



Western Australia State Budget 2021-22



WA's strong economy and WA jobs

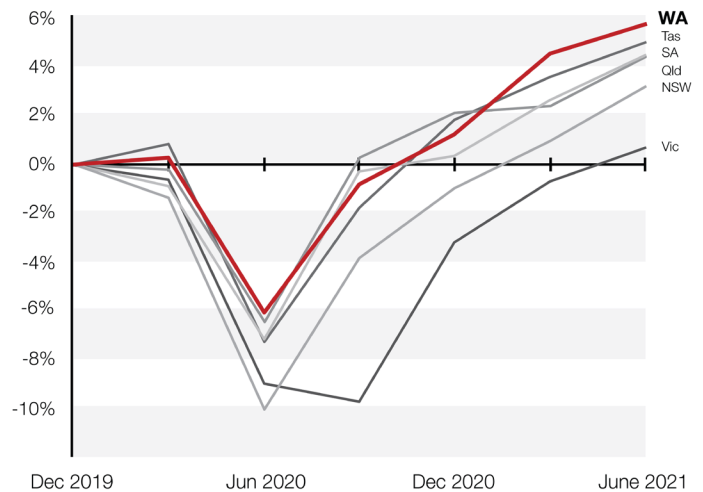
At a glance

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.

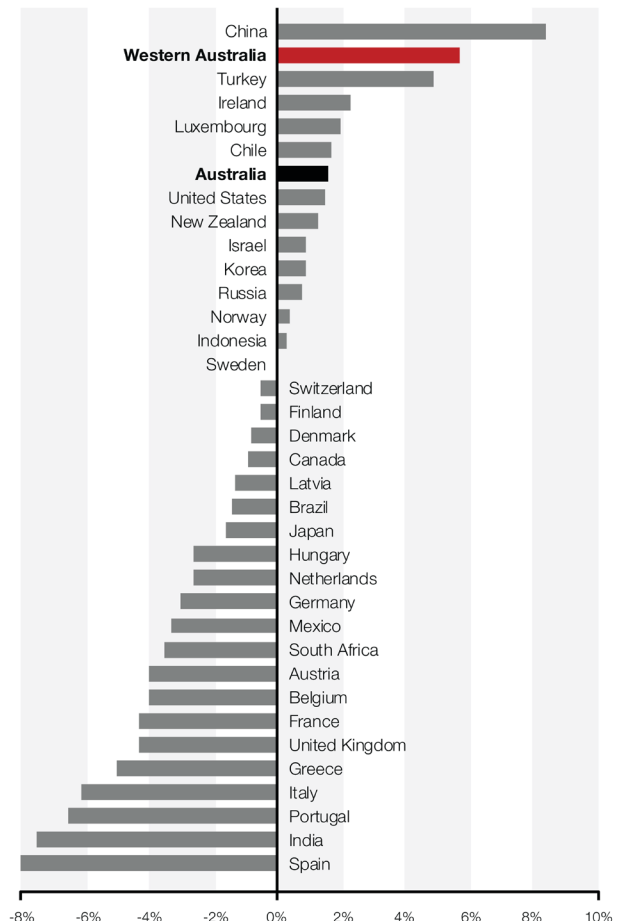
Economic Growth during COVID-19

Quarterly State Final Demand



Economic Growth

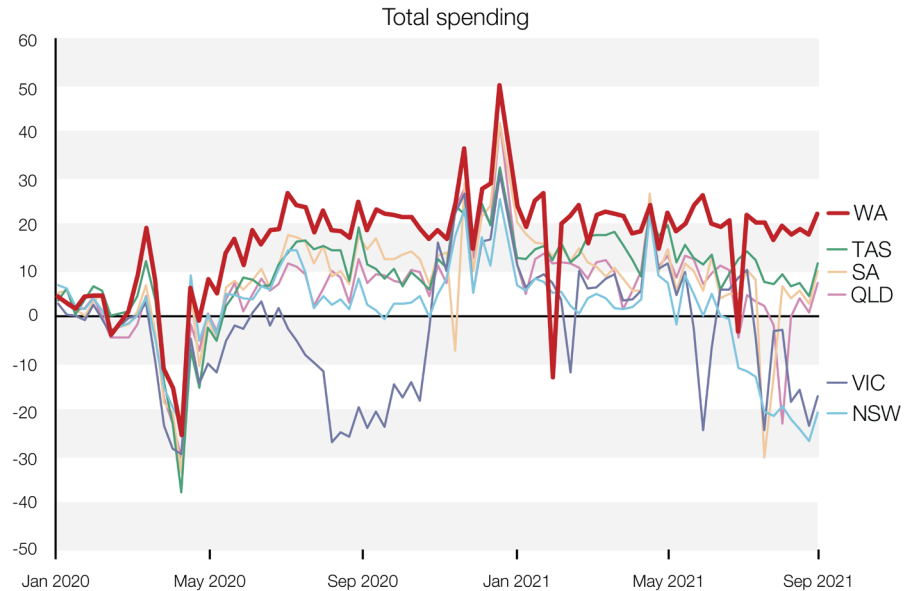
GDP Growth - Q4 2019 to Q2 2021



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%

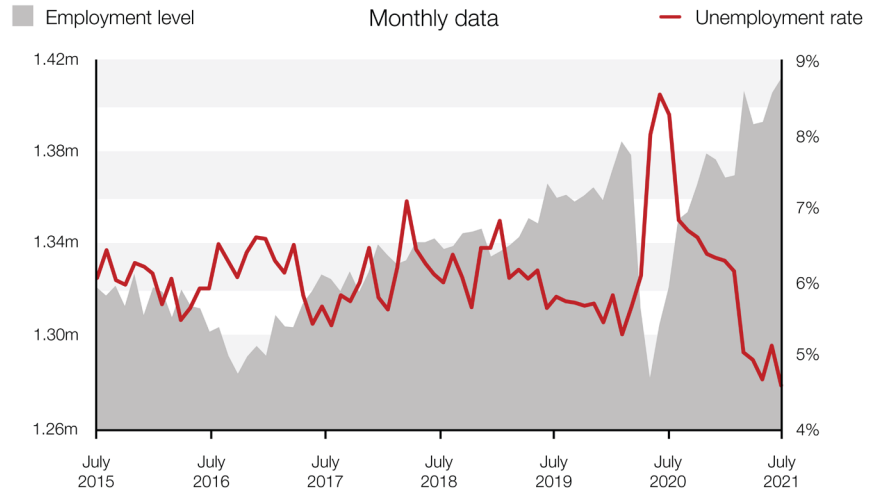
ANZ Card Data



WA Jobs

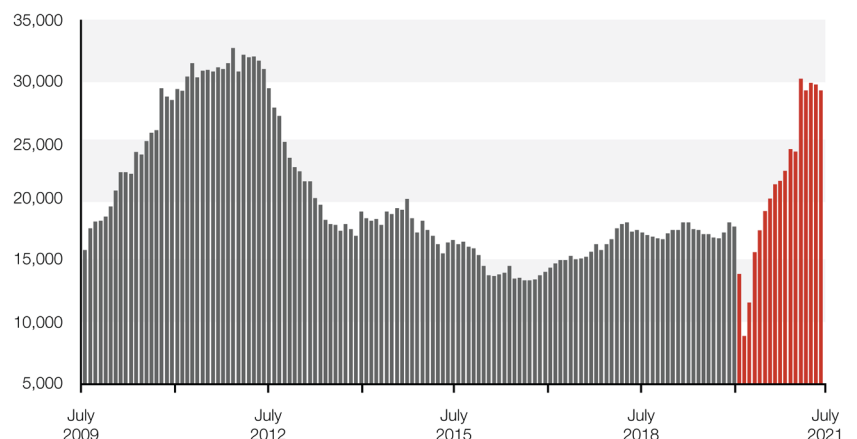
- Western Australia's labour market has seen a rapid recovery since the onset of the COVID-19 pandemic.
- Despite the biggest global economic shock in decades, more Western Australians now have a job than ever before, with record employment in July.
- 107,000 jobs have been created since the McGowan 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.
-

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.