

24 May 2024

2024 IPAA WA Budget Briefing



Principal
Sponsor





Western Australia State Budget 2024-25

IPAA WA BUDGET BRIEFING

24 May 2024



This Budget

- Invests to create a pipeline of jobs and diversify our economy
- Invests like never before in key services
- Delivers cost of living support to all Western Australians



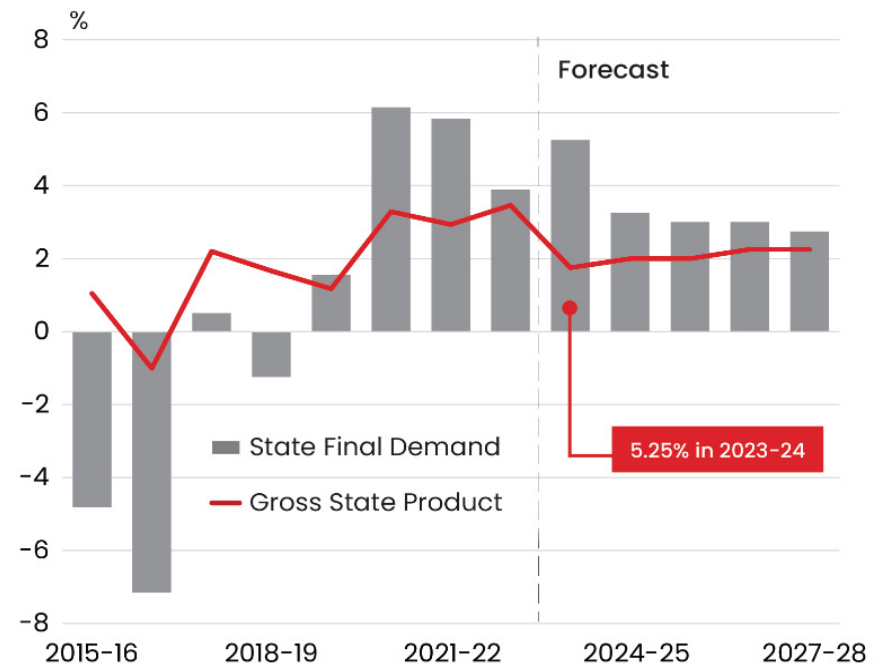
WA economy

WA's economy is firing on all cylinders:

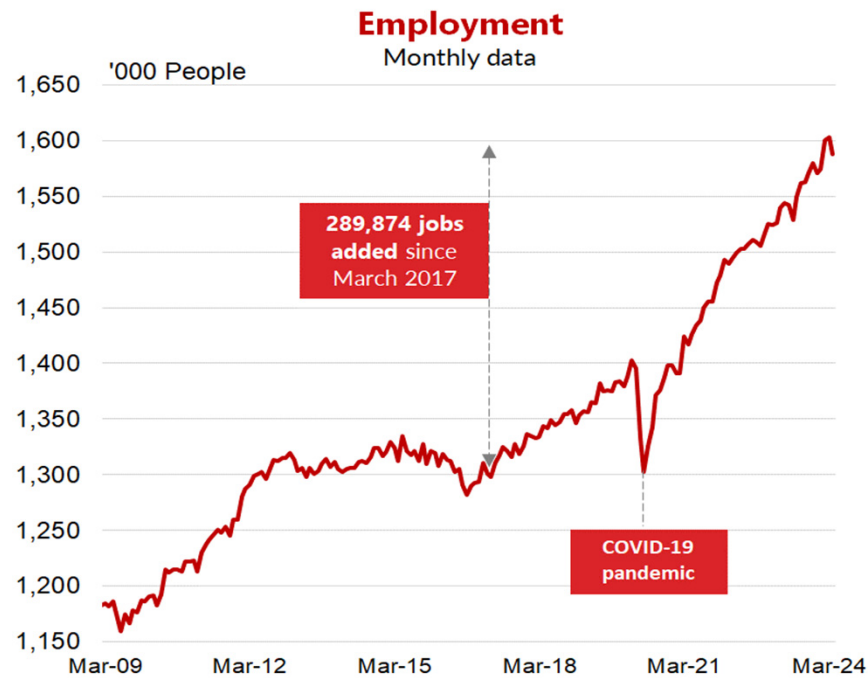
- **5.25% domestic economic growth forecast for 2023-24**
- **Strongest business investment in over a decade**
- **Significant Government investment in infrastructure, expanding economic capacity**
- **Western Australian household consumption resilient and the strongest in the nation**

Economic Growth

Western Australia



Labour market



Strong employment growth continues with close to 1.6 million Western Australians now employed, almost 300,000 jobs added since 2017



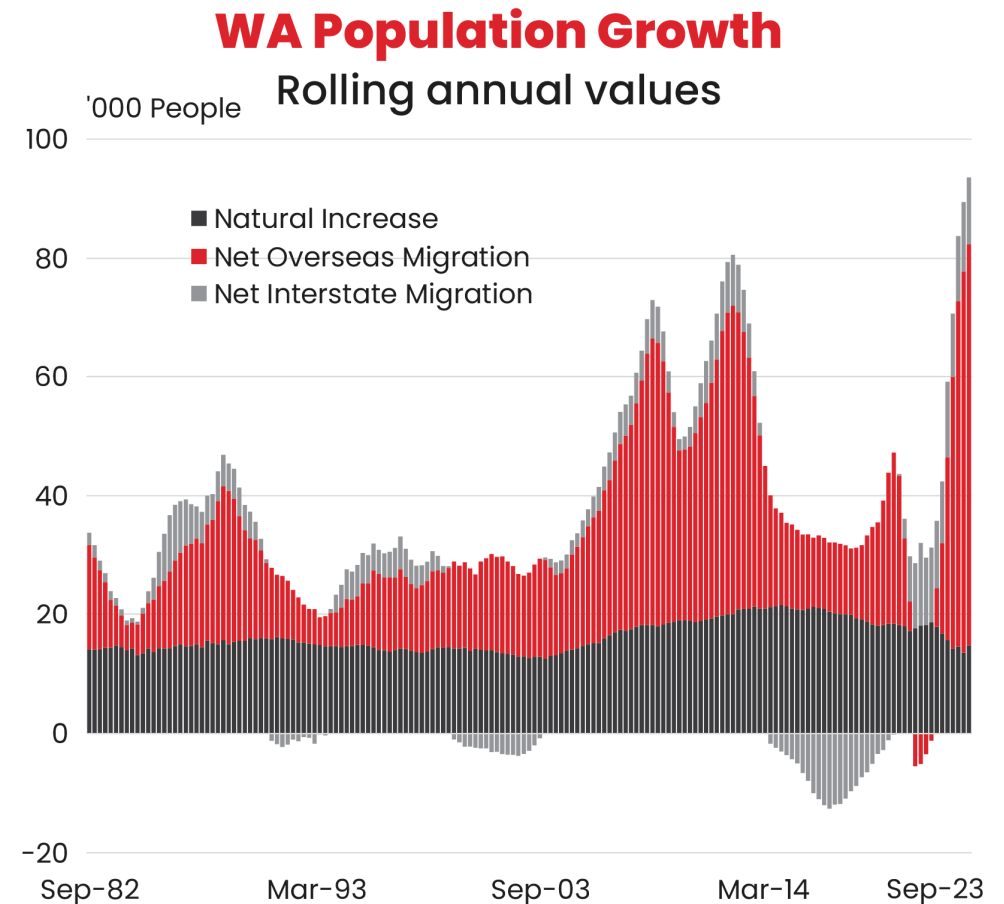
Unemployment rate the lowest of the States and at historically low levels

Population growth

Western Australia's population grew by 94,000 people over the year to September – the biggest increase on record

Population growth has been fuelled by strong net overseas migration nationally, as well as net interstate migration

WA's population is expected to exceed 3 million people next financial year



Net operating balance

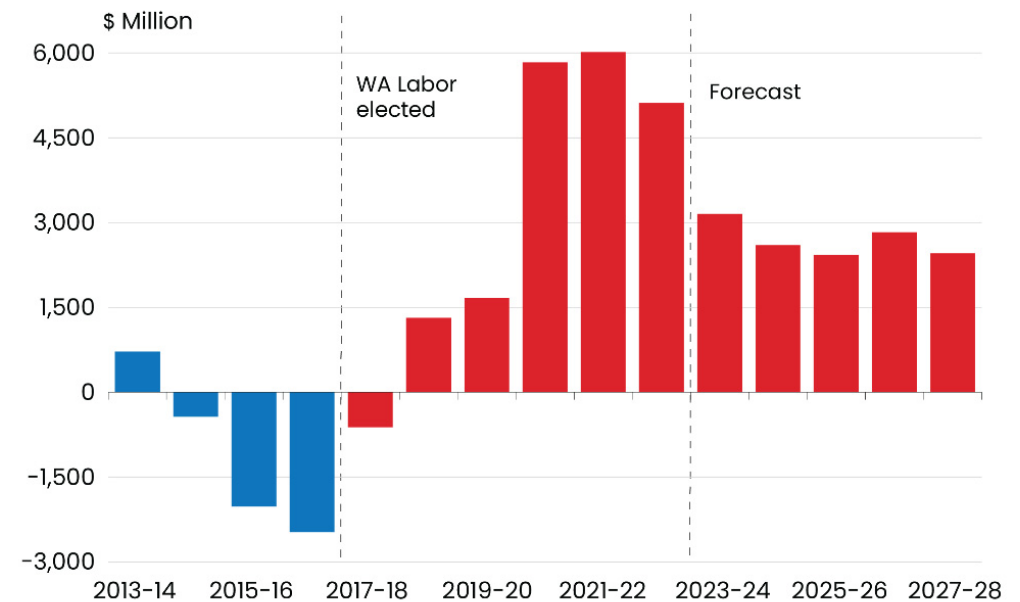
Sixth **consecutive** operating surplus in 2023-24 of \$3.2 billion.

\$2.6 billion surplus projected in 2024-25.

Operating surpluses to be maintained across the forward estimates period.

Strong financial position allows record investments in frontline services, cost of living support and infrastructure.

Net Operating Balance



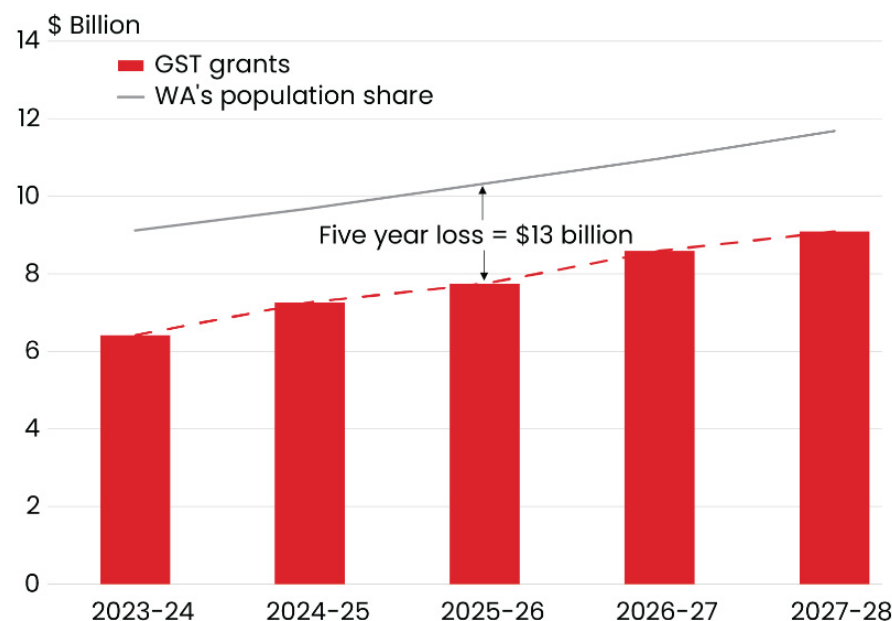
Fair share of the GST

WA's GST grant rises to 75% of our population share in 2024-25

- Still lower than any other State has ever received
- Would be just 11.5% without the 2018 reforms
- WA will still provide a \$13 billion subsidy to other States through the GST

Even with the reforms, WA has had the lowest population share for 17 of the 25 years since the GST was introduced

Loss in WA's GST Grants Compared to Population Share



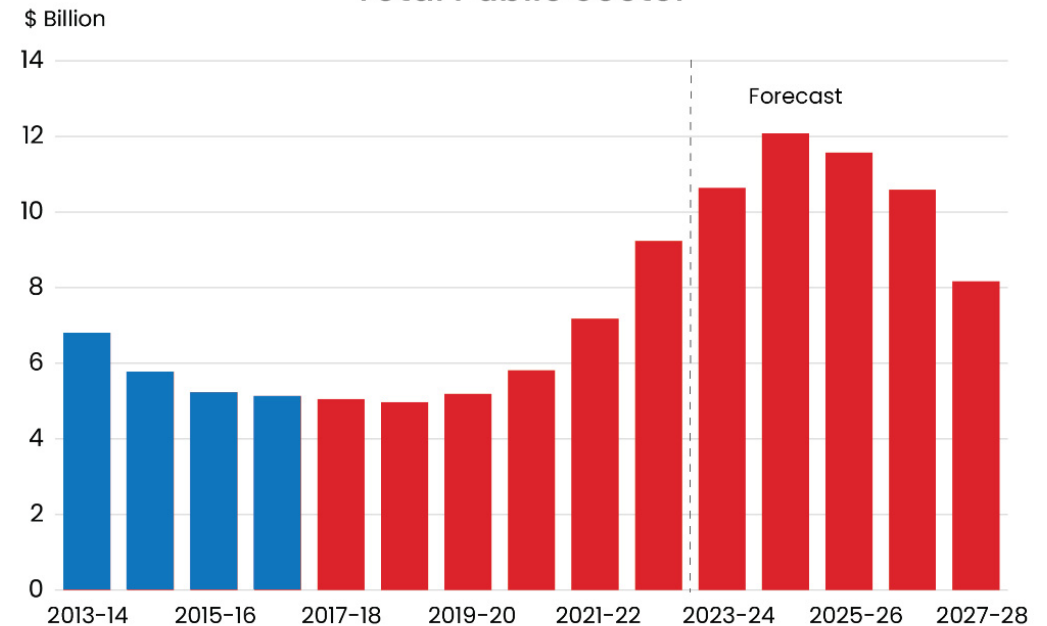
Infrastructure investment

Record \$10.6 billion in 2023-24,
increasing to \$12.1 billion in 2024-25

\$42.4 billion to be invested over the
next four years

Operating surplus funding minimises
debt impact for future generations.

Asset Investment Program Total Public Sector



WA STATE BUDGET 2024-25

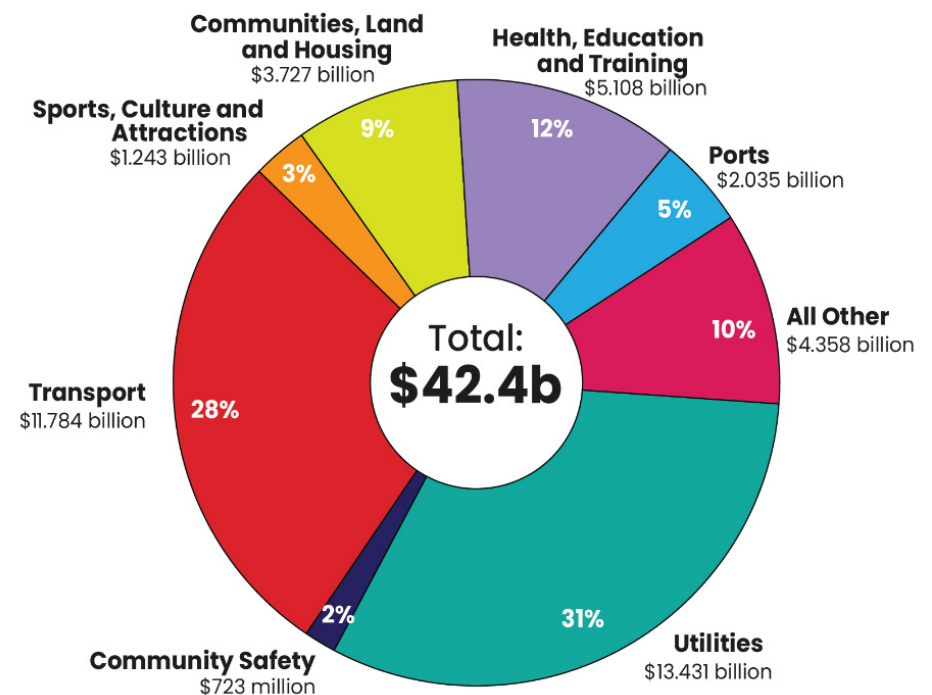
Infrastructure Investment

Infrastructure investment pivoting towards power, water, health and education

- \$13.4 billion in utilities
 - \$7 billion in electricity infrastructure
 - \$2.8 billion Alkimos Desalination Plant
- \$11.8 billion in transport
 - \$4.8 billion METRONET
- \$5.1 billion in health, education and training

Asset Investment Program

2024-25 to 2027-28



Net debt

Forecast net debt of \$28.6 billion by
30 June 2024

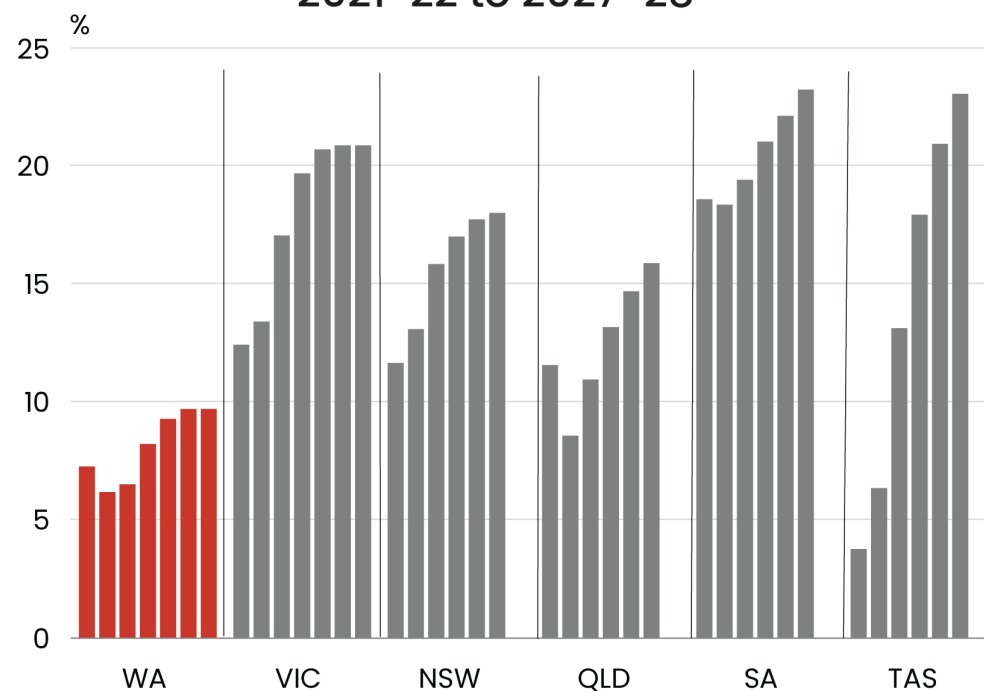
- Almost \$800 million lower than forecast at the 2023-24 Budget (\$29.4 billion)
- More than \$15 billion lower than projected under the previous Government
- Saving almost \$5 billion in interest

WA net debt remains most affordable
in the nation

Public sector net debt as a share of the State
economy forecast at 6.5% in 2023-24

Total Public Sector Net Debt as a share of GSP

2021-22 to 2027-28

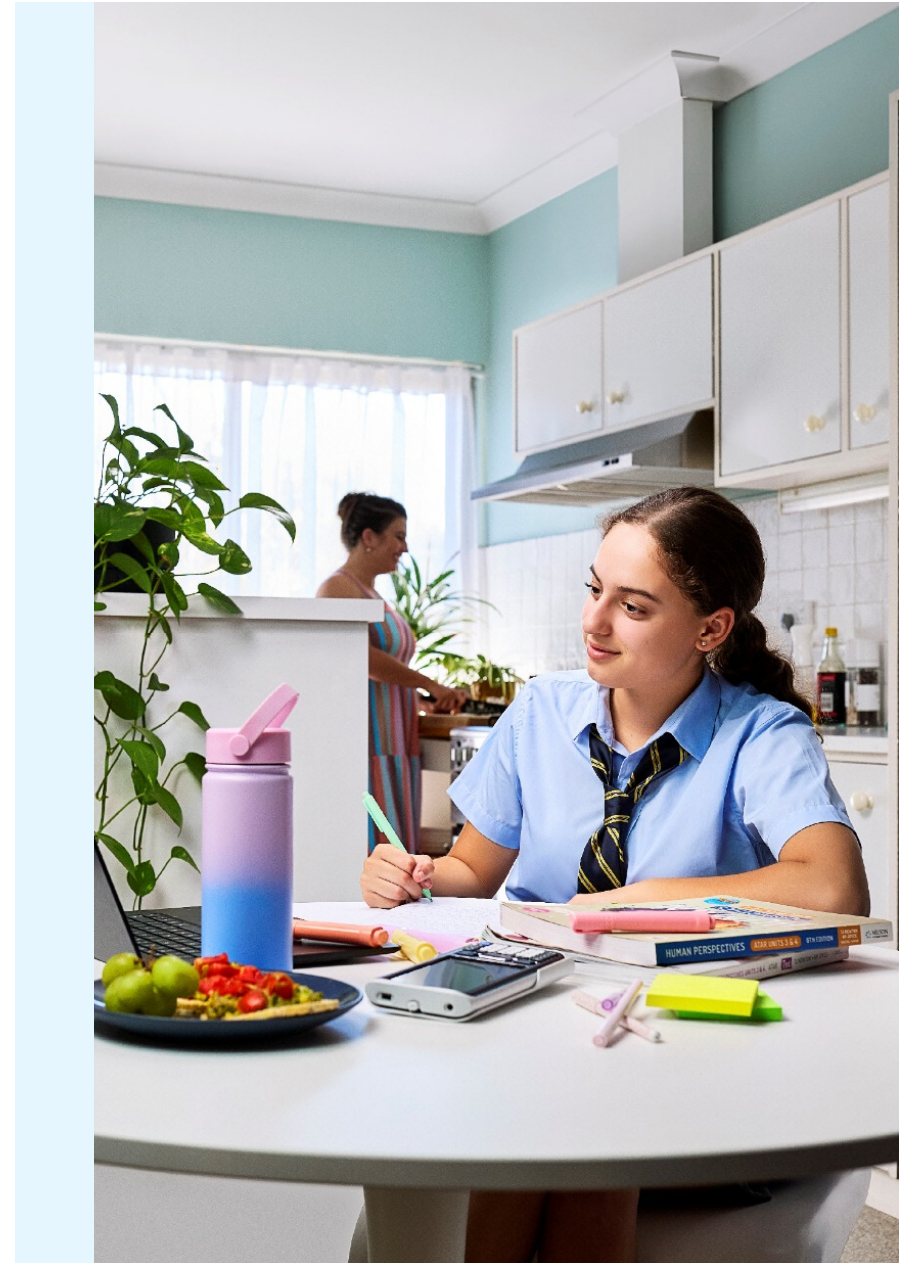


Supporting WA households

\$762 million cost of living package delivering record support to Western Australian families

- **WA Student Assistance Payment providing up to \$250 per child**
- **Free public transport for school students saving up to \$560 for a family with two kids**
- **\$65 million to extend regional airfare caps**
- **\$100 boost to the Regional Pensioner Travel Card to \$675 per year**
- **\$400 electricity credit for all WA households and small businesses**

\$1460 of State Government assistance for a family with two school-aged children



Investing in our health system

Record \$3.2 billion investment in health and mental health system

Since 2017, we have added:

- **4,400 nurses (FTE)**
- **1,800 doctors (FTE)**
- **45% increase in annual spending on health services since 2017**

Since 2021, we have added 709 new beds



Investing in our health system

The 2024-25 Budget includes:

- \$1.2 billion for public hospital services
- \$405 million for regional health services
- \$260 million on mental health and alcohol and other drug initiatives
- \$155 million for initiatives to improve emergency access and reduce ambulance ramping, bringing total investment to \$827 million in last three years
- \$39 million for Child Development Services
- \$839 million in health infrastructure investment, including next stage of roll out of the Electronic Medical Record Program

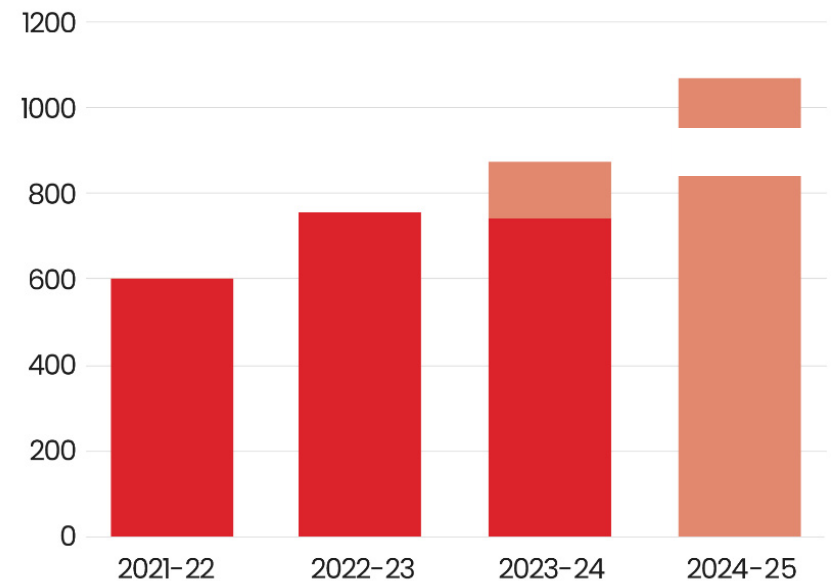


Housing and homelessness

Massive \$1.1 billion additional investment to boost housing supply and affordability, and support homelessness services

- **\$400 million investment in the Social and Affordable Housing Investment Fund increasing total investment to \$1.6 billion**
 - **Almost 5,000 social houses committed in this term with more than 2,100 already delivered**
- **\$179 million uplift to maintain the State's 45,000 social, remote and government worker houses**
- **\$144 million in Housing Diversity Pipeline projects**
- **\$92 million for homelessness to support more than 120 service providers**

Social housing delivery



First Home Buyers: Stamp Duty

\$82 million in stamp duty relief for first home buyers

Thresholds raised to:

- **\$450,000 for exemptions, from \$430,000**
- **\$600,000 for concessions, from \$530,000**

Housing supply

\$85 million to boost the construction workforce

- **Incentives for local apprentices and employers, and to attract skilled migrants**

\$5,000 incentive payments for owners of vacant properties who place them on the long-term rental market

Education and training

\$1.3 billion investment in education and training to meet the needs of our rapidly growing population and economy

- **\$391 million for increased enrolments for public and non-government schools, students with disability, and English as an additional language**
- **\$410 million to build new schools and expand existing school capacity**
- **\$195 million investment in training including focus on construction trades, heavy vehicle driver training and Fee Free TAFE courses**



Stronger communities

- \$96 million for family and domestic violence initiatives and reform, bringing total new investment to \$422 million since 2021
- \$88 million for child protection initiatives
- \$16 million for the 10-year Early Years Partnership
- \$16 million for youth justice programs for Aboriginal and at-risk young people
- \$17 million to support historic overhaul of firearms laws



Economic diversification and decarbonisation

\$1.8 billion investment to diversify and decarbonise our economy

- Further funding to overhaul the South West electricity grid
- \$500 million to establish a Strategic Industries Fund
- \$373 million investment in ports
- \$116 million for Westport, including early works
- \$36 million for regulatory reform and red tape reduction
- \$10 million to grow our space industry
- \$16 million to open a Founders Factory



WA STATE BUDGET 2024-25

Tourism and events

\$165 million Outdoor Adventure Tourism package to ensure our State remains a world-class destination of choice and drive regional tourism

- **\$82 million for boating and maritime facilities**
- **\$46 million for hiking and cycle trails**
- **\$17 million for campgrounds and facilities**
- **\$16 million for Kalbarri foreshore and Houtman Abrolhos Islands**

\$150 million for Rottnest Island essential infrastructure

- **Staff accommodation, freight facilities and utilities**

\$37 million additional investment in tourism, including major and metro events programs



Building METRONET

- Delivered the Airport Line; Lakelands Station; the new Bayswater Station and more
- First WA-made train in 30 years now on the network
- Delivering the Yanchep Rail Extension, Morley-Ellenbrook Line, the Byford Rail Extension, the Victoria Park-Canning Level Crossing Removal program, and the Thornlie-Cockburn Link in 2024-25
- High-quality, affordable public transport



Conclusion

2024-25 Budget delivers on the WA Labor Government's commitment to the people of Western Australia, to:

- **Manage the State's finances responsibly**
- **Create more jobs and a strong economy**
- **Improve services and infrastructure across WA**

- **Cost of living support for households and small businesses**
- **Boosting housing supply and affordability**
- **Investing in key services including our health system, education and training**
- **Strengthening our communities**
- **Diversifying and decarbonising our economy through reform to make it easier to do business, investments in key industries and enabling infrastructure**