



Government of **Western Australia**  
Department of **State Development**

# WA Economic Landscape Impact of Resources Growth

Nicky Cusworth

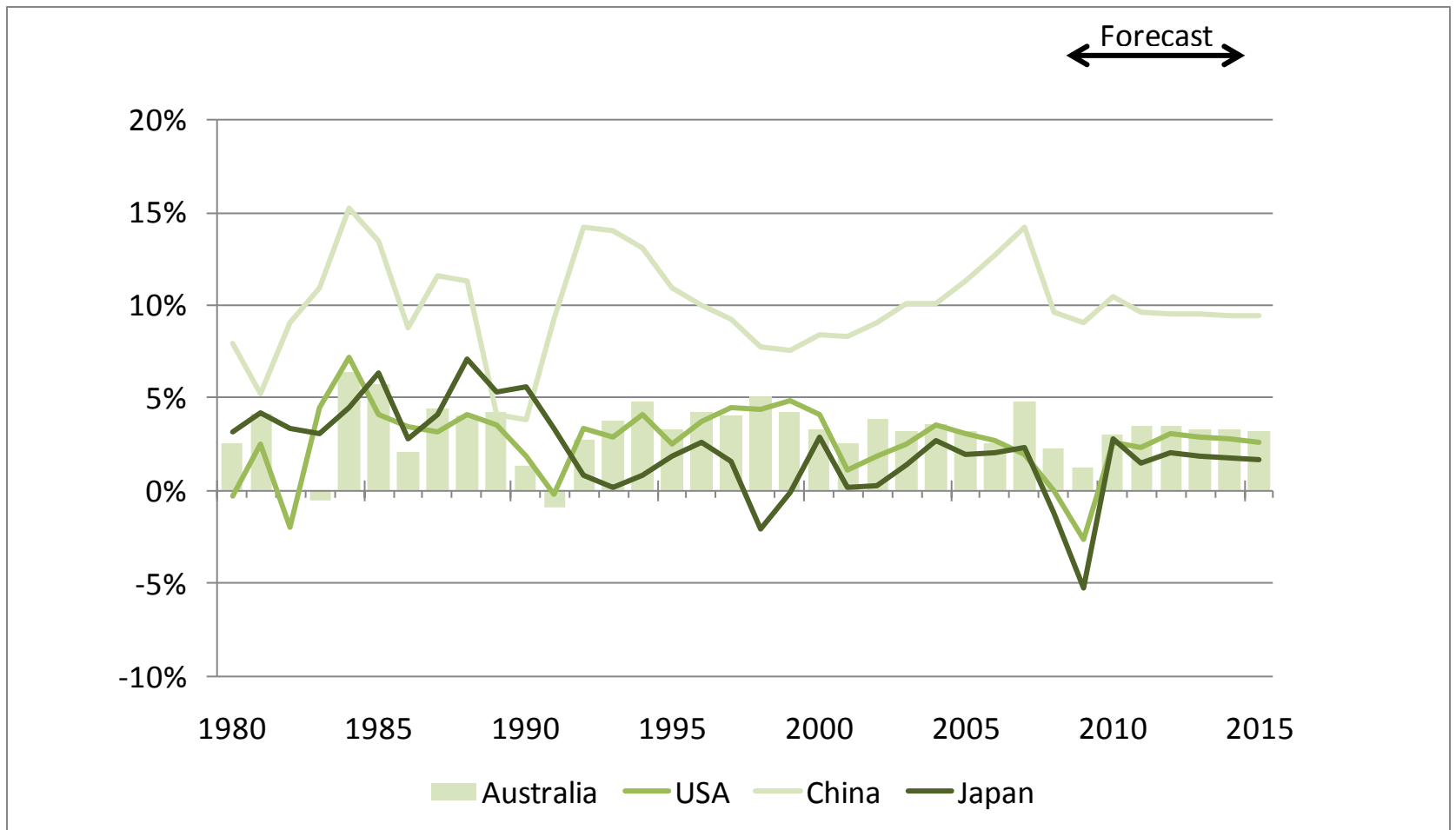
Deputy Director General - Strategic Policy  
Department of State Development

1 April 2011

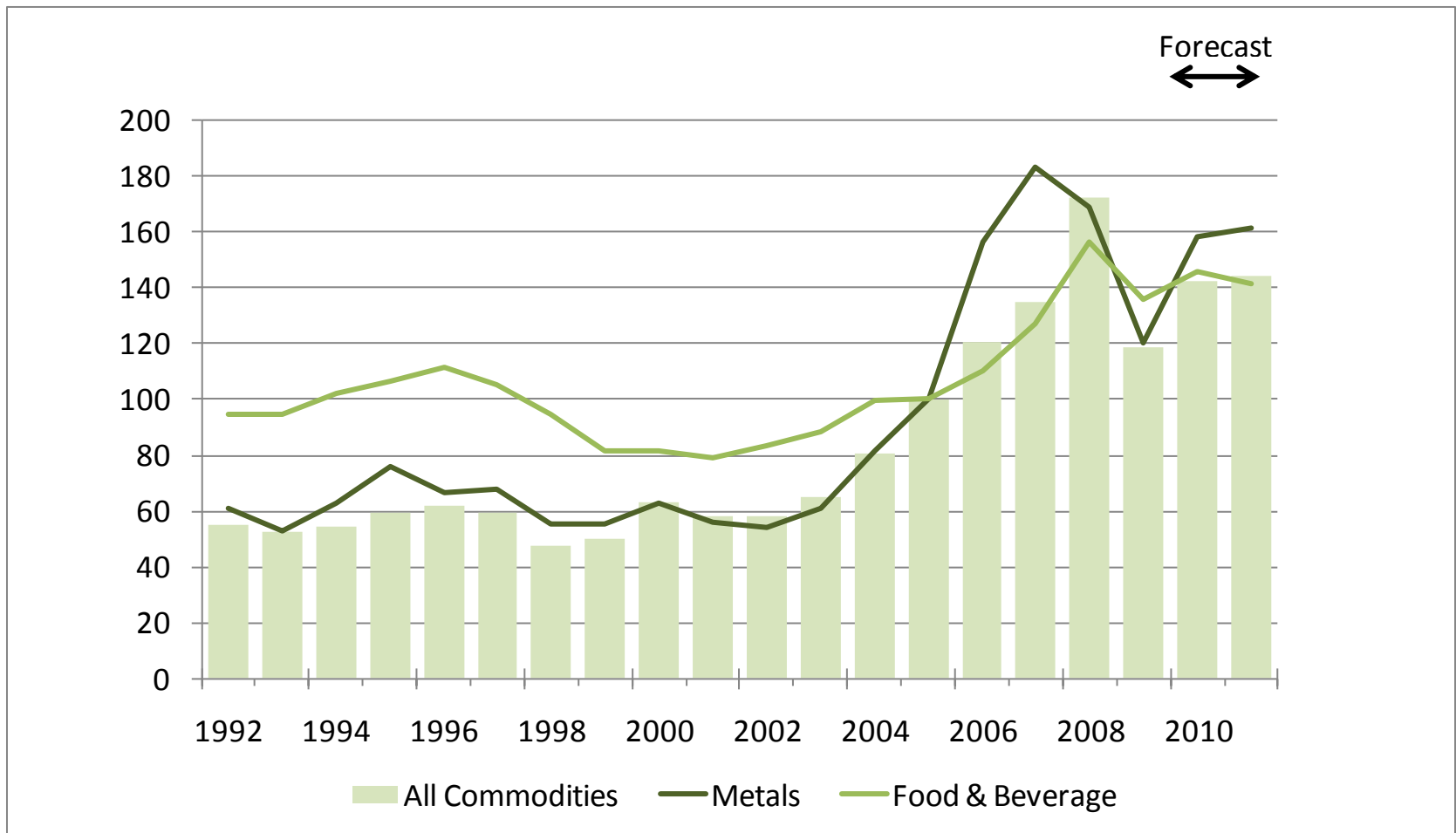
# Outline

- Context – resources demand
- Resource investment in WA
  - Investment aggregates
  - Project summary
- Role of Department of State Development
- Economic outlook
- Challenges and opportunities

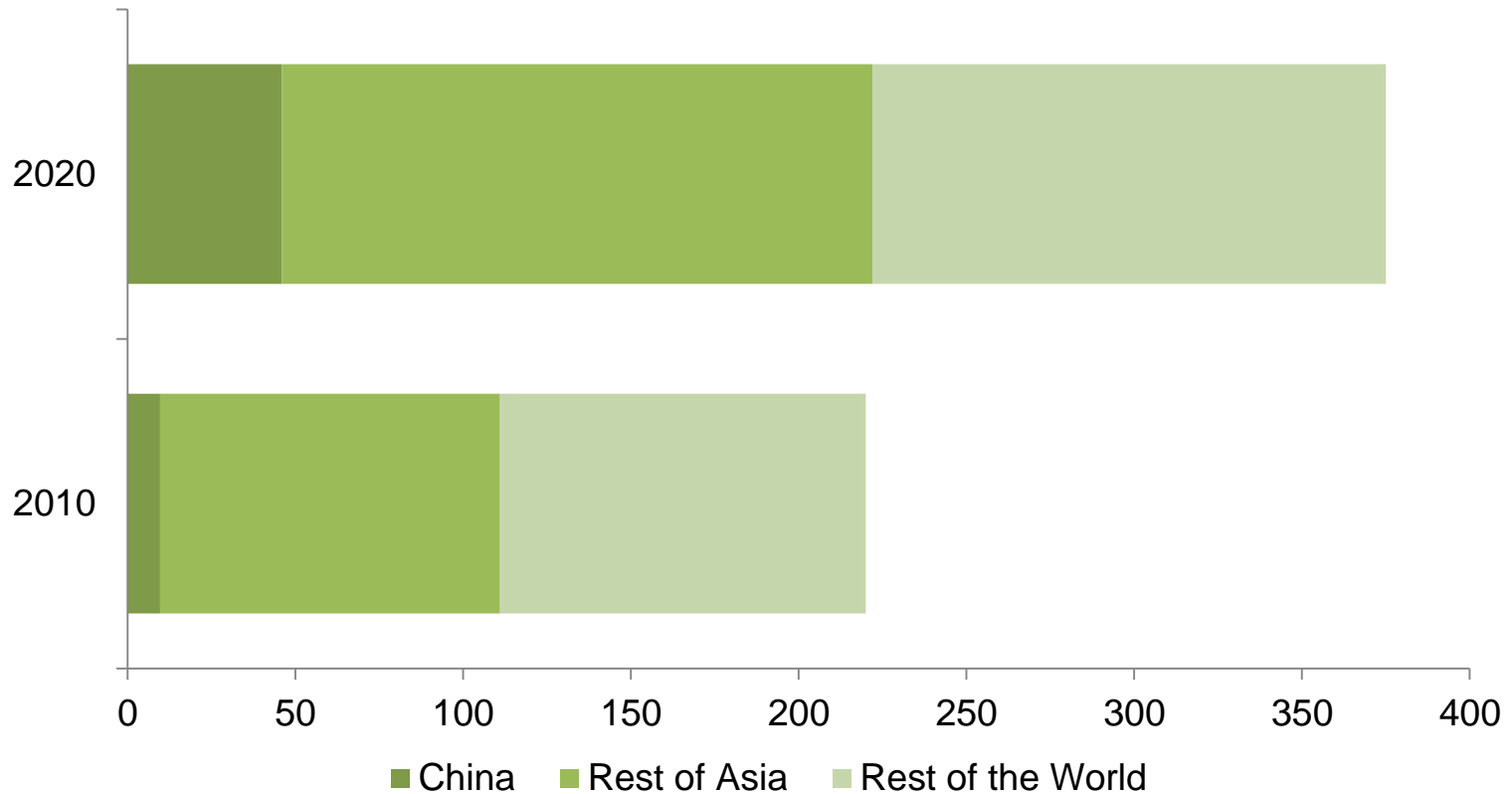
# Real GDP Growth By Country Actual and IMF Forecast



# World Commodity Prices History and IMF Forecasts, 2005 = 100

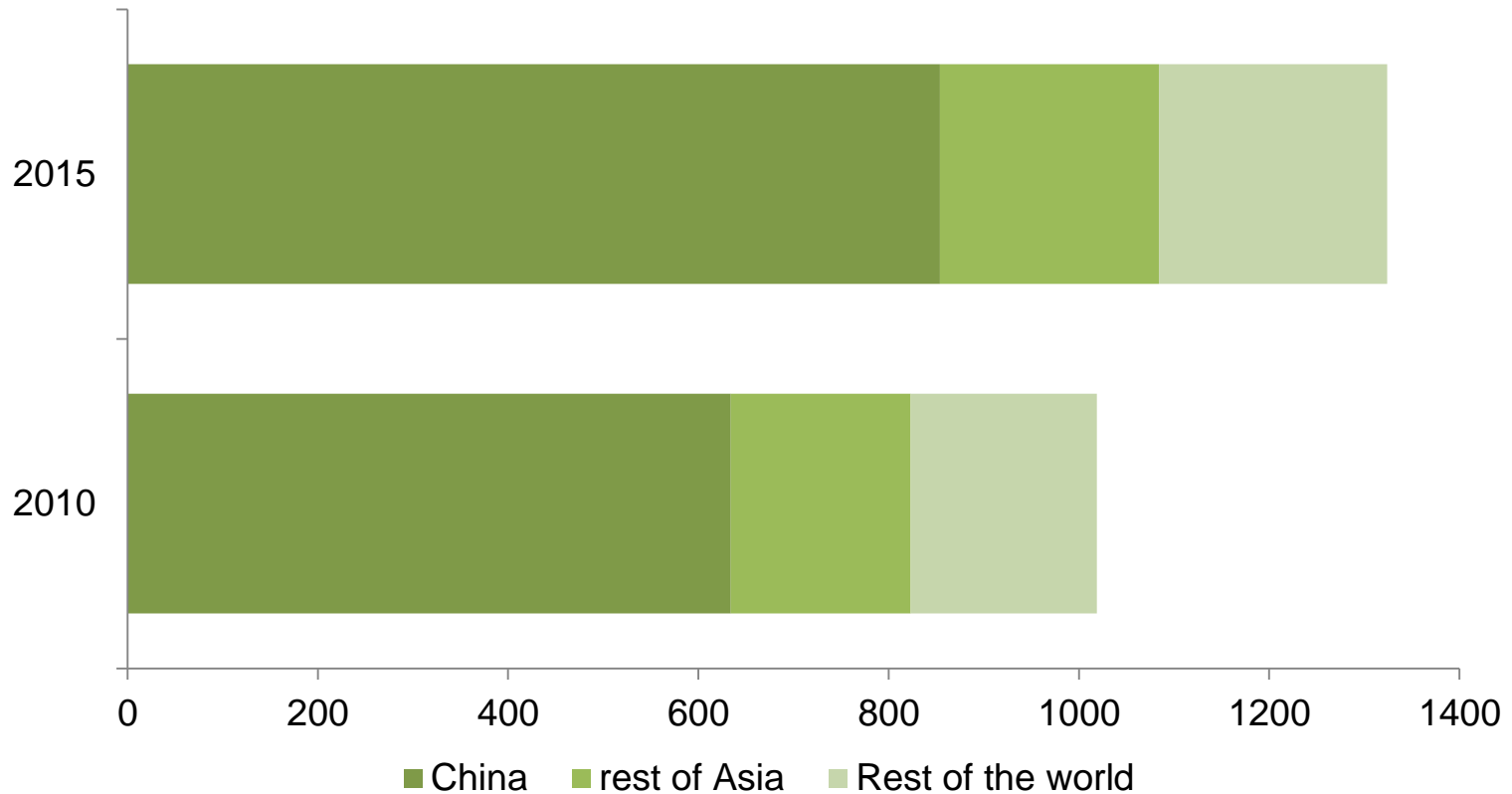


# World LNG Demand (Mtpa)



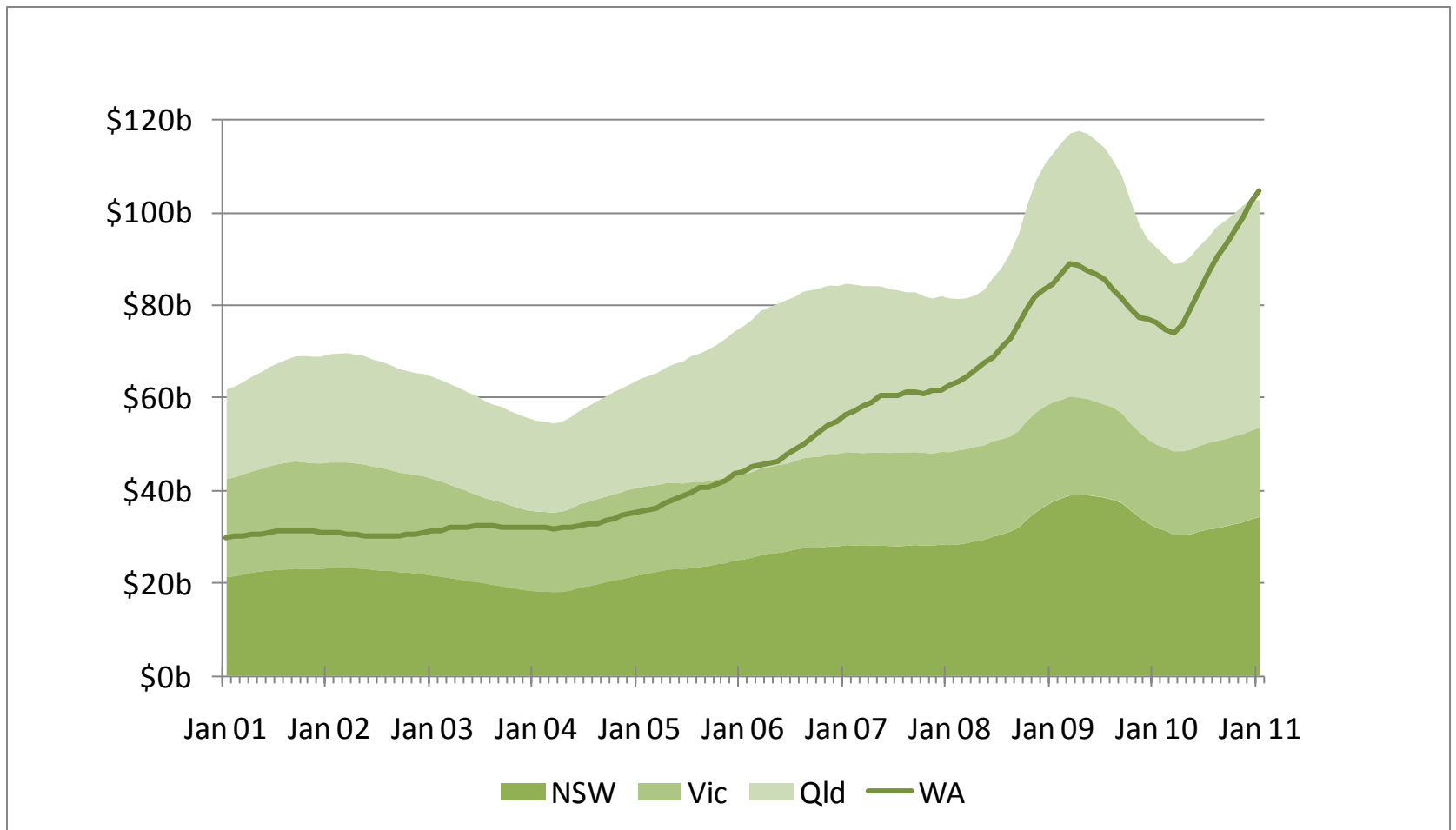
Source: The LNG Review 2010, Wood MacKenzie and Facts Global Energy

# World Iron Ore Imports (Mt)

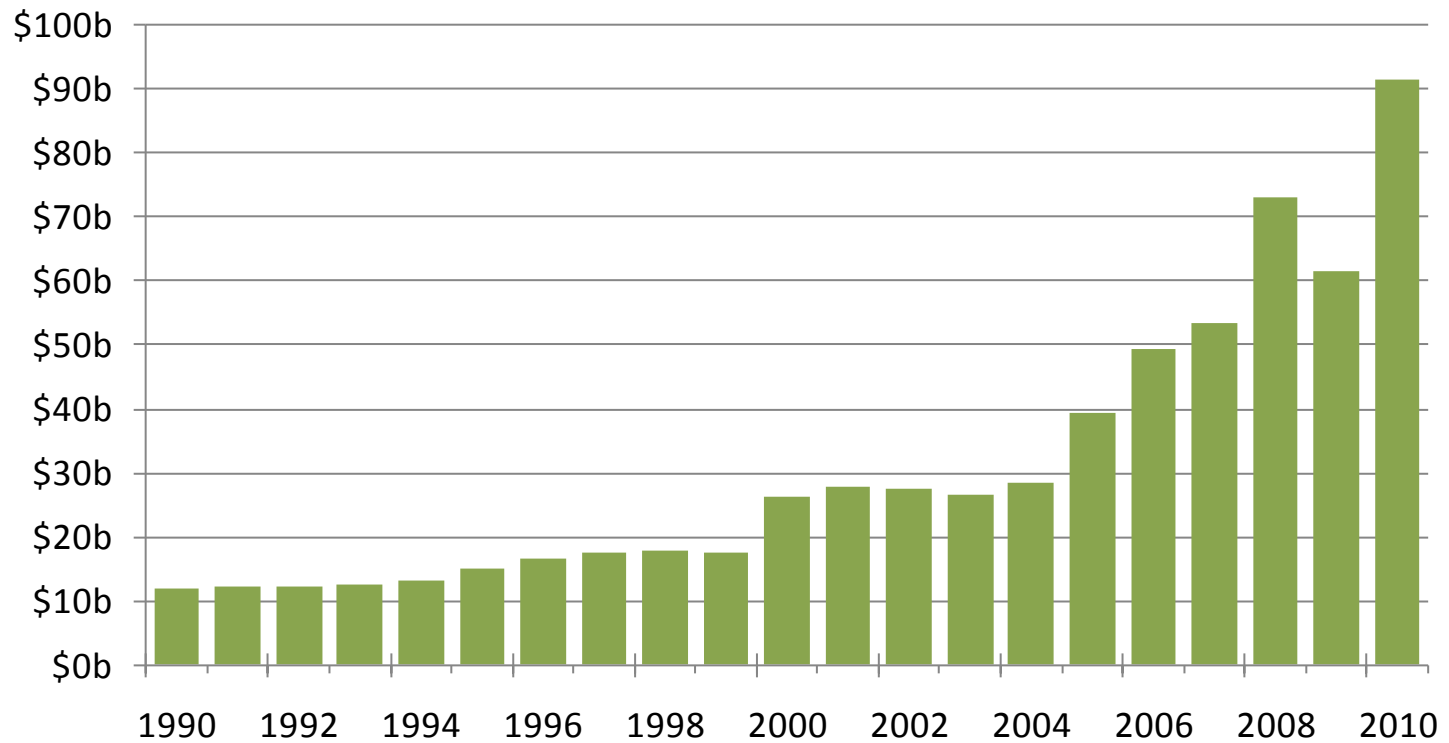


Source: Australian Commodities, March 2011, ABARES

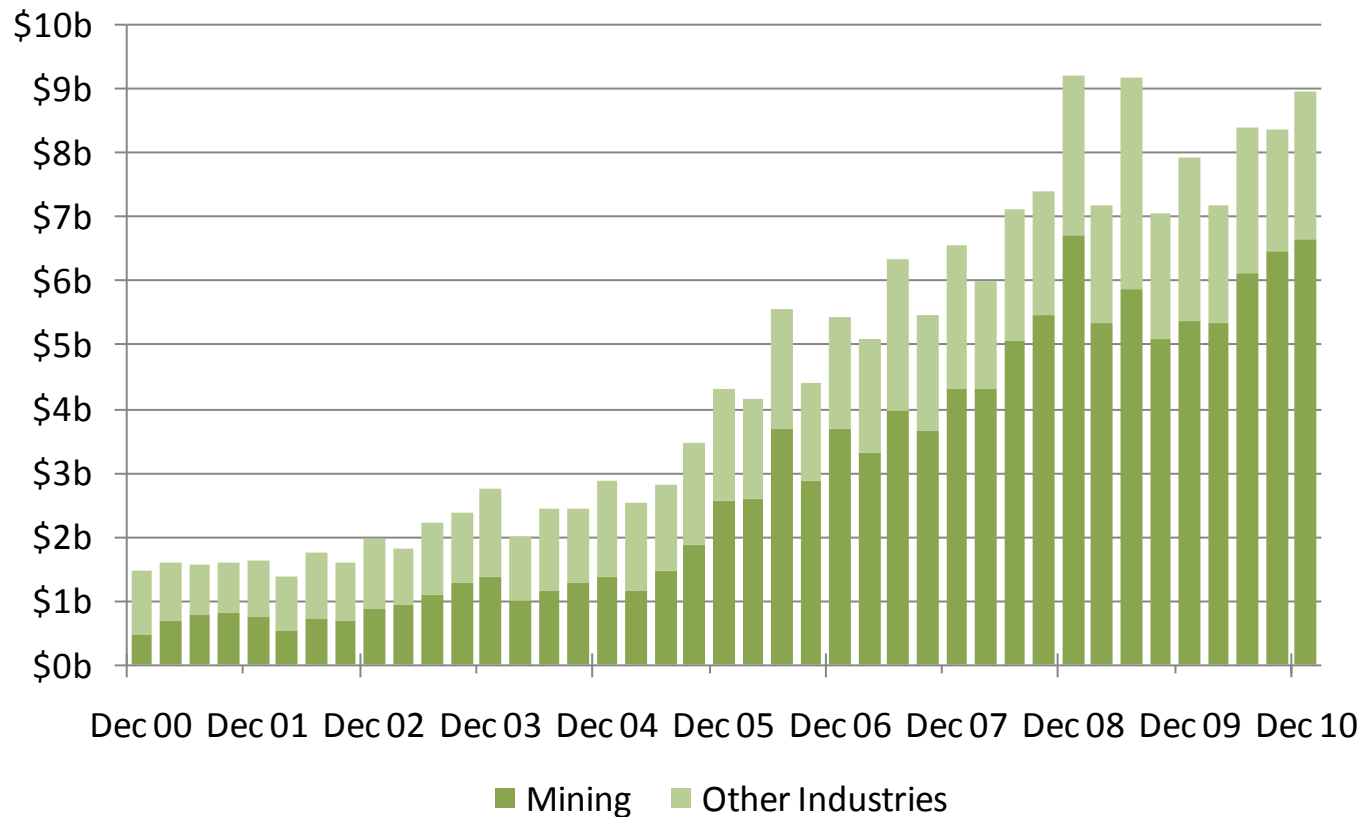
# Exports By State 12-Month Rolling Sums



# Value of WA Mineral Production



# WA Private New Capital Expenditure Original, Quarterly Level



# WA Investment Projects by Status

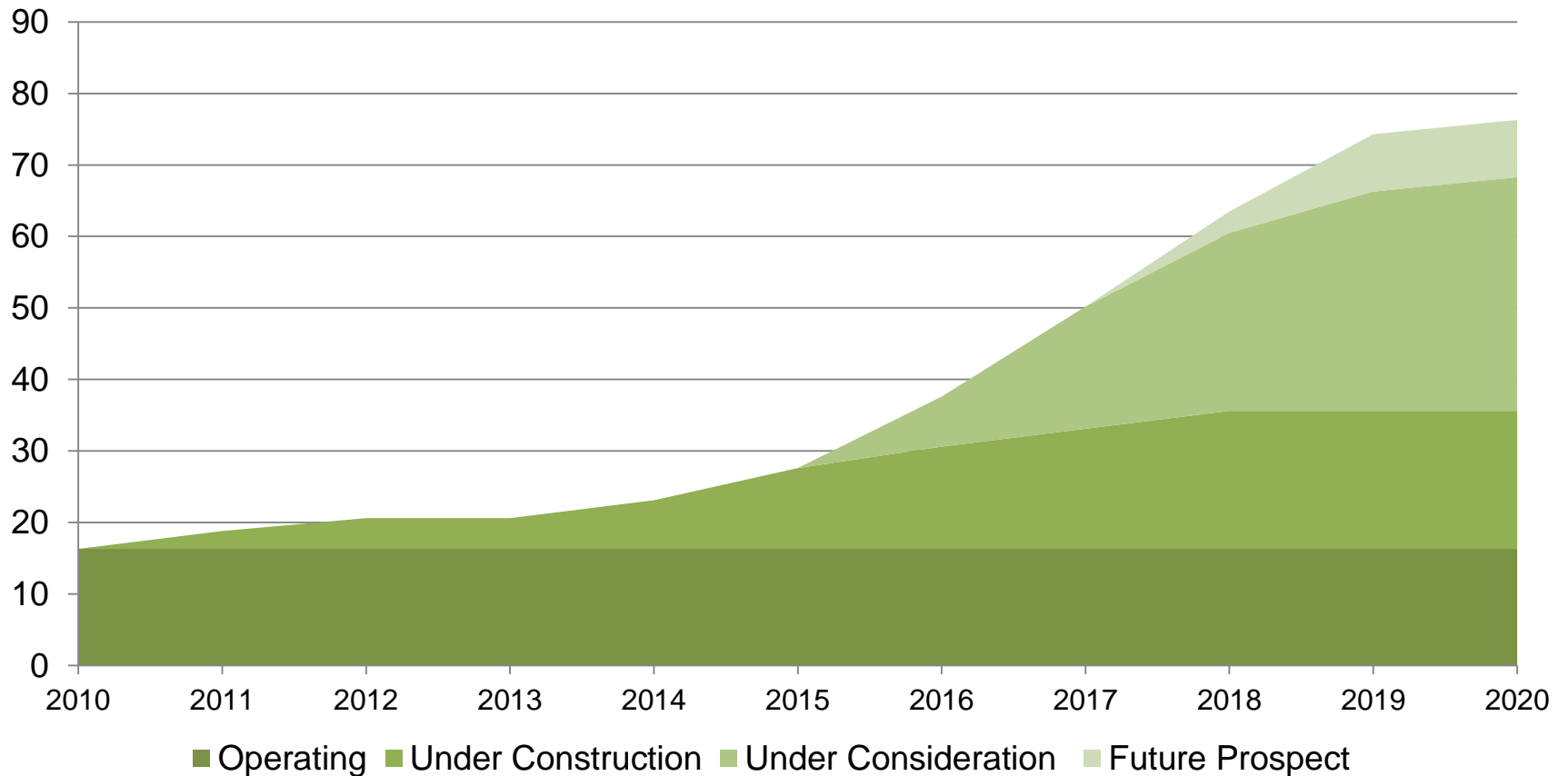
<b>Project Status</b>	<b>Capital expenditure (\$b)</b>
Commenced Operations	<b>10</b>
Committed/ Under Construction	<b>83</b>
Under Consideration	<b>95</b>
<b>Total</b>	<b>188</b>

# WA LNG Projects by Status

LNG Projects	Capacity (mtpa)	Capital expenditure (\$b)
Under Construction	19.3	61
Under consideration (FID planned before 2012)	32.7	80
Future prospects	39.5	-
<b>Total</b>	<b>91.5</b>	<b>141</b>

# LNG Developments in WA

## LNG Capacity (mtpa)



Source: DSD

# WA Major Iron Ore Projects by Status

<b>Iron ore Projects</b>	<b>Capacity increase (mt)</b>	<b>Capital expenditure (\$b)</b>
Under Construction	<b>163</b>	<b>15.9+</b>
Under consideration	<b>160</b>	<b>21.2+</b>
<b>Total</b>	<b>323</b>	<b>37.1+</b>

# Department of State Development

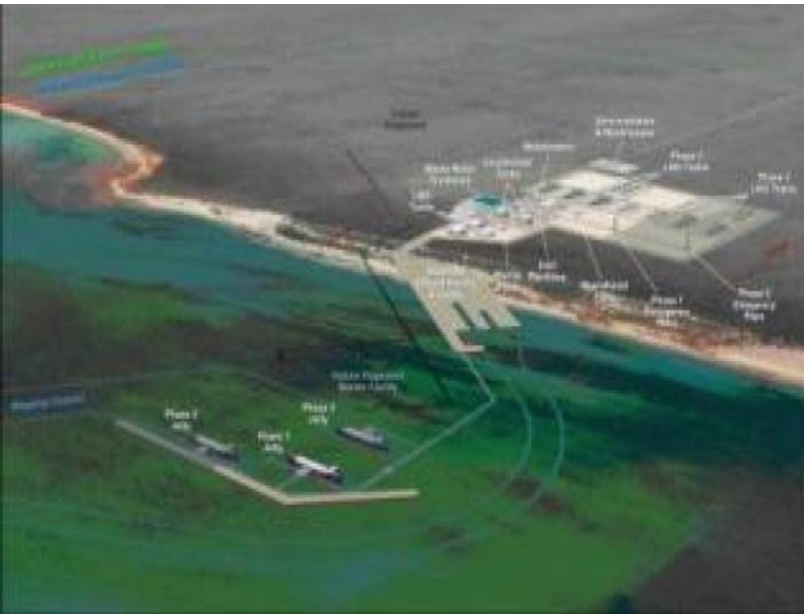
## Role

*“Leadership to drive responsible development for Western Australia’s future”*

Balancing:

- Economic considerations
- Social considerations
  - Community
  - Indigenous
  - Heritage
- Environmental considerations
- Short and long term considerations

# State Development - LNG



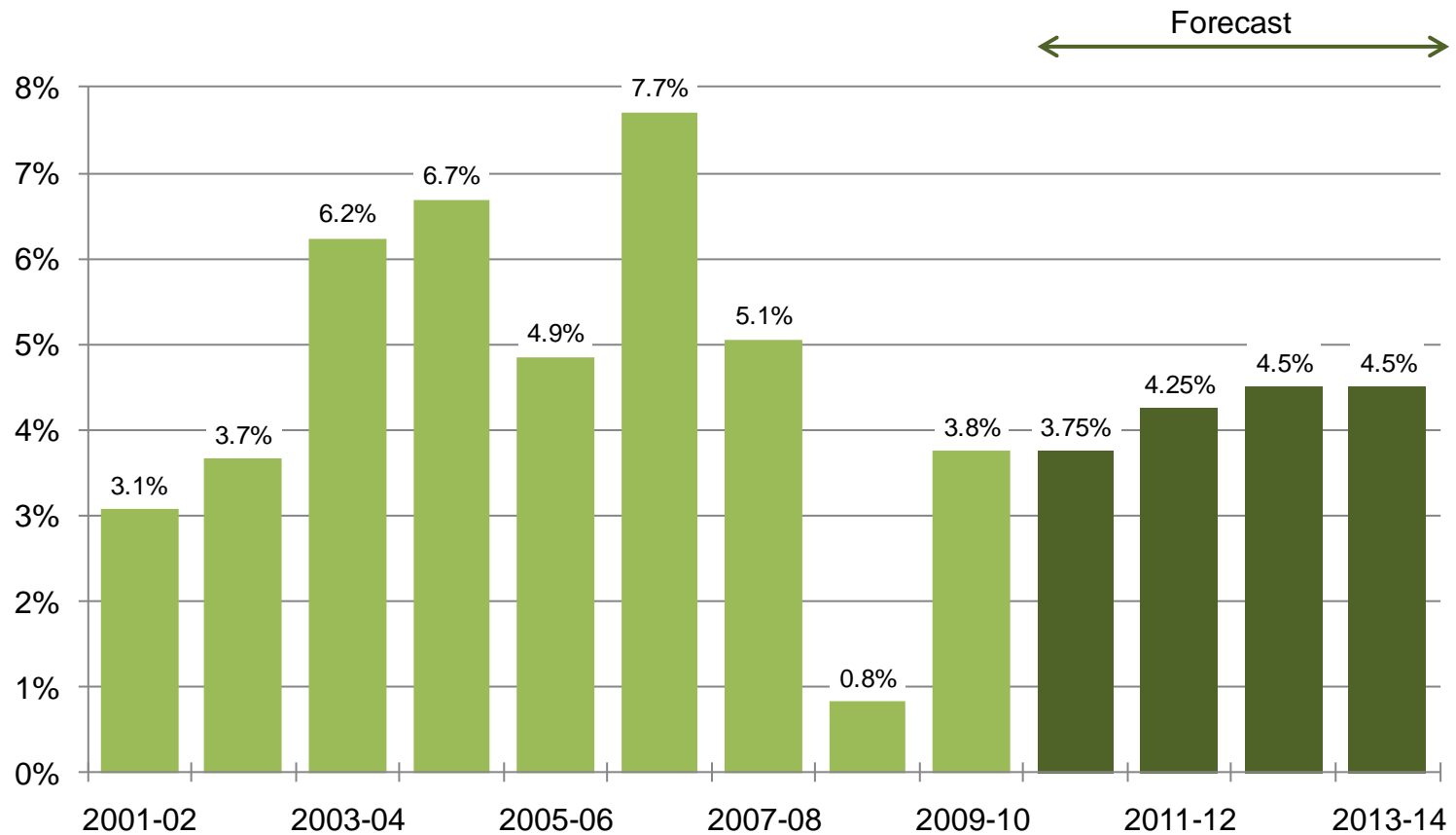
- Browse Precinct – facilitating the commercialisation of the Browse Basin
- Ashburton North – Developing the Western Carnarvon and Exmouth basins

# State Developments - Iron Ore



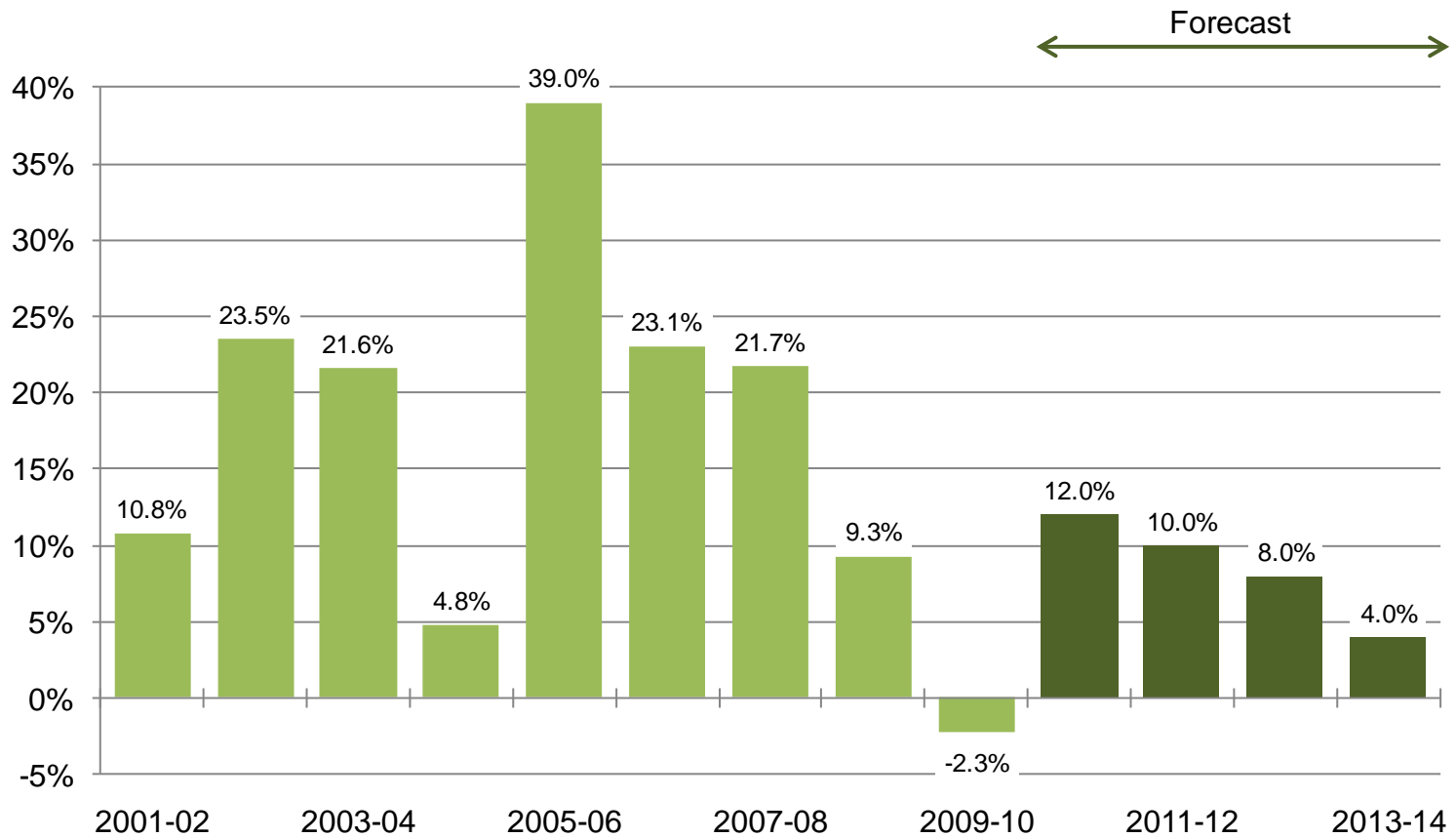
- Oakajee - integrated port, rail and industrial estate
- Anketell - multi-user port and industrial estate

# Household Consumption Growth



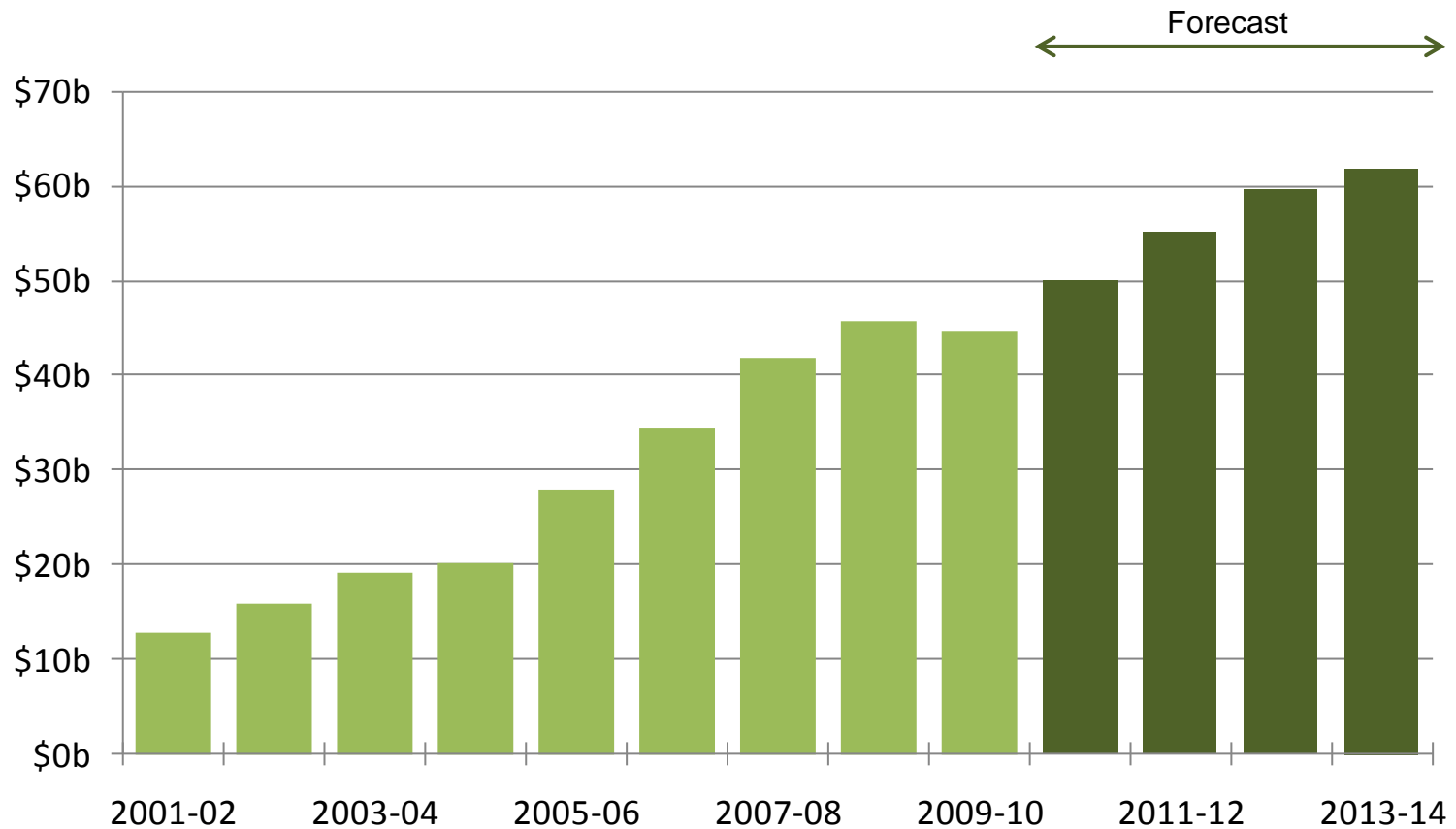
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Business Investment Growth



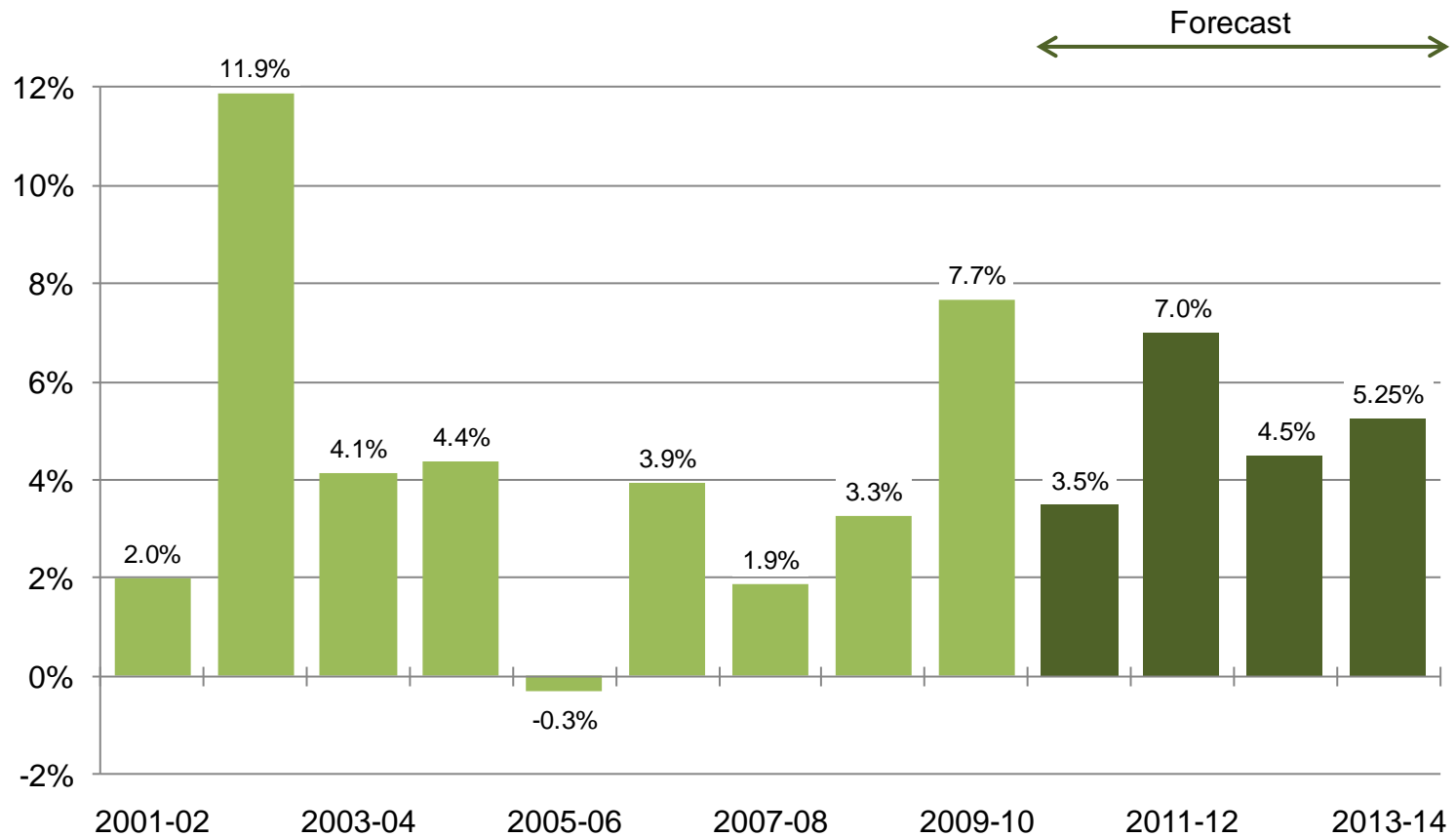
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Business Investment Chain Volume, 2008-09 Prices



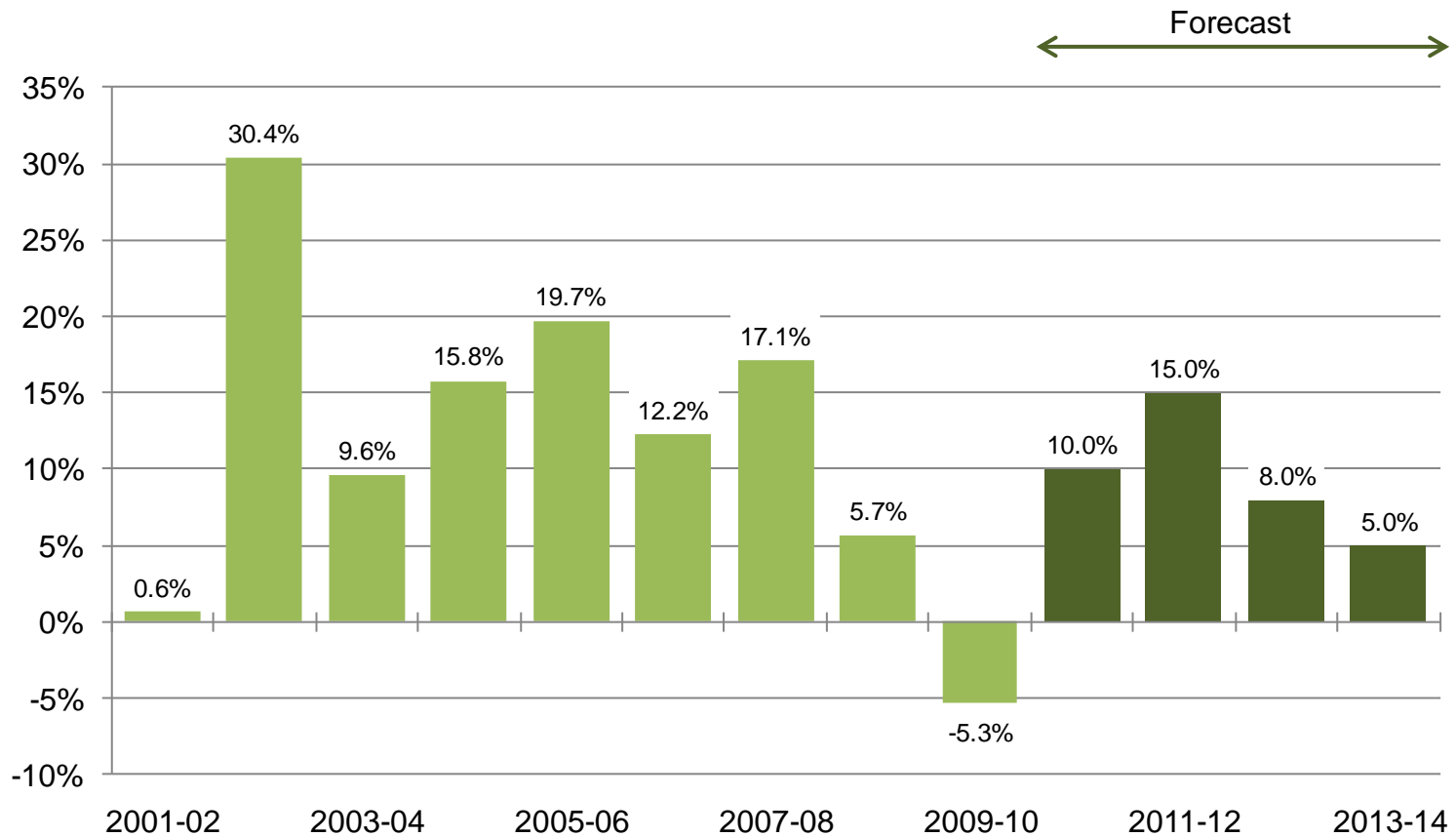
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Merchandise Exports Growth



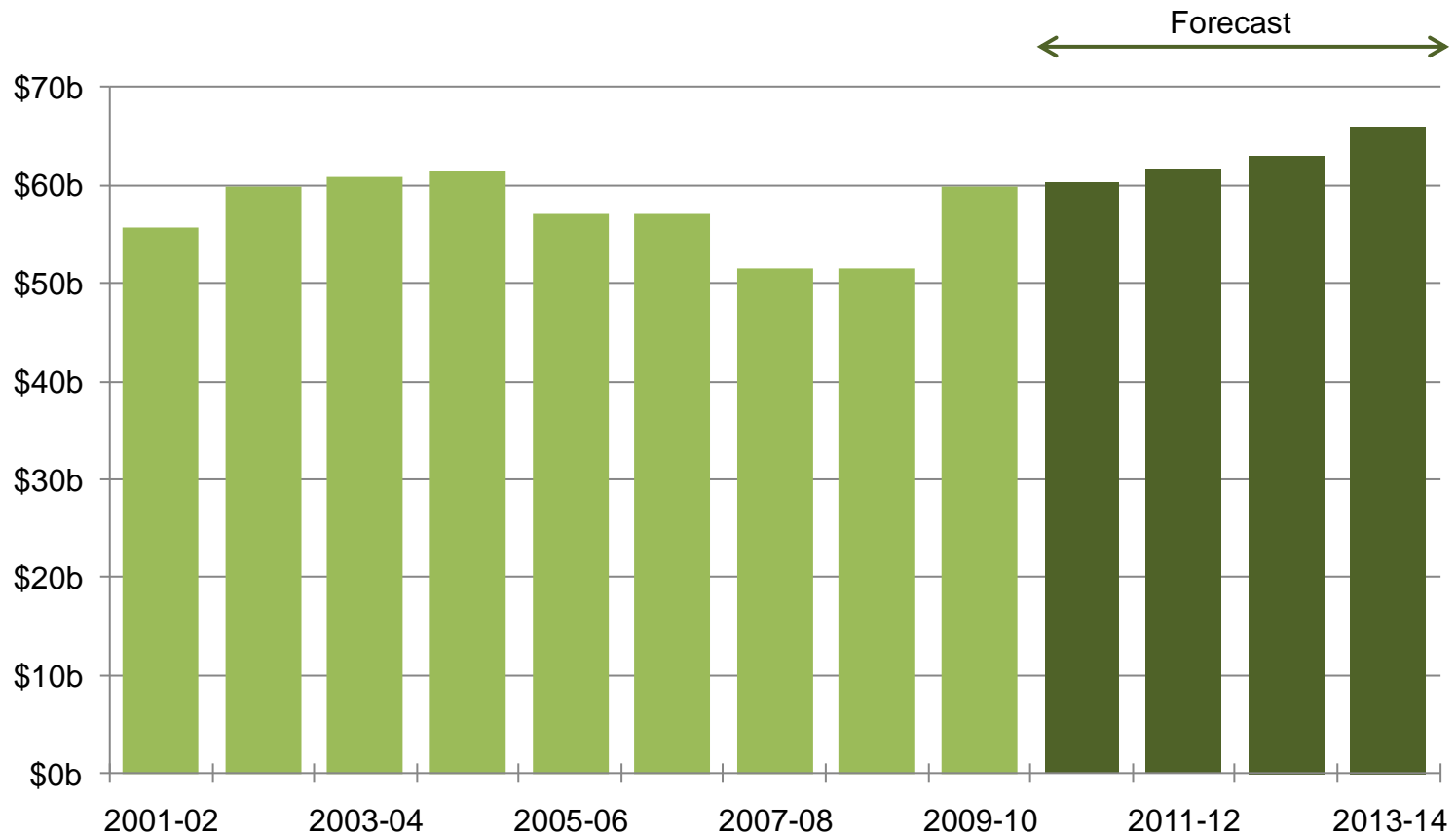
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Merchandise Imports Growth



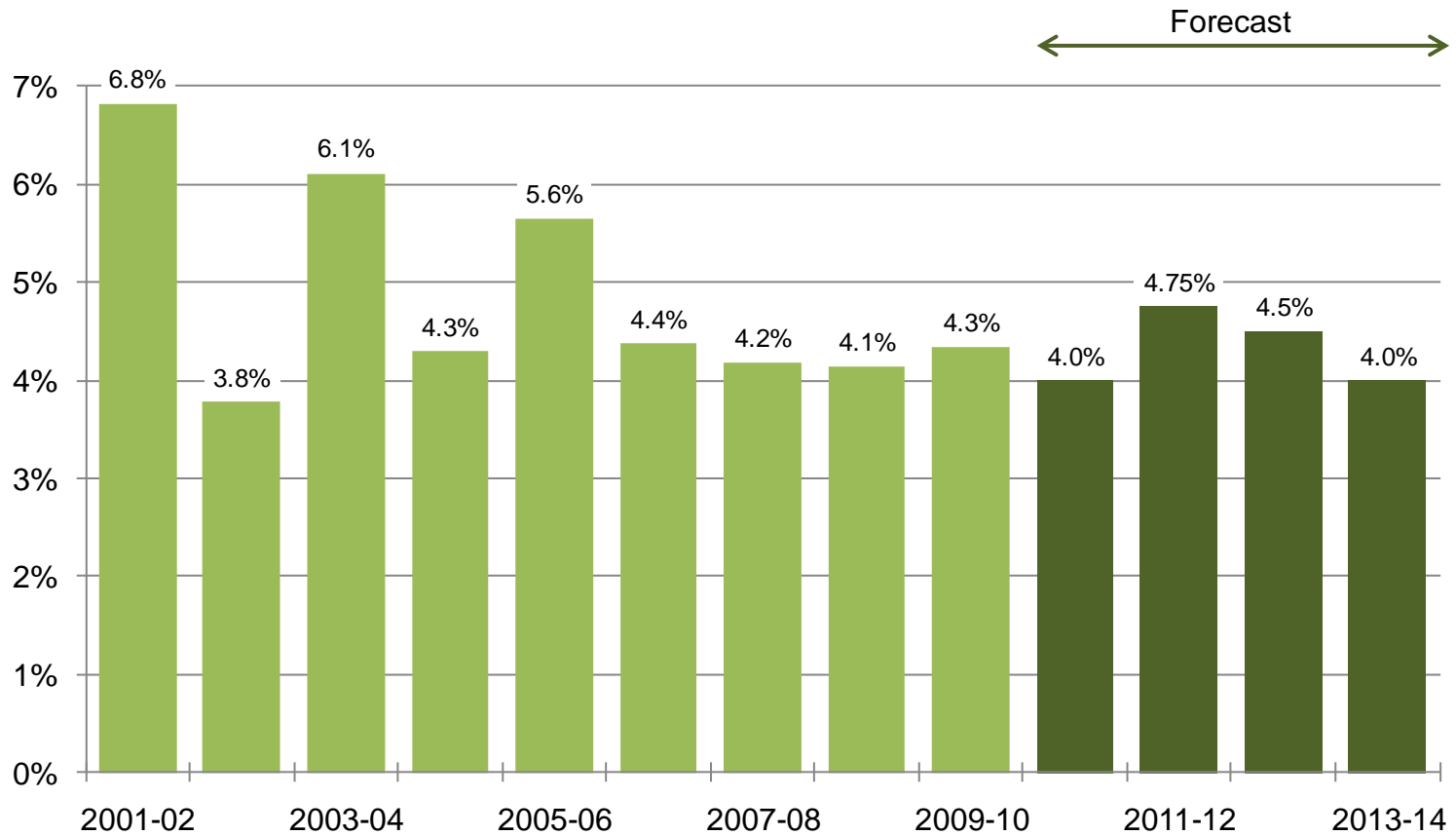
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Net Exports Chain Volume, 2008-09 Prices



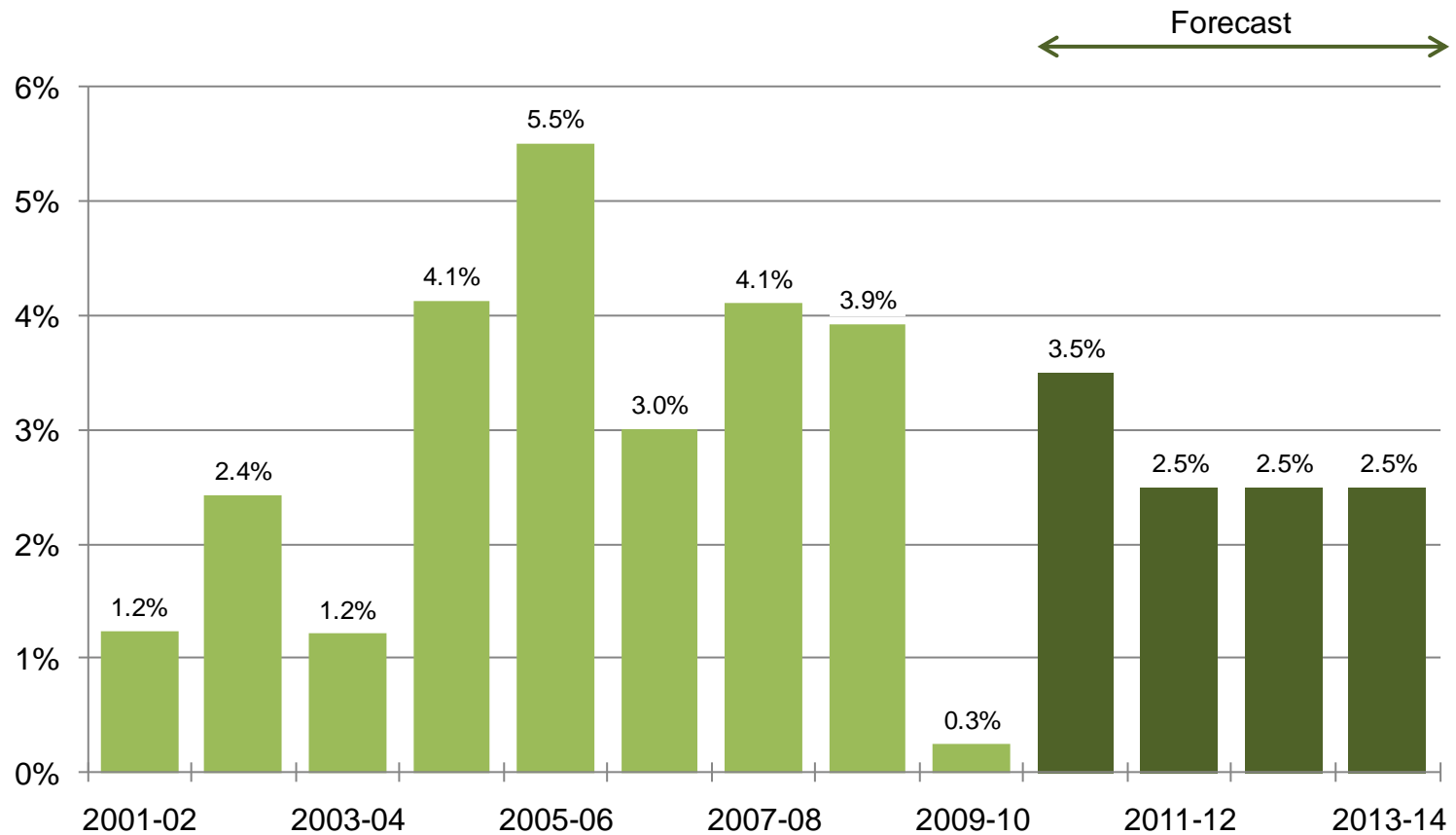
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Gross State Product Growth



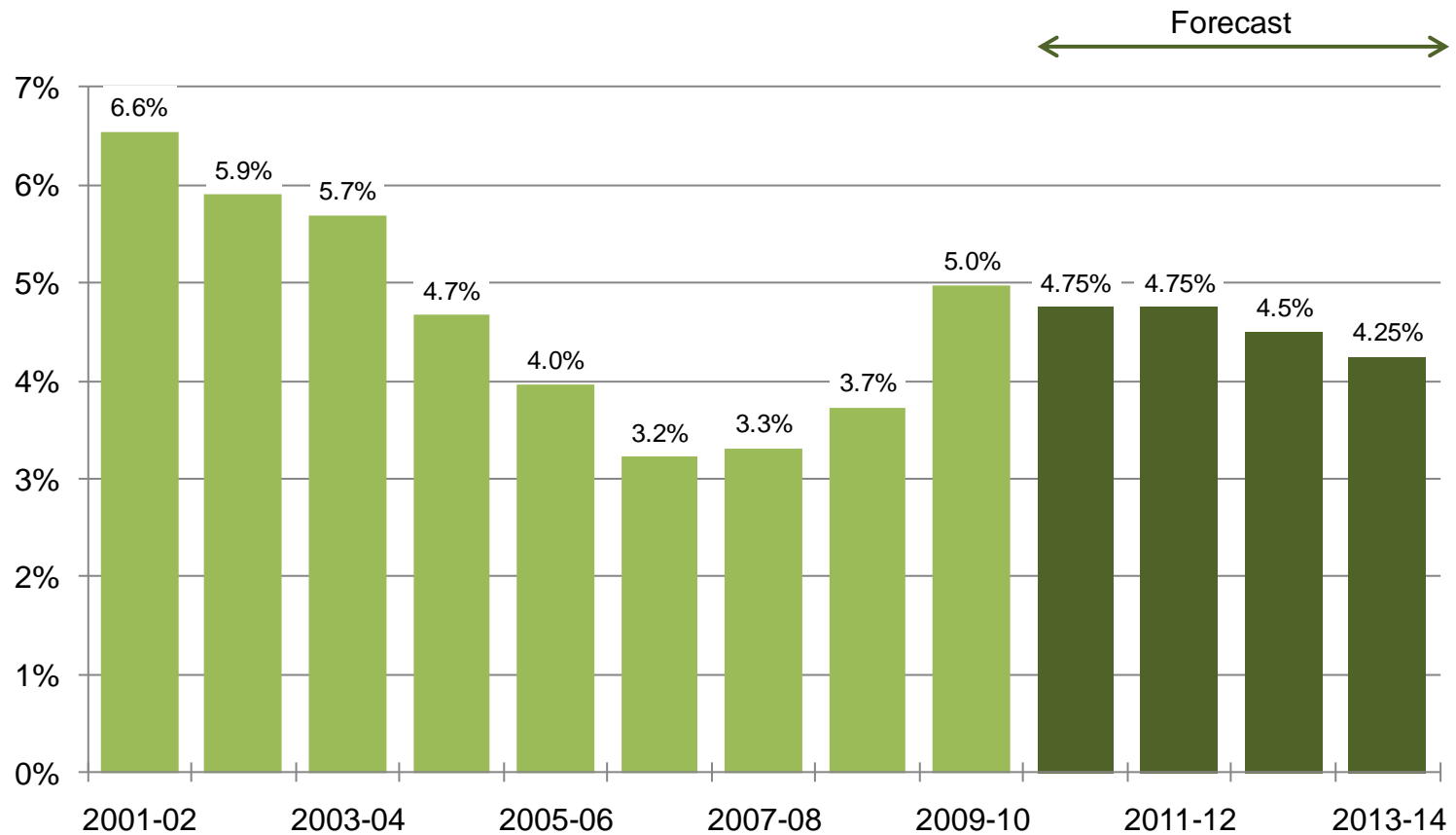
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Employment Growth



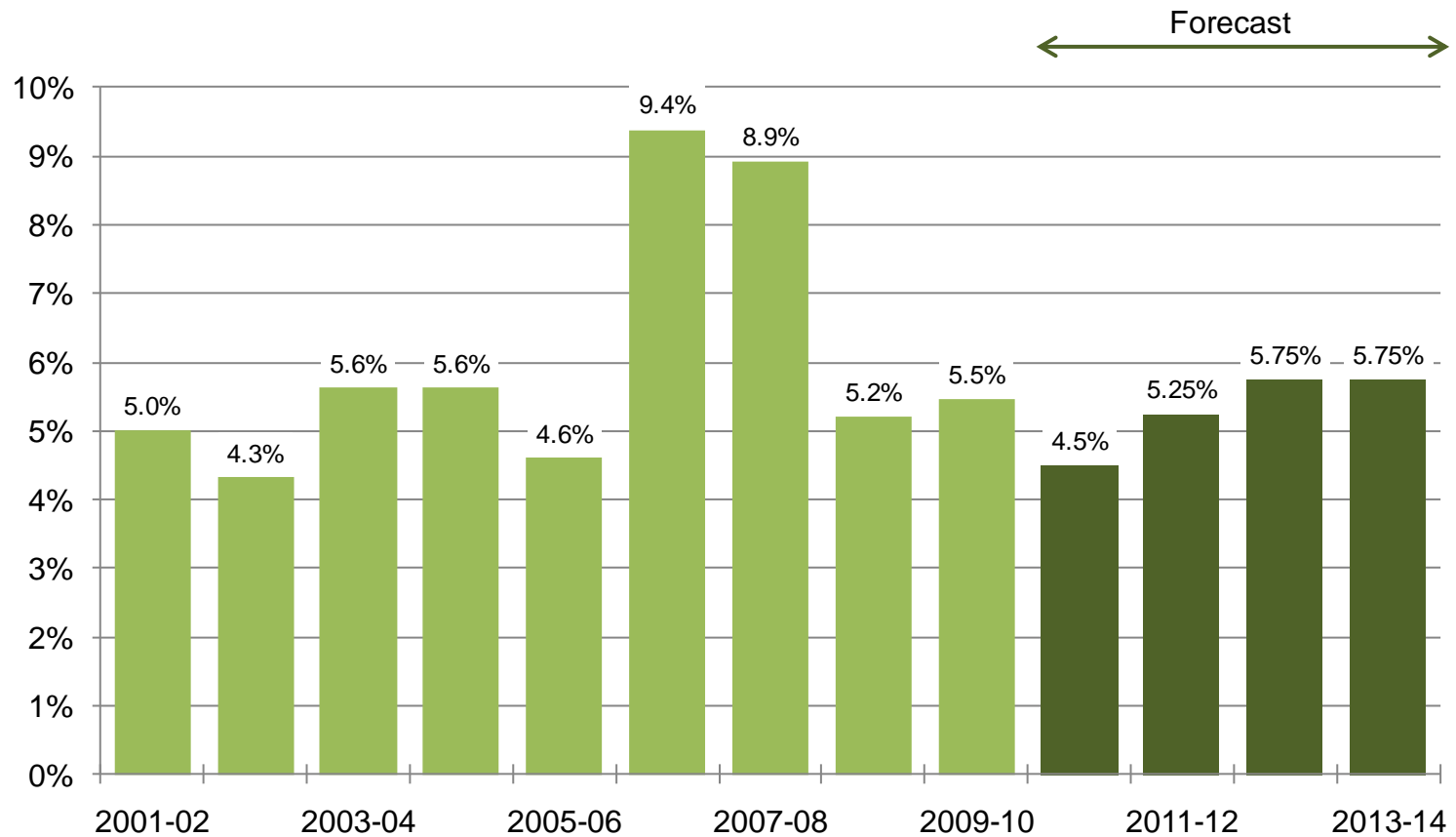
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Unemployment Rate



Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Average Weekly Earnings Growth



Source: ABS and 2010-11 Mid-Year Financial Projections Statement

# Challenges

- Infrastructure
- Labour
- Taxation and funding
- Local content
- Social and environmental
- Regional dimensions
- Global markets

# Opportunities

- Infrastructure
- Labour
- Taxation and funding
- Local content
- Social and environmental
- Regional dimensions
- Global markets