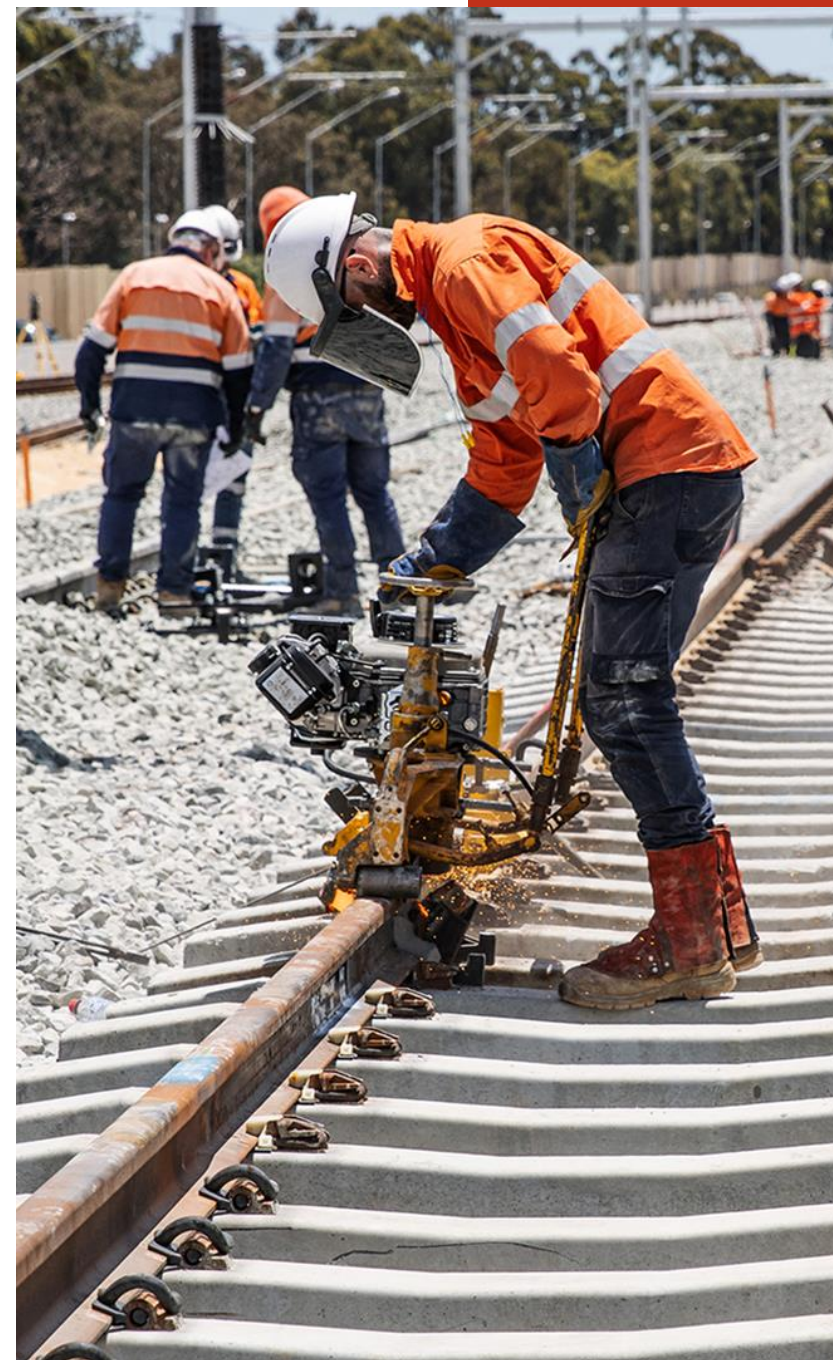




Western Australia

State Budget 2023-24

11 MAY 2023



Highlights

2023-24 WA State Budget

- State economy remains strong despite global economic headwinds
- Economic growth in 2022-23 strongest in nine years, and more Western Australians employed than ever before
- 2023-24 Budget includes significant investments to support Western Australian households and set WA up for the future
- Net debt to fall to \$27.9 billion at 30 June 2023, with operating surpluses maintained over the forward estimates

Highlights

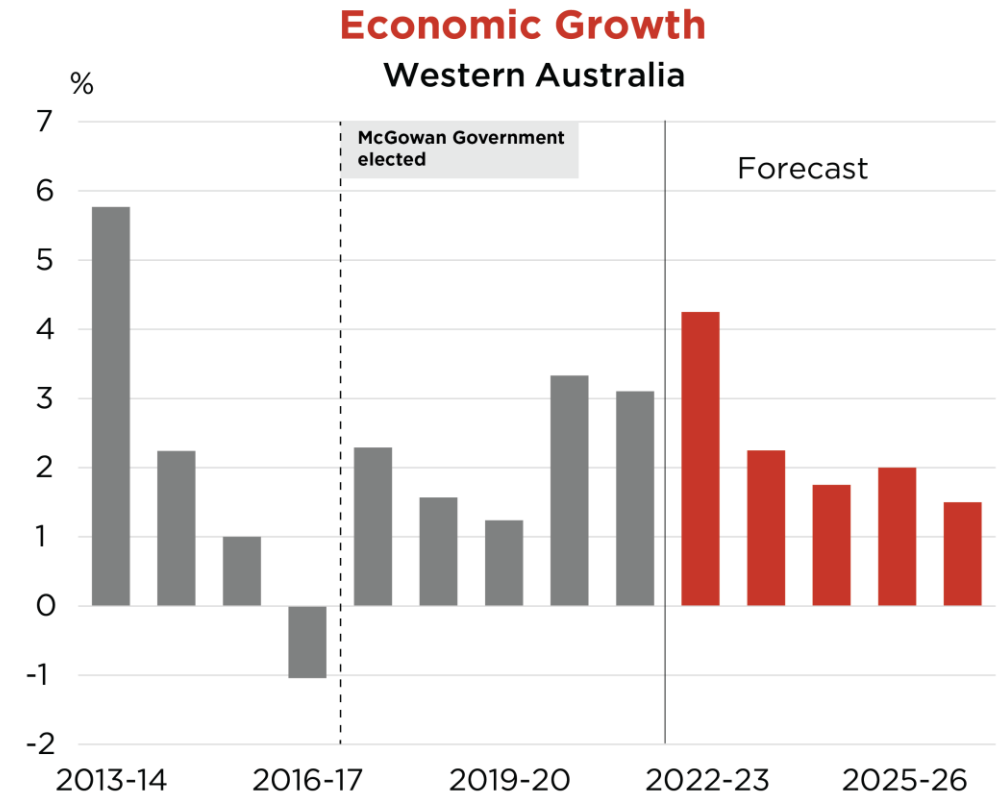
2023-24 WA State Budget

- The 2023-24 Budget provides genuine cost of living relief for households and small businesses, delivers improved services, and invests in the future of our State
 - \$715 million cost of living package
 - \$400 electricity credit for all households plus targeted relief totalling \$826 for those who need it most
 - \$2.7 billion investment in health and mental health
 - \$750 million to boost housing supply and address homelessness
 - \$3 billion for climate action and decarbonisation
- Record \$39 billion investment in infrastructure

WA Economy

2023-24 WA State Budget

- Strongest growth in Gross State Product in nine years forecast in 2022-23 at 4.25%
- Record 1.53 million Western Australians employed
- Inflation forecast to ease to 3.5% by the June 2024 quarter
- Elevated global interest rates expected to moderate growth, but remains strong

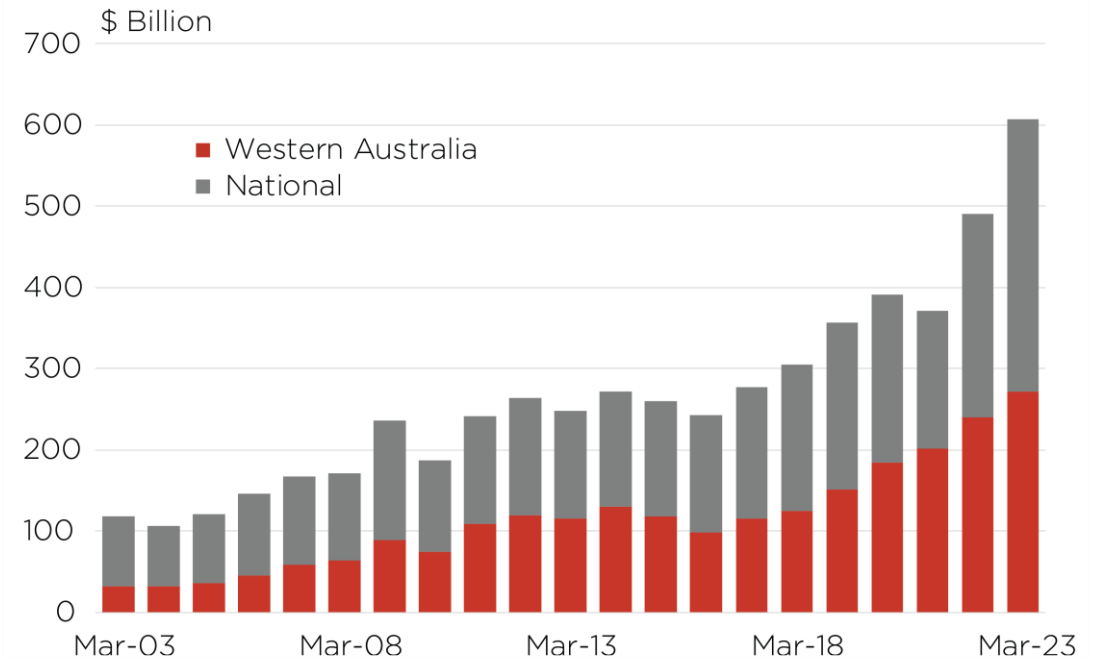


Export Performance

2023-24 WA State Budget

- WA's strong economy supported by growth in exports
- Record goods exports worth \$272 billion over the year to March
- WA continues to support the rest of the nation, accounting for 45% of national goods exports

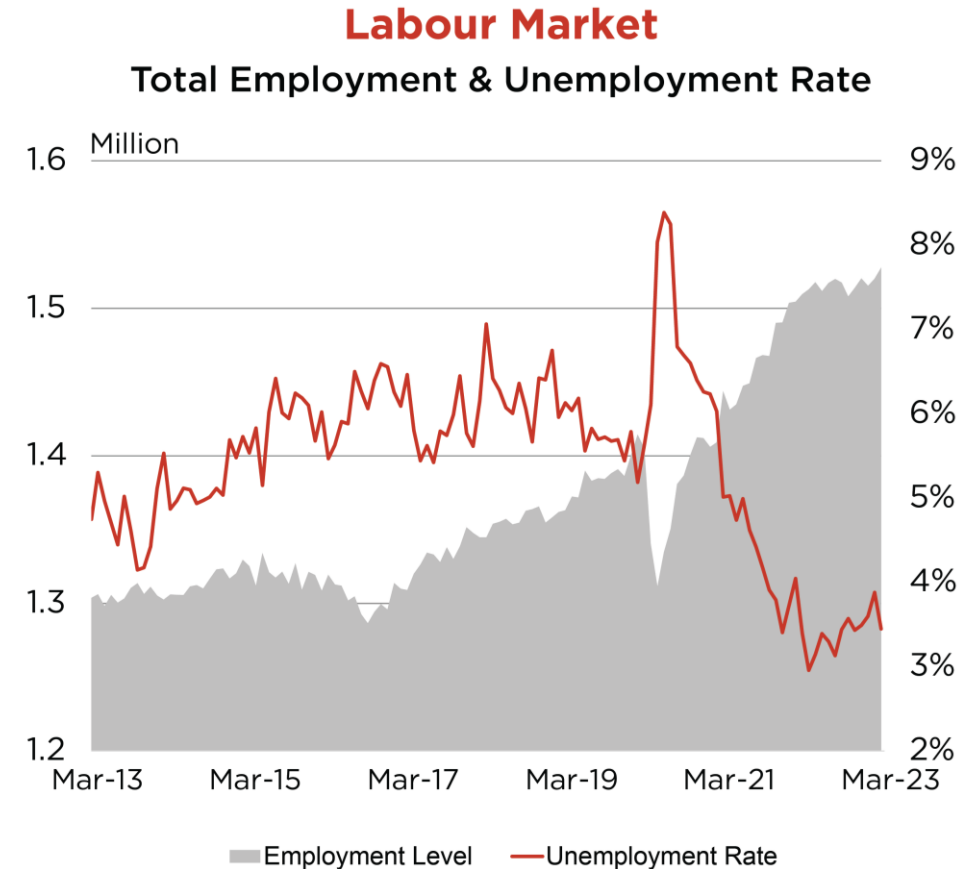
Merchandise Exports Annual Values



Labour Market

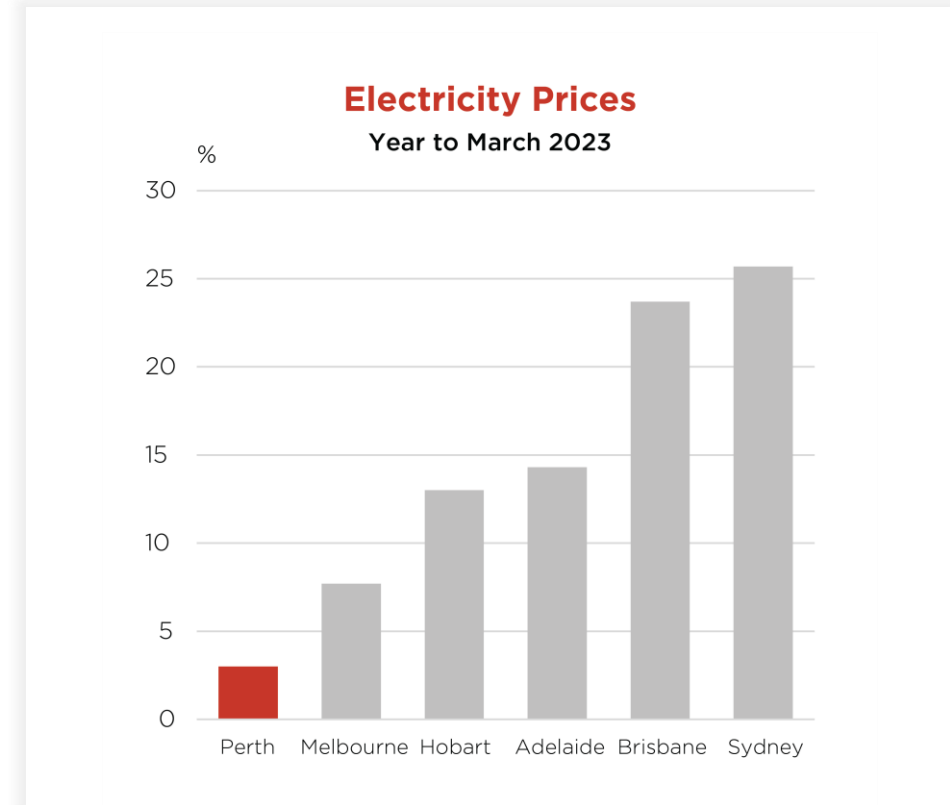
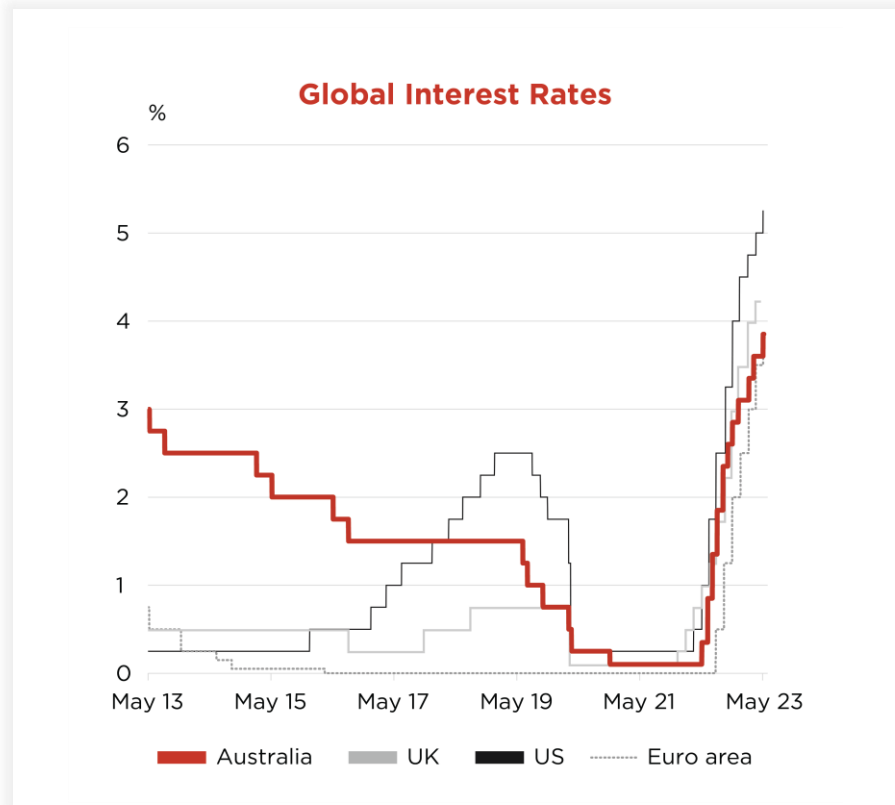
2023-24 WA State Budget

- More Western Australians employed than ever before – record 1.53 million in work
- Strong employment results supported by growth in full-time work for women
- Unemployment rate remains very low at 3.4%
- 218,621 jobs added since March 2017



Interest Rates and Inflation

2023-24 WA State Budget



- Global tightening of interest rates in response to high inflation is expected to slow global growth this year
- Eleven rate rises by the RBA expected to moderate activity
- Inflation appears to have peaked and is forecast to ease in 2023-24

Economic Outlook

2023-24 WA State Budget

- Looking forward, higher interest rates and inflation are expected to moderate activity. However, WA's domestic economy is still forecast to grow by a solid 3% in 2023-24
- Gross State Product is expected to grow by 2.25% as exports level off at high levels and spending on overseas travel normalises

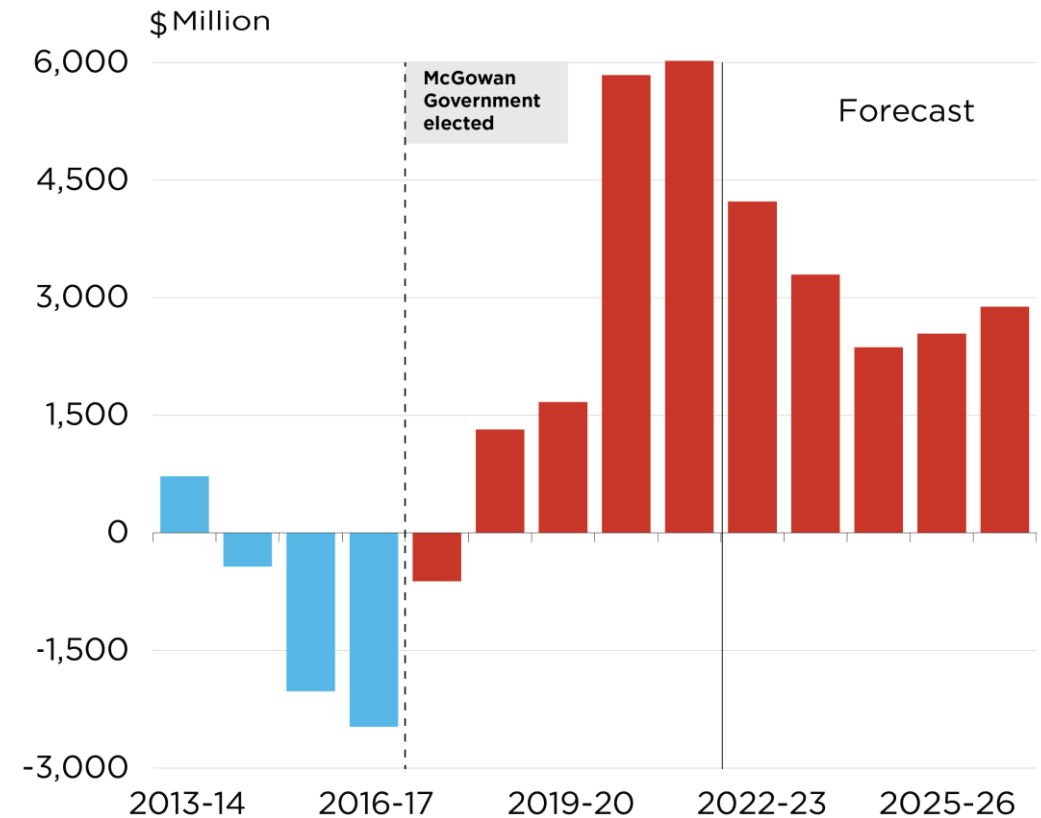
	2021-22 Actual	2022-23 Estimated Actual	2023-24 Budget Year	2024-25 Outyear	2025-26 Outyear	2026-27 Outyear
Real State Final Demand growth (%)	5.6	3.25	3.0	2.5	2.75	2.5
Real Gross State Product growth (%)	3.1	4.25	2.25	1.75	2.0	1.5
Employment growth (%)	5.8	1.75	1.0	1.25	1.25	1.5
Unemployment rate (%)	3.7	3.5	4.0	4.25	4.5	4.5
Consumer Price Index growth (%)	5.1	5.75	3.5	2.75	2.5	2.5
Population growth (%)	1.2	2.0	1.8	1.7	1.6	1.6

Net Operating Balance

2023-24 WA State Budget

- \$3.3 billion operating surplus expected in 2023-24, with surplus position maintained over next four years
- Strong operating position used to deliver cost of living relief, boost services and build our State for the future
- Record \$39 billion of infrastructure investment over the next four years

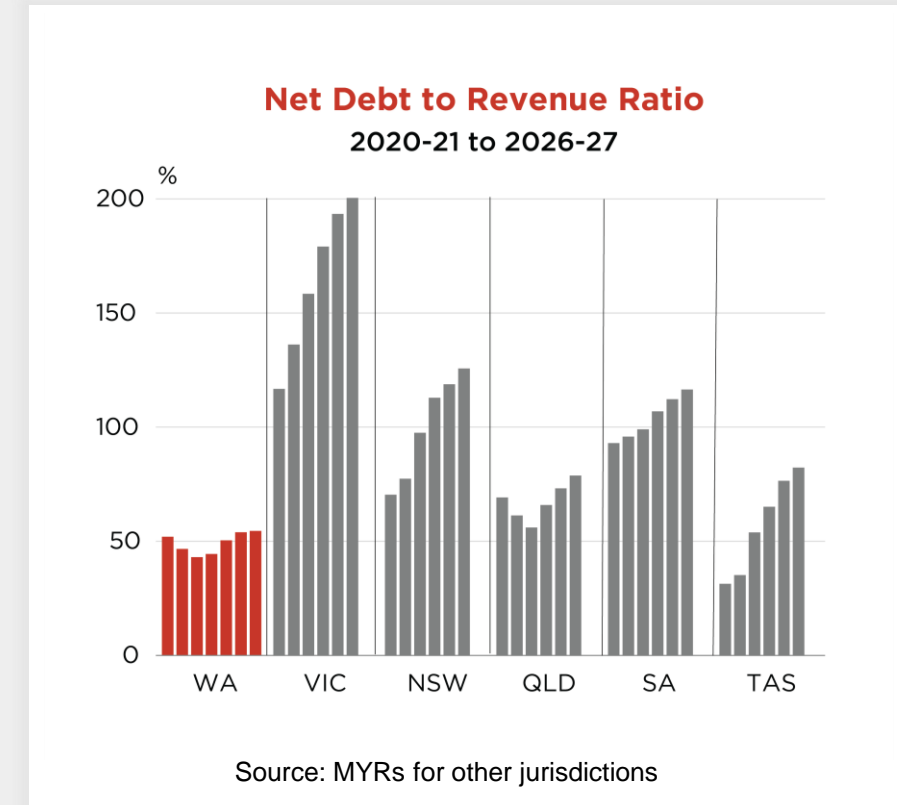
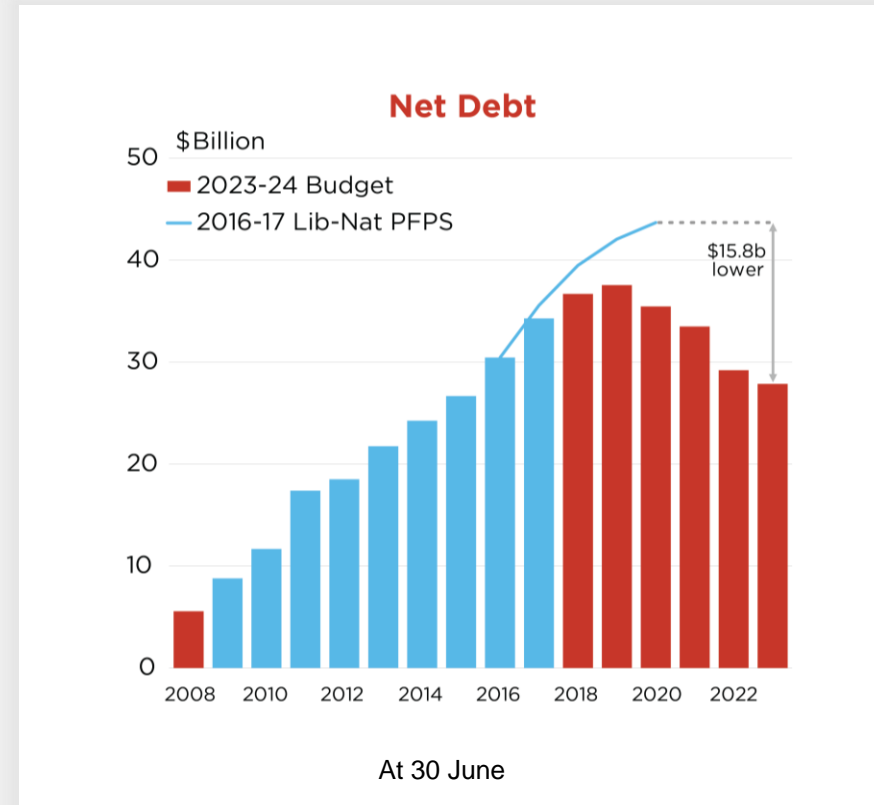
Net Operating Surplus



Net Debt

2023-24 WA State Budget

- Net debt expected to decline for a fourth consecutive year to \$27.9 billion
- Debt now almost \$16 billion lower than projected, saving around \$4.3 billion in interest
- Net debt profile remains favourable compared with other States, and supports our AAA credit rating



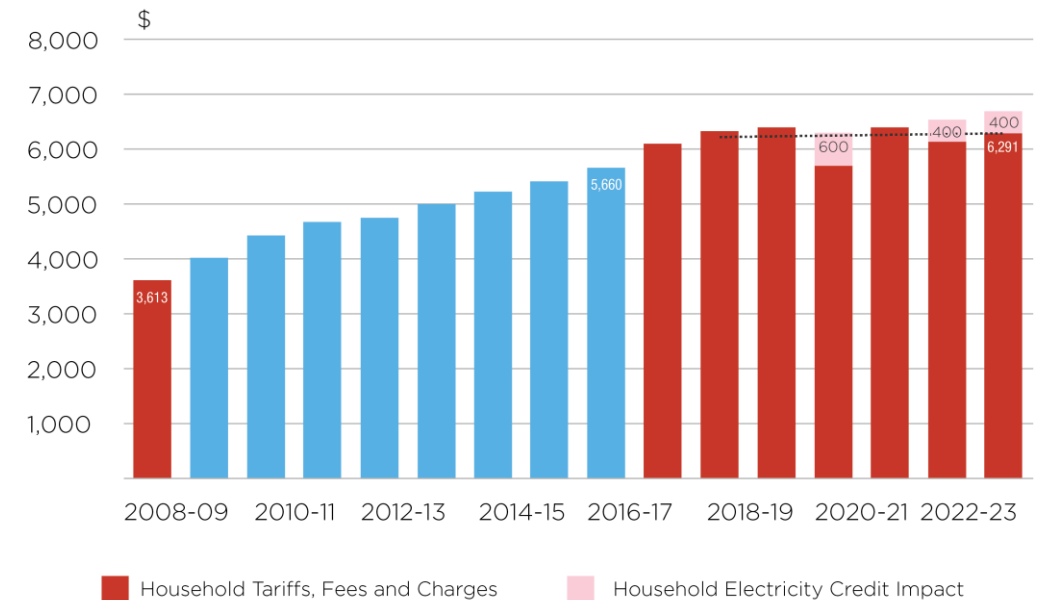
Supporting WA Households

2023-24 WA State Budget

\$715 million cost of living support package in this Budget

- Minimum \$400 electricity credit for all WA households (2 x \$200 payments)
- \$826 in total support for around 350,000 households most in need (2 x \$250 payments + \$326 EAP)
- \$650 electricity credit for small businesses (less than 50 MWh)
- Fourth consecutive year rises in household fees and charges kept well below inflation, in stark contrast to east coast
- Hardship Utility Grants Scheme and seniors cost of living rebate also boosted
- Additional public transport and regional airfare support

Representative Household Tariffs, Fees and Charges

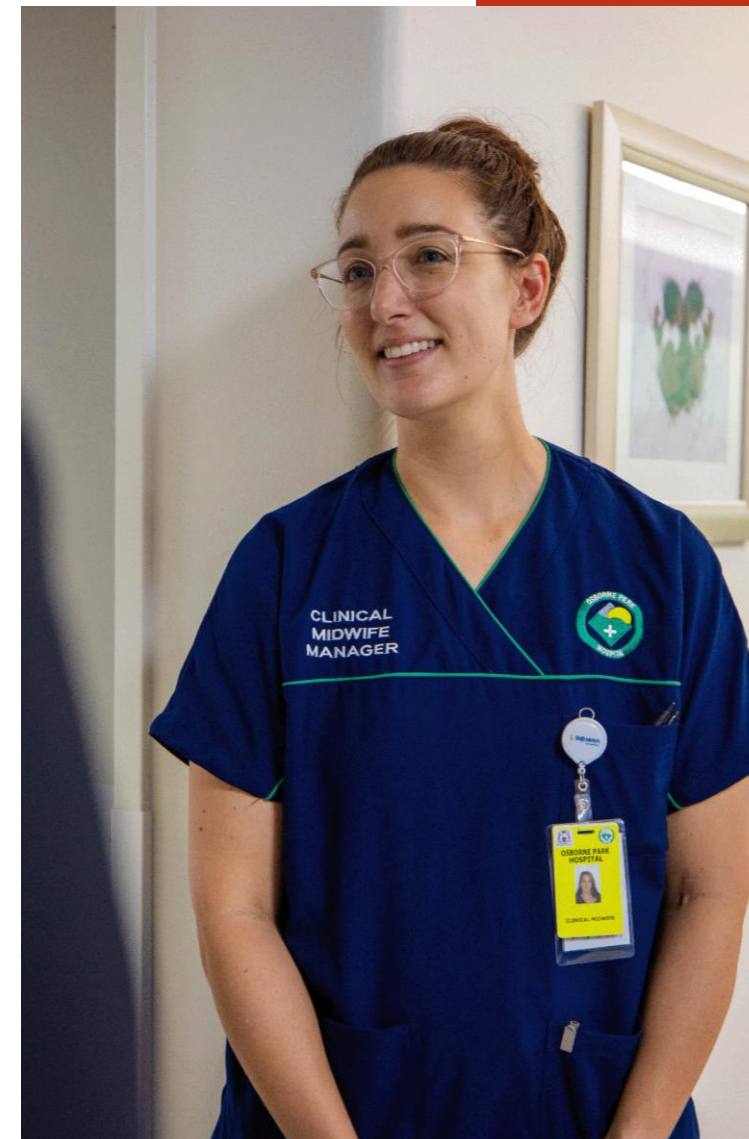


Note: Household fees and charges in 2023-24 will remain below 2018-19 levels including the impact of the minimum \$400 household electricity credit

Investing in our Health System

2023-24 WA State Budget

- **Record \$2.7 billion additional spend for health and mental health, taking total new investment to \$10 billion over last three years**
 - 33.4% uplift in Health's annual budget since coming to office, 57.3% uplift for mental health services
 - Highest spend per capita on our hospitals of any State – 18% above the national average
 - Equivalent of tertiary hospital added in the past two years – 547 beds
 - \$2.6 billion investment in health and mental health infrastructure and a further 600+ beds to be added to the system
 - 22% uplift in staff in the last three years, including 1,784 nursing and 779 medical FTE
- Historic reform with the implementation of nurse and midwife to patient ratios



Investing in our Health System

2023-24 WA State Budget

Health

- \$841 million increase in funding for hospital services
- \$78 million further spend on COVID-19 prevention and control measures
- \$75 million boost for ED pressures and our ambulance ramping strategy, increasing the total to \$453 million
- \$29 million for workforce attraction and retention, particularly for regional WA
- \$544 million to begin construction of the new Women and Babies Hospital over the next four years
- \$157 million to complete Stage 1 roll-out of electronic medical records and other ICT projects to improve access to specialist outpatient services and enhanced cyber security
- \$150 million for the Bentley Surgicentre to expand elective surgery capacity

Mental Health

- \$219 million for the Stage 1 redevelopment of Graylands Hospital
- \$201 million for mental health services

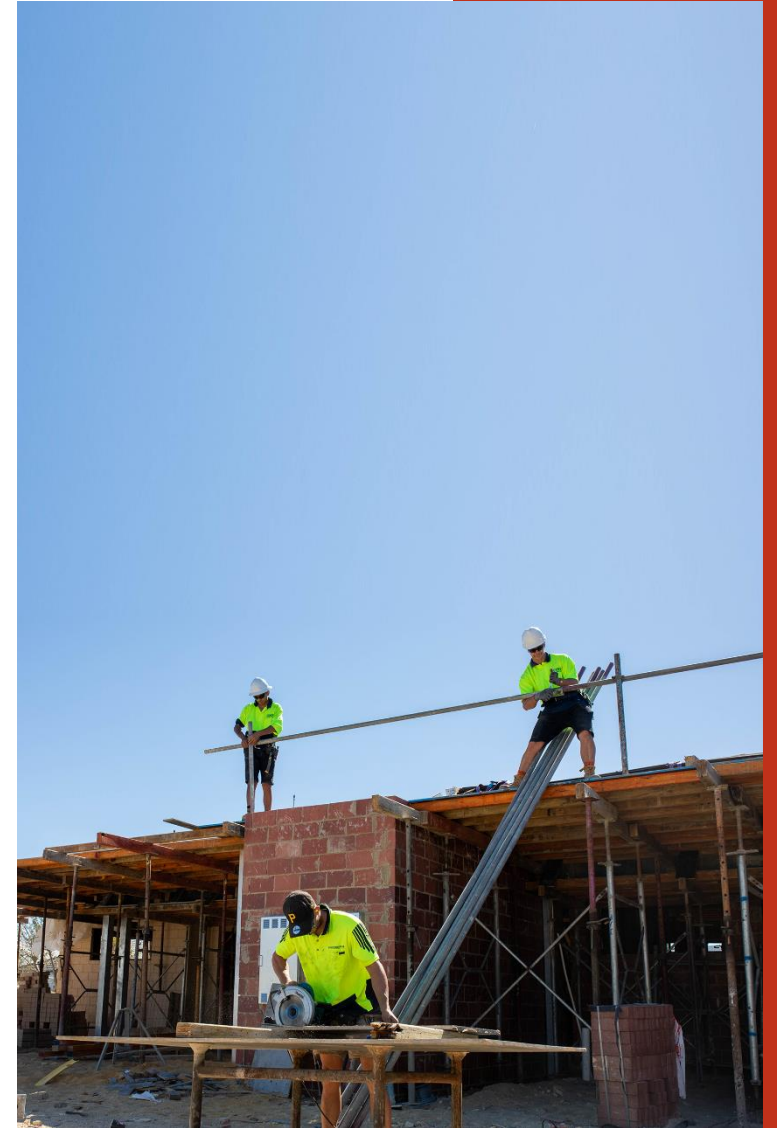
Housing and Homelessness

2023-24 WA State Budget

- **\$750 million package for social housing and homelessness, to boost housing and land supply and expand workforce capacity**

Social housing and homelessness

- \$511 million boost for social housing and homelessness, increasing total spend to \$2.6 billion over four years
- **Increase to 4,000 additional social housing dwellings to be delivered, with 1,200 already delivered**
- Includes \$49 million for 100 home Regional Supportive Landlord Model
- Establishing a dedicated Office of Homelessness



Housing and Homelessness

2023-24 WA State Budget

Expanding residential construction workforce

- Record 27,500 new homes under construction to boost supply over coming year
- \$48 million package to accelerate work, including:
 - Expanding local workforce
 - Boosting the Base Employer Grant
 - Expanding the Group Training Wages subsidy
 - \$2,000 training completion payment for apprentices
 - Expediting approvals of occupational licensing
 - Targeted visa subsidy program to attract skilled migrants

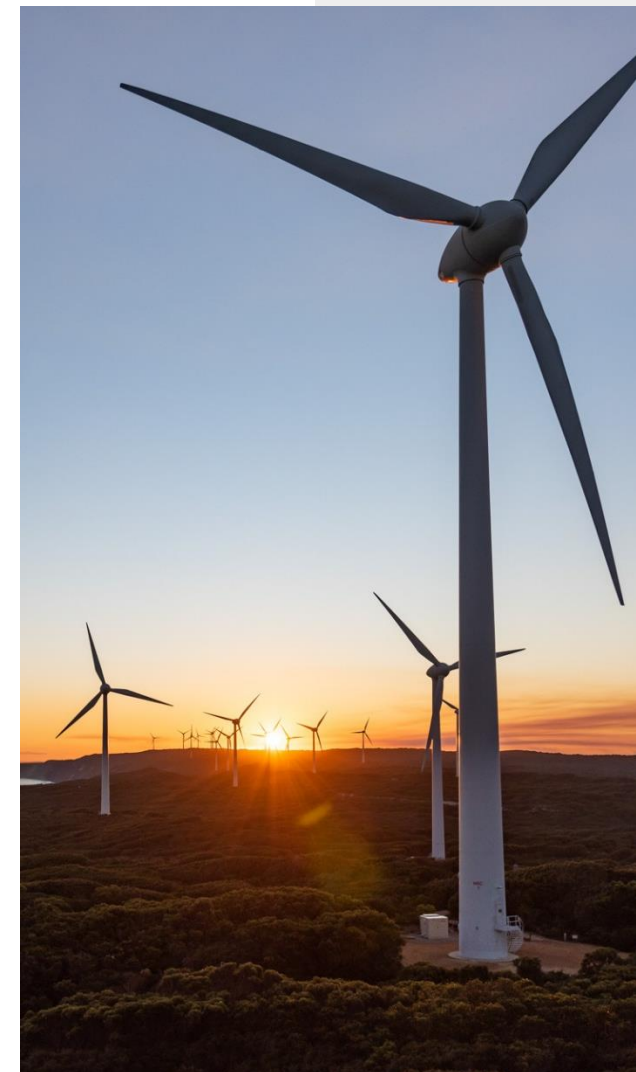
Boosting housing supply and choice

- \$33 million to extend the off-the-plan stamp duty concession and lift thresholds
- \$84 million to commence Bentley Residential Redevelopment and upgrade water infrastructure to unlock metro sites
- \$12 million boost for the Regional Development Assistance Program
- \$61.6 million additional funding for new and refurbished Government Regional Officer Housing

Climate Action and Decarbonisation

2023-24 WA State Budget

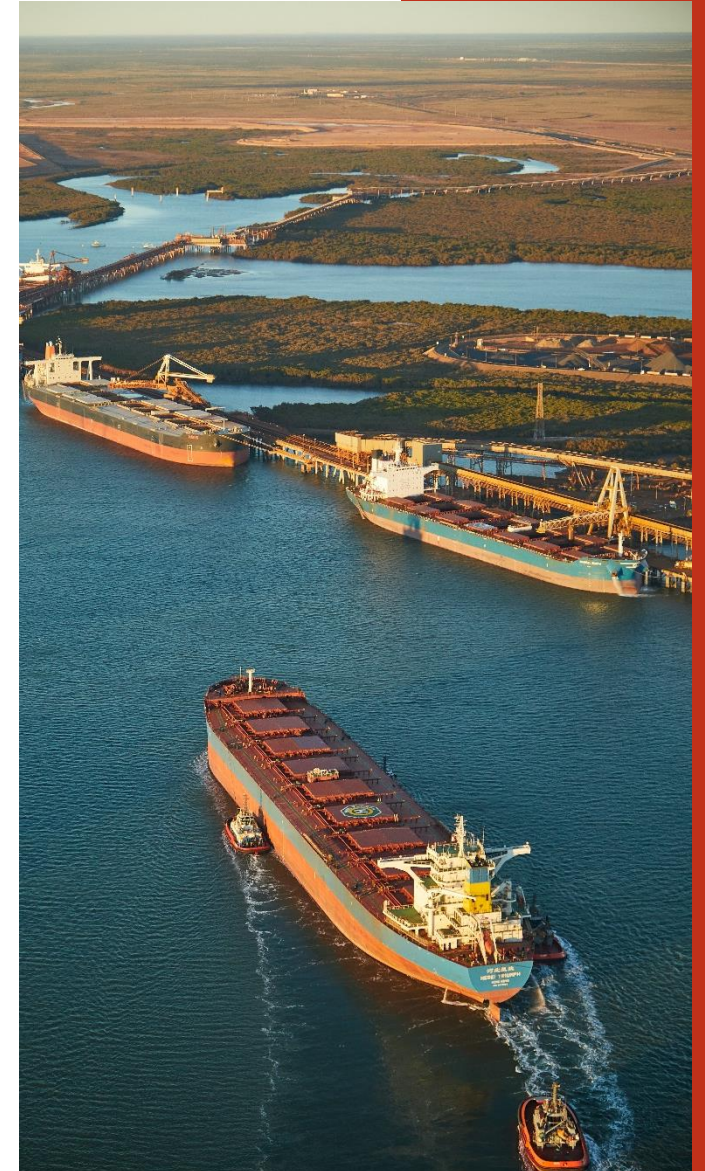
- **Massive \$3 billion for further action on climate change and achieving net zero emissions by 2050**
- \$2.8 billion to deliver on our plan to decarbonise the SWIS electricity grid and replace State-owned coal-fired power stations by 2030, comprising:
 - 500 MW battery in Collie, and a second 200 MW battery in Kwinana
 - New King Rocks wind farm and a proposed expansion of the 180 MW Warradarge Wind Farm
 - \$126 million for network upgrades, planning and ordering long lead-time items
- Government is working with industry to enable it to decarbonise and facilitate new industries such as hydrogen and critical minerals
- Investments reduce emissions, ensure security of the grid and keep electricity prices affordable
- \$196 million for a range of climate initiatives including commencing works for Perth's third desalination plant



Economic Diversification

2023-24 WA State Budget

- **\$463 million in economic diversification initiatives and infrastructure**
 - \$294 million of additional investments in road, port and electricity infrastructure that boosts the future economic capacity of our State
 - \$40 million Sustainable Geoscience Investments package to accelerate critical minerals discoveries
 - \$35 million top-up of Industrial Land Development Fund, prioritised towards Pilbara strategic industrial areas
 - \$28 million to support the State's invest and trade initiatives, including establishing a new invest and trade 'hub' in Texas
 - \$28 million for additional tourism and business events, and for continued recovery of international education sector
- **More than \$3.8 billion invested since 2021-22 Budget**



Infrastructure Investment

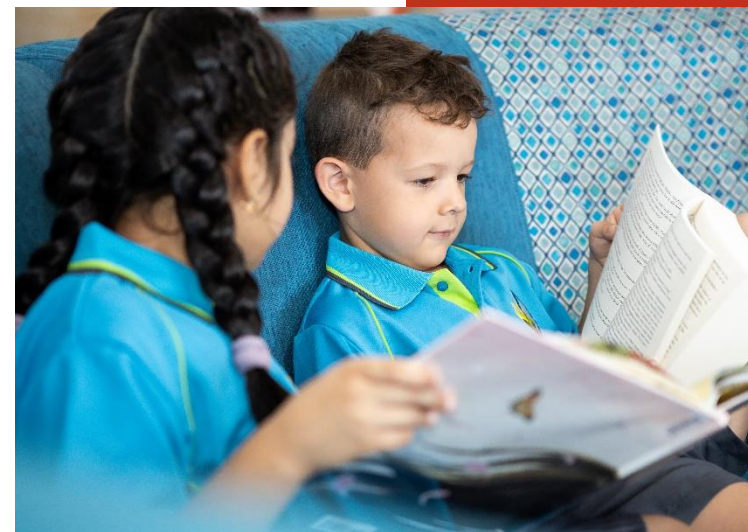
2023-24 WA State Budget

- **Record \$39 billion asset investment program**
- Additional \$2.5 billion for transport projects over 2022-23 to 2026-27
 - 2023-24 Budget prioritising delivery of METRONET and major road commitments
 - METRONET delivery to accelerate in 2023-24, including the opening of the new Yanchep Rail Extension and Bayswater Station southern concourse, and the first C-series trains entering service
- New transport investment includes:
 - \$250 million for procurement of electric buses and infrastructure, progressing our public transport network to a cleaner, greener future
 - \$195 million for the METRONET High Capacity Signalling program to increase capacity and efficiency of our rail network
 - \$175 million to continue the Regional Road Safety Program, for safety treatments on roads across WA

Education and Training

2023-24 WA State Budget

- **\$965 million investment in education and training**
- \$325 million for delivery of primary and secondary education, including supports for students with disability and with an additional language or dialect
- \$227 million for new and upgraded school infrastructure
 - \$100 million for major upgrades at Rockingham and Safety Bay Senior High Schools
 - \$21 million for new education support facilities at Wanneroo Secondary College and Waggrakine Primary School
- \$93 million for targeted training initiatives to enhance our pipeline of skilled workers for the future



Stronger Communities

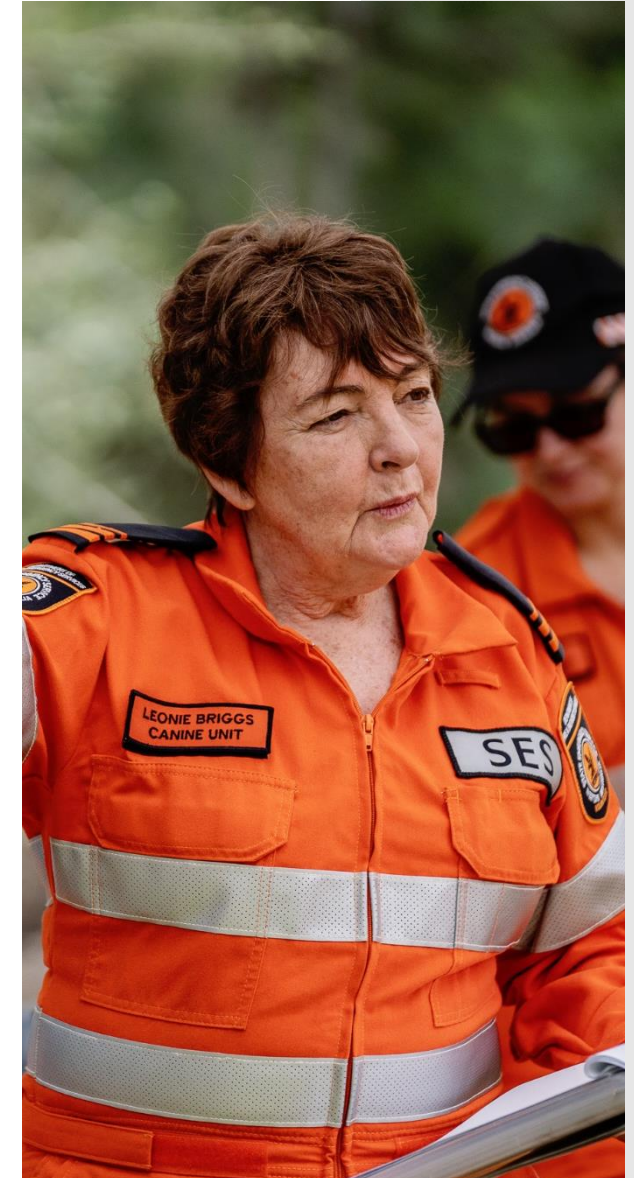
2023-24 WA State Budget

- **Additional \$1.5 billion for services to support our communities**
 - \$1.3 billion for increased State contributions to the NDIS, supporting greater number of WA participants
 - \$126 million for child protection services for children at risk of harm and their families
 - \$53 million for family and domestic violence initiatives, connecting victim-survivors with services they need
 - \$55 million for diversionary initiatives that reduce the number of youth and vulnerable people coming into contact with the justice system

Emergency Services

2023-24 WA State Budget

- \$322 million of support to communities in the Kimberley impacted by Ex-Tropical Cyclone Ellie
- \$24.4 million to permanently fund WA's largest-ever recovery team in response to the increasing frequency of natural disasters
- \$81.7 million to upgrade and maintain the State's emergency radio network and equipment used by frontline officers – including police officers and firefighters
- \$11.7 million to continue Operation Regional Shield to ensure police officers are available in communities hardest hit by youth crime



Investing in Regional WA

2023-24 WA State Budget

- **Massive \$11.2 billion investment in regional infrastructure, \$4 billion in Royalties for Regions**
- **\$2.7 billion to ensure power and water prices affordable**
- **Boosting services including health, education and training, community safety**

2023-24 Budget initiatives:

- \$342 million increase in spending on regional health and mental health services, including \$24.4 million for the Mental Health Emergency Telehealth Service
- \$175 million to continue the Regional Road Safety Program
- \$61.6 million investment in Government Regional Officer Housing
- \$31.3 million for the Buccaneer Archipelago Marine Parks
- \$23.6 million to support survivors of FDV in the regions, including a new hub in Broome
- \$22.2 million to implement the Sheep and Goat electronic identification system
- \$20.2 million for Future Drought Fund
- \$20.7 million boost to the Regional Airfare Zone Cap scheme
- \$6.5 million towards implementation of the Aquaculture Development Plan



Other Major Initiatives

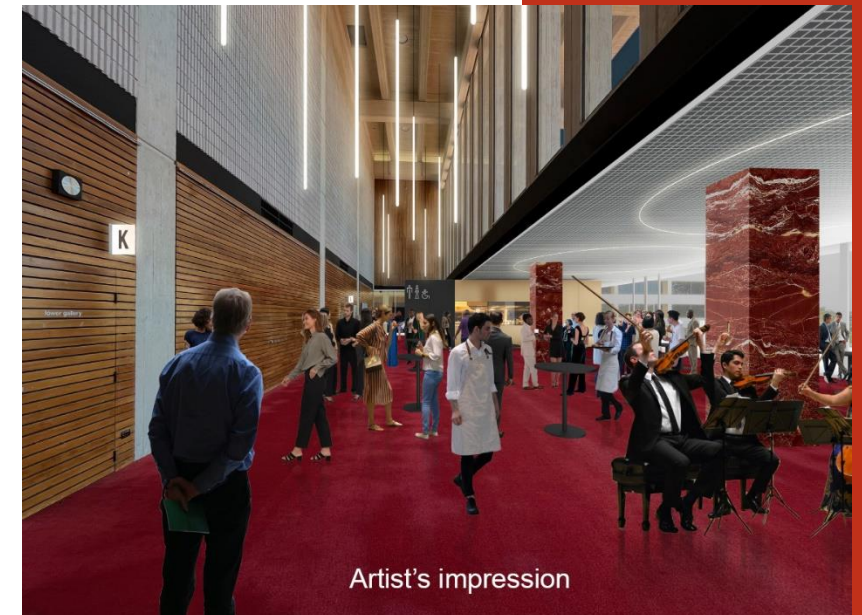
2023-24 WA State Budget

Investment in community infrastructure:

- \$127.8 million to transform the State Hockey Centre as WA remains Australia's 'Home of Hockey', bringing total investment to \$135 million
- \$97.9 million for Perth Concert Hall renewal to provide WASO a permanent home and reinstate venue as premium cultural precinct, bringing total investment to \$150 million

Enhancing services and assets:

- \$253 million from Digital Capability Fund for 30 ICT initiatives, improving digital service delivery
- \$250 million Asset Maintenance Fund, to ensure the State's valuable assets are maintained into the future



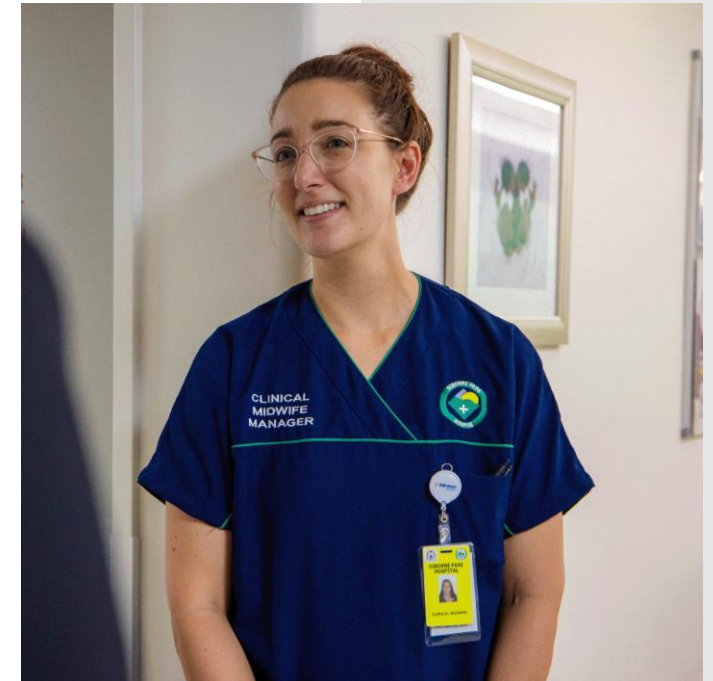
Conclusion

2023-24 WA State Budget

WA's strong Budget position is allowing us to invest in what matters to Western Australians.

The 2023-24 Budget:

- Provides genuine cost of living relief for households and small businesses
- Delivers record investment in our health system
- Boosts social housing supply and housing choice
- Invests in our future and supports long-term jobs
- Taking action on climate change
- Delivering infrastructure projects to improve future services and drive the economy





Western Australia

State Budget

2023-24

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