

Western Australian Treasury Corporation

2026-27 State Budget Borrowing Program Update

Introduction

On Thursday 7 May 2026 the Western Australian Government released its [2026–27 State Budget](#), providing the latest information on Western Australia’s economic and fiscal outlook.

Updated Term Funding Requirements

Western Australian Treasury Corporation’s (WATC) term funding program over the financial years 2026–27 to 2029–30 is projected to be \$37.3 billion. This includes an estimated new money program of \$14.2 billion to assist funding the Western Australian Government’s \$44.3 billion Asset Investment Program over this four-year period.

Term Funding Requirement As at 7 May 2026	2026–27 State Budget			
	2026–27 \$b	2027–28 \$b	2028–29 \$b	2029–30 \$b
New Money Program (Est.)	5.8	4.3	2.5	1.6
Project Maturities	5.3	5.3	6.1	7.1
Total Maturities + New Money	11.1	9.6	8.6	8.7
Less Pre-funding	0.7	0.0	0.0	0.0
Total Term Funding	10.4	9.6	8.6	8.7

WATC 2026–27 Funding Strategy

It is expected that WATC’s Benchmark Bond program (including regular and sustainable bonds) will be the primary source of term funding, supplemented by Floating Rate Notes (FRN). Issuance into non-benchmark bonds may be considered subject to client and investor demand. However, actual volumes and the composition of term funding is subject to the borrowing requirements of WATC’s clients and market conditions.

WATC’s funding strategy will focus on:

- the establishment of at least one new benchmark bond maturity;
- a minimum of one new FRN maturity; and
- building outstandings in existing benchmark bond and FRN lines.

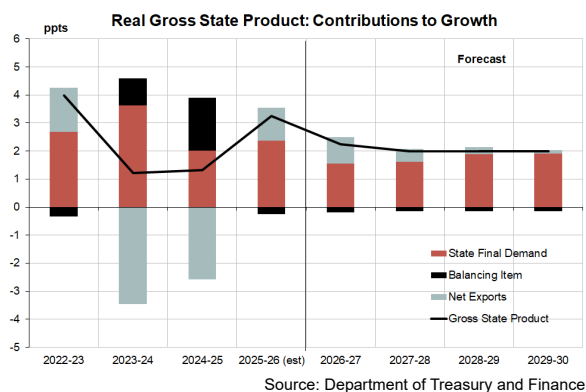
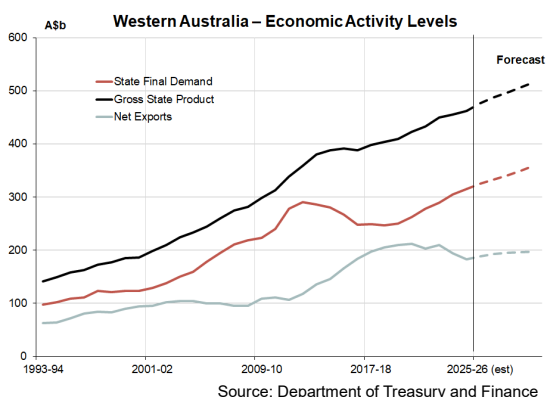
It is intended that funding markets will be accessed through tenders, syndications, and reverse enquiry, with a preference for public formats where possible. In addition to the term funding requirement, WATC expects to maintain approximately \$2.5 billion to \$4.5 billion of commercial paper outstanding through its domestic Short Term Inscribed Stock (STIS) and offshore Euro Commercial Paper (ECP) programs.

Robust Economic Growth

The Western Australian 2026–27 State Budget has been developed in an environment of heightened uncertainty, reflecting a sharp rise in geopolitical risks driven by the Middle East conflict.

Against this backdrop, the Western Australian economy continues to outperform. Gross State Product (GSP) growth is estimated to be 3.25% in 2025–26, driven by a strong domestic economy and higher exports. GSP is projected to grow 2% to 2.25% per annum over the forecast period, as growth in the domestic economy remains solid and the resources sector continues to focus on sustaining high rates of production.

The domestic economy, measured by State Final Demand (SFD), is estimated to grow by 3.5% in 2025–26, underpinned by private demand including a significant lift in business investment, the strongest growth in dwelling investment since 2013–14, and solid household consumption. SFD growth is forecast to be 2.25% to 2.75% per annum across the forecast period.



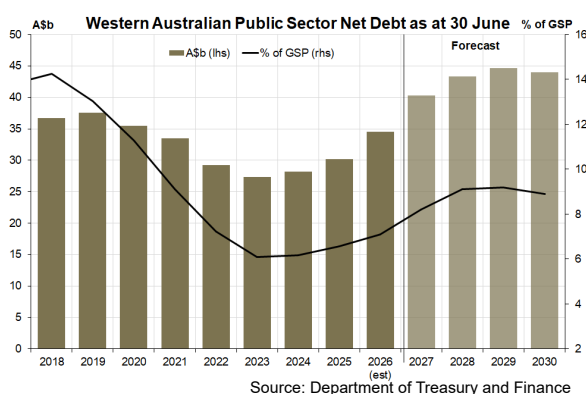
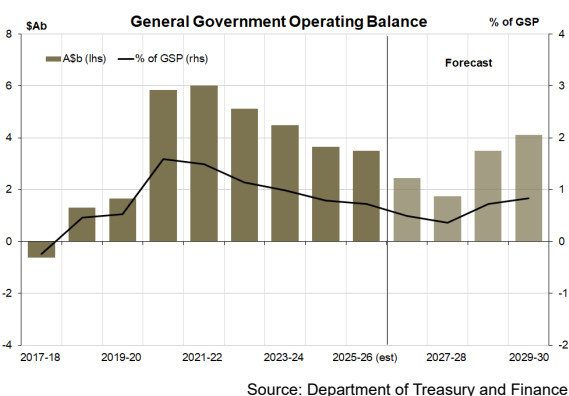
Strong State Government Finances

Western Australian Government finances remain strong with the general government operating surplus for 2025–26 estimated at A\$3.5 billion, compared to the forecast of A\$2.5 billion in the December 2025 Mid-year Review. The surplus is forecast to be A\$2.4 billion in 2026–27, which would be the ninth consecutive budget surplus with further surpluses projected across the forecast period.

The State Government continues its approach of conservative budgeting, underpinned by the assumption that iron ore royalty revenue will decline. After averaging an estimated US\$104.7 in 2025–26, iron ore prices are forecast to ease to US\$85.2 per tonne in 2026–27 and revert to the long-run average of US\$72 in 2027–28.

Total public sector net debt is projected to be A\$34.5 billion at 30 June 2026, down A\$1.2 billion on the December 2025 Mid-year Review forecast. Net debt is forecast to be A\$40.3b at 30 June 2027 and remain below 10% of GSP across the forecast period.

The State's Asset Investment Program (AIP) is forecast to increase to A\$13.2 billion in 2026–27 from an estimated A\$12.2 billion in 2025–26. The AIP is projected to total A\$44.3 billion over the next four years.



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