



WA Jobs Plan A strong economy

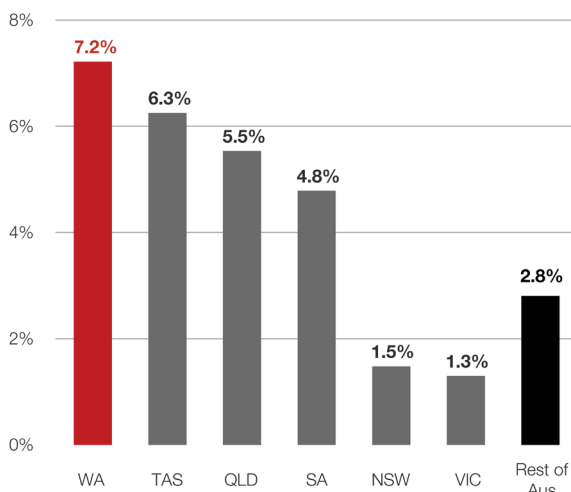
At a glance

The 2022-23 State Budget confirms the WA economy powers the nation, with the Western Australia domestic economy growing by 7.2% over the two years of the pandemic, the strongest in the nation, and among the best performing in the world.

- The McGowan Labor Government's stable and responsible Budget management and safe handling of the pandemic has positioned Western Australia's economy and finances to be among the strongest in the world.
- WA's domestic economy has grown by 7.2% since the start of the pandemic, the strongest of all States and more than double the growth of the rest of the nation.
- WA is the only mainland State to record Gross State Product growth in 2019-20 and 2020-21 and contributed almost 40% of growth in the national economy over the two years.
- WA merchandise exports reached a record \$240 billion in 2021, accounting for more than half of Australia's exports.
- Western Australia's domestic economy is forecast to grow by 5.25% in 2021-22 and a further 4% in 2022-23, fuelled by household spending, business and government investment, and housing construction.
- Treasury forecasts that Gross State Product (which includes international trade) will grow by 3.75% in 2021-22 – the fastest rate of growth since 2013-14.
- The continued strength of WA's economy throughout the pandemic, including the uninterrupted operations of the resources sector, has provided valuable support to the national economy, resulting in billions in revenue flowing to the eastern States, including through company tax collections and the GST.
- WA's strong economic and financial management has reduced net debt in 2021-22 to a seven-year low.
- WA's strong surplus is being used to set up our State's long-term future, including another record health and mental health investment, supporting Western Australians with cost of living, climate action initiatives as well as record investment in infrastructure and a range of measures to diversify our economy and boost capacity.
- The McGowan's Government's Budget management is in stark contrast to the record deficits under the Liberals and Nationals.

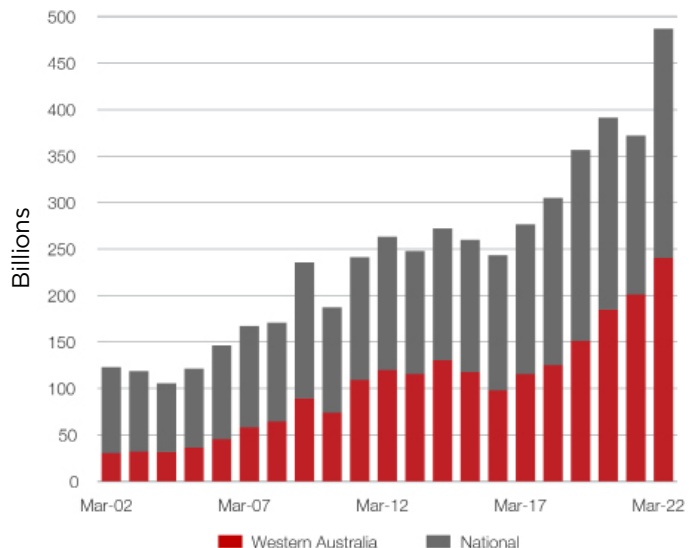
Economic growth during COVID-19

State Final Demand - 2021 relative to 2019



Merchandise Exports

Annual Levels



Economic Forecasts

Western Australia, Annual Growth

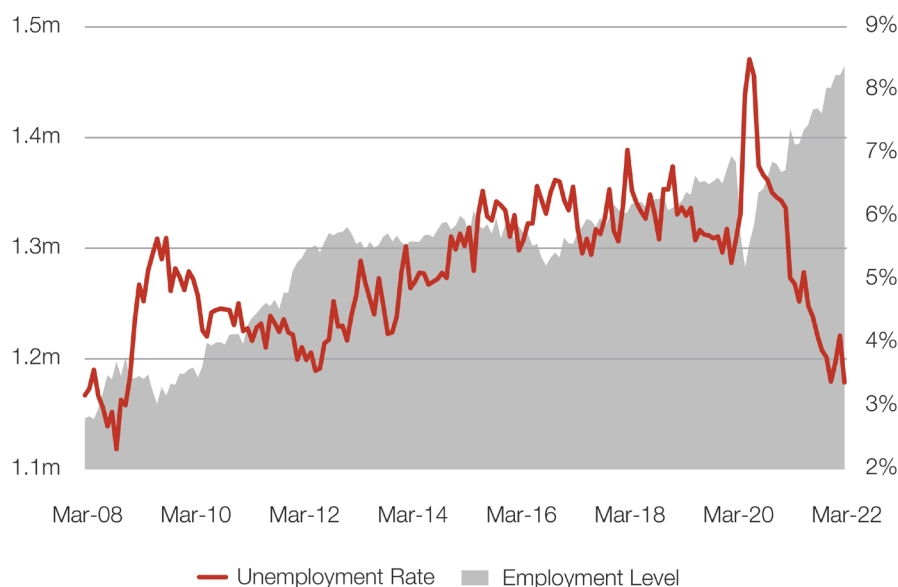
	2020-21 Actual	2021-22 Estimated Actual	2022-23 Budget Year	2023-24 Outyear	2024-25 Outyear	2025-26 Outyear
Real Gross State Product growth (%)	2.6	3.75	2.0	1.0	1.5	1.5
Real State Final Demand growth (%)	4.4	5.25	4.0	3.0	2.25	2.5
Employment growth (%)	1.8	5.0	2.0	1.25	1.25	1.25
Unemployment rate (%)	6.1	4.0	3.75	3.75	3.75	3.75
Wage Price Index growth (%)	1.5	2.0	2.75	3.0	3.0	3.0
Consumer Price Index Growth (%)	1.6	4.0	2.75	2.5	2.5	2.5

WA Jobs

- Western Australia's labour market has been the strongest performing in the country since February 2020, just before the COVID-19 pandemic began.
 - Employment has increased by 5.8% or 81,000 persons, accounting for a fifth of all additional jobs over the period nationally.
 - The unemployment rate has declined to 3.4% in March 2022, the lowest in the nation and the lowest level in 13 years.
 - The share of people participating in the labour market has risen to almost 70%, the highest participation on record for any State.
- The McGowan Government's WA Jobs Plan is on track, with 160,000 jobs added since coming to office in 2017.
- Treasury estimates that an additional 28,900 people will gain employment in 2022-23, after an additional 68,700 people expected to find work during 2021-22.
- Unemployment is expected to remain very low, averaging just 3.75% in 2022-23 and over the forward estimates.

Labour Market

Monthly data



Economic diversification

The 2022-23 Budget includes a massive \$1.3 billion to further strengthen and diversify WA's economy to support sustainable, long-term growth – a key focus of the McGowan Government.

The investment across a wide range of industries includes initiatives to support our local industries to grow as we reconnect with the world, to expand export markets and develop priority sectors, as well as investing in capacity-building infrastructure, including ports and roads.

The investments further advance the Government's Diversify WA strategy and WA Jobs Plan, to play to our strengths and reduce reliance on any one particular sector.

The new investments build on the long list of economic diversification initiatives totaling more than \$1.7 billion in the 2021-22 Budget and Mid-year Review.

Tourism

An area of focus is boosting international tourism to return to the strong momentum of the sector in Western Australia prior to the pandemic.

Investments in this Budget include a \$70 million boost to the tourism sector to attract more visitors, support local businesses and operators, and boost the economy to create jobs and secure more business and investment opportunities.

This is the next stage in turbo-charging Western Australia's economic transition after the successful management of COVID-19 for more than two years.

The Budget increases the focus on events and marketing while developing new tourism products, and is on top of the multimillion dollar Reconnect WA package to support interstate tourism, aviation, working holiday makers and international students.

The success of WA's strategy has been highlighted with recent major success stories such as the NRL State of Origin, Wallabies v England Rugby Union Test match, the English football blockbusters, with WA the only jurisdiction to host all four teams, and more exciting announcements to come.

The 2023-23 Budget steps up this strategy with an extra \$30.7 million over four years to attract even more major events, including \$20 million for a Major Events Fund including business events – or \$5 million a year - and an extra \$10.7 million for the Event Tourism budget.

The 2022-23 State Budget also commits to increasing destination marketing by \$21.1 million over the next two financial years to position WA as a globally desirable holiday destination and grow leisure visitation to the State domestically and internationally.

There is also \$17.7 million over four years to deliver a National Park Tourism Experiences Development Package. This includes \$6.5 million to establish eight 'shovel-ready' sites in national parks in preparation for private investment including eco retreat accommodation and \$5 million to work with industry to activate the significant investment in trails and attractions already in National Parks and to create bookable touring options for locals, interstate and international visitors to enjoy.

Highlights

- \$31 million to attract additional major events and business events
- \$21 million for two-year marketing boost internationally and interstate
- \$18 million for a National Park Tourism Experiences Development package
- In addition to McGowan Government's \$195 million Reconnect WA package

Diversification initiatives

Other economic diversification investments in the 2022-23 Budget include:

- an \$80 million boost to the existing Investment Attraction Fund increasing the Fund to \$180 million to support industry-led diversification proposals to create local jobs in new and emerging industries;
- a \$50 million increase to the Industrial Land Development Fund to \$100 million to unlock private sector investment and spark new growth opportunities in our economy;
- An additional \$41.2 million for the international education sector, including two new scholarship programs and \$10 million to increase the number of international students who choose to study in Western Australia.
- \$25 million to establish the Western Australian Agricultural Collaboration in partnership with the CSIRO and the university sector to leverage funding from the Commonwealth and industry;
- \$17.1 million to expand Western Australia's international trade offices to open up export and investment market opportunities, as well as an invest and trade global marketing campaign;
- \$12 million for the WA-Array program providing imaging of the State's geology to assist exploration companies in identifying new resources;
- \$10 million for a second round of funding to attract business call centres and back office processing to WA;
- \$6 million for the Minerals Research Institute of WA to pursue strategic research opportunities, including critical minerals and clean energy technologies;
- \$8.7 million to implement the WA Health and Medical Life Sciences Industry Strategy
- Almost \$11 million for the continuation of grant programs to support the space sector
- supporting the development of an LNG decommissioning industry in Western Australia through a \$5 million grant to the Centre for Decommissioning Australia; and
- \$4.5 million to strengthen the local capability of our small and medium sized enterprises to compete for State Government work.
- Other measures include a 50% royalty rebate to support development of the potash industry and an additional investment in a vessel transfer path at the Australian Marine Complex for the defence industry.

Investments in economic infrastructure to expand existing industries and facilitate new industries in the State Budget comprise:

- \$332 million for a major upgrade at the Geraldton Port;
- \$250 million for Stage 1 and 2 of the Pinjarra Heavy Haulage Deviation, which will provide an alternative route for heavy vehicles around the town to reduce congestion and improve safety;
- \$120 million for Moorine Rock to Mount Holland road upgrades that will support the Covalent lithium mine;
- \$78.1 million to construct supporting infrastructure at Lumsden Point in the Pilbara;
- \$52 million for the construction of a supply base to support oil and gas operations in the Browse Basin and for base infrastructure for an associated chemical storage facility in Broome;
- \$50 million to expand capacity on the Great Northern Highway between Newman and Port Hedland;
- \$36 million for the Mid West and Great Southern Secondary Freight Network Program;
- \$15 million to undertake dredging to expand the port of Port Hedland; and
- \$10 million for the Leach Highway - Stock Road Grade Separation.