



Media Release by Under Treasurer

2024-25 Pre-election Financial Projections Statement

In accordance with the requirements of the *Government Financial Responsibility Act 2000*, I have today released the 2024-25 Pre-election Financial Projections Statement (PFPS).

The Act requires the Under Treasurer to release a PFPS within ten days of the dissolution of the Legislative Assembly. The Legislative Assembly was dissolved on 29 January 2025.

The PFPS contains Treasury's latest assessment of the State's economic and fiscal position and outlook over the period 2024-25 to 2027-28. It includes all relevant information, including decisions of Cabinet, up to and including the 1 February 2025 cut-off date for this PFPS.

The outlook for the Western Australian economy is broadly consistent with expectations at the time of the 2024-25 Mid-year Review. However, recent data point to a stronger labour market and slower inflation than expected at Mid-year Review. For 2024-25:

- the forecast unemployment rate has been revised down to 3.5% (from 4% at Mid-year Review), following a stronger than expected 25,000 jobs created in November and December 2024; and
- forecast growth in Perth's Consumer Price Index (CPI) has been revised down to 2.75% (from 3.25%), following a weaker than expected increase in the December quarter CPI.

The State's fiscal outlook has improved since the Mid-year Review, with higher operating surpluses in each year of the forward estimates period (including an estimated \$3.2 billion surplus for 2024-25) and a \$2 billion reduction in the forecast level of net debt at 30 June 2028 (revised down to \$37.6 billion, from \$39.6 billion at Mid-year Review). This reflects an improved revenue outlook since Mid-year Review, mainly due to:

- a depreciation of the Australian dollar against the US dollar, which has increased forecast mining revenue over the forward estimates by \$831 million;
- higher GST grants (up \$729 million), mainly reflecting upward revisions in the Commonwealth's Mid-Year Economic and Fiscal Outlook to both the national GST pool and Western Australia's population share; and
- slightly higher commodity prices (mainly iron ore and gold), which have increased forecast mining revenue by \$412 million.

Relative to Mid-year Review, general government expenses have been revised up by a modest \$458 million (or 0.3%) across the forward estimates period. The State's Asset Investment Program has been revised up in the current year (to \$13.6 billion) based on year-to-date spending performance by agencies, but remains broadly unchanged over the forward estimates.

The PFPS is available on the Treasury website <https://www.wa.gov.au/organisation/departments/treasury>. Queries on this report should be directed to undertreasurer@treasury.wa.gov.au.

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UNDER TREASURER

DEPARTMENT OF TREASURY

7 February 2025