



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

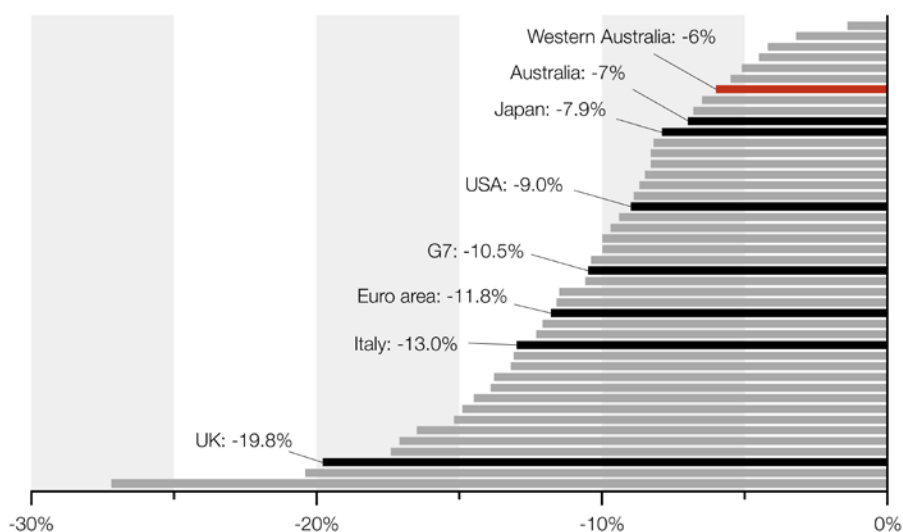
- The 2020-21 State Budget reveals **the WA economy is expected to grow by 1.25 per cent in 2020-21.**
- Western Australia's response to the COVID-19 pandemic has positioned the economy to **rebound faster and stronger than first expected.**
- This follows **growth in the State's domestic economy of 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
NSW	-8.6%	-1.8%
Vic	-8.5%	-1.0%
Qld	-5.9%	-0.1%
WA	-6.0%	1.1%
SA	-5.8%	-1.6%
Tas	-7.4%	-0.1%

COVID-19 ECONOMIC PERFORMANCE

June quarter 2020 compared to March quarter 2020

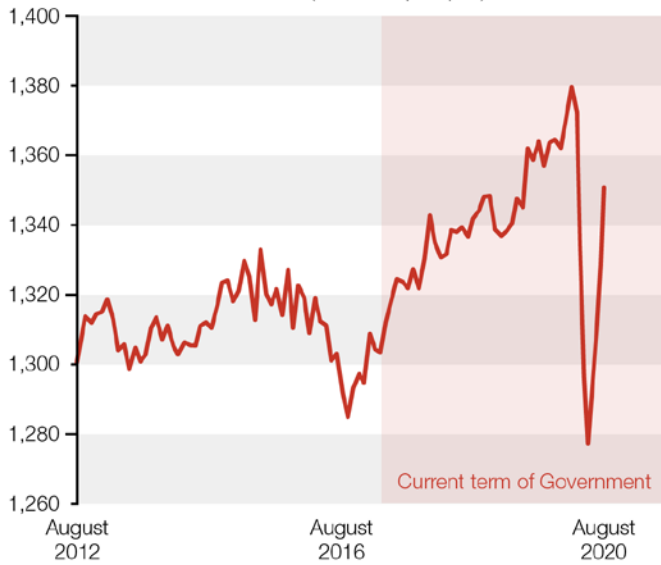


WA JOBS

- 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.

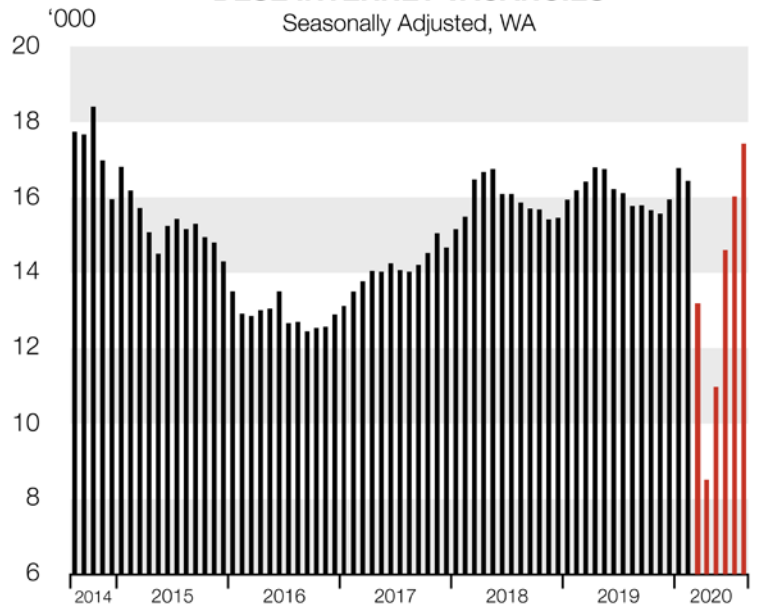
EMPLOYMENT

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.

