Recovery Plan announced in July.
- Other key spending initiatives in this Budget include:
  - a one-off \$600 Household Electricity Credit delivering almost \$650 million to WA households;
  - the largest ever decline in household fees and charges in 2020-21 with more than \$1 billion in relief provided;
  - \$314 million for an additional 800 police officers over the next four years, on top of the 300 already being delivered. This includes flow-on resourcing to the criminal justice system;
  - \$201 million to provide essential services in remote Aboriginal communities; and
  - \$170.5 million in State Government funding for the Perth City Deal with the Commonwealth Government, including \$150 million to help establish inner-city university campuses.

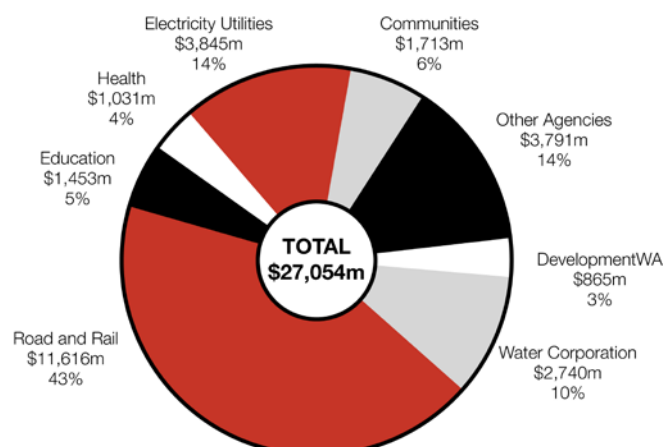
## ASSET INVESTMENT PROGRAM

- Record \$27.1 billion investment in infrastructure over the next four years to support economic recovery and create a pipeline of jobs. The infrastructure investment program includes projects such as:
  - the largest ever investment in regional infrastructure totalling \$7.5 billion.
  - the delivery of METRONET projects, including the Morley-Ellenbrook Line, bringing forward additional projects including the Byford Rail Extension, level crossing removals on the inner Armadale line; and the redevelopment of Midland Station.
- General government revenue has been revised down by \$1.7 billion as a result of COVID-19 relief measures and lower taxation and GST-related grants.
- This is partially offset by higher mining revenue and the proceeds from the recent Bell Group settlement.

**ASSET INVESTMENT PROGRAM**  
Total Public Sector



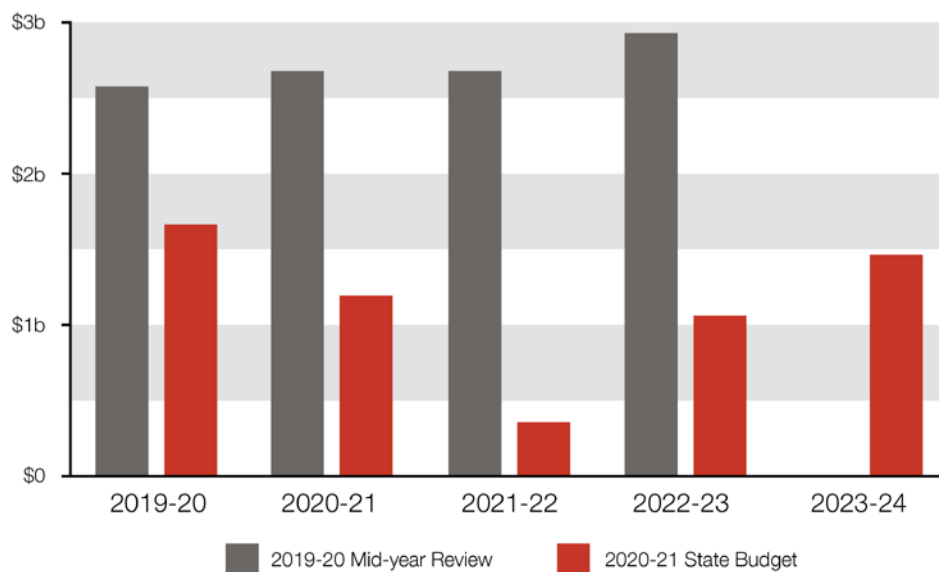
**ASSET INVESTMENT PROGRAM**



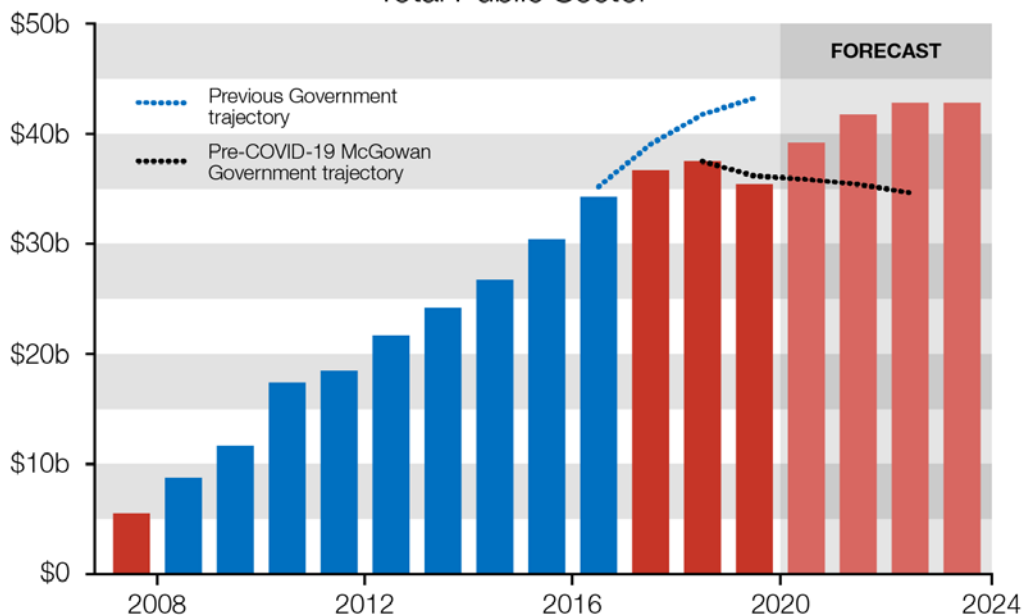
## OPERATING BALANCE & NET DEBT

- **Significant increase in spending and reduced revenue have cut projected operating surpluses by a total of \$6.6 billion** compared to the 2019-20 Mid-year Review.
- Projected operating balance of **\$1.2 billion in 2020-21** – down from \$2.7 billion at the 2019-20 Mid-year Review.
- **Operating surplus has been fully allocated**, to fund the WA Recovery Plan and record infrastructure investment, to create WA jobs.
- The lower operating surpluses and record infrastructure spend result in the need for additional borrowings.
- As a result, **net debt to rise by \$8.3 billion over the forward estimates relative to the 2019-20 Mid-year Review.**
- **Level of debt remains affordable** with public sector net debt as a share of the State's economy increasing modestly from 11.3% in 2019-20 to 14.1% in 2023-24.

### NET OPERATING BALANCE General Government



### NET DEBT Total Public Sector



# **WA STATE BUDGET 2020-21**

## **INVESTING IN HEALTH AND MENTAL HEALTH**

**The McGowan Labor Government is investing \$9.6 billion as part of the 2020-21 State Budget to strengthen WA's health system** and ensure it continues to protect the health of the community and keep Western Australians safe while we continue our world-leading response to the threat of COVID-19.

### **2020-21 BUDGET HIGHLIGHTS**

- Record \$306 million in additional funding towards mental health services
- \$168.6 million funding to general hospital services to meet increasing demand
- An additional \$20.9 million for the continued COVID-19 response, continuing the work of the State Health Incident Coordination Centre and the Public Health Emergency Operations Centre
- \$80 million in additional funding for essential health system and community based services, including expansion of the School Dental Service across seven sites, and funding for in-home health and aged care
- \$60.8 million total investment towards the Bunbury Regional Hospital redevelopment
- \$55.5 million for operational costs associated with implementing a Medihotel pilot program at the Murdoch Health and Knowledge Precinct
- \$35.8 million elective surgery blitz to enable for about 6,000 more patients to have their treatment and return elective waiting lists to pre-pandemic levels by 2021
- \$29.4 million for additional medical internships at Western Australian hospitals
- \$68.9 million for mental health hospital services in the public health system
- A further \$24.4 million for the expansion of Fremantle Mental Health beds
- \$22.6 million to establish a laboratory at Sir Charles Gairdner Hospital that complies with industry standards and ensures the supply of radiopharmaceutical products for patients and medical research, including procurement of a second cyclotron
- \$22 million towards the replacement of medical equipment across the system
- \$20.1 million to strengthen End-of-Life Care and to support implementation of Voluntary Assisted Dying reforms
- \$19 million for the redevelopment of the Emergency Department at Sir Charles Gairdner Hospital and accommodation of a Behavioural Assessment Urgent Care Clinic
- \$15 million to upgrade and remediate the Human Resources Management Information System
- \$13.3 million for construction of the Royal Perth Hospital Synapse Innovation Hub
- \$7.98 million towards the planning and development of the Broome Health and Wellbeing Campus, a Nyamba Buru Yawuru project, as part of the WA Recovery Plan
- \$9.2 million for Country Ambulance services and enhanced access and patient flow for country patients
- \$10.3 million for the WA Country Health Service Command Centre
- \$18.8 million to operate six regional renal hostels that provide accommodation for renal patients that travel from remote communities

### **RECORD INVESTMENT IN MENTAL HEALTH, ALCOHOL AND DRUG SERVICES**

The 2020-21 State Budget allocates \$1.013 billion to the Mental Health Commission to support services for all Western Australians. This funding includes:

- \$46.9 million for suicide prevention programs and initiatives
- \$25.1 million for a new 16-bed youth mental health, alcohol and other drug homelessness service in the Perth metropolitan area
- \$24.5 million to establish a 20-bed adult community care unit



## DELIVERING KEY HEALTH PROJECTS AND INITIATIVES

**Other key health projects and election commitments that are underway or in progress include:**

- \$73.8 million hospital maintenance blitz
- \$25 million towards upgrades at Peel Health Campus
- \$82.3 million towards the redevelopment of the Geraldton Health Campus
- \$322.2 million to address methamphetamine issues in Western Australia
- \$6.3 million to build an MRI suite at Kalgoorlie Health Campus and funded new 64-slice CT scanner for Kalgoorlie Hospital
- \$18.8 million towards the new 38 bed residential aged and palliative care facility in Carnarvon
- \$13.3 million to the Pilbara Health Initiative for medical specialists to service Karratha Health Campus and surrounding areas
- \$61.4 million to redevelop the Newman Health Service, includes a \$15 million contribution from BHP
- \$1.76 million refurbishment of Jigalong Health Clinic
- \$1.3 million for the construction of a new renal unit at Newman Hospital, which will house four renal dialyses chairs and supporting infrastructure
- \$5 million towards Tom Price Hospital
- \$16.8 million towards the new Laverton Hospital project
- \$1.6 million to create culturally appropriate accommodation for Aboriginal patients and their carers while visiting metropolitan hospitals
- \$9.7 million to expand the Emergency Telestroke Service to a 24/7 service
- \$1.6 million over four years for the Find Cancer Early program in regional areas
- \$1.2 million to expand the Ear Bus Program in the Kimberley
- \$12.2 million to upgrade Collie Hospital
- \$13.125 million to deliver radiotherapy services in Albany
- Rolled-out the GP Urgent Care Clinic Network to provide urgent medical support in the community closer to home
- \$256.7 million Joondalup Health Campus major redevelopment and expansion
- \$700,000 to construct a new helicopter landing site at the Jurien Bay Health Centre

## WA RECOVERY PLAN SNAPSHOT

**Other highlights of the more than \$453 million in health funding delivered as part of the McGowan Government's WA Recovery Plan include:**

- \$9.5 million for refurbishment of Kalamunda Hospital palliative care services
- \$5 million towards university-led COVID-19 pandemic projects
- \$8.1 million towards planning for an Electronic Medical Records System, as recommended by the Sustainable Health Review
- \$7.5 million for critical upgrade works at the Pathwest State Mortuary

## WA STATE BUDGET 2020-21 BUILDING METRONET & TRANSFORMING OUR ROADS

**The McGowan Labor Government is delivering a record investment in METRONET and road infrastructure projects in Perth and the regions, creating a pipeline of jobs throughout Western Australia to keep our economy strong.**

This year's Budget, along with the WA Recovery Plan, continues the McGowan Government's strong record of delivering congestion-busting, job-creating transport projects across Western Australia.

### 2020-21 BUDGET HIGHLIGHTS

- \$354.5m for the soon-to-be-completed Forrestfield-Airport Link project.
- \$275.3m for 246 locally made railcars and the local assembly and manufacturing facility at Bellevue.
- \$100m to install Smart Freeway technology on the Mitchell Freeway from Joondalup to the city.
- \$195m for the Thornlie-Cockburn Link, Perth's first east-west rail connection.
- \$184.7m for the Yanchep Rail Extension, with three new train stations.
- \$144.6m for removal of level crossings, including the under-way Denny Avenue Level Crossing Removal Project and early works for three others on the Armadale Line.
- \$207.2m for other projects like the Morley-Ellenbrook Line, Byford Rail Extension and Midland Station project.
- \$92.3m for the construction of the new Bayswater Station, the first stage of the Morley-Ellenbrook Line.
- \$31.5m to deliver a multi-storey car park at Mandurah Station.
- \$16.3m to help plan and build Lakelands Station.

### BUILDING & DELIVERING METRONET

**With seven METRONET projects underway in 2020 and more to come, the \$5.7 billion investment in METRONET over the next four years is the largest investment in public transport Perth has ever seen.** It will create thousands of local jobs and provide opportunities for local businesses.



The 2020-21 Budget builds on last year's record investment, as the McGowan Government continues to deliver on the METRONET vision it took to the 2017 State Election, with \$1.7 billion to be spent this financial year.

### UPGRADING ROADS & BUSTING CONGESTION

The McGowan Labor Government's METRONET program is supported by a \$2.39 billion investment in major road infrastructure and maintenance projects:

- \$100 million to install Smart Freeway technology on the Mitchell Freeway between Hester Avenue and Vincent Street
- \$49.75 million to construct the 6-metre-wide Causeway Cyclist and Pedestrian Bridge with dedicated pedestrian and cyclist lanes to the west of the Causeway
- \$275 million to construct a 45.6 kilometre, 10-metre-wide sealed bypass two lane highway west of Bindoon, including connections to existing roads and overtaking lanes;
- \$36 million on the Great Northern Highway Port Hedland Deviation project.
- \$8m to upgrade Cannington, Gosnells and Kelmscott stations to ensure they comply with the Disability Discrimination Act
- \$7.3m to replace lifts and escalators at Subiaco Station
- \$7m to upgrade level crossings on the South-West Main Line
- \$1.8m to install solar panels on up to 60 bus and train stations





# WA RECOVERY PLAN

As part of the WA Recovery Plan, more than \$100 million has been invested towards major job-creating road projects to support local jobs and local businesses.

Projects include:

- \$7 million for the Stock Road Bridge replacement;
- \$16 million to improve amenity along some of Perth's key arterial routes;
- \$3 million for a right turn lane upgrade at the intersection of Main Street and Royal Street, Osborne Park;
- \$5 million for upgrades to Kwinana Beach Road (from Patterson Road to CBH Terminal);
- \$11.35 million for the Metropolitan Intersection Crash Program which targets high risk intersections with a high crash rate for improvements - annual ongoing program;
- \$11.5 million to upgrade and undertake pipe relocation works for intersection improvements of Albany Highway, Kelvin and Olga roads in Maddington;
- \$16 million towards a program for Low Cost Crash Treatments on local government roads in the metropolitan area;
- An additional \$20 million towards the next phase of the Stephenson Avenue Extension;
- \$300,000 to upgrade Old Yanchep Road through the Tourist Road Improvement Program; and
- \$7 million for road and rail crossings upgrades on the South West Main Line in Cookernup, Coolup and Waroona.

## FAST TRACKING WORK & BUILDING FOR TOMORROW

As part of the McGowan Government's \$6.6 billion Building for Tomorrow program, 11 major transport infrastructure projects are being fast tracked across WA, creating up to 13,000 jobs.

- Roe Highway/Great Eastern Highway/Abernethy Road, expected to create 1,200 jobs, with contract awarding by January 2021 and early works to commence in March - 18 months earlier than anticipated.
- Stephenson Avenue Extension in Stirling, expected to create 800 jobs with phase one now under construction and phase two expressions of interest from industry brought forward six months early.
- Leach Highway Welshpool Road Interchange, expected to create 600 jobs and contract award anticipated December 2020, six months earlier than previously planned.
- Tonkin Highway Gap project, expected to create 1,050 jobs with early works planned for later this month, three months ahead of schedule.
- Mitchell Freeway Extension to Romeo Road, expected to create 1,200 jobs with early works planned for January 2021 and contract award due before the end of year
- Mitchell Freeway Hodges Drive to Hepburn Avenue widening, expected to create 530 jobs with early works planned for January 2021 and contract award due before the end of the year
- Swan River Crossings (Fremantle Traffic Bridge), expected to create 1,400 jobs with early works expected late 2021, and contract due to be awarded in December this year, six months earlier than previously scheduled.
- Bunbury Outer Ring Road, expected to create 4,500 jobs, construction anticipated in January 2021, three months earlier than expected.
- Albany Ring Road, expected to create 1,000 jobs with construction now underway - three months ahead of program.
- Bussell Highway Duplication Stage 1 and Stage 2, to create 570 jobs with Stage 1 construction to begin later this month.
- Lloyd Street Extension expected to create 280 jobs with contract award anticipated in January 2021 and early works to commence in March, 18 months earlier than previously planned.

# WA STATE BUDGET 2020-21

## STRONGER, SAFER COMMUNITIES

**The McGowan Labor Government is investing significantly in community safety initiatives across WA as part of its 2020-21 State Budget, to keep WA safe and strong.**

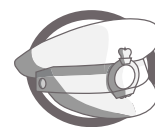
This Budget, along with the COVID-19 WA Recovery Plan, builds on and continues the crucial initiatives implemented by the McGowan Government over the past three years to improve community safety, improve our justice system, tackle the scourge of meth and provide vital support for our local communities.

## 2020-21 BUDGET HIGHLIGHTS

- \$314 million to recruit an additional 800 police officers over the next four years, including flow-on resourcing to the criminal justice system
- \$6.6 million towards a line scanner and aircraft to enhance aerial intelligence and capability
- \$5.6 million for more District Court resourcing following increased lodgements/cases
- \$9 million to help support and protect survivors of family and domestic violence
- \$6.8 million to continue the Aboriginal Community Connectors Program
- \$2.4 million to establish a dedicated mental health unit at the Bandyup Women's Prison

## INVESTING IN POLICE AND JUSTICE

**Western Australians will benefit from an additional 800 police officers that will be recruited on top of the 300 additional police officers already being delivered.**



The \$314 million investment is the largest increase on record and will result in WA having the highest number of police officers per person of all states, as we continue to manage COVID-19 safely.

It will further support the McGowan Government's efforts to ensure better police services are being delivered to the community, as part of the WA Recovery Plan implementation, which includes \$96.5 million to upgrade and refurbish police stations and other infrastructure across the State.

It comes on top of the McGowan Government's commitment to community safety already underway, to give WA Police Force resources including body worn cameras, personal mobile devices and multi-threat body armour for frontline officers.

**The 2020-21 State Budget also includes:**

- \$2.4 million to establish a dedicated mental health unit at Bandyup Women's Prison.
- \$5.5 million in funding for one additional District Court Judge and two support staff in response to the increase in lodgements and cases on hand.
- Already, \$109.9 million has been invested in courts and tribunal services

## SUPPORTING INITIATIVES TO PREVENT FAMILY AND DOMESTIC VIOLENCE



**A \$9 million investment is being made to implement the McGowan Government's comprehensive Family Violence Reform Legislation to protect survivors of family and domestic violence and support them through the justice system.**

This program of work is on top of the \$28.1 million package of initiatives included in the WA Recovery Plan, which committed to employ 23 additional outreach workers, boost family violence response teams, that support victims, following police call-outs, an expansion to the Peel and Kwinana refuges, and counselling, advocacy and support services.

## OTHER INITIATIVES

- \$6.6 million investment in a multispectral line scanner and high-performance aircraft that will significantly enhance the State's aerial intelligence capabilities and management of fires or other hazard
- \$6.8 million to continue the Aboriginal Community Connectors program. The program provides safe transport options, connects vulnerable people with culturally responsive crisis support and provides local employment opportunities through services contracts across the State and in the regions.

## DELIVERING KEY INITIATIVES AND PROGRAMS

**Other key community safety projects and election commitments that are underway or in progress include:**

- \$322.2 million to implement the Meth Action Plan with more crisis support, mental health and drug and alcohol services, prevention and harm reduction initiatives, the roll out of the Meth Border Force to disrupt the movement of meth, delivery of the alcohol and drug treatment prison and the toughest penalties in Australia for meth traffickers;
- \$20.5 million for the introduction of the Target 120 early intervention program in Albany, Armadale, Bunbury, Kalgoorlie, Kununurra and Mirrabooka and expansion to further sites to reduce youth crime and prevent reoffending;
- \$11.7 million to establish new Family and Domestic Violence One Stop Hubs in Mirrabooka and Kalgoorlie to make it easier for family and domestic violence victims to access services;
- \$52.3 million in the expansion of electronic monitoring of offenders in the community;
- \$310 million funding to expand of WA's prison capacity with the addition of 1,228 new beds to the WA custodial estate, increasing prison capacity at Bunbury Regional Prison and Casuarina Prison;
- \$266 million commitment to Aboriginal Youth Wellbeing package which includes housing, municipal and essential services and programs to support health and mental health issues in the Kimberley;
- \$6.2 million Kimberley juvenile justice strategy including night patrols, place-based activities, youth-engagement program and integrated learning program;
- \$37 million to continue the operation of the South West Emergency Rescue Helicopter;
- \$22 million investment to boost the Enhanced Prescribed Burning program in the South-West;
- New \$13.4m multi-purpose emergency services facility being built in Collie that includes a Level Three Incident Control Centre, Emergency Driver Training School and regional fleet maintenance;
- \$18 million Bushfire Centre of Excellence in Nambelup to bring together the best research and training techniques in bushfire management;
- \$11.3 million injection to support and expand PCYCs in Carnarvon, Kununurra, Midland and Rockingham;
- \$85.8 million state-of-the-art Armadale Courthouse and Police Complex to accommodate police and justice staff in one premise;
- Additional police resources to keep the WA community safe, including the roll out of body worn cameras to improve transparency and accountability in police interactions with the community and officer safety, personal mobile devices to give officers faster access to the information and increase the time they can spend on the beat, and the provision of personal multi-threat body armour to frontline police officers.

## WA RECOVERY PLAN

**The 2020-21 State Budget also includes funding for initiatives which are part of the WA Recovery Plan, including:**

- \$28.1 million worth of funding into Family Domestic Violence initiatives, including \$8.6 million for additional staff in FDV refuges across the state as part of FDV Mobile Outreach, and an additional \$3.1 million to bolster family and domestic violence supports given an expected increase in violence against women as a result of COVID-19;
- \$52.58 million to construct a new Fremantle Police Complex;
- \$20 million in crisis and emergency relief grants for not-for-profit community groups to deliver crisis and emergency support to the most vulnerable;
- \$17.8 million to establish an automated number plate recognition (ANPR) technology hub, to increase WA Police tracking and tracing capabilities;
- \$73.4 million for the recruitment of 150 police FTE to assist with the COVID-19 response.

# WA STATE BUDGET 2020-21

## PROTECTING OUR ENVIRONMENT

**The McGowan Labor Government's strong commitment to the environment in the 2020-21 State Budget ensures Western Australia's economic recovery works hand in hand with our State's most precious natural assets.** In the process the State Government will create thousands of jobs, keeping the State safe and strong.

### PLAN FOR OUR PARKS

The McGowan Government is investing a further \$25.6 million over the next four years towards the creation and management of national parks, marine parks and other conservation reserves under the flagship Plan for Our Parks initiative.

In addition, the McGowan Government will fund:

- \$3.35 million for the expansion of Wellington National Park near Collie, and to upgrade roads, visitor facilities and enhance recreation and tourism opportunities in the park.
- \$8.4 million for the creation and management of Kalgulup Regional Park at Bunbury. The 3100-hectare park is a stronghold for biodiversity and was recently named to reflect the area's significance for Noongar people.
- \$6.7 million to build public recreation facilities and implement traditional owner joint management of the Ningaloo Coastal Reserves in partnership with the Gnulli native title holders.
- \$13.8 million for infrastructure and management of the Houtman Abrolhos Islands National Park over the next four years, including the installation of new jetties.
- \$2 million for the creation and management of a proposed national park at Helena Aurora Range.

### CONTAINER DEPOSIT SCHEME

The State Government's \$4.7 million commitment to the container deposit scheme has already created more than 600 jobs at refund points, in processing, transporting and recycling containers.

Over the next 20 years the State-wide scheme is expected to divert an additional 6.6 billion containers from landfill and litter. A \$56 million investment in other waste recovery and education initiatives over the past three years has included grants to support recycling infrastructure and programs which improve the recovery and reuse of waste.

An additional \$35 million State Government investment will be provided to boost the domestic processing of plastics, tyres and mixed paper and cardboard.

### OTHER INITIATIVES

- \$28 million Environment Online initiative led by the Department of Water and Environmental Regulation (DWER) to cut red tape and remove unnecessary roadblocks to obtain appropriate approvals
- \$7.7 million funding commitment to the new Biodiversity Information Office (BIO), assisting in the State's post-pandemic recovery by minimising delays to major projects.

### WA RECOVERY PLAN

**As part of the McGowan Labor Government's WA Recovery Plan, the following initiatives are also being implemented:**

- \$41.3 million for trails, roads, asset improvements, recreation facilities and other attractions across WA.
- \$60.3 million on the Green Jobs Plan, including \$15 million towards a Native Vegetation Rehabilitation Scheme, creating more than 1000 jobs across the State
- \$10 million investment into the Clean Energy Future Fund, in addition to the \$9.3 million already announced

# WA STATE BUDGET 2020-21

## WHERE THE MONEY COMES FROM & WHERE IT GOES

In response to COVID-19, the State Government has adjusted its fiscal strategy to solely focus on supporting the economy and creating WA jobs, rather than paying down the debt left by the previous Liberal National Government.

- Despite reduced revenue as a result of COVID-19, and additional expenditure to support the State's recovery, **the WA Budget remains in a surplus position, helping fully fund the WA Recovery Plan, to create jobs.**
- The lower operating surpluses and record infrastructure spend have **increased the forecast level of net debt by \$8.3 billion relative to the Mid-year Review.**
- **A general government operating surplus of \$1.2 billion** is now forecast for 2020-21, down from the \$2.7 billion surplus expected at the time of the Mid-year Review.
- **Operating surpluses are also forecast in each of the outyears**, although these too have been revised down substantially since the Mid-year Review.
- **Surpluses have helped fully fund the WA Recovery Plan** and the record infrastructure investment, providing a significant boost to the economy and local jobs.

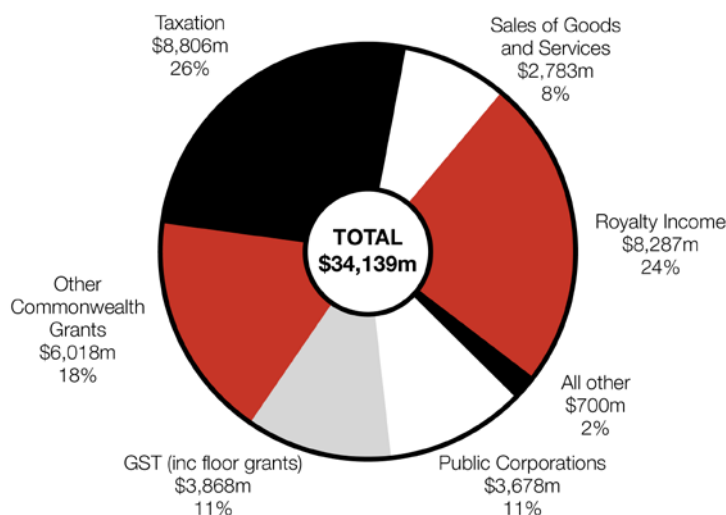
### REVENUE

- General government sector revenue is estimated to total **\$34.1 billion** in 2020-21.
- **Revenue overall has been revised down by \$1.7 billion**, as a result of COVID-19 relief measures, lower taxation income and lower GST-related grants.
- The impact on the State's revenue base due to the COVID-19 pandemic, has been partially offset by the elevated iron ore price, given the steps taken by WA to keep the industry open and running safely during COVID-19.

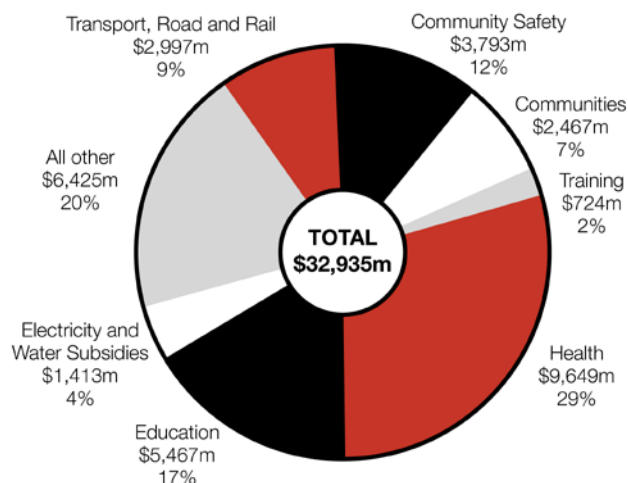
### EXPENSES

- **Expenses are forecast to total \$32.9 billion in 2020-21**, with health, education and training and community safety accounting for around 60%.
- This level of expenditure represents annual growth of 8%, reflecting **increased spending as part of the COVID-19 response and WA Recovery Plan measures.**
- Total State Government expenditure in 2020-21 (both general government expenses and the Asset Investment Program) is budgeted to be **\$4.8 billion higher in 2020-21 than in 2019-20** – a very substantial increase in fiscal support for the State's economy.
- The difference between revenue and expenses is the operating surplus (\$1.2 billion), which is being used to help **fully fund the WA Recovery Plan and the record infrastructure investment.**

### 2020-21 REVENUE GENERAL GOVERNMENT SECTOR

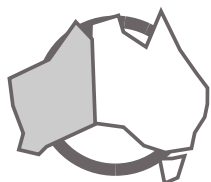


### 2020-21 EXPENDITURE GENERAL GOVERNMENT SECTOR



## WA RECOVERY PLAN

- The 2020-21 Budget fully funds the **\$5.5 billion WA Recovery Plan** announced in July 2020.
- In addition to the WA Recovery Plan, the Budget contains new initiatives to assist sectors that have been particularly impacted by COVID-19, and to support broader economic recovery, including a one-off \$600 Household Electricity Credit.
- It also contains important service delivery initiatives, including the recruitment of 800 additional police officers over the next four years, on top of the 300 additional police officers already being delivered.



## INTERJURISDICTIONAL COMPARISON

**Western Australia generates 71% of its revenue from direct State sources**, with only 29% being provided by the Commonwealth. **This is the highest proportion of own-source revenue of any State.**

2020-21	WA	NSW	VIC	QLD	SA	TAS
Revenue from Commonwealth (\$m)	9,886	33,319	35,922	30,241	11,869	4,129
Own-Source Revenue (\$m)	24,253	54,951	38,595	31,474	9,416	2,413
Total Revenue (\$m)	34,139	88,270	74,517	61,715	21,285	6,542
Commonwealth-funded share	29%	38%	48%	49%	56%	63%
Own-source revenue share	71%	62%	52%	51%	44%	37%

Source: WA 2020-21 State Budget, Other States: 2019-20 Mid-year Reviews

## CONTRIBUTION TO FEDERATION

**WA provides the largest revenue contribution to the Federation.** Keeping WA's economy strong is vital to the national wellbeing.

Using the latest available data, **WA is estimated to have contributed \$17.4 billion to the Federation (or an average of \$6,660 per person) in 2018-19 alone**, five times the net contribution per capita of second placed New South Wales.

2018-19	WA	NSW	VIC	QLD	SA	TAS	NT
Total contribution (\$m)	17,368	10,651	445	-14,634	-6,927	-3,774	-3,129
Per capita contribution (\$)	6,660	1,325	68	-2,896	-3,970	-7,097	-12,712





**The McGowan Labor Government will invest \$456.23 million in 2020-21 to improve public school infrastructure in Western Australia and deliver quality education no matter where students live.**

This Budget includes a total of \$5.5 billion for school education in 2020-21, an increase of \$225.8 million from the previous year. The package is designed to create local jobs today, and prepare students for the jobs of the future.

## 2020-21 BUDGET HIGHLIGHTS

- \$57.6 million towards construction of Stage 2 of Bob Hawke College, increasing capacity to 2000 students.
- \$60 million for Stage 1 of a new secondary school in Piara Waters, to open in 2023.
- \$29.9 million for works on Stage 2 of Ridge View Secondary College, for completion early 2023.
- \$22 million for upgrades to Karratha Senior High School, and \$42 million to rebuild Roebourne District High School.
- \$39.6 million for Semester 2 of 2020 to ensure schools can continue enhanced cleaning to stay COVID-19 safe.

## BUILDING THE PRIMARY SCHOOLS OF TOMORROW

**New primary schools at a cost of \$78.3 million to open in 2021 include:**

- Brabham Primary School
- Yarralinka Primary School
- North Harrisdale Primary School
- Pine View Primary School
- Yanchep Rise Primary School

**New Primary Schools at a cost of \$116.2 million to open in 2022 include:**

- Forrestdale
- Treeby-Banjup
- Burns Beach
- Alkimos
- Wellard (2023)

## ENHANCED CLEANING TO STAY COVID SAFE

The McGowan Government has committed \$39.6 million for Semester 2, 2020 to ensure schools can continue an enhanced cleaning regime to stay COVID-19 safe.

## SCIENCE IN SCHOOLS – DELIVERED

A total of \$12 million has been invested to provide 200 primary schools with science laboratories by 2021. To date, 163 have been completed with 37 due for completion by the end of 2020. In addition, schools have been provided with additional funding totalling \$5 million to purchase science equipment for their new laboratories.

## SCHOOL MAINTENANCE BLITZ – UNDERWAY

The McGowan Government allocated \$200 million to address high-priority maintenance at all WA public schools, creating thousands of jobs for local workers.

## REDEVELOPING AND UPGRADING SECONDARY SCHOOLS

### Work continues on the following projects:

- Construction continues for the second stage of Yanchep Secondary College at an estimated cost of \$13.7 million.
- Redevelopment of Balcatta Senior High School to expand and upgrade facilities will continue at a cost of \$50 million, with works expected to be completed in 2021.
- Works continue at Darling Range Sports College to upgrade specialist facilities and general classrooms at a cost of \$10 million.
- Construction will commence for a major upgrade at John Forrest Secondary College to replace outdated specialist facilities at a cost of \$50 million.
- Facility refurbishments underway at Kinross College at a cost of \$2.5 million.
- Construction to expand the capacity at Mount Lawley Senior High School is due to be completed in 2021 at a cost of \$4 million.

## BUILDING AND UPGRADING OUR SECONDARY SCHOOLS TO SUPPORT THE WA RECOVERY PLAN AND CREATE JOBS

**As part of the \$5.5 billion WA Recovery Plan, \$492.2 million of new funding has been committed to upgrade and expand WA public schools over the next four years, including:**

- Construction of a new secondary school in Piara Waters - \$60 million towards Stage 1, including an Education Support Centre.
- Bob Hawke College - \$57.6 million for Stage 2 expansion, increasing the capacity of the school to 2,000 students.
- Carine Senior High School - \$32 million major upgrade to provide classrooms and facilities for up to 600 students.
- Ridge View Secondary College - \$29.9 million for works on Stage 2.
- Albany Senior High School - \$6.3 million for a new performing arts centre.
- Kalamunda Senior High School - \$18.3 million rebuild of education support facilities and new classrooms.
- Lynwood Senior High School - \$18.3 million for a new performing arts centre, sports hall and classroom building.
- Melville Senior High School - \$925,000 for refurbishment of technical classrooms.
- Ocean Reef Senior High School - A further investment of \$5 million for a sports hall.
- Margaret River Senior High School - \$6.3 million for a new full-sized sports oval.
- Bunbury Senior High School - \$3.1 million for a major refurbishment of the sports hall and specialist areas.
- Karratha Senior High School - \$22 million upgrade to provide new facilities to accommodate increasing enrolments.
- Joseph Banks Secondary College - \$16.1 million for a new classroom building.
- Lesmurdie Primary School - \$15.2 million to complete school rebuild.
- Australind Senior High School - \$15 million upgrade to provide new double-storey classroom building, science and design and technology facilities.
- Wanneroo Secondary College - \$5 million for a new performing arts centre and cafeteria.
- Willetton Senior High School - \$12.5 million for a Stage 3 - classroom block.
- Wickham Primary School - \$3.5 million for a new early childhood education centre.
- Dianella Secondary College - \$5.3 million for a new performing arts centre.
- Lakeland Senior High School - \$5.5 million for new education support facilities to open in the 2022 school year.
- Pinjarra Senior High School - \$10.4 million for a new performing arts centre and sports hall.
- Westminster Primary School - \$10 million for school rebuild.