



Western Australia State Budget 2021-22



WA's strong economy and WA jobs

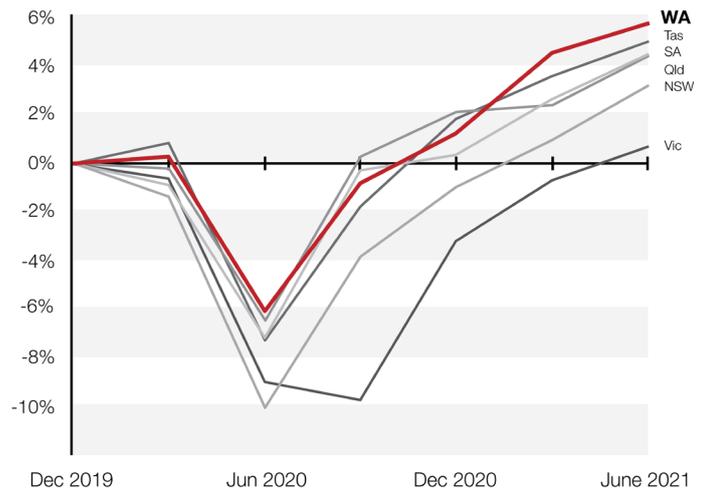
At a glance

The WA domestic economy grew by 4.3% in 2020-21 – the strongest of all States for the second year in a row, placing WA as one of the top performing economies in the world.

- WA's efforts to crush the virus quickly has worked, with WA having amongst the lowest COVID-19 cases and death rates in the world. This has also allowed us to keep our economy more open and underpinned strong consumer and business confidence.
- The Western Australian economy has not only outperformed nationally, it has also been one of the strongest in the world.
- WA's domestic economy has grown by 5.7% since the start of the pandemic, the strongest of the States and almost double the growth of the rest of the nation.
- WA was the only State to record growth in its domestic economy in 2019-20 and 2020-21.
- Treasury estimate Gross State Product (which includes net exports) grew by 3.25% in 2020-21, with growth expected to accelerate to 3.5% in 2021-22 – which would be the fastest rate since 2013-14.
- Growth is expected to be fuelled by strong growth in housing construction, business and government investment.
- WA has had the strongest household spending throughout the pandemic, with fast rebounds in activity following the short and sharp lockdowns.
- The continued operation of WA's mining sector has provided valuable support not just to the State economy, but also the nation, delivering billions in additional royalty revenue to the Commonwealth.
- WA's exports grew to a record \$223 billion in 2020-21, accounting for more than half of national exports.
- The resilience of the economy combined with financial discipline implemented prior to COVID-19 have ensured the State has the fiscal capacity to continue growing strongly into the future.

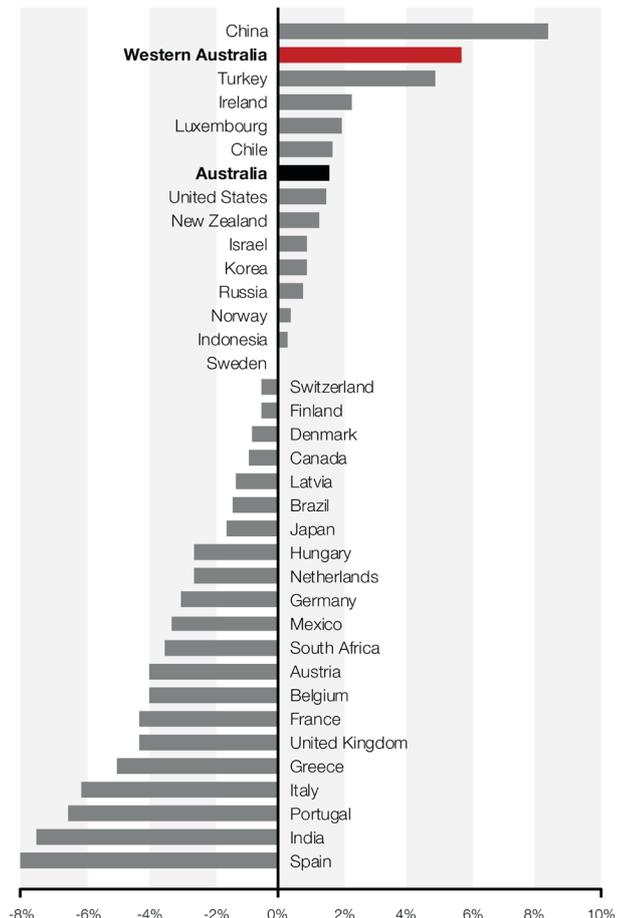
Economic Growth during COVID-19

Quarterly State Final Demand



Economic Growth

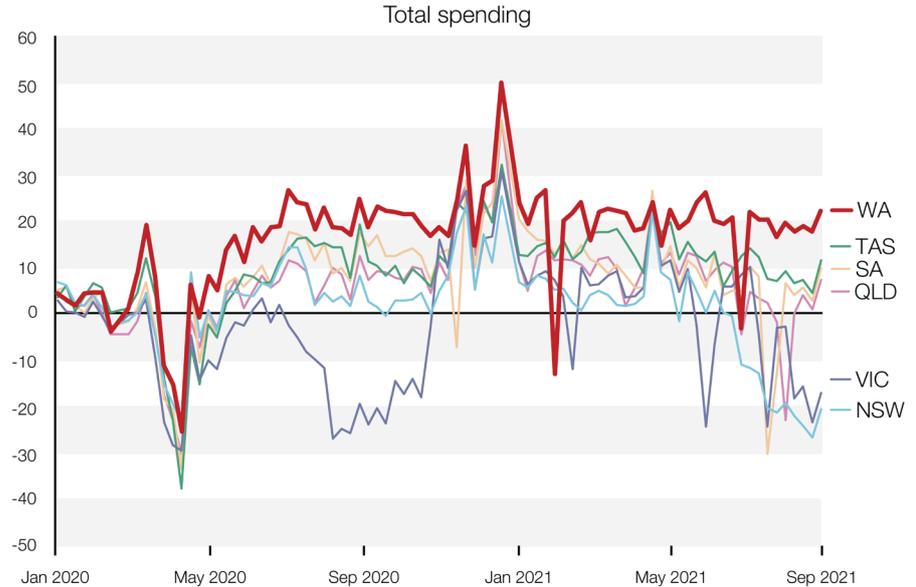
GDP Growth - Q4 2019 to Q2 2021



State Final Demand

| | 2019-20 | 2020-21 |
|------------------|-------------|-------------|
| NSW | -1.9% | 2.9% |
| Vic | -1.3% | -0.8% |
| Qld | -0.2% | 4.1% |
| WA | 0.8% | 4.3% |
| SA | -2.1% | 3.9% |
| Tas | -0.2% | 3.4% |
| Australia | | |
| Domestic Demand | -1.0% | 2.5% |
| GDP | -0.2% | 1.4% |

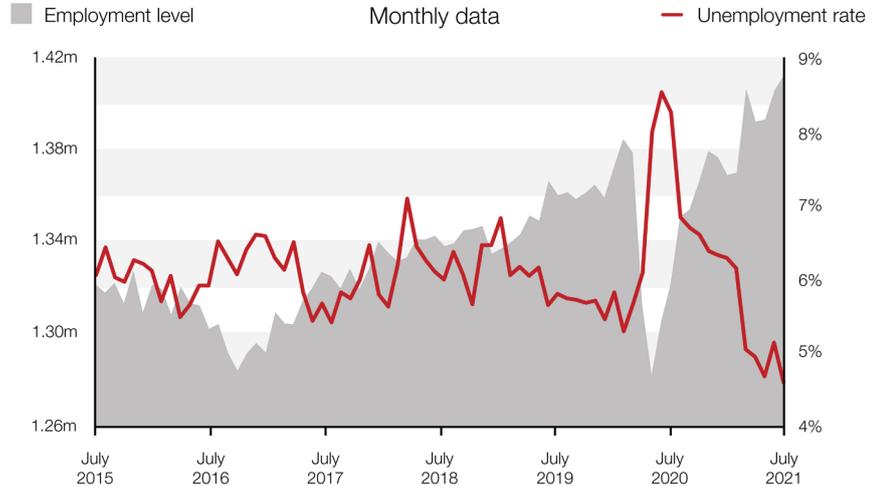
ANZ Card Data



WA Jobs

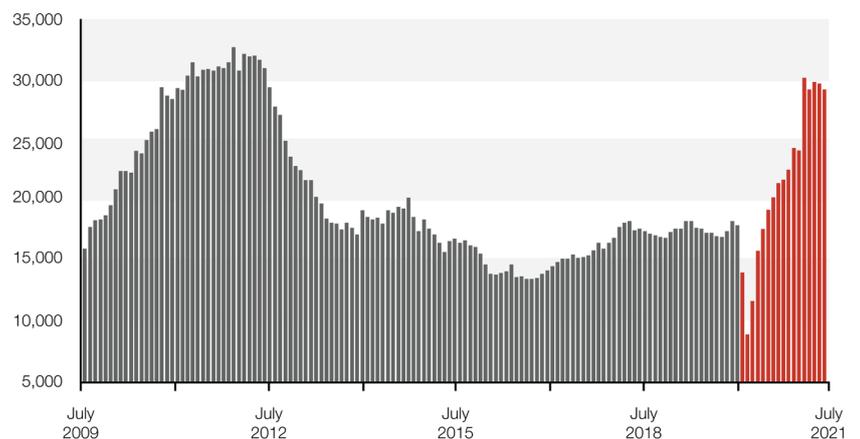
- Western Australia's labour market has seen a rapid recovery since the onset of the COVID-19 pandemic.
- Despite the biggest global economic shock in decades, more Western Australians now have a job than ever before, with record employment in July.
- 107,000 jobs have been created since the McGowan Government came to office.
- Treasury estimate an additional 34,000 Western Australians will gain employment in 2021-22.
- The unemployment rate fell to 4.6% in July 2021, the lowest in almost eight years, and is expected to average just 4.5% from 2022-23.
- Underemployment in Western Australia is the lowest of all States and the lowest since May 2014.
- Job ads have risen to the highest level since the last mining investment boom, underpinned by strong economic activity. The 2021-22 Budget includes a range of measures to address skill shortages in some sectors.

Labour Market



Internet Vacancies

Seasonally Adjusted, Western Australia



WA Jobs Plan

The McGowan Labor Government passed the WA Jobs Law in 2017 which meant, for the first time ever, local companies and workers are prioritised when it comes to State Government infrastructure and services.

The WA Jobs Plan focuses on preferencing Western Australians for WA jobs, WA manufacturing, creating jobs in regional WA, reducing interstate FIFO, more training at TAFE and school and continuing to diversify the State's economy.

Our record investment in infrastructure will continue to support local businesses and create jobs over the next four years and beyond.

Despite the one-in-one-hundred-year pandemic, the McGowan Labor Government is delivering on our WA Jobs Plan, which focuses on local manufacturing, green jobs, METRONET and diversifying the WA economy.

The State Budget includes initiatives which are being delivered and progressed to deliver election commitments such as:

- Establish the WA Jobs Taskforce, a key commitment in the WA Jobs Plan, that helps identify training and job creating opportunities in Western Australia, including in manufacturing, new industries and in regional communities.
- \$100 million for an Investment Attraction and New Industries Fund to support industry assistance, attraction, and grants across a range of emerging industries, including battery manufacturing, green steel and cyber security.
- An additional \$146 million in culture and the arts which includes \$105 million to build a state-of-the-art film studio and screen production facility at Fremantle's Victoria Quay to take WA's film industry to the next level, \$3 million to continue the Contemporary Music Fund and \$13 million for the Regional Arts program amongst other initiatives.
- \$50 million will be spent over 2021-22 to 2024-25 to continue and expand the Aboriginal Ranger Program, supporting jobs in remote and regional land and sea management and tourism activities.
- \$19.8 million to fund the Regional Airfare Zone Cap to make air travel for regional residents more affordable.
- \$200 million to improve WA's agricultural supply chain in the Wheatbelt, Mid West, Great Southern and Goldfields-Esperance regions with major freight network transport upgrades.
- \$10.1 million towards the Processed Oats Industry Growth Partnership, which aims to double the value of the oat grain industry in WA over the next 20 years.
- \$15.1 million to strengthen WA's biosecurity capabilities.
- \$3 million towards the Wine Industry Export Growth Partnership.
- \$10 million to establish Food Technology Facility at Peel Business Park.

The State Budget includes the McGowan Labor Government's Climate Action Fund which includes:

- \$350 million to significantly expand the state's softwood plantation estate, creating jobs and increasing sustainability of the industry.
- \$206 million for renewable energy initiatives to fuel WA's future, including standalone power stations, clean energy in schools, wind turbine manufacturing, refurbishment of Denham Power Station and \$1 million for research into the viability of a local green steel industry.
- A \$118 million fund to invest in future climate-related initiatives to respond to climate change and create climate-resilient communities.
- \$50 million fund to drive new renewable hydrogen initiatives.
- \$26 million for Carbon Innovation Grants and to help manage coastal erosion.

The McGowan Labor Government continues to deliver its transformational METRONET program

and the State Budget includes a \$5.7 billion investment in 15 METRONET job-creating projects, completed, planned, in procurement or under construction.

- The program of works is creating thousands of local jobs, setting up WA's transport network for the future and providing opportunities for local businesses, apprentices and trainees.
 - The local railcar construction and building program is underway at Bellevue Railcar Manufacturing and Assembly Facility which will boost WA manufacturing and job opportunities.
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Perth City Deal

The \$1.5 billion City Deal is being delivered and will re-energise Perth, bringing government and private investment into the CBD, creating almost 10,000 jobs while encouraging more people back into the city creating flow-on economic benefits for small businesses. Key initiatives include:

- Building WA's first inner-city university campus being delivered with a \$695 million investment by the Commonwealth Government, State Government and Edith Cowan University, to move its law and business schools, along with the world class Western Australian Academy of Performing Arts into the Perth CBD.
- Delivering the new Swan River Causeway Cycling and Pedestrian Bridge.
- Developing the Perth Concert Hall into a premier world class music venue with a \$42 million allocation.
- Redeveloping the WACA Ground to transform it into a state of the art sporting facility including a community aquatic facility.
- Establishing an Aboriginal Cultural Centre located near the Derbarl Yerrigan (Swan River) with \$50 million towards consultation, planning and design works.

Attracting a skilled workforce

The McGowan Labor Government is taking swift action to progress ideas identified in partnership with Western Australian industry following its inaugural 2021 Skills Summit.

The economy is strong and WA has defied the economic turmoil seen throughout much of the world.

With low unemployment and international border restrictions, we are experiencing growing demand for skilled workers to fill local jobs and support our businesses.

The concepts from the Skills Summit will shape further planning, strategy and decisions to assist WA's workforce needs.

Following detailed consultation with industry, the State Government's multibillion dollar infrastructure program has been reviewed to smooth the pipeline of work to ease workforce pressures across the economy.

Priority initiatives to attract and retain skilled workers in Western Australia as part of its continuing work with industry and training providers to address the State's skilled worker needs being undertaken, include:

- Bringing forward 100 more places to the highly successful Jobs and Skills WA Adult Apprentice Employer Incentive, supporting 200 additional mature age apprentices into quality training. The program reached its 100-place cap in just over a two-week period so the fast-tracking of additional spaces enabled additional employers to immediately access the adult apprentice financial incentive - up to \$26,800.
- An additional 5,000 onshore places requested under the State Nominated Migration Program. The State Government is requesting more places from the Commonwealth Government following the addition of 134 occupations to the program, which has prompted thousands of expressions of interest from skilled onshore migrants to secure work in WA.
- Implement initiatives to help disadvantaged learner drivers obtain a driver's licence - a significant barrier to employment for many. Already the McGowan Government has introduced a \$4.9 million pilot program to trial initiatives to overcome barriers young people in regional WA face in getting a driver's licence. The Commonwealth Government has also announced a program to assist job seekers to gain a driver's licence which is estimated to assist up to 330,000 Australians.
- A new partnership with the Wirrpanda Foundation will provide Aboriginal jobseekers aged 15-24 with targeted assistance to address specific barriers to employment.
- A targeted advertising campaign to attract interstate and New Zealand workers and increase participation of under-represented groups in WA.
- Holding a series of targeted regional skills summits across WA in recognition of the unique skills challenges faced in the regions.



Health, mental health and COVID-19 response

The McGowan Labor Government continues to make significant investments in hospitals, health and mental health services with a new \$1.9 billion boost in the 2021-22 State Budget to help address the unprecedented demand on WA's health and mental health system.

The funding boost means more services, more beds and more staff across WA hospitals, health and mental health services.

At a glance

- \$3.1 billion allocation to expand our health system, with \$1.3 billion towards improving health infrastructure, major hospital redevelopments and expansions underway across metropolitan and regional WA
- \$960 million increase to the WA Health budget to deliver more services
- \$487 million for COVID-19 response and preparedness, including hotel quarantine and vaccination
- \$495 million record boost to the Mental Health Commission for mental health investments
- \$311 million increase for contemporary community accommodation and supports
- 99 additional staff positions for Child and Adolescent Mental Health Service
- Additional investment in mental health, alcohol and other drug services
- Budget to deliver on commitments to improve mental health services in regional WA
- 332 new hospital beds opening and supported by 100 new doctors and 500 new nurses
- \$100 million emergency department support package which includes a multi-pronged health workforce attraction and retention strategy
- Significant investment to recruit more doctors and nurses and a new recruitment drive
- \$1.8 billion set aside to build the new Women and Babies Hospital

Boosting beds and additional staffing

Investments as part of the 2021-22 State Budget are expected to deliver 332 additional beds across the health and mental health system supported by approximately 100 new doctors and 500 new nurses working on WA hospital wards.

Of the 332 new beds opening across WA hospitals, 223 are general beds and 109 are mental health beds.

Upgrades, as part of the \$1.3 billion health infrastructure investment, will add a further 314 hospital beds, in addition to the 332 in this Budget.

Graduate nurses and midwives employed in WA hospitals will increase from 700 a year to 1,100 in 2021 and 1,200 in 2022 - delivering on a McGowan Government election commitment.

Delivering quality and modernised health infrastructure

The McGowan Government is investing more than \$1.3 billion over the next four years into significant health infrastructure, including major hospital redevelopments and expansions at hospitals and health services across the State.

Projects being progressed:

■ **New Women and Babies Hospital**

The significant investment builds on the McGowan Government's \$1.8 billion commitment towards a new Women and Babies Hospital at the QEII medical precinct, with funding already secured and the State Budget includes an additional \$5.4 million to support the development and planning.

■ **Joondalup Health Campus**

The \$256.7 million expansion to deliver more mental health treatment, more emergency department beds and inpatient beds, a new theatre, a cath lab, specialised clinic, additional parking, and upgrades to a range of services.

■ **Fremantle Hospital**

Creation of the South Metropolitan specialist mental health hub with more than 100-bed inpatient admission capacity to provide better access to expert care for patients with mental health illness in the South Metropolitan region. Fremantle Hospital buildings will be refurbished and redeveloped with completion expected in 2023.

■ **Meekatharra Hospital**

\$48.5 million new consolidated health service at the existing Meekatharra Hospital site, including acute care, emergency services, mental health, community aged care and other primary care services.

■ **Bunbury Regional Hospital**

\$200.1 million upgrade to address increasing projected demand for services in the South West region, including expanded capacity for general and mental health services.

■ **Peel Health Campus**

\$152 million redevelopment and expansion of inpatient, mental health and outpatient facilities, which will return privatised services back into public hands.

■ **Geraldton Health Campus**

\$82.3 million Geraldton Health Campus redevelopment to deliver an expanded emergency department, new intensive care unit and expanded high dependency unit, an integrated mental health unit, and essential engineering service upgrades.

First phase of the redevelopment which includes expanded car parks, new ambulance entry and reconfigured main entry is complete.

\$2 million for detailed planning and scoping works for Stage 2 of the redevelopment to co-locate St John of God private hospital on the Geraldton Health Campus site.

■ **Laverton Hospital**

\$23.47 million towards the new Laverton Hospital project.

■ **Tom Price Hospital**

\$32.8 million new facility to provide fit for purpose hospital with a modern emergency department with private interview room, consulting rooms for visiting services, new medical imaging equipment and digitally enabled telehealth services and a four-bed inpatient ward.

■ **Newman Health Service**

\$61.4 million redevelopment on track to deliver a brand new, purpose built hospital and healthcare hub with expanded emergency department, inpatient beds, an outpatient centre, medical imaging, purpose-built GP consultation spaces and two dental chairs.

■ **Critical infrastructure works and planning and design projects**

- \$3.2 million towards the planning and design of a dedicated **Children's Hospice**
 - \$40 million towards the replacement of essential medical and imaging equipment
 - \$12.1 million to establish an Image Guided Operating Theatre at **Sir Charles Gairdner Hospital**, which will enable contemporary treatment to be provided to patients with vascular disease
 - \$22 million for critical building works
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Emergency Department Support Package

A targeted \$100 million Emergency Department Support Package will be implemented to improve patient flow, reduce bed block, relieve ambulance congestion and better support the health workforce. This comprises:

- \$61.6 million for mental health ED supports, which includes:
 - \$37 million to expand the capacity of existing child and adult Community Treatment Teams and implement an Active Recovery Team pilot for tailored support for individuals with complex mental health needs who repeatedly present at EDs
 - \$24.6 million to establish new Mental Health Emergency Centres in Armadale and Rockingham
- At least 50 additional full-time equivalent staff including medical, nursing, allied health and support services;
- \$35.6 million to implement new ED staffing models, including \$4.8 million towards additional staff for patient monitoring in waiting areas at Perth Children's Hospital ED, and a targeted recruitment campaign; and
- \$2.3 million to expand the virtual emergency medicine system to improve ambulance and ED flow.

Health initiatives to support vulnerable patients and young people

- \$11.5 million to implement an Early Childhood Dental Program which will provide free assessment and oral health promotion to children from six months age
- \$10 million towards a partnership project with Sister Kate's for a new 80-bed culturally appropriate health and aged care facility for Aboriginal people
- \$8 million to support the hospital outpatient reform program to deliver contemporary outpatient care
- \$3.5 million to establish a two year pilot Health Navigator program, across WA for children in out-of-home care
- \$5 million to support progress on implementation of priority work under the Sustainable Health Review to reform and transform the WA health system

Strengthening health initiatives in the regions

Regional WA communities will benefit from a range of initiatives funded in the State Budget.

- \$19.7 million to increase the Patient Assisted Travel Scheme subsidy to \$100 per night, and to expand eligibility for patient support escorts to patients from vulnerable and disadvantaged groups as well as maternity patients
- \$10.9 million for the Royal Flying Doctor Service to refurbish and replace aircraft engines
- \$4.4 million to the WA Country Health Service to cover the shortfall in services at multipurpose sites, following the transition to the Commonwealth Home Support Program from the Home and Community Care program
- \$11.2 million towards new dental therapy centres which includes \$4.2 million to operate the adult public dental clinic at Narrogin Regional Hospital
- \$2.8 million over four years to establish women's community health services in the Kimberley, including services for women's mental health, family, domestic and sexual violence
- \$2.2 million to establish a Women's Community Health Service in the Peel region that offers health and support services and information for those experiencing mental illness, family, domestic and sexual violence or who have experienced sexual assault or childhood sexual abuse
- \$2 million for the WA Country Health Service to continue Regional Renal Support Teams
- \$6.9 million towards Pilbara Health Initiatives
- \$1.6 million for the Find Cancer Early program
- \$2.1 million towards Meet and Greet Services
- \$1.8 million for GP services to conduct cervical cancer screening and other women's primary health services at the existing Goldfields Women's Health Care Centre
- \$785,000 for a 12-month Women and Newborn Health Service pilot program delivered by Karratha's Women's Place Inc. to provide health and support services and information to women experiencing mental health concerns, domestic and sexual violence or who have experienced sexual assault or childhood sexual abuse

Delivering more mental health support

The record \$495 million additional investment results in more than \$1.114 billion allocated in 2021-22 to the Mental Health Commission to boost mental health, alcohol and other drug services - a massive 11 per cent increase from the previous year.

It represents a record increase for mental health services, to support those needing acute care and people who require longer term support, and delivers on our election commitments.

This record investment contains an additional \$311 million for community supported accommodation and supports across Western Australia, including \$135.7 million for delivering outpatient treatment services, to help people avoid hospitalisation and get the treatment and care they need in the community.

Community mental health support

Community beds provide an alternative to hospital for people who need mental health or alcohol and drug supports.

The McGowan Government is investing in services that help people become mentally well, with a focus on delivering support in community settings.

Funded initiatives:

- \$12.5 million for a purpose built 20-bed alcohol and other drug withdrawal rehabilitation facility in the Perth metropolitan area
- \$25.5 million for Step Up/Step Down facilities to provide a community mental health service and short-term residential support
- \$27.7 million for youth long-term housing and psychosocial support plus in-reach support packages to assist young people to live in the community while accessing mental health and AOD supports.

Bolstering youth mental health support

Our priority is to ensure people receive the mental health care they need, in the most appropriate settings, particularly as the demand for services continues to increase.

The funding boost also includes \$129.9 million towards youth mental health services and initiatives, and delivers on key election commitments.

- Expansion of the 'Alcohol.Think Again' Parents and Young People campaign to inform the knowledge and influence the behaviour of young people aged 12-17 to reduce alcohol-related harm
- Expansion of the Strong Spirit Strong Mind program for Aboriginal youth into regional areas to help prevent the early uptake of alcohol and drug use
- Establishment of a 10-bed youth-specific Step Up/Step Down community mental health service in the Perth metropolitan area, with 24/7 psychosocial and clinical supports
- 30 psychosocial support packages for young people aged 16 to 24 with mental health, alcohol and other drug issues living in the metropolitan area, to assist them to live and participate in their community
- Expanding the Youth Community Assessment and Treatment Team outreach service from the south metropolitan to the wider Perth metropolitan area
- 99 additional staff positions for Child and Adolescent Mental Health Service - 35 positions funded through the Mental Health Commission and a further 64 positions to be provided by the Child and Adolescent Health Service
- Providing Drug Education Support Services at five metropolitan and seven regional Youth Accommodation Support Services
- Establishing a new youth mental health long-term housing and support program in the Perth metropolitan area.

Strengthening mental health initiatives in the regions

The McGowan Government is committed to responding to the mental health needs of all Western Australians. New mental health services funded in the budget will make modern, integrated care more accessible to people living in regional communities across the State.

- \$17.6 million towards social and emotional well-being services for Aboriginal people in the Kimberley, Pilbara, Goldfields, Mid-West and South West regions

- \$14.8 million for a South Hedland Step Up-Step Down facility to provide a community mental health service and short-term residential support
- \$8.6 million to fund regional Methamphetamine Action Plan initiatives, including expanding Community Alcohol and Other Drug services in the Peel region to build on the McGowan Government's comprehensive \$473 million Methamphetamine Action Plan
- \$9.2 million to extend the Strong Spirit Strong Mind public education program
- \$1.7 million for Active Recovery Teams in the Wheatbelt and Mid-West, supporting people in their recovery journey to stay well in the community following a hospital stay
- Extending the Mental Health/Police co-response program into regional areas

Regional communities will also benefit from the \$31.7 million invested to expand State-wide eating disorder treatment programs.

Other key initiatives

- \$5.6 million for upgrades at Bentley Hospital and within regional Acute Psychiatric Units located in Broome, Albany, Kalgoorlie and Bunbury
- \$49.1 million to increase capacity through establishment of the Bentley Secure Extended Care Unit and Mental Health Emergency Centres

COVID-19 response and recovery to keep WA safe and strong

Western Australia's health response to the COVID-19 pandemic has led the country and the world.

Its financial discipline in the first term of Government took significant effort, but it has been crucial in giving WA the financial capacity to respond to a one-in-one-hundred-year crisis.

The McGowan Government has committed a massive \$9 billion to the COVID-19 response and recovery, to keep WA safe and strong and continue to fund our world-leading pandemic response.

- Investment includes \$1 billion of additional support provided in the 2021-22 Budget
- More than \$1 billion has been spent to date on frontline services to keep us safe including hotel quarantine, COVID-19 testing, medical equipment, the vaccine roll-out and border controls
- Roll-out of another \$4.5 billion of response, and social and economic recovery initiatives continues

The 2021-22 State Budget includes \$1 billion in additional support comprising:

- \$605 million with a focus on delivering the COVID-19 vaccine roll-out and to equip our frontline police and health services and community health and safety initiatives such as enhanced school cleaning and public transport;
- \$219 million in support to businesses including small business grants and industry assistance; and
- \$182 million in economic recovery and other initiatives.

In 2021-22, an additional \$328 million has already been allocated to fund frontline services in the coming Budget, with a further \$800 million set aside for unforeseen costs, including \$240 million specifically for WA Health.

The COVID-19 response to date includes \$2.7 billion committed to support WA businesses and households. The McGowan Government will continue to provide further COVID-19 support as required.

More than \$4.5 billion in initiatives continue to rollout as part of our plan to drive our response and social and economic recovery. This includes the hundreds of projects as part of the WA Recovery Plan to drive industry development, investing in schools and TAFEs, build community infrastructure and much more.



State of the finances

At a glance

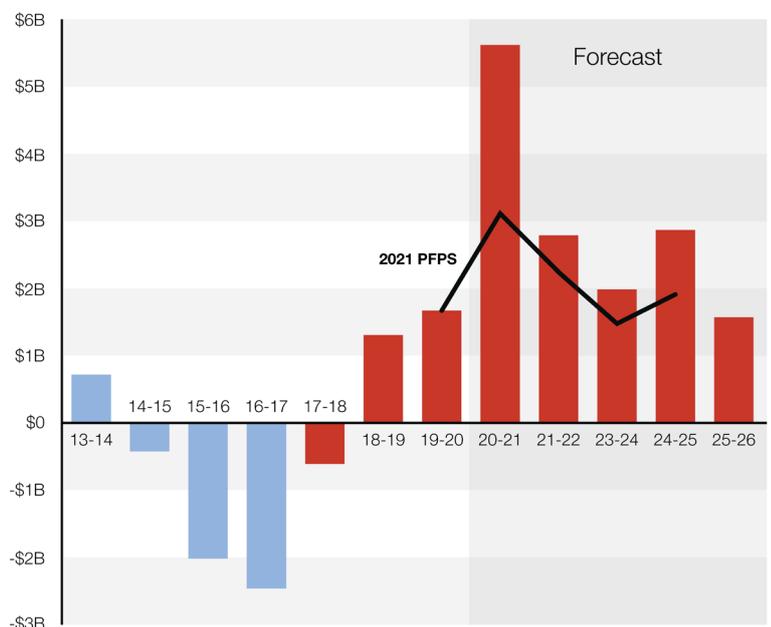
- The 2021-22 Budget uses the State's strong financial position to tackle the challenges we face today and invest in our future.
- The McGowan Government has made the responsible decisions to place our finances on a solid footing. Our financial position has been bolstered by our strong economy, which has boosted revenue across a range of sources.
- A record \$5.6 billion operating surplus was recorded last year (2020-21), with an estimated \$2.8 billion surplus expected in 2021-22 and surpluses in each of the outyears.
- Net debt expected to decline for a third straight year to \$32.1 billion by 30 June 2022, more than \$11 billion lower than the \$43.7 billion projected under the former Liberal-National Government.
- Record \$30.7 billion infrastructure investment providing job certainty and supporting WA businesses.
- \$4.4 billion set aside for future infrastructure including the Women and Babies Hospital, a new desalination plant, and funding for softwood plantations.
- \$2.7 billion to implement the Government's 2021 election commitments.
- Additional \$1.9 billion investment in the State's health and mental health systems.
- Almost \$9 billion committed to COVID response and preparedness, including \$1 billion added in this Budget.

Operating balance and net debt

A better than expected recovery in the State's economy and revenue base has delivered a significantly stronger fiscal position than previously forecast.

- A \$2.8 billion general government operating surplus is forecast for this year (2021-22), following a record operating surplus estimated at \$5.6 billion in 2020-21.
- Operating surpluses are forecast across the remainder of the forward estimates period. These surpluses help fund the Government's record \$30.7 billion infrastructure program, reducing the need to borrow and therefore reducing debt.

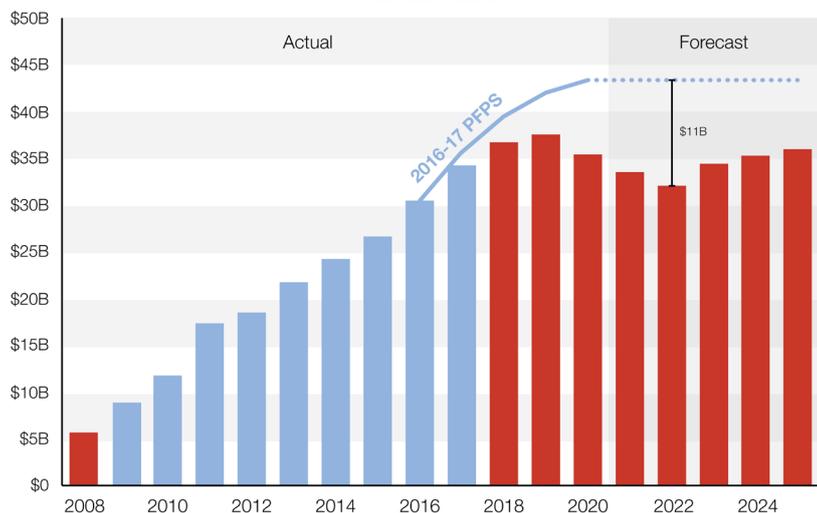
Net Operating Balance
General Government Sector



Total public sector net debt is expected to decline for a third consecutive year to \$32.1 billion in 2021-22 and remain relatively stable.

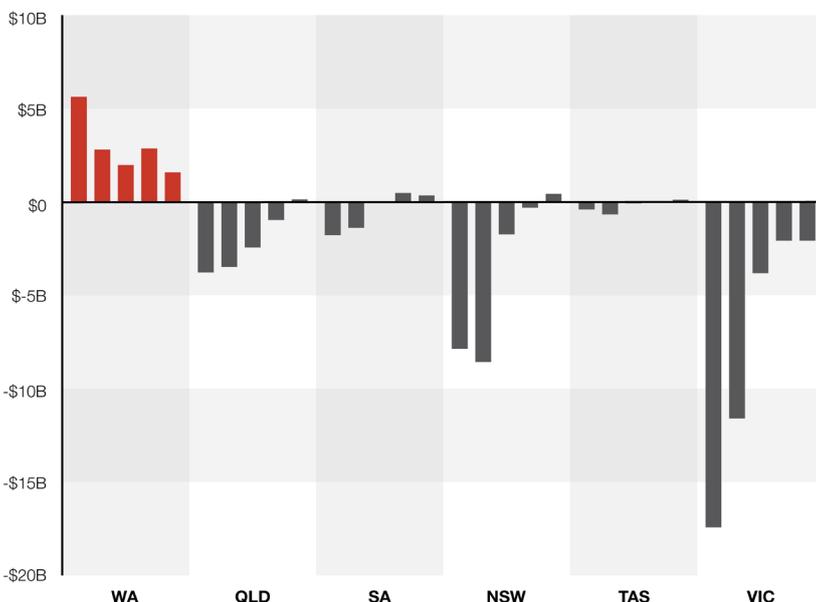
- This is \$4.2 billion lower than the pre-election forecast for 30 June 2024 released in February 2021.
- This is also more than \$11 billion lower than the \$43.7 billion for 30 June 2020 projected under the former Liberal-National Government.
- When the McGowan Government came to office, debt was the most unaffordable of the States based on net debt to revenue, a metric used by credit ratings agencies. It was projected to reach 90.9% by 2019-20.
- From 2023-24, WA's net debt to revenue ratio is now expected to be the lowest of the States, falling to 60.4% in 2024-25, compared to almost 200% in Victoria and 128% in NSW.
- Growth in Western Australia's public sector net debt levels remains much flatter than the other States. This reflects the impact of sustained operating surplus forecasts in Western Australia compared with significant operating deficits in other jurisdictions.

Net Debt
Total Public Sector



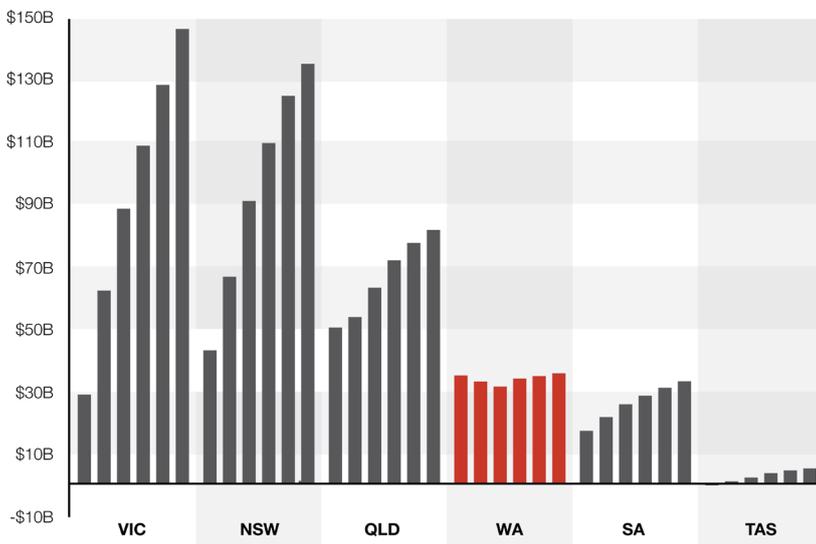
General Government Operating Balance

2020-21 to 2024-25



Net Debt Projections at 30 June*

2020 to 2025

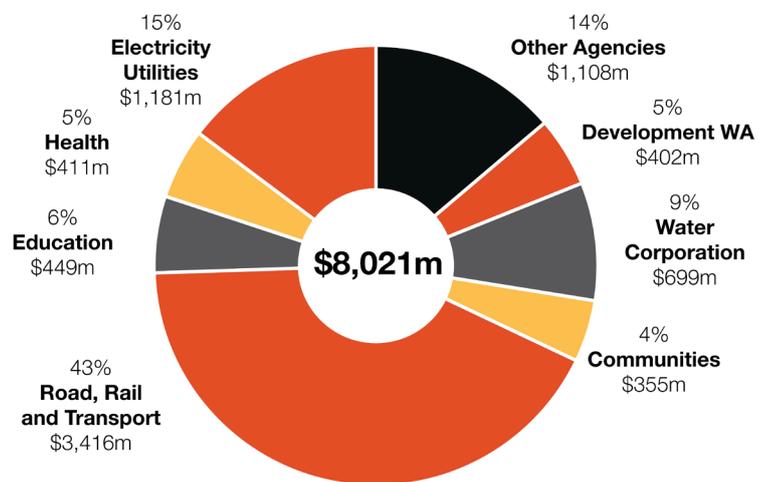


*Where available, net debt projections reflect the total public sector. New South Wales, Queensland and South Australia only publish total non financial public sector estimates (i.e. forecasts for these jurisdictions exclude the impact of public financial corporations).

Changes in revenue and spending

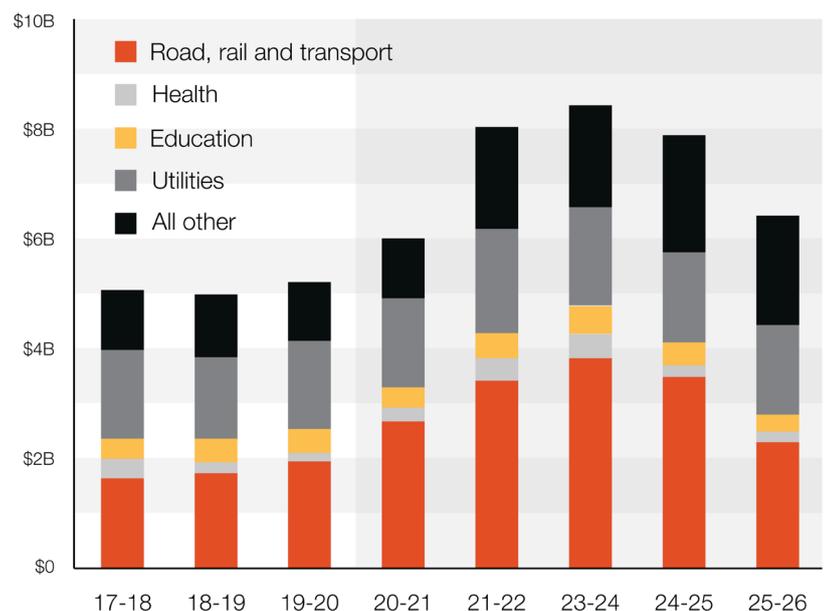
- The State's improved financial position has been underpinned by WA's strong COVID-19 response that has resulted in a better than expected rebound in the domestic economy, the continued operation of the mining industry, including elevated iron ore prices, and higher projected national GST collections.
- The McGowan Labor Government's 2021-22 Budget uses this fiscal capacity to help fund key services, maintain a strong response to the COVID-19 pandemic and to fund important projects and initiatives that will set up Western Australia's long-term future. The Budget allocates spending to the following initiatives:
 - \$1.9 billion for health and mental health services across the State, funding more beds, doctors and nurses and easing pressure on emergency departments;
 - \$1.8 billion set aside to fund the future construction of a new Women and Babies Hospital to be built at the QEII medical precinct;
 - \$1 billion additional funding to respond to COVID-19, taking the State's total investment to \$9 billion;
 - \$750 million to establish a new Social Housing Investment Fund, taking the total committed to social housing in the 2021-22 State Budget to \$2.1 billion to fund around 3,300 homes;
 - \$750 million to establish a Climate Action Fund. This includes \$350 million for expansion of the softwood plantation estate, \$256 million for various renewable energy initiatives and \$144 million of other climate related initiatives;
 - \$500 million for the creation of a Digital Capability Fund to ensure key agency service delivery keeps pace with public expectations and protect key agencies against cyber-attacks and operational threats;
 - \$400 million for strategic land acquisition for the new Westport Project; and
 - \$397 million to keep household electricity and water charges tied to the rate of inflation and provide support to people most in need.

2021-22 Asset Investment Program



AIP by Portfolio

Total Public Sector



- The 2021-22 Budget delivers record infrastructure investment of \$30.7 billion, including investments in roads, rail and other transport projects, hospitals and schools, and community-based infrastructure.
- This includes a record \$9.1 billion investment in regional projects and regional Western Australia will also share in the benefits from billions of dollars on State-wide infrastructure projects and programs.



Western Australia State Budget 2021-22



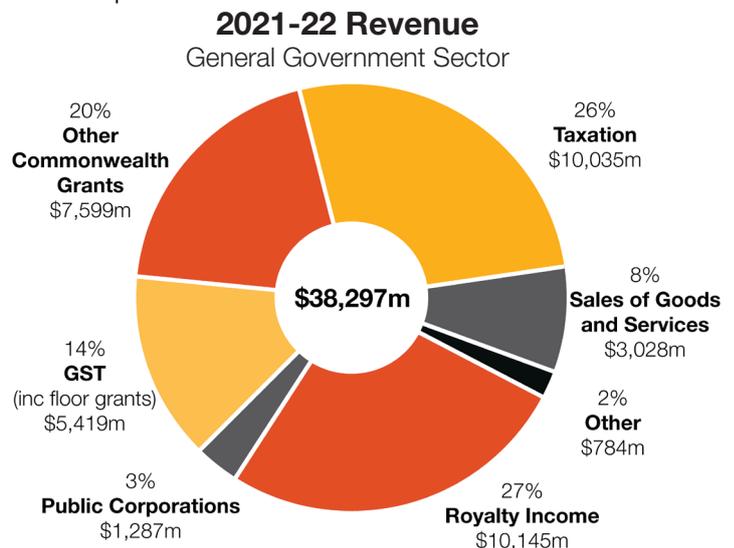
Where the money comes from and goes

At a glance

- The State Budget confirms that the Western Australian economy is one of the strongest in the nation and the world during the pandemic.
- WA's recovery from the initial impacts of COVID-19 has been quicker and stronger than expected.
- Our strong economy, combined with efforts to keep the mining sector operating safely throughout the pandemic, has significantly boosted the State's fiscal capacity.
- This capacity is being used to address the challenges we face today, including the response to COVID-19, easing pressures in our health system and protecting our most vulnerable.
- The Budget invests in projects and initiatives that will set up WA's long-term future, with significant funding committed to address climate change, save our forests, grow new industries, build METRONET, build Westport and create quality local jobs.
- Following a record general government operating surplus estimated at \$5.6 billion for last year (2020-21). A \$2.8 billion operating surplus is forecast this year (2021-22) with surpluses expected across the outyears.
- Surpluses are not 'left-over' cash. They are used to fund the State's record \$30.7 billion investment in infrastructure, in roads and rail, new hospitals and expansions, schools and much more. Funding infrastructure through operating surpluses reduces the need to fund projects through debt.
- The outlook for net debt has improved considerably since the Pre-election Financial Projections Statement (PFPS). For the third year in a row, net debt is forecast to decline in 2021-22 to \$32.1 billion - more than \$11 billion lower than the \$43.7 billion projected under the last Liberal-National Government.

Revenue

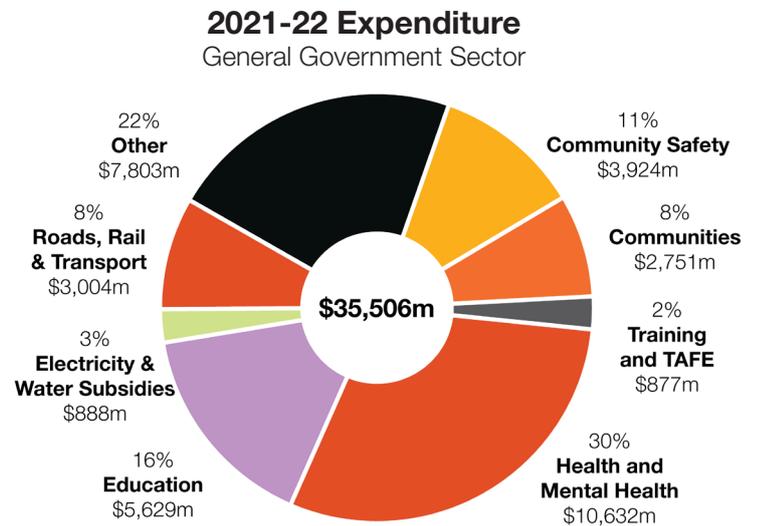
- General government sector revenue is estimated to total \$38.3 billion in 2021-22. Revenue has been supported by a stronger economy, which has boosted revenue across a range of sources.
- This has been driven by strong activity in the property market, vehicle sales and labour market. GST collections have been boosted by stronger national consumption.
- Royalty collections have been supported by efforts to keep the mining industry operating, including strong iron ore prices.
- Revenues, in particular iron ore royalties are highly volatile. Revenue is expected to contract by 4.7% from 2020-21, with a further 9% contraction expected in 2022-23, with iron ore prices assumed to revert to the long-run average.
- A number of Government Trading Enterprises will retain their dividends in 2021-22 to fund future infrastructure investment, including a \$1.4 billion contribution to the State's next desalination plant.



Expenses

Expenses are forecast to total \$35.5 billion in 2021-22, a 2.8% or \$957 million increase from 2020-21. This follows a significant boost in spending in 2020-21 underpinned by the response to COVID-19.

- The largest share of expenditure is for health and mental health services accounting for almost a third of total spending at \$10.6 billion in 2021-22.
- Education and training accounts for the next largest share at 18% or \$6.5 billion and community safety at 11% or \$3.9 billion in 2021-22.
- The Budget includes \$1.5 billion in recurrent spending to deliver for the McGowan Government's 2021 election commitments.



Use of strong operating surpluses

The McGowan Labor Government has used its strong surplus position to fund key services, important projects and initiatives that will set up Western Australia's long-term future. The Budget allocates spending to the following initiatives:

- \$1.9 billion increase in spending for health and mental health services;
- \$1.8 billion set aside for construction of a new Women and Babies Hospital;
- \$1.4 billion reserved for the State's next desalination plant;
- \$1 billion in additional spending in response to COVID-19;
- \$875 million commitment to Social Housing, including a Social Housing Investment Fund;
- \$750 million to establish a Climate Action Fund;
- \$500 million for a Digital Capability Fund;
- \$400 million for strategic land purchases for Westport; and
- \$397 million to keep household electricity and water charges low.

Many more initiatives and more details are available in the 2021-22 Budget Paper No. 3: Economic and Fiscal Outlook available at ourstatebudget.wa.gov.au.

Inter-jurisdictional comparison

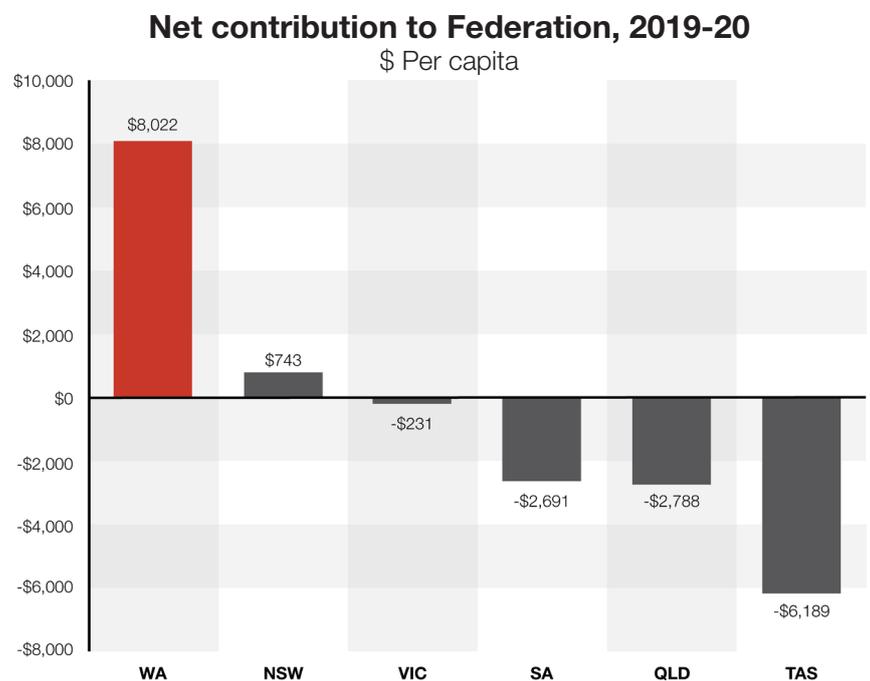
- Western Australia is expected to generate two thirds of its revenue from direct State sources in 2021-22 (such as payroll tax, mining royalties and fee and charges). Around one third of State revenue will be provided by the Commonwealth - by far the lowest proportion of funding from the Commonwealth of any State.

| | WA | NSW | VIC | QLD | SA | TAS |
|------------------|--------|--------|--------|--------|--------|-------|
| Commonwealth | 13,019 | 38,105 | 31,163 | 27,819 | 11,113 | 4,257 |
| Own-source | 25,279 | 55,741 | 38,575 | 32,092 | 9,520 | 2,604 |
| Total | 38,297 | 93,846 | 69,738 | 59,911 | 20,633 | 6,861 |
| Commonwealth (%) | 34% | 41% | 45% | 46% | 54% | 62% |
| Own-Source (%) | 66% | 59% | 55% | 54% | 46% | 38% |

Sources: 2021-22 State Budgets (note: columns may not add due to rounding)

Contribution to the Federation

- Western Australia provides the largest net revenue contribution to the Federation. Keeping the State's economy strong is vital to the national wellbeing.
- Using the latest available data, Western Australia is estimated to have contributed \$21.2 billion to the Federation (or an average of \$8,022 per person) in 2019-20, more than ten times the net contribution per capita of second placed New South Wales, the only other net contributor.



| | WA | NSW | VIC | QLD | SA | TAS | NT |
|------------------------------|--------|-------|--------|---------|--------|--------|---------|
| Total contribution (\$m) | 21,231 | 6,045 | -1,536 | -14,329 | -4,744 | -3,329 | -3,338 |
| Per-capita contribution (\$) | 8,022 | 743 | -231 | -2,788 | -2,691 | -6,189 | -13,578 |

Sources: 2021-22 State Budgets



Stronger, safer communities

At a glance

The McGowan Labor Government's 2021-22 State Budget continues to build strong, safe and fair communities.

Significant investments in community safety, including more police officers, record funding for social housing and homelessness measures, and justice services will enhance community safety and resilience.

We will continue to protect vulnerable children, families and individuals through our community services investments and funding for more initiatives to prevent family and domestic violence.

The 2021-22 State Budget includes:

- \$1.78 billion investment in the WA Police Force;
- \$875 million committed to social housing, taking the total investment in this Budget to \$2.1 billion;
- \$281.8 million to boost frontline emergency services and help Western Australians recover from major disasters;
- \$45.5 million for family and domestic violence prevention and support measures;
- \$37.2 million to expand the Homestretch pilot into a permanent state-wide program;
- \$12 million for the Safety and Security Rebate for WA Seniors Card members; and
- \$6.2 million investment to increase support payments for Grandcarers.

Investing in police and justice

Western Australia's frontline police are being supported with a record investment in the 2021-22 State Budget – including modern equipment, investment in operational capabilities and new and upgraded police stations to accommodate hundreds of new officers.

The Budget includes initiatives aimed at reducing offending behaviour with structured activities and a range of support to help victims navigating through the courts.

- \$83.6 million to refurbish and expand police stations to accommodate some of the additional 950 officers being employed by the McGowan Government, which includes \$41 million to build new police stations in Baldivis and Forrestfield, delivering on an election commitment;
- Almost \$100 million from the Road Trauma Trust Account for safety initiatives and improvements to dangerous roads and intersections;
- \$27.5 million to purchase another new helicopter for WA Police;
- \$27.8 million towards youth and other justice programs for regional communities;
- \$21.6 million to support WA Police's COVID-19 response;
- \$21.4 million contribution to the WA government's ongoing response to the recommendations handed down by the Royal Commission into Institutional Responses to Child Sexual Abuse;
- \$9.3 million to detect drivers impaired by alcohol and drugs;
- \$9.3 million to expand the successful drug treatment prison model with the establishment of the Bunbury Prison Alcohol and Other Drug Unit;
- \$8.9 million for road safety related community education and engagement initiatives;
- \$6.3 million for Pathwest and the Chemcentre to carry out more DNA testing;

- \$7.8 million in additional funding to bolster the Kimberley Juvenile Justice Strategy. This includes a new night patrol program at Fitzroy Crossing, a collaborative project designing an on-country alternative to detention in Broome, and the continuation of the TAFE learning program, existing night patrols and safe place activities;
- \$4 million for Legal Aid WA to establish Elder Rights WA and enable increased legal responses to elder abuse;
- \$1.5 million for the Olabud Doogethu Halls Creek Youth Justice Reinvestment program to deliver therapeutic and diversionary options for young people coming into contact with the justice system; and
- \$1.5 million for the Western Desert Justice Program to offer therapeutic diversionary options in pre-sentence orders, culturally appropriate drug and alcohol services and mentoring on Country east of Newman (Martu Country).

Record funding to boost social housing and homelessness services

The McGowan Labor Government will invest a record \$2.1 billion over the next four years to substantially fund 3,300 social housing properties and deliver new homelessness initiatives.

- \$750 million Social Housing Investment Fund;
- \$20 million to renew three ageing social housing precincts in Albany, Bunbury and Geraldton;
- an additional \$38.5 million for expanded capacity at two Common Ground facilities, increasing total funding allocated to the supported housing facilities to \$73.5 million for a 112-apartment complex in the Perth central business district and a 50-apartment complex in Mandurah;
- \$26 million to convert 72 dwellings from the METRONET Social and Affordable Housing and Jobs Package into social housing;
- \$6 million for a Local Government Partnership Fund for Homelessness to partner and co-fund homelessness initiatives tailored to local government areas' needs; and
- \$3.4 million over four years to expand Youth Futures crisis accommodation.

Funding initiatives to prevent family and domestic violence

The McGowan Labor Government is investing in initiatives and election commitments to address a range of family and domestic violence prevention and support measures to build on its significant work to protect vulnerable Western Australians experiencing or at risk of violence.

- \$8 million additional funding to expand the shuttle conferencing pilot to support victims in Bunbury, Broome and Armadale;
- \$4.5 million to trial a Family and Domestic Violence Forensic Service staffed by experts in non-fatal strangulation and other injuries related to family violence to assist with securing perpetrator convictions and help identify appropriate medical treatment;
- \$5.6 million to establish a Broome Aboriginal-led specialist family violence court based on the Barndimalgu Court in Geraldton, including a Family Violence Intervention Service for those who have been referred to the court;
- a \$3.4 million expansion of the Safe at Home program providing support services, transitional accommodation, funding for home security upgrades and victim and perpetrator interventions;
- \$3.4 million for the operation of the Warlang Bidi (Peel) and Andrea Mia (Kwinana) refuge expansions, which include six additional accommodation units for women and their children at each site;
- \$3.4 million to bolster family and domestic violence primary prevention services and support sector capacity building and training;
- \$4.3 million for a rapid rehousing pilot project for women and children leaving refuges;
- \$2.5 million to establish one metropolitan and one regional family and domestic violence counselling programs for young people aged 12 to 18;
- \$2 million for a family and domestic violence-focused pilot program for women in prison to support a safe transition back into the community;
- \$1.6 million towards training 3,000 first responders to better recognise and respond to family and domestic violence;
- \$1.7 million to boost the Safer Pathways program for women and children in the public housing system,

expanding support to about 100 clients in Mirrabooka and Midland each year;

- \$1.5 million for subsidised dental treatment and driving lessons for women exiting refuges;
- \$2.3 million to expand the Respectful Relationships Program to sport and recreational clubs and organisations, and to continue the program in schools;
- \$1.3 million to expand the Pets in Crisis and Building Animal Relationships with Kids (BARK) programs into Albany, Busselton and Bunbury;
- \$1.1 million to support the establishment of two additional One-Stop Family and Domestic Violence Hubs, one in Perth and another in regional WA; and
- \$110,000 to trial the Caring Dads program in the Peel region.

Responding to emergencies and natural disasters

The McGowan Labor Government will spend an additional \$281.8 million in the 2021-22 State Budget to boost frontline emergency services and help Western Australians recover from major disasters.

The State Budget is providing more resources, better equipment, new facilities and more capacity to respond to emergencies and recovery efforts around WA, and delivers on our election commitments.

- \$17.8 million to employ an additional 36 career firefighters in Albany, Kalgoorlie-Boulder and Geraldton;
- \$1.2 million upgrade to Kalgoorlie-Boulder Fire Station to accommodate additional firefighters;
- \$14.5 million for the construction of a new fire station in Perth's south-east;
- \$11.2 million for greater resources and communications capabilities for the Department of Fire and Emergency Services;
- \$4.9 million contribution towards 4,100 replacement sets of personal protective equipment for volunteer and career firefighters;
- \$80.2 million to fund the joint Commonwealth-State Disaster Recovery Funding Arrangements (DRFA) in response to natural disasters, including the Wooroloo bushfire and Carnarvon floods;
- \$104.5 million for the joint Commonwealth-State Disaster Recovery Fund Arrangements in response to Cyclone Seroja;
- \$9.7 million to employ 20 staff to assist in the mammoth recovery effort in response to Tropical Cyclone Seroja.

Delivering our election commitments

The McGowan Labor Government committed to fund a range of initiatives to develop healthy and resilient communities that are safe, strong and fair.

- \$37.2 million to expand the Homestretch pilot into a permanent state-wide program;
- \$12 million to restore the Safety and Security Rebate for WA Seniors Card members;
- \$6.2 million investment to increase support payments for Grandcarers;
- \$18 million to provide support for PCYCs around the State to continue important work with youth programs;
- \$1.2 million to extend operating hours at Gosnells, Warwick and Rockingham Police stations; and
- \$5.1 million to improve regional families' access to childcare by supporting the viability and sustainability of providers and attraction and retention of childcare workers.

Progressing our community safety and well-being initiatives

- \$14 million to continue the Aboriginal Community Connectors program;
- \$4.2 million to support community neighbourhood centres and upskill service providers to transition into the Empowering Communities Program;
- \$100,000 per annum for Circle Green Community Legal to provide additional employment support services to vulnerable workers for whom English is a second language.



Investing in education and training

The McGowan Labor Government is committed to ensuring Western Australian public schools offer students the best possible opportunities to learn.

We continue to invest in high-quality infrastructure and facilities at public schools, while also ensuring there is support for students' well-being.

This year, we are committing to provide further support for students with disability, while also increasing the capacity of schools across the State to meet future demand.

We are focused on building strong, safe and fair school communities – and this comprehensive investment is making sure we put young Western Australians on the best possible path to a quality education.

Education at a glance

The McGowan Labor Government is increasing funding for WA education in the 2021-22 State Budget - delivering \$6 billion for Western Australian schools. This includes new schools and facilities, support for student mental health and well-being, and additional funding for students with disability and those who speak English as an additional language.

Responsible Budget management gives the McGowan Government the capacity to invest in vital services like education. In this year's State Budget, WA students will benefit from:

- \$449.5 million for new and improved school facilities in 2021-22;
- \$104 million to support students' mental health and well-being over the next four years;
- An additional \$170.1 million over the next four years to provide support for growth in numbers of students with disability;
- \$162.1 million increase in recurrent education budget this financial year; and
- \$18.3 million to ensure schools can continue an enhanced cleaning program for the rest of the school year in line with current COVID-19 health advice.

Building school infrastructure

\$449.5 million will be invested in building and upgrading schools and school facilities throughout Western Australia.

Construction of four new primary schools to open in 2022:

- \$23.4 million Shorehaven Primary School
- \$22 million Riva Primary School
- \$18.4 million Burns Beach Primary School
- \$17.9 million Treeby Primary School

Planning is underway for new primary schools to open in 2023:

- Landsdale South Primary School (planning name)
- Wellard Village Primary School (planning name)
- Madora Bay Primary School (planning name)
- Yarralinka Primary School (second stage)
- West Swan (Dayton) Primary School (planning name)

The McGowan Government's comprehensive program to modernise Western Australia's public secondary schools and district high schools over the next four years and deliver on our election commitments includes:

- \$2 million for planning to commence for Stage 2 and 3 facilities at Alkimos College and Yanchep Secondary College respectively;

- \$21.5 million for an additional classroom block, including STEM facilities, at Byford Secondary College;
- \$8.5 million to upgrade the administration block, build new English and Maths classrooms and upgrade a STEM classroom at Albany Senior High School;
- \$6.3 million for a new performing arts facility, plus refurbished STEM classroom at Balga Senior High School;
- \$4.4 million to upgrade the canteen and build a new STEM classroom Broome Senior High School;
- \$12 million towards Stage 2 facilities at Darling Range Sports College;
- \$1 million for secondary school upgrades at Donnybrook District High School;
- \$32.3 million for new classroom blocks and STEM facilities at Duncraig Senior High School;
- \$15 million for the redevelopment of Springfield Primary School;
- \$7 million for a new Design and Technology block at Eaton Community College;
- \$13.9 million for a new sports hall, refurbished performing arts centre and new STEM classroom at Greenwood College;
- \$23 million to commence the staged redevelopment of John Curtin College of the Arts including STEM;
- \$8.5 million to construct a new sports hall, modification of existing sports hall into a performing arts centre, refurbished STEM classroom at Kelmscott Senior High School;
- \$9 million for a new gymnasium and STEM facilities at Melville Senior High School;
- \$15 million for a new classroom block at Mount Lawley Senior High School;
- \$35 million to redevelop and provide additional permanent accommodation and a new science block and STEM classrooms at Rossmoyne Senior High School;
- \$5 million for a new performing arts centre and new STEM classroom at Warwick Senior High School;
- \$10 million for a new classroom block and a new food and textile classroom at Halls Creek District High School; and
- \$9.7 million for a new sports hall with stage and classrooms, and refurbishment of science laboratories and upgrades at Roleystone Community College.

Investing in our schools

The State Budget includes investment in new permanent facilities to replace transportable classrooms and provide additional accommodation at schools:

- \$3.5 million for Baler Primary School
- \$2.5 million for Ballajura Primary School
- \$5.5 million for Baynton West Primary School
- \$3 million for Camboon Primary School
- \$4.5 million for Cassia Primary School
- \$9.7 million for Scarborough Primary School

Landsdale South Primary School (planning name) will benefit from \$1.1 million for a shared oval with the City of Wanneroo.

The State Budget also includes investment in important education support infrastructure, for students with a disability:

- \$3 million for South Bunbury Education Support Centre
- \$3 million to construct an education support centre at Burns Beach Primary School
- \$2 million for the West Coast Education Support Centre
- \$250,000 for Castlereagh School

In addition:

- Planning is underway for the \$18.7 million rebuild of Hillarys Primary School, with construction to be completed for 2024;
- \$16.6 million redevelopment has commenced at Mount Lockyer Primary School to provide the school with new and refurbished accommodation;
- Planning has commenced for the \$20.9 million upgrades at Derby District High School;
- Construction is progressing for the \$50 million new and refurbished accommodation at John Forrest Secondary College; and
- \$18.5 million refurbishment works have commenced at Hedland Senior High School and construction of the new sports hall and student accommodation will start shortly.

A \$26.1 million minor capital works and maintenance program will also take place at a wide range of schools throughout Western Australia, building on our \$200 million Maintenance Blitz.

Support for student well-being

Support for students' mental health and well-being will be strengthened with the delivery of the McGowan Government's \$104 million election commitment to provide more staff and resources in schools.

This includes:

- \$42.2 million for an additional 100 FTE school psychologists in Western Australian schools over the next four years to provide support for students and promote positive mental health with a proportionate funding increase for non-government schools to purchase psychology services;
- \$38.5 million to expand the successful Alternative Learning Settings program across WA, to provide separate learning environments for students who have committed violent acts where they are taught self-regulation skills to cease these behaviours; and
- \$21.8 million to provide WA public schools the opportunity to purchase chaplaincy services, if they wish, to support the social and emotional well-being of students and staff.

This support will help students develop mental health knowledge, skills and competencies and connect students who have more acute needs with the specialist and clinical services they may need.

Supporting students in STEM

The McGowan Labor Government will continue its strong focus on Science, Technology, Engineering and Mathematics in public schools across WA, and deliver on its election commitment to boost science in schools.

It is essential that students are provided with the highest quality facilities and resources in STEM so they are prepared for the jobs of the future.

School STEM snapshot

- \$87.6 million for Science, Technology, Engineering and Mathematics facilities upgrades.
 - \$18.2 million primary school science program which benefits more than 400 WA public schools with:
 - More than 130 public schools to have classrooms upgraded into science laboratories and receive science resource grants for equipment and resources to help deliver quality STEM education; and
 - \$10.3 million to provide an additional 282 primary schools with science resource grants to enable them to enhance their science education equipment and resources.
 - Schools can use the resource grants to purchase equipment such as 3D models, digital microscopes, 3D printers, virtual reality headsets, robotics kits and renewable energy kits.
 - This program builds on the previous McGowan Government election commitment which delivered 200 science laboratories and resource grants to public schools around the State.
-

Powering our schools

We want students in Western Australia to embrace science and new technologies.

The McGowan Labor Government is investing in clean energy technologies that give our schools a better understanding to manage energy use, as well as improve the stability and reliability of the electricity grid.

The 2021-22 State Budget delivers on the McGowan Government election commitment to establish a \$40 million Schools Clean Energy Technology Fund to help reduce energy costs in public schools and lower carbon emissions.

Transforming schools into Virtual Power Plants

Turning schools into Virtual Power Plants gives students a practical look at how energy is generated in a sustainable way.

The McGowan Government is investing \$4.8 million from the fund to Synergy for the continuation of the pilot of Virtual Power Plant (VPP) battery systems at schools to another six schools.

Three Kalgoorlie-Boulder schools and three Geraldton schools will be selected by Synergy to take part in the expanded VPP project following completion of an analysis and assessment process later this year.

Additional funding brings the total investment in the Schools VPP pilot project to \$8.8 million, with 16 schools set to be transformed into smart, green power plants.

Solar Schools Program

The State Budget includes an additional \$4.6 million to fund the extension of the Solar Schools Program to increase schools' access to solar panels in the Pilbara and the Kimberley, delivering on an election commitment.

The Solar Schools project will also be expanded in the North West region ensuring rooftop solar systems for 18 schools in the Kimberley and 10 schools in the Pilbara.

This program of work builds on the McGowan Labor Government's Solar Schools Program which is delivering solar panels for 30 regional public schools throughout WA and has created 12 new full-time jobs during the 18-month construction period.

Investing in TAFE and training

The McGowan Labor Government came to office with a clear commitment to make training affordable and accessible for Western Australians.

We set about restoring and revitalising a neglected TAFE sector and since 2017 we have slashed fees, introduced free courses and invested in the biggest TAFE infrastructure program in WA history.

This has delivered strong results, with enrolments increasing significantly, putting more Western Australians on the pathway to quality local jobs.

Training at a glance

The 2021-22 State Budget ensures continued support for the training and skilling of Western Australians, providing access to quality jobs.

The McGowan Government's investment will deliver on election commitments to ensure TAFE and training continues to be more affordable and accessible, enabling local people to find work in local jobs throughout the State.

\$121.4 million in training initiatives in the 2021-22 State Budget include:

- \$29.8 million boost to provide 8,000 extra VET places for Year 11 and 12 students in schools;
- \$19.2 million VET career taster program for year 9 students;
- \$32.4 million to get 300 new building and construction apprentices and trainees working on State Government projects;
- \$25 million for state-of-the-art TAFE equipment;
- \$9.9 million to support TAFE college lecturer industry placements; and
- \$5.2 million to get 200 additional Western Australian apprentices above the age of 21 into quality training.

Training young Western Australians

Training places for school students will be increased by 8,000 to engage students in quality, industry relevant training, with options to attain their Western Australian Certificate of Education, while enhancing their post-school employment, education and training. This is on top of an additional 1,350 VET places introduced in 2021.

A \$19.2 million VET Career Taster Program will also be rolled out to Year 9 students from 2022. The State Government is already engaging with industry, schools and other key stakeholders to inform the program's development, with regional consultation about to commence.

Boosting apprentices and training opportunities

The McGowan Government is investing \$32.4 million to create 300 new jobs for apprentices and trainees with Group Training Schemes.

The funding will provide small and medium enterprises with access to 150 additional and highly-subsidised apprentices and trainees in 2022 and again in 2023 to work on State Government projects.

Given the strength of the Western Australian economy and the huge amount of jobs being created these initiatives are critical to ensuring industry has access to a skilled local workforce.

Investing in TAFE infrastructure and contemporary training

TAFE colleges will receive \$25 million of modern equipment as part of a four-year program to upgrade and modernise TAFE equipment and facilities to contemporary industry standards - helping students, apprentices and trainees become more job-ready.

A \$9.9 million investment over four years will support TAFE college lecturers to undertake industry placements to keep them at the forefront of innovation and quality education, and enable them to upskill and maintain industry standards, practices, qualifications and skills.

These initiatives build on the McGowan Government's considerable work over the past four years to restore and revitalise TAFE and training - with this work contributing to significant enrolment increases and more opportunities for local people to secure local jobs.

Initiatives already underway include:

- \$184.3 million in capital works projects across Western Australia;
- \$25 million for free TAFE short courses to upskill thousands of Western Australians;
- \$345.9 million for the Lower Fees, Local Skills program and to freeze all other fees at current rates until the end of the 2025 training year; and
- \$11.9 million for the Apprenticeship and Traineeship Re-engagement Incentive.

The McGowan Government has slashed the fees for 180 high priority TAFE courses under the Lower Fees, Local Skills initiative, including for courses in tourism and hospitality, agriculture, defence, construction, engineering, information technology and community services.

Attracting a skilled workforce

The McGowan Labor Government is taking swift action to progress ideas identified in partnership with Western Australian industry following its inaugural 2021 Skills Summit.

The economy is strong and WA has defied the economic turmoil seen throughout much of the world.

With low unemployment and international border restrictions, we are experiencing growing demand for skilled workers to fill local jobs and support our businesses.

The concepts from the Skills Summit will shape further planning, strategy and decisions to assist WA's workforce needs.

Following detailed consultation with industry, the State Government's multibillion dollar infrastructure program has been reviewed to smooth the pipeline of work to ease workforce pressures across the economy.

Priority initiatives to attract and retain skilled workers in Western Australia as part of its continuing work with industry and training providers to address the State's skilled worker needs being undertaken, include:

- Bringing forward 100 more places to the highly successful Jobs and Skills WA Adult Apprentice Employer Incentive, supporting 200 additional mature age apprentices into quality training. The program reached its 100-place cap in just over a two-week period so the fast-tracking of additional spaces enabled additional employers to immediately access the adult apprentice financial incentive - up to \$26,800.
- An additional 5,000 onshore places requested under the State Nominated Migration Program. The State Government is requesting more places from the Commonwealth Government following the addition of 134 occupations to the program, which has prompted thousands of expressions of interest from skilled onshore migrants to secure work in WA.
- Implement initiatives to help disadvantaged learner drivers obtain a driver's licence - a significant barrier to employment for many. Already the McGowan Government has introduced a \$4.9 million pilot program to trial initiatives to overcome barriers young people in regional WA face in getting a driver's licence. The Commonwealth Government has also announced a program to assist job seekers to gain a driver's licence which is estimated to assist up to 330,000 Australians.
- A new partnership with the Wirrpanda Foundation will provide Aboriginal jobseekers aged 15-24 with targeted assistance to address specific barriers to employment.
- A targeted advertising campaign to attract interstate and New Zealand workers and increase participation of under-represented groups in WA.
- Holding a series of targeted regional skills summits across WA in recognition of the unique skills challenges faced in the regions.



Building METRONET and our transport future

The McGowan Labor Government is delivering a record investment in major transport projects across Western Australia, creating local jobs, providing opportunities for local businesses and keeping our economy strong.

From the Yanchep Rail Extension in our northern suburbs, to the new Mandurah Estuary Bridge in our southern suburbs, the McGowan Government is delivering new road, rail and cycling projects to ease congestion and slash travel times – meaning less time stuck in traffic and more time with family and friends.

At a glance

Responsible Budget management gives the McGowan Government strong capacity to invest in vital services like transport and in this year's State Budget Western Australians will benefit from:

- \$5.7 billion allocated over the next four years towards 15 METRONET projects, with \$1.5 billion to be spent on the transformational program in 2021-22;
- \$11.7 billion allocated to road projects and road upgrades over the next four years;
- Includes \$4.5 billion for transport initiatives in regional Western Australia; and
- \$265 million has been allocated to cycling and pedestrian initiatives over the next four years.

Steaming ahead with METRONET

The McGowan Government is continuing its record investment into its transformational METRONET program which will see 72 kilometres of new rail laid and 22 new train stations constructed.

The very first METRONET project, the Bellevue Railcar Manufacturing and Assembly Facility, was completed earlier this year. This fulfilled a key McGowan Government election commitment to return railcar manufacturing to the Midland area.

A new state-of-the-art METRONET Public Transport Operations Control Centre in East Perth is a step closer as final contract negotiations get underway. The McGowan Government has allocated funding to build the new control centre in the State Budget, along with METRONET'S High Capacity Signalling project.

A total of 15 METRONET projects are now completed, under construction, planned or in procurement.

Funding in the 2021-22 State Budget for METRONET projects nearing completion includes:

- \$353.5 million for the Forrestfield-Airport Link, due for completion in the first half of 2022;
- \$15.5 million for the Denny Avenue level crossing removal, with the level crossing removed in April this year and associated works to be completed later this year; and
- \$14.5 million for the Mandurah Station Multi-Storey Car Park, also to be completed later this year.

The 2021-22 State Budget includes funding for other major METRONET projects under construction, including:

- the Morley-Ellenbrook Line;
- the Thornlie-Cockburn Link;
- the Yanchep Rail Extension;

- the new Bayswater Station project;
- the new Lakelands Station; and
- Thomas Road Bridge, as part of the Byford Rail Extension.

Funding in 2021-22 State Budget for METRONET projects under procurement includes:

- the Victoria Park-Canning level crossing removal project;
- the Byford Rail Extension; and
- the High Capacity Signalling project.

The 2021-22 Budget has also allocated \$44 million across the forward estimates for one new METRONET project and two planning studies:

- \$38 million to deliver a 700 bay multi-storey carpark at Greenwood Station, a key McGowan Government commitment at the 2021 State Election; and
- \$6 million to undertake a North East Rapid Transit feasibility study to look at future links between the East Wanneroo corridor and the Perth CBD; and complete an overarching land use and transport plan for Wanneroo Road.

An additional \$15 million has also been allocated across the forward estimates towards upgrading key roads in Maylands to support the closure of the Caledonian Avenue level crossing in the first half of 2022.

Upgrading roads – busting congestion and slashing travel times

The McGowan Labor Government is delivering an unprecedented \$11.7 billion worth of road projects and upgrades across Western Australia over the next four years. This includes key projects to open later this year, major projects under construction and the landmark Regional Road Safety Program.

Major projects on track to open later this year include:

- High Street upgrades that will improve safety for southern suburbs residents;
- Roe Highway and Kalamunda Road interchange; and
- North Lake Road and Armadale Road bridge over the Kwinana Freeway.

Major projects funded and under construction in the 2021-22 State Budget include:

- Tonkin Gap works, supporting 1,050 jobs, as part of the \$1.39 billion Tonkin Corridor Upgrades;
- \$320 million for the Great Eastern Highway Bypass Interchanges, with works to commence later this year;
- \$232 million for the Mitchell Freeway Extension (Hester Ave to Romeo Road);
- \$76 million for the Mitchell Freeway widening southbound from Hodges Drive to Hepburn Avenue;
- \$140 million for transforming freeways through the Mitchell Freeway corridor;
- \$138.6 million for the Stephenson Avenue extension;
- \$259 million for the Armadale Road Bridge - North Lake Road Flyover;
- \$852 million for the Bunbury Outer Ring Road;
- \$175 million for the Albany Ring Road;
- \$98 million for upgrades to Great Northern Highway at Ord River in the Kimberley;
- \$36 million for Port Hedland Airport deviation; and
- \$52 million for Coolgardie Esperance Highway at Emu Rocks.

Funding has also been allocated to projects under procurement or in planning, including:

- \$49.8 million for the Causeway Cyclist and Pedestrian Bridge over the Swan River as part of the Perth City Deal;
- \$230 million for the Swan River Crossings Project, to replace the outdated Fremantle Traffic Bridge;
- \$225 million to prepare for the construction of grade separated interchanges on Reid Highway at Altone Road, Daviot Road/Drumpellier Drive and West Swan Road;

- \$110 million for the duplication of the Mandurah Estuary Bridge;
- \$27.5 million for construction of Pinjarra Heavy Haulage Deviation;
- \$120 million to upgrade and seal 100km of Marble Bar Road;
- \$380 million to construct and seal Manuwarra Red Dog Highway Stage 4;
- \$250 million for upgrades to Great Eastern Highway at Coates Gully, between Walgoolan to Southern Cross, and between Ghooli to Benari; and
- \$55 million to upgrade Indian Ocean Drive between Jurien Bay and Brand Highway.

Investing in road safety and cycling

As part of the McGowan Government's continued commitment to road safety, funding has been allocated for the following programs over 2021-22 and forward estimates:

- \$16 million for the Safer Roads and Bridges Program in Perth and Peel; and
- \$104 million for the Resealing Program in Perth and Peel.

The jointly funded Regional Road Safety Program continues and will see \$217 million spent during 2021-22 to seal shoulders and install audible edge lining over 3,000 kilometres of roads.

A further \$194 million has been allocated to continue this program in 2022-23 and 2023-24.

This is in addition to the \$258 million invested to upgrade over 4,000 kilometres of roads over the past year.

A record \$265 million has been allocated over the next four years to upgrade cycling and pedestrian infrastructure throughout WA including:

- \$105.6 million to deliver active transport infrastructure for major projects, including the replacement of the Fremantle Traffic Bridge and the Tonkin Highway extension;
- \$64 million for the Principal Shared Path Expansion Program including the completion of the Fremantle Principal Shared Path and Kwinana Freeway Pedestrian and Cyclist Path; and
- \$16.7 million to deliver priority projects including Railway Avenue in Kelmscott, expand the Hillarys Cycle Network, the Koondoola-Wanneroo Bike Plan, Gngangara Shared Path, Rosedale Road Shared Path, the expansion of the Geraldton Cycling Network, and the Soldiers Road Principal Shared Path in Byford.

Connecting our CBD

The McGowan Government has allocated \$12 million in the 2021-22 State Budget to expand the popular Perth CAT Bus Service, which last financial year saw more than 5 million boardings.

A new Purple CAT will be created and will travel from Elizabeth Quay Bus Station to the QEII Medical Centre precinct and the University of Western Australia, via Kings Park Road and Thomas Street.

The Red CAT services will expand to incorporate Matagarup Bridge, including the installation of 4 new bus stops.

The Red CAT operating hours will also be extended to similar times as the Blue CAT - to 9pm Sunday through Thursday and to midnight on Friday and Saturday.

The Blue CAT will include 16 new stops, including Kings Park, Elizabeth Quay and Northbridge - providing quality connections for local residents and tourists looking to explore the city.

The expansion of the CAT services builds on the McGowan Government's significant investment in the Perth CBD which includes the new ECU inner city campus, the revitalisation of the Cultural Centre, the Causeway Cyclist and Pedestrian Bridge and redevelopments of the WA Art Gallery, East Perth Power Station and the WACA Ground and community aquatic facility.

Ports powering the economy

Western Australia continues to power the national economy, and our ports play a major role in this.

The McGowan Government is proceeding with its transformational Westport project, which will see a new world-class container port terminal constructed in Kwinana Industrial Area.

Almost \$490 million has been allocated to Westport over the next four years including:

- Approximately \$90 million for program development, road corridor planning and WAPC land acquisition. This includes \$13.5 million for the independent Western Australian Marine Science Institute to deliver a science program which will underpin Westport's environmental impact assessment and mitigation strategy; and
- Over \$400 million for enabling works including strategic land acquisition.

More than \$500 million has also been allocated to major upgrades and projects at Western Australia's ports.

This includes funding for projects such as:

- The Spoilbank Marina in Port Hedland, with construction underway;
- Port of Ashburton infrastructure upgrades;
- Port Hedland tug haven revetment wall upgrades;
- Fremantle Harbour inner harbour berth upgrades;
- Design and construction of new access road and bridge to Turkey Point at the Port of Bunbury; and
- Port of Geraldton Wharf 4 deck slab strengthening and Fishing Boat Harbour walkways replacement.



Climate action

At a glance

The McGowan Labor Government is committed to clean, green energy initiatives to ensure the State has a secure and reliable energy supply into the future.

By working with all sectors of the economy to achieve net zero by 2050, we will create low-carbon jobs and develop new industries.

We are investing in innovative energy solutions that can be rolled out immediately, and funding future low-carbon energy projects that will support local jobs.

The 2021-22 State Budget funds a suite of measures to shape climate-resilient communities and help Western Australia forge ahead towards a prosperous low-carbon future.

- \$750 million Climate Action Fund to deliver initiatives designed to address the threat of climate change and help industry flourish to create sustainable jobs
- \$61.5 million boost for WA's renewable hydrogen initiatives
- \$100 million for an Investment Attraction and New Industries Fund
- \$30.9 million towards the Plan for Our Parks, in addition to the existing \$54.9 million investment
- \$18.5 million, over five years, to fight erosion and protect WA's coastline
- \$14.2 million investment to deliver the Australian-first Distributed Energy Resources Roadmap – rooftop solar, household and community batteries, and electric vehicles in WA's main electricity grid
- \$954,000 for the Western Australian Advocacy for Consumers of Energy Program to support energy consumers and build capacity in the non-government sector

Delivering a prosperous low-carbon future

Building on the Western Australian Climate Policy, the Climate Action Fund invests in sustainable WA jobs and industry innovation while protecting and enhancing the state's unique environmental heritage values and assets.

The McGowan Government's \$750 million Climate Action Fund includes:

- \$350 million to significantly expand the State's softwood plantation estate
- \$206 million for renewable energy initiatives to fuel WA's future, including standalone power stations, clean energy in schools, wind turbine manufacturing, refurbishment of Denham Power Station and \$1 million for research into the viability of a local green steel industry
- \$118 million fund to invest in future climate-related initiatives to respond to climate change and create climate-resilient communities
- \$50 million to drive new renewable hydrogen initiatives
- \$11 million for Carbon Innovation Grants
- An additional \$18.5 million to fight coastal erosion - taking total funding to \$33.5 million over the next five years

Creating climate-resilient communities

Protecting and enhancing our natural assets, through initiatives such as Plan for Our Parks, will ensure our environmental heritage is protected.

The McGowan Government is investing in industries of the future, such as renewable hydrogen and carbon farming, to create sustainable WA jobs.

Developing new renewable energy technologies can reduce energy costs and help meet the target of net zero emissions by 2050.

Investing in climate action initiatives

- \$100 million for an Investment Attraction and New Industries Fund to support industry assistance, attraction and grants across a range of emerging sectors, including battery manufacturing and green steel
 - \$61.5 million to stimulate local demand for renewable hydrogen in transport and industrial settings
 - \$15 million to develop the Carbon Innovation Grants program
 - \$15.7 million to facilitate negotiations for additional reserve proposals
 - \$15.2 million for the joint management of the Badimia Conservation Reserves and the Thundelarra Conservation Park
 - \$15 million for the Agriculture Climate Resilience Fund
 - \$14 million to support a ban on e-waste in landfill by 2024
 - \$13 million Household Energy Efficiency Scheme
 - \$4.8 million for six Virtual Power Plants at Kalgoorlie and Geraldton public schools
 - \$4.2 million to support the development of the next Forest Management Plan
 - \$2 million additional expenditure from the Establishing and Maintaining Native Vegetation Offsets Account over 2021-22 and 2022-23
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Delivering on our commitments

The McGowan Labor Government has committed to significantly increase funding to community groups and initiatives that work to protect the environment and keep river systems healthy and help reduce plastic pollutants in our oceans.

- \$4 million, over four years, towards reducing plastic pollution and supersize the grant funding available to community volunteer groups to protect the health of the Swan and Canning rivers
 - \$1 million to convert four hectares of former landfill into an urban forest to provide dryland habitat and link to the existing Eric Singleton Bird Sanctuary
 - \$3 million, over four years, to support local government authorities to implement urban forest initiatives within the Swan Canning Riverpark to improve human health and biodiversity
 - \$500,000 to expand the successful Dolphin Watch program to increase more community engagement activities, training events and interpretive signage
 - \$500,000 Plastic Free Riverpark initiative to phase out single-use plastic use by businesses operating within and surrounding the Swan Canning Riverpark
 - \$13 million to install seven gross pollutant traps to reduce plastic pollution in our oceans
 - \$5 million to implement the Peel Harvey Estuary Protection Plan building on the \$25 million Healthy Estuaries WA program already underway
 - \$34.1 million contribution towards the Natural Resource Management Program
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Building on our strong record

The McGowan Labor Government has a strong track record of delivering on election commitments and other initiatives to reduce landfill and protect the WA environment. Projects in progress include:

Fast-tracking the WA Plan for Plastics

- Western Australia's Plan for Plastics has been fast-tracked by four years
- Single-use plastic bowls, cups, plates, cutlery, stirrers, straws, polystyrene food containers, thick plastic bags and helium balloon releases to be phased out by the end of 2021
- Single-use plastic coffee cups and lids now included in the plan and to be phased out by the end of 2022
- Builds on the lightweight plastic bag ban in 2018 and the Containers for Change container deposit scheme, which has been operating since October 2020.

Permanent protection of the Beeliar Wetlands

- Transformed it into an A-Class conservation reserve giving it the highest level of environmental protection
- Passed legislation to rezone approximately 34 hectares of the wetlands from a Primary Regional Roads reserve to a Parks and Recreation reserves, stopping any future destructive road development and strengthening its A-class status.

Aboriginal Ranger Program

- Under the program, existing and emerging Aboriginal organisations can employ and train rangers to carry out land and sea management and tourism activities across a range of tenures in remote and regional Western Australia.
- The Aboriginal Ranger Program is delivering economic and social benefits for regional and remote areas by providing job and training opportunities for Aboriginal people.
- It has enabled rangers to build connections between communities and has created strong networking opportunities.
- Latest statistics show the program has resulted in the employment of more than 435 Aboriginal rangers and support staff, almost half of whom are women, and 57 rangers have achieved a nationally recognised qualification.