

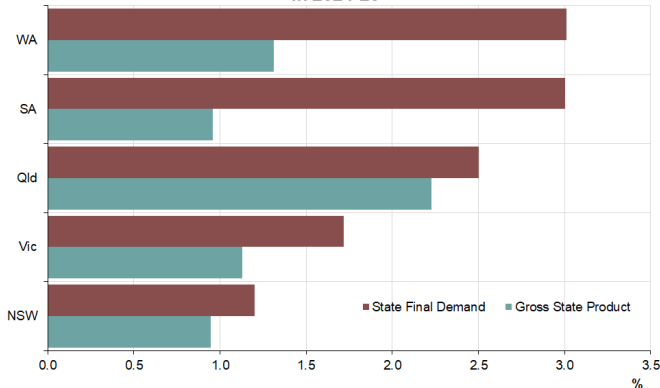
Western Australian Data Highlights

- Western Australian gross state product rose by 1.3% in 2024-25, with state final demand up by 3.0%.
- The annual rate of Perth [CPI inflation](#) dropped 0.7ppts to 4.3% in October.
- WA [wages growth](#) accelerated to 4.0% YoY in Q3, while the [unemployment rate](#) ebbed to 4.1% in October.
- According to Cotality, Perth home prices rose by 2.4% in November.

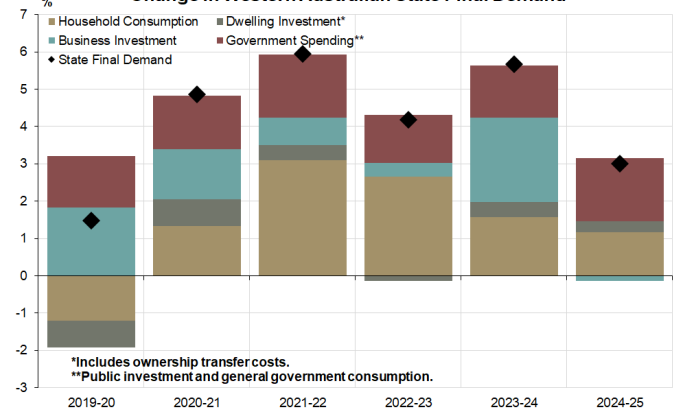
2024-25 Gross State Product

- Western Australian gross state product (GSP) rose by 1.3% in 2024-25, roughly at the same pace as the 1.2% registered in the previous year.
- The 2024-25 gain in GSP was driven by domestic factors, with state final demand rising by 3.0%, the most of all mainland states, though somewhat slower than the 5.7% increase in 2023-24.
- Most domestic spending components added to growth in 2024-25.
- Private consumption increased by 2.4%, somewhat less than the 3.1% in the previous year, but still well above the results in other states, ranging from a 0.6% rise in Tasmania to a 1.3% gain in Queensland. There was a strong positive contribution of rent and other dwelling services, transport, recreation and culture as well as 'miscellaneous goods and services'. Electricity, gas and other fuel was the only category that detracted from private consumption growth in 2024-25, reflecting lower out-of-pocket spending for electricity bills amid State and Commonwealth energy bill relief measures.
- Dwelling investment growth accelerated by 0.4ppts to 6.2%, which is the strongest gain in a decade, supported by ongoing strong demand for housing. A related spending category, ownership transfer costs, picked up by 2.5%, after rising 13.7% in the previous year.
- At the same time, business investment fell by 0.7%, which was a consolidation after a 11.9% surge in the previous financial year driven by mining investment, in iron ore, critical minerals and LNG.
- General government consumption rose by a solid 6.0% in 2024-25, while public investment surged by 9.6%, reflecting spending on transport and health care infrastructure.
- As in the previous year, the external sector detracted from GSP growth in 2024-25. This reflected a 4.5% fall in exports of goods and services and, to a lesser extent, a 1.0% gain in imports driven solely by services, mainly tourism.
- Almost all industries either added to or were neutral for growth in 2024-25. The mining industry was the only exception, with a 0.6% decline. The strongest gain of 14.6% was recorded in agriculture, forestry and fishing, following a bumper grain harvest season last year. However, due to a relatively large share in the economy, it was health care and social education that contributed most to a rise in GSP in 2024-25, despite a somewhat more moderate 5.8% gain.

Change in Gross State Product and State Final Demand in 2024-25



Change in Western Australian State Final Demand



Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	3.60	(0 pt)	AUD/USD	0.6550	(↑0.1%)
90-Day Bank Bills	3.66	(↑3 pt)	AUD/JPY	102.30	(↑1.5%)
3-year Australian Government Bond	3.87	(↑27 pt)			
10-year Australian Government Bond	4.51	(↑22 pt)	ASX200	8614	(↓268 pt)

Market Summary

- Australian Government bond yields picked up significantly in November, reflecting the disappearance of expectations for an RBA cash rate cut following inflation and labour market data for October. The October labour force survey, released mid-month, showed a solid rise in domestic employment, while the inaugural complete October CPI, which came towards the end of the month, surprised to the upside, showing annual trimmed mean inflation above the RBA's 2-3% target band.
- The increases in Commonwealth bond yields were somewhat stronger at the front end of the sovereign yield curve, but 10-year yields also saw a solid rise, in contrast to their US equivalents.
- The Australian dollar appreciated against the US dollar and Japanese yen in November, supported by the return of global market optimism after the end of the US Government shutdown. The appreciation was significantly stronger versus the Japanese currency, with the AUD/JPY closing the month at the highest level since November 2024.
- Despite the improvement in global market sentiment, the ASX 200 lost 3.0% in November, dragged down by the disappearance of monetary policy easing expectations. While the strongest decline was recorded in information technology, there were significant falls in interest rate sensitive sectors such as financials and real estate.

WATC Benchmark Bond Yields				
Maturity	Yield		Spread to AGS	
	28/11/2025		28/11/2025	
21 October 2026	3.72	(↑17 pt)	+2 pt	(↑5 pt)
21 October 2027	3.89	(↑26 pt)	+8 pt	(↓1 pt)
20 July 2028	4.00	(↑28 pt)	+16 pt	(0 pt)
24 July 2029	4.15	(↑30 pt)	+23 pt	(0 pt)
22 October 2030	4.32	(↑30 pt)	+26 pt	(↓2 pt)
22 October 2031	4.45	(↑29 pt)	+28 pt	(↓1 pt)
21 July 2032	4.56	(↑26 pt)	+33 pt	(↑1 pt)
20 July 2033	4.72	(↑27 pt)	+40 pt	(↑5 pt)
24 October 2034	4.94	(↑25 pt)	+47 pt	(↑1 pt)
24 October 2035	4.99	(↑25 pt)	+48 pt	(↑3 pt)
21 October 2037	5.24	(↑24 pt)	+61 pt	(↑4 pt)

