

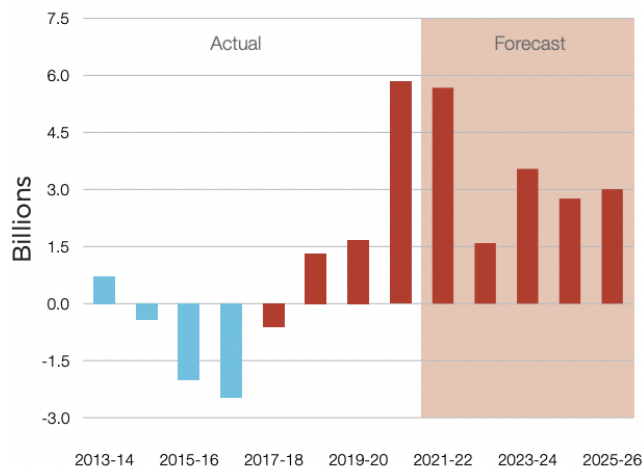
2022-23 Western Australian Budget

Introduction

On Thursday 12th May 2022, the Western Australian Premier and Treasurer Mark McGowan delivered the 2022-23 WA State Budget. The budget comes as WA continues its soft landing out of the 24 months of COVID-19 restrictions and in the lead up to the Australian Federal Election.

WA's underlying financial position will be almost \$5.7 billion in surplus this financial year – the only state budget to be in the black. Strong Health and Economic Management throughout the pandemic, surging mining royalties and uninterrupted operations has led to WA's budget surplus. GST reform will this year see an extra \$4.4 billion added to the state revenue.

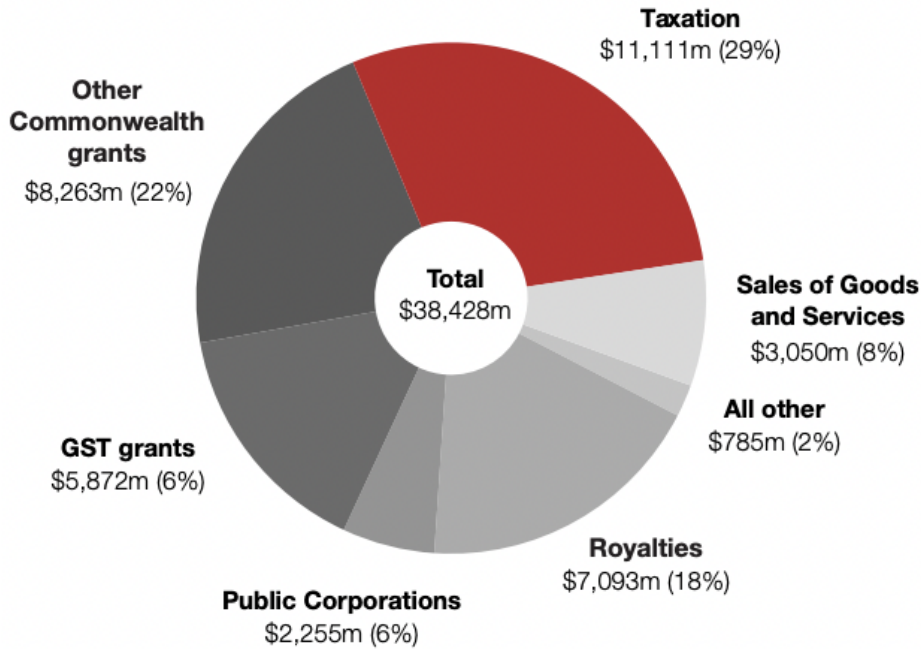
General Government Operating Balance



The State's net debt is expected to decline for a third consecutive year to \$29.9 billion, compared to the net debt position of \$41.1 billion in 2017 when McGowan came to power.

- The Western Australia domestic economy grew by 7.2% over the two years of the pandemic
- The unemployment rate declined to 3.4% in March 2022
- Employment is at a record high with 1.46 million Western Australians in jobs
- Treasury forecasts that Gross State Product (which includes international trade) will grow by 3.75% in 2021-22
- \$1.2 billion for early repayments of existing debt inherited from the previous Liberal National Government and reducing the State's exposure to future interest rate increases
 - Saving an estimated \$132 million in interest payments over the next four years.

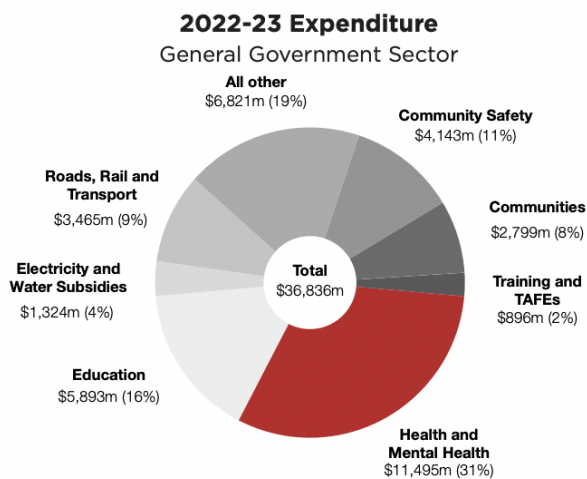
2022-23 Revenue General Government Sector



Graph sourced from WA revenue fact sheet.

Perth has seen a 7.6% jump in inflation over the past year, compared to 5.1% nationally thus, the cost of living is a “major focus” of Mark McGowan’s second Budget as State Treasurer. The budget also has the largest capital works project in the state's history.

Expenses in the budget are forecast to total \$36.8 billion in 2022-23:



Graph sourced from WA revenue fact sheet.

Below outlines the major funding commitments. For detailed information about funding commitments that may impact your industry, contact your Hawker Britton consultant.

Health and Mental Health

WA Health and Mental Health annual budget has grown from \$8.8 billion in 2016-17 to \$11.6 billion in 2021-22, an increase of 30.9 %. The \$2.5 billion additional funding in the budget includes:

- \$1.3 billion additional investment in WA Health services, \$995 million for COVID-19 health response and \$181 million boost to mental health services
- \$252 million to boost and reform WA's hospital emergency capacity
- \$223 million towards new health infrastructure and major hospital redevelopments, totalling \$1.6 billion, in addition to the \$1.8 billion new Women and Babies Hospital

Infrastructure

Record \$33.9 billion infrastructure spend to ensure that infrastructure accommodates projected population growth as well as demographic and regional changes.

METRONET

- A further \$6 billion allocated over the next four years to METRONET
- Two new METRONET Projects - the Morrison Road Level Crossing Removal and the Canning Bridge Bus Interchange
- Key milestone expected 2022-23 when the first C-series train rolls out of the Bellevue Railcar Manufacturing and Assembly Facility for testing on the network

Roads

- The State Budget includes \$9 billion for major road projects around the State
- Including \$3.4 billion for major projects and upgrades in the metropolitan area to continue congestion-busting and job-creating road projects

Regional Roads

\$5.6 billion investment in this budget towards improving and renewing regional road infrastructure to improve regional road safety, reduce travel times and increase freight efficiency.

Continued commitment to regional WA programs over the next four years include:

- \$146 million for the Safer Roads and Bridges Program; and
- about \$200 million for the Resealing Program.

Other Regional Investment

\$12 billion infrastructure program in regional WA up for:

- \$4.2 billion to be delivered through Royalties for Regions
- \$158.3 million boost for regional health and mental health
- Significant cost of living relief, saving regional households hundreds of dollars
- Billions more invested in services, including education, police and TAFE
- Australian-first regional airfares cap starts July 1, delivering election commitment
- More than \$4.2 billion delivered through Royalties for Regions

Other Transport Investment

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- \$60 million Clean Energy Car Fund to accelerate the use of electric vehicles (EVs), including \$3,500 rebates and investments in EV charging infrastructure.
- \$347 million over the next four years for more cycling and walking infrastructure for Western Australians.
- \$73 million Principal Shared Path program, which will see even more upgrades and extensions to Perth's path network, improving connectivity and amenity for cyclists and pedestrians.
- Cycling and walking infrastructure to be included as part of major road projects

Ports

- \$507.9 million investment to upgrade port infrastructure across Western Australia to boost trade, create jobs and grow the economy, taking investment in WA port authority projects over the next four years to \$1.7 billion.

Education

- \$6 billion for education - increasing funding to improve outcomes for WA students - particularly those with disabilities and additional learning needs
- \$595 million investment into new and upgraded school facilities
- \$54.6 million increase in support for students with disabilities and additional learning needs
- \$42.5 million for COVID-19 responses in schools, in line with health advice
- \$2.5 million to support phonics skill development from Year 1
- \$263.7 million funding increase for delivery of education this financial year

Training

- \$76.5 million into more targeted training opportunities in WA
- \$38.4 million additional funding for Lower fees, local skills initiative
- \$11 million boost for Defence Industry's professional and para-professional workforce
- \$14.3 million to support training in WA's in-demand construction industry
- \$5.5 million to help mature-aged jobseekers and ex-offenders into jobs
- \$4.9 million in support for Collie workforce transition
- \$2.4 million to attract international students to the regions to help address skills shortages
- Continuing to grow WA's TAFE and training sector

Housing and Homelessness

- \$408 million for new housing and homelessness measures
- New \$350 million Remote Communities Fund which will support improved water, power and municipal services, and increase housing availability in remote Aboriginal communities
- Total investment in housing and homelessness \$1.3 billion over the past two years
- State Budget delivers tax reform and incentives to boost housing and land supply
- Initiatives support more housing and land for the regions, and further incentives for urban infill
- 50 per cent land tax concession for new build-to-rent projects
- Stamp duty rebate of up to 100 per cent for eligible off-the-plan apartment purchases

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- Planning reforms to include density bonus for private projects that include five per cent social housing
- New and updated Keystart loan products helping more Western Australians access housing finance
- Further measures to reduce red tape for taxpayers and simplify tax administration

Environment and Climate Change

An extra \$652 million for climate action and environmental initiatives to fund WA's low carbon future. This includes \$500 million extra for the Climate Action Fund (taking the total to \$1.25 billion) and almost \$60 million to accelerate the use of zero emission vehicles.

- \$62 million to power Rottnest Island with 75 per cent renewables
- \$31 million for climate action research and planning
- \$30 million from the Climate Action Fund to boost the Just Transition Plan to support the end of native logging in 2024
- Budget responds to climate change and supports WA's prosperous low-carbon future

Police and Emergency Services

- \$106 million increase in State Budget to boost policing and community safety
- \$12.3 million to deliver the Police Compensation Scheme
- \$47.9 million to upgrade police information and communications technology
- \$11.1 million towards the new Armadale Courthouse and Police Complex
- \$2.5 million for Operation Regional Shield targeting youth crime in regional WA
- \$67 million invested in emergency services
 - \$11 million for WA's first locally-based Large Air Tanker during bushfire season
 - \$12.5 million for the Jandakot Consolidated Aviation Airbase
 - Additional \$4.2 million to assist with ongoing disaster recovery assistance
 - Other funding will go to the State's emergency management website, Emergency WA and The Direct Brigade Alarm Network

Community

- \$160.1 million committed to support community service providers and not-for-profits
- \$34.4 million boost for family and domestic violence programs
- \$114 million boost to protect and support Western Australian children
- \$40.4 million to support young people and reduce youth crime in Kimberley
- \$95.7 million to support people living with a disability in Western Australia
 - Funded through NDIS
- 152.8 million to the WA Government's ongoing response to the Royal Commission into Institutional Responses to Child Sexual Abuse
- \$30 million allocated to a relief scheme for head contractors on government projects impacted by unforeseen supply chain impacts
- \$600 million for Aboriginal initiatives aimed at Closing the Gap which includes:
 - \$350 million for new Remote Communities Fund to improve essential water and electricity services and increase housing availability

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- \$19.7 million to construct an Aboriginal Short Stay Accommodation facility in the Perth metropolitan area
- \$16.6 million to expand earlier intervention services into regional areas
- \$11 million for Murujuga National Park to support cultural heritage and create jobs
- \$7 million to improve the uptake of antenatal care and maternity health outcomes for Aboriginal women

To view the full 2022-23 Budget Papers, click [here](#)

For more information, please contact Emma Ramage, Western Australian Director on +61 430 811 929.