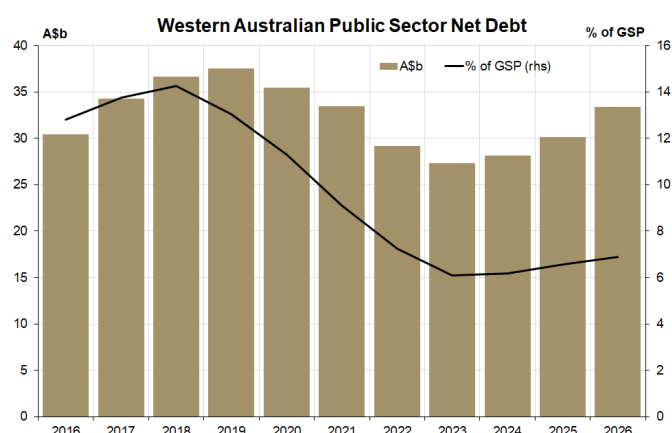
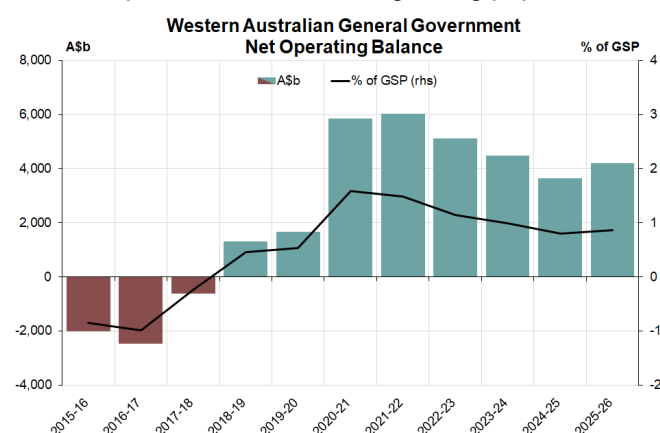


Western Australian Data Highlights

- The [Reserve Bank of Australia \(RBA\)](#) increased the cash rate by 25 basis points to 4.60% in September.
- The [2025-26 WA Annual Report on State Finances](#) reported a surplus of A\$4.2b and net debt of A\$33.4b.
- The [Perth CPI](#) rose by 0.6% in August, lifting the annual inflation rate to 4.3%.
- Western Australian [employment](#) increased by 12.5k in August, while the unemployment rate remained at 4.5%.
- Totality home prices declined by 1.2% in September, after [WA dwelling approvals](#) rose by 3.2% in August.
- In September, WATC issued A\$2.25b of a new [5.50% fixed-rate bond](#) maturing on 22 October 2036.

2025-26 Annual Report on Western Australian State Finances

- The 2025-26 Annual Report on State Finances confirmed the Western Australian Government's strong fiscal position, underpinning its recently reaffirmed 'AAA' credit ratings. Western Australia remains the only state with top ratings from both S&P Global and Moody's.
- The general government sector recorded an eighth consecutive operating surplus of A\$4.2b (0.9% of gross state product) in 2025-26, A\$684m above the estimated actual in the 2026-27 Budget released in May 2026. The larger surplus reflected both higher-than-forecast revenue and lower-than-forecast expenditure.
- General government revenue was A\$113m higher than expected, mainly reflecting additional revenue from public corporations—including the Insurance Commission, DevelopmentWA and Water Corporation—and stronger agency sales of goods and services amid population growth. These gains were partly offset by lower-than-expected Commonwealth grants excluding GST, as well as slightly lower royalty and tax revenue.
- General government expenses were A\$571m lower than expected, including lower spending on transport and major infrastructure, largely reflecting retiming of expenditure across several programs.
- Total public sector net debt at 30 June 2026 was A\$33.4b, A\$1.1b lower than estimated in the 2026-27 Budget and A\$5.6b lower than forecast in the original 2025-26 Budget. As a share of gross state product, net debt has fallen from a peak of 13.5% in 2017-18 to an estimated 6.9% in 2025-26.
- The Western Australian Government continues to reinvest surpluses to expand and diversify the State's economy, particularly amid steady population growth. The main vehicle is the Asset Investment Program, which delivers priority infrastructure projects. Investment in electricity, water and port infrastructure supports economic growth and diversification, while investment in housing and land development, transport, schools and hospitals help meet the needs of a growing population.



Source: WA Department of Treasury and Finance

Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	4.60	(↑25 pt)	AUD/USD	0.6947	(↓3.1%)
90-Day Bank Bills	4.77	(↑22 pt)	AUD/JPY	109.35	(↓4.5%)
3-year Australian Government Bond	4.93	(↑27 pt)			
10-year Australian Government Bond	5.35	(↑26 pt)	ASX200	8789	(↓287 pt)

Market Summary

- At its September meeting, the RBA Monetary Policy Board increased the cash rate by 25 basis points to a 15-year high of 4.60%, as expected. The RBA has not ruled out further rate hikes, although tightening expectations eased somewhat in late September. Markets now expect only one more increase this cycle, and not before Q1 2027.
- Like their global counterparts, Australian government bond yields rose in September to their highest levels since 2011. WATC spreads to Commonwealth bond yields widened slightly but remained narrow relative to peers.
- Easing expectations for further monetary policy tightening, together with weaker global market sentiment, saw the Australian dollar depreciate by 3.1% against the US dollar and 4.5% against the Japanese yen in September.
- The Australian equity market fell by 3.2% in September, its first monthly decline since March. The weakness was broad-based, led by losses in consumer discretionary and real estate stocks amid concerns about the impact of RBA monetary policy tightening.

WATC Benchmark Bond Yields				
Maturity	Yield 30/9/2026		Spread to AGS 30/9/2026	
21 October 2027	5.04	(↑27 pt)	+7 pt	(0 pt)
20 July 2028	5.11	(↑29 pt)	+15 pt	(↑2 pt)
24 July 2029	5.14	(↑30 pt)	+22 pt	(↑2 pt)
22 October 2030	5.20	(↑28 pt)	+26 pt	(↑2 pt)
22 October 2031	5.32	(↑30 pt)	+31 pt	(↑2 pt)
21 July 2032	5.38	(↑30 pt)	+34 pt	(↑4 pt)
20 July 2033*	5.49	(↑30 pt)	+38 pt	(↑5 pt)
24 October 2034	5.66	(↑32 pt)	+41 pt	(↑5 pt)
24 October 2035*	5.73	(↑31 pt)	+42 pt	(↑5 pt)
22 October 2036	5.82	(-)	+47 pt	(-)
21 October 2037	5.96	(↑31 pt)	+57 pt	(↑3 pt)
24 October 2039*	6.08	(↑28 pt)	+63 pt	(↑4 pt)
23 July 2041	6.17	(↑25 pt)	+66 pt	(↑5 pt)

*Green bond.

