



Our ref : 00611869

Hon Mark McGowan MLA
Leader of the Australian Labor Party
(Western Australian Branch)
PO Box 5324
ROCKINGHAM BEACH WA 6969

Dear Mr McGowan

2021 STATE ELECTION POLICY COSTING – IMPACT OF AUSTRALIAN LABOR PARTY COMMITMENTS ON STATE FINANCES

The Caretaker Conventions applying to the 2021 State Election allow the major parties to request costing advice for their party's election commitments, including the impact of these commitments on the Pre-election Financial Projections Statement (PFPS, released on 8 February 2021).

On 19 February 2021, the Department of Treasury (Treasury) received your request to verify costings for a second tranche of election commitments announced by the Australian Labor Party from 12 February 2021 to 18 February 2021 and listed at **Attachment A**.

Relative to the PFPS, the impact on the State's finances of these commitments is outlined in the table below. As indicated, the costed commitments are estimated to increase net debt by \$768 million over the current forward estimates period (i.e. to 30 June 2024). This comprises a direct cost of \$752.3 million (as detailed in Attachment A), and a flow-on impact of \$15.4 million on interest costs.

Combined with the previous costing request published on 17 February 2021, the Australian Labor Party's commitments submitted for costing to date are estimated to total \$1.819 billion in net debt terms to 30 June 2024.

Table 1

IMPACT ON STATE FINANCES ^(a)
Australian Labor Party Commitments to 18 February 2021

	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m
Estimated Impact of Tranche 2 Commitments ^(b)				
GENERAL GOVERNMENT SECTOR				
Net Operating Balance	-65	-67	-102	-115
Revenue	-	-	-	-
Expenses	65	67	102	115
TOTAL PUBLIC SECTOR				
Net Debt at 30 June	66	204	481	768
Asset Investment Program	1	71	174	170
Estimated Impact of All Commitments Costed to Date ^(b)				
GENERAL GOVERNMENT SECTOR				
Net Operating Balance	-159	-265	-264	-270
Revenue	-	-	-	-
Expenses	159	265	264	270
TOTAL PUBLIC SECTOR				
Net Debt at 30 June	159	554	1,179	1,819
Asset Investment Program	1	130	359	367
Revised PFPS Aggregates				
GENERAL GOVERNMENT SECTOR				
Net Operating Balance	2,965	1,967	1,219	1,641
Revenue	36,622	34,252	32,919	33,986
Expenses	33,657	32,286	31,701	32,345
TOTAL PUBLIC SECTOR				
Net Debt at 30 June	36,807	39,779	41,532	42,039
Asset Investment Program	7,597	8,616	7,092	6,444

(a) Based on information made available by the Australian Labor Party and analysis by Treasury with input from State government agencies.

(b) Includes the impact of indirect costs such as changes to interest.

The Australian Labor Party's cost estimates for tranche two of its commitments are considered reliable. Treasury has identified a difference in relation to just one commitment, with Treasury's costing being \$2.5 million lower than the Australian Labor Party's costing (as outlined in **Attachment A**).

Consistent with the Caretaker Conventions, this advice has been published on the Treasury website.

Yours sincerely

Michael Barnes
 UNDER TREASURER

24 February 2021

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ELECTION COMMITMENTS SUBMITTED FOR COSTING

The following table lists the election commitments submitted by the Australian Labor Party on 19 February 2021 for costing by the Under Treasurer under the Caretaker Conventions. The table shows the estimated impact on net debt to 30 June 2024 for both the Australian Labor Party costing and Treasury's costing. Other election commitment costing advice is available on Treasury's website at www.treasury.wa.gov.au.

ELECTION COMMITMENT COSTINGS				
Commitment Title	Labor Party Costing Impact on Net Debt to 30 Jun 2024	Treasury Costing Impact on Net Debt to 30 Jun 2024	Net Debt Variance	
	\$m	\$m	\$m	
127	Mental Health Co-Response	13.8	13.8	-
128	Mental Health - Rockingham Health Service	10.3	10.3	-
129	Mental Health - Armadale Health Service	14.3	14.3	-
130	Liquor Reforms ^(a)	-	-	-
131	Workplace Mental Health Grants	3.0	3.0	-
132	State-Wide Eating Disorders Service	19.5	19.5	-
133	Investing in Aboriginal Social and Emotional Wellbeing	17.6	17.6	-
134	WA Aids Council Funding	0.4	0.4	-
135	Youth Long-term Housing and Support Program	13.1	13.1	-
136	Youth Step Up/Step Down	6.9	6.9	-
137	Child, Adolescent and Youth Forensic Outreach Service	9.0	9.0	-
138	Expansion of Youth Mental Health Community Treatment Services	7.0	7.0	-
139	Expansion of Youth Community Assessment and Treatment Teams to East Metro	9.6	9.6	-
140	Expansion of Youth Community Assessment and Treatment Teams to North Metro	9.6	9.6	-
141	Expansion of Youth Community Assessment and Treatment Teams to South Metro	6.2	6.2	-
142	Youth Alcohol and Other Drug Workers in Youth Accommodation and Support Services	6.9	6.9	-
143	Expanding the Strong Spirit Strong Mind Campaign	7.0	7.0	-
144	Psychosocial Support Package for Young People	6.3	6.3	-
145	Alcohol. Think Again - Parents, Young People and Alcohol Campaign	5.2	5.2	-
146	Sport and Community Infrastructure	77.5	77.5	-
147	Science in Primary	21.1	21.1	-
148	School Package	212.2	212.2	-
149	Support Scheme for School-based Traineeships and Apprenticeships	0.9	0.9	-
150	Specialised Career Development Staff ^(b)	23.8	21.3	-2.5
151	Professional Development for VET Teachers in Schools	20.8	20.8	-
152	Taster Programs to Year 9 Students	13.6	13.6	-
153	TAFE College Lecturers Industry Placement	7.0	7.0	-
154	Career Learning Toolkit for Year 8 and 9 Students	2.0	2.0	-
155	Career Resources to Support Parents	0.6	0.6	-
156	Renewable Technologies in Manufacturing/Windfarms	175.1	175.1	-
157	School Clean Energy Technology Fund	30.0	30.0	-
158	Expanding the Pilbara Solar School Initiative	0.9	0.9	-
159	Expanding the Kimberley Solar School Initiative	3.7	3.7	-
TOTAL		754.8	752.3	-2.5

(a) This commitment is assumed to be funded from within existing agency resources, resulting in no impact on the State's net debt.

(b) The Australian Labor Party's commitment is costed on a calendar year basis. Treasury's costing reflects a conversion to financial years, resulting in a lower net debt impact to 30 June 2024.