



Government of Western Australia
Department of State Development

WA Economic Landscape Impact of Resources Growth

Nicky Cusworth

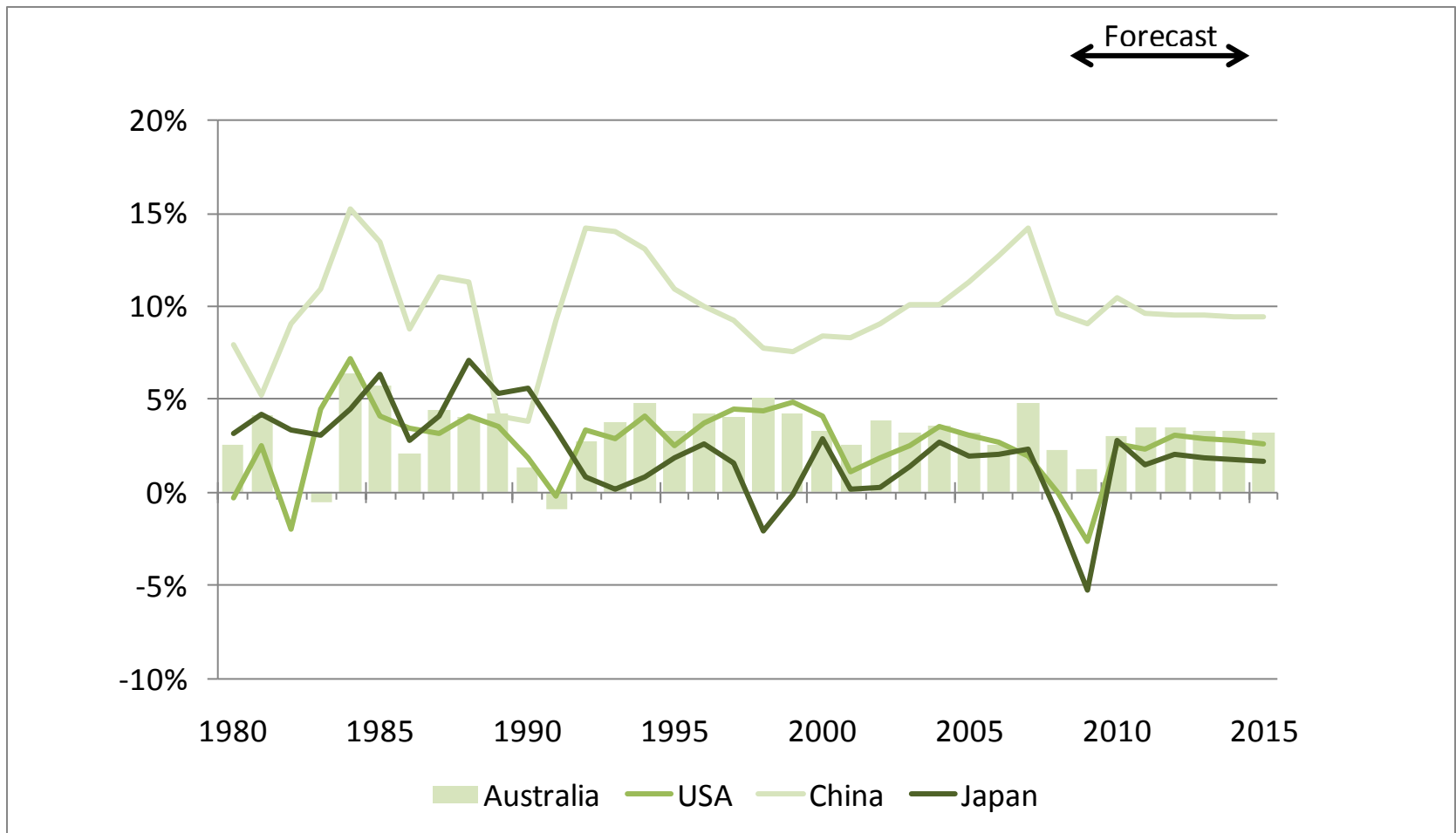
Deputy Director General - Strategic Policy
Department of State Development

1 April 2011

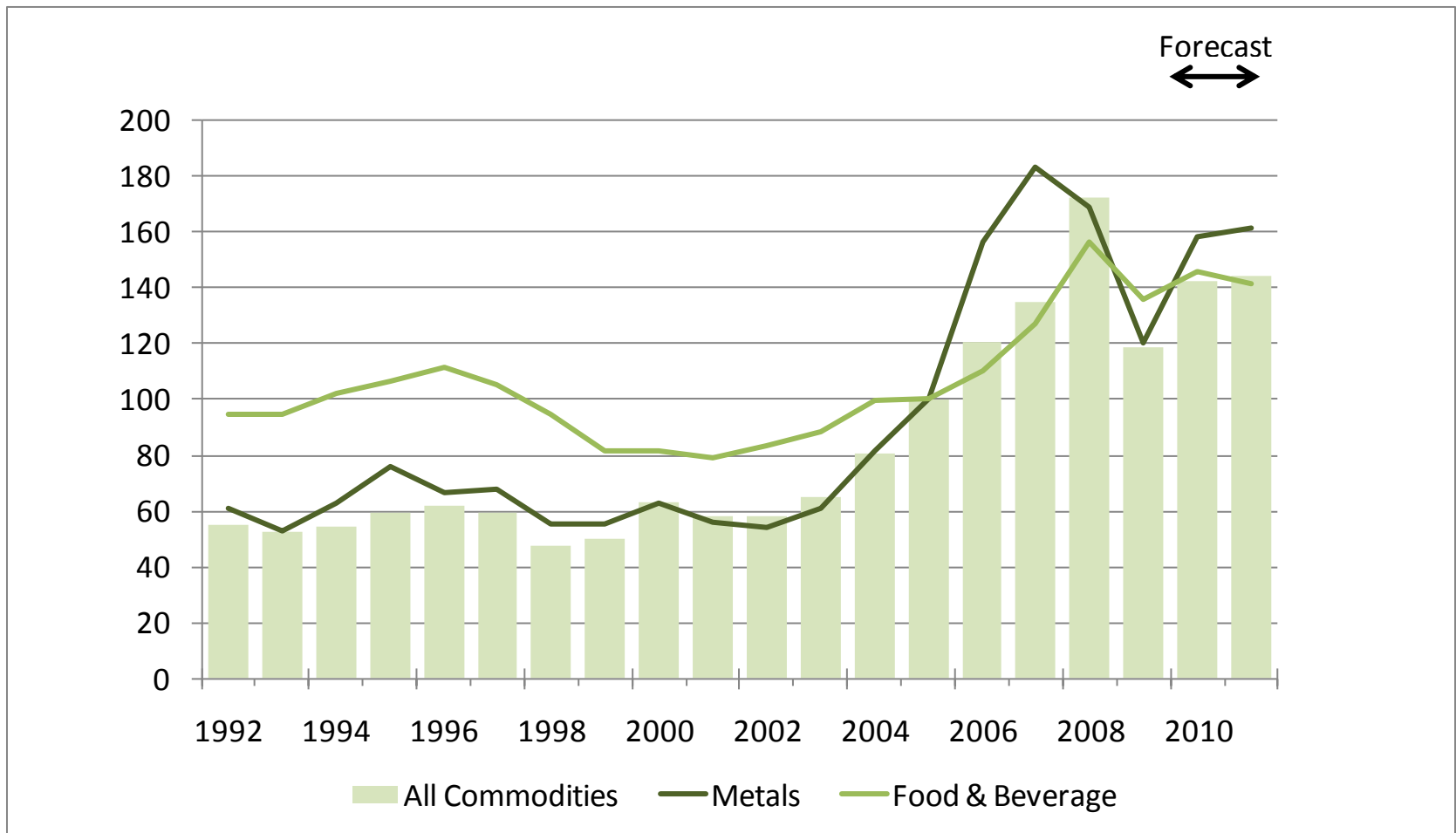
Outline

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

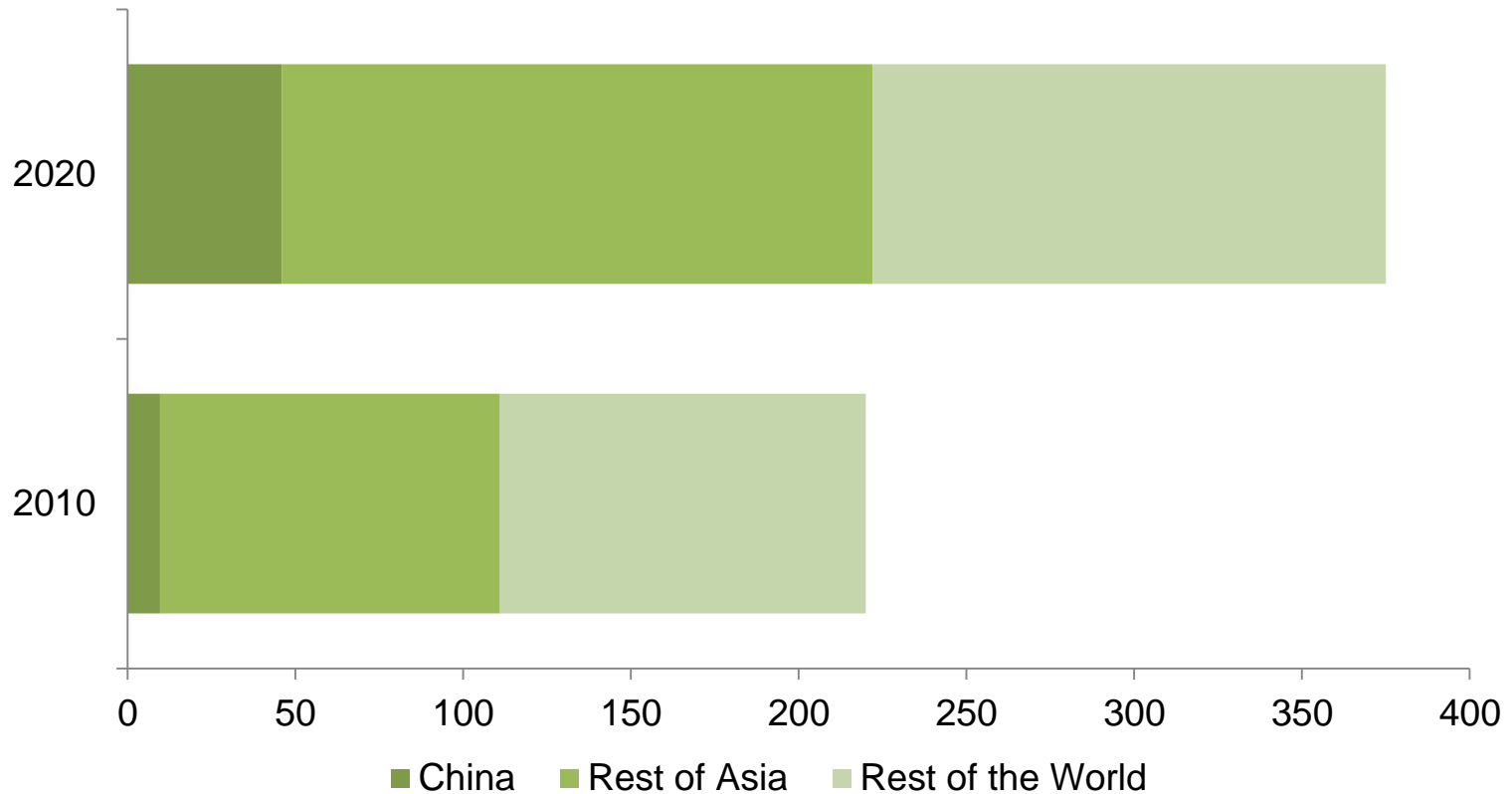
Real GDP Growth By Country Actual and IMF Forecast



World Commodity Prices History and IMF Forecasts, 2005 = 100

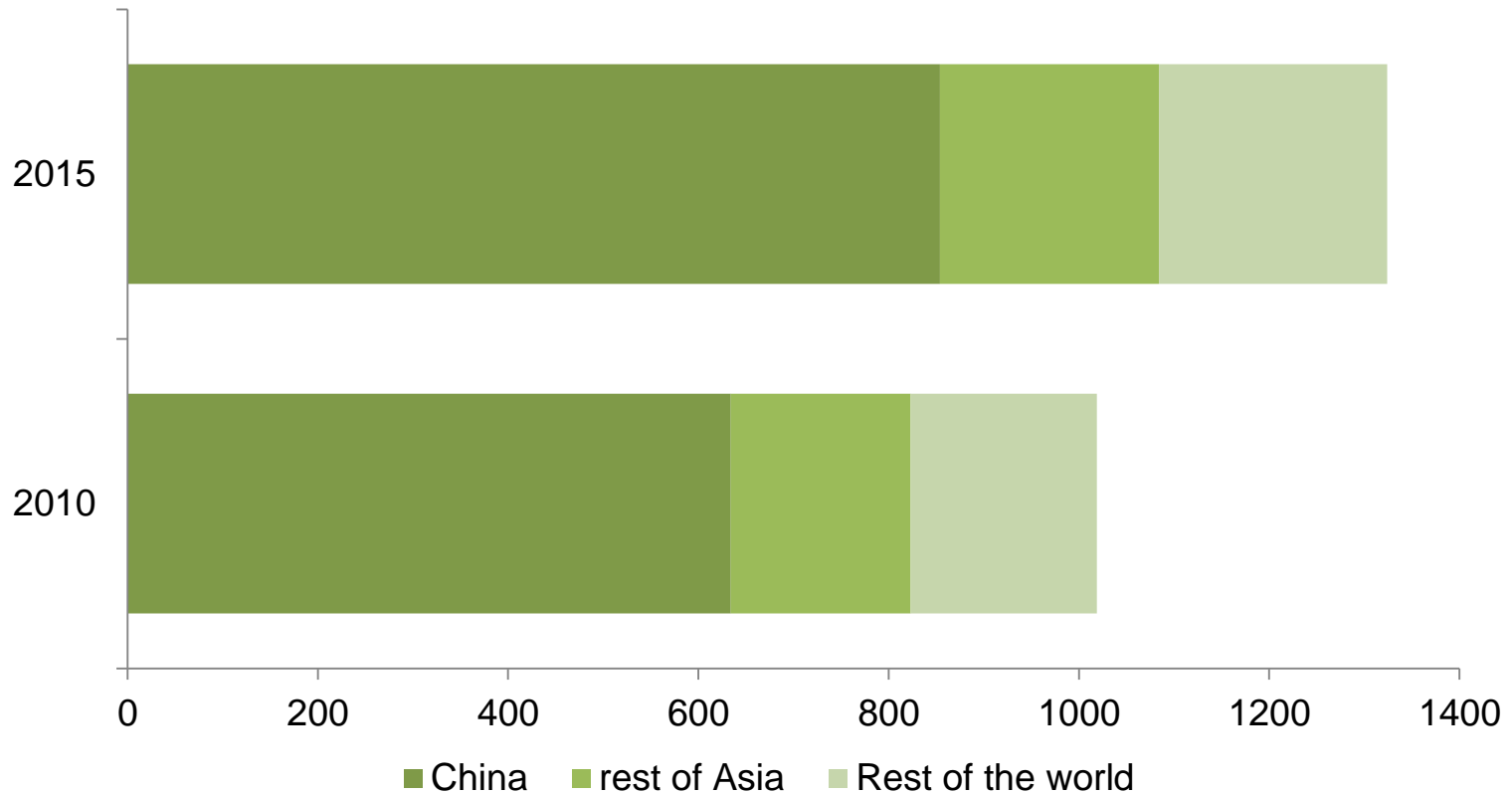


World LNG Demand (Mtpa)



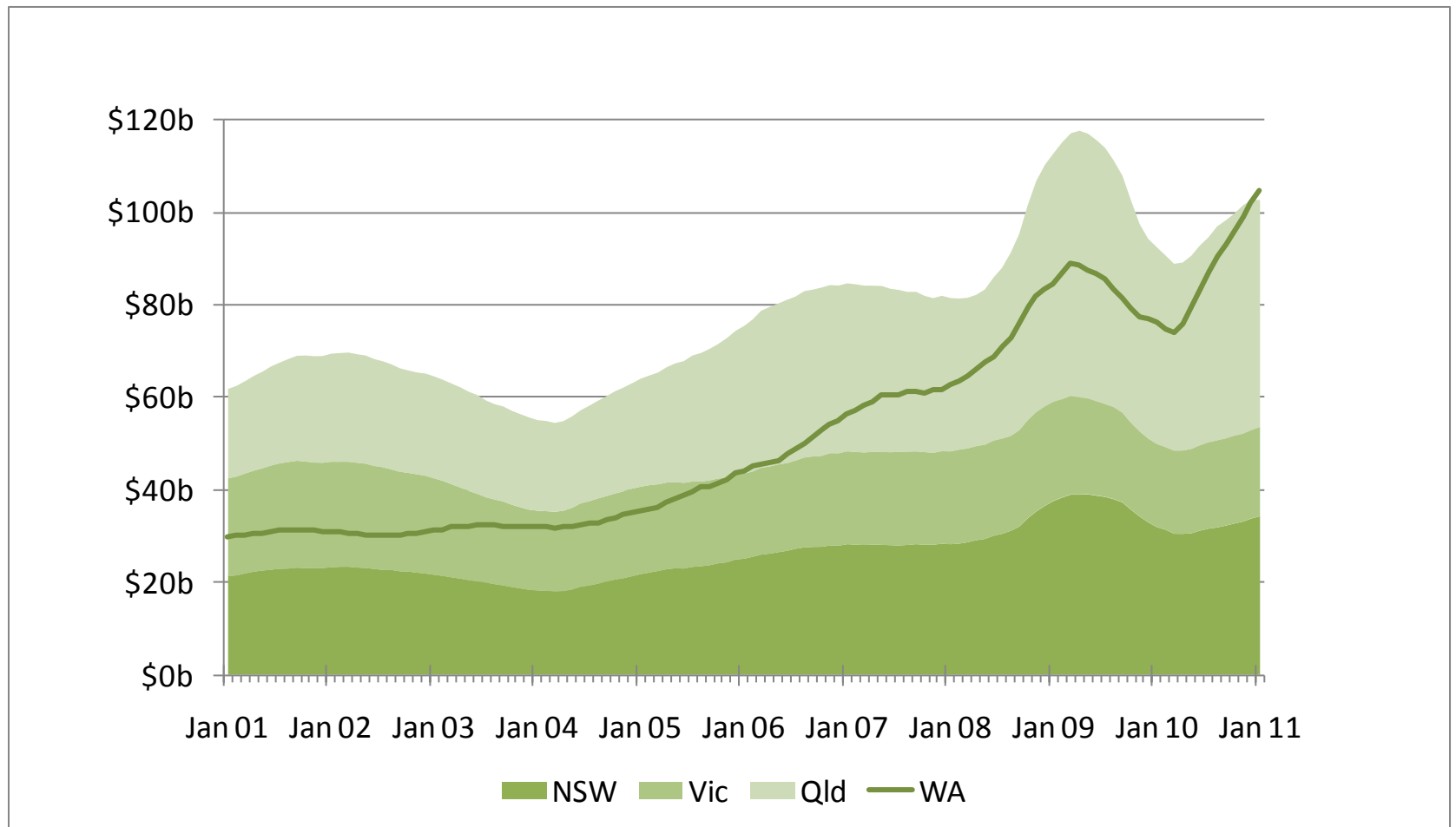
Source: The LNG Review 2010, Wood MacKenzie and Facts Global Energy

World Iron Ore Imports (Mt)

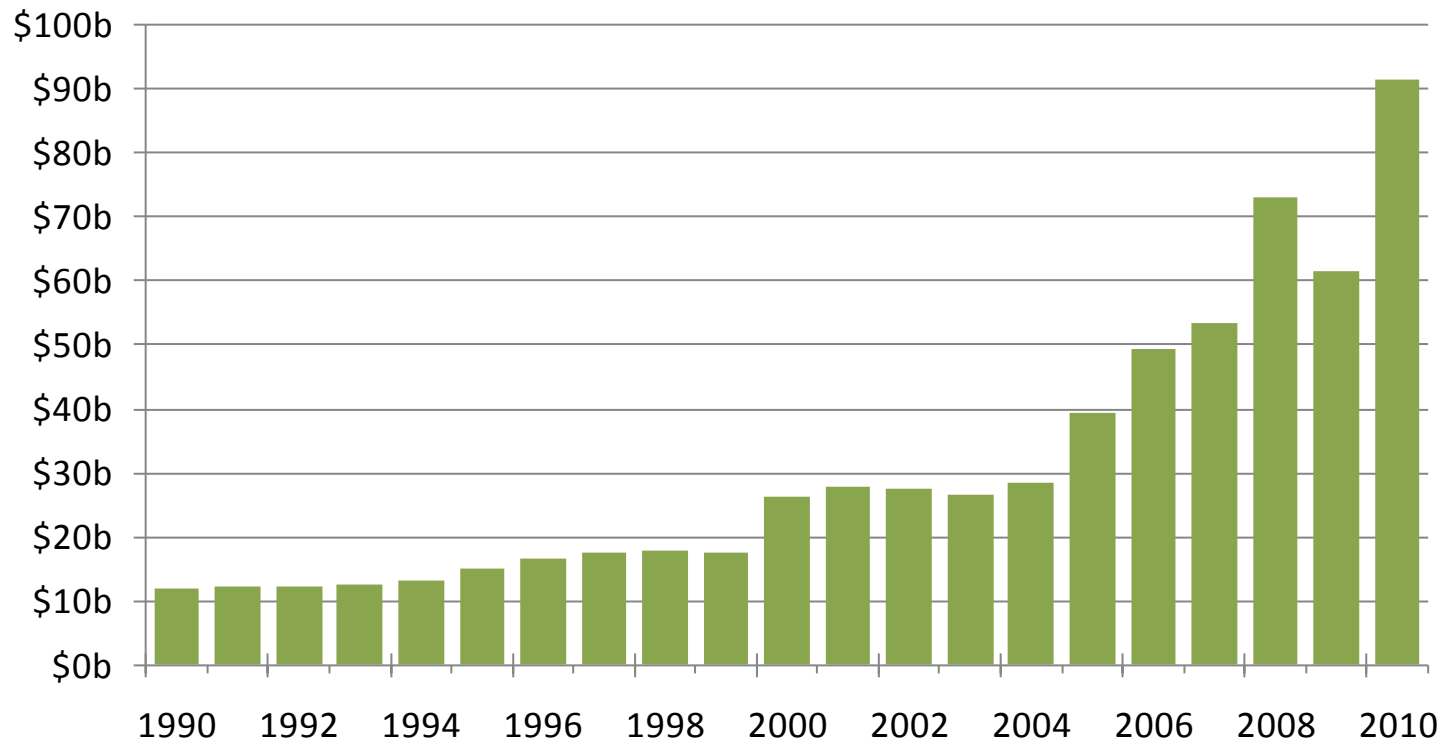


Source: Australian Commodities, March 2011, ABARES

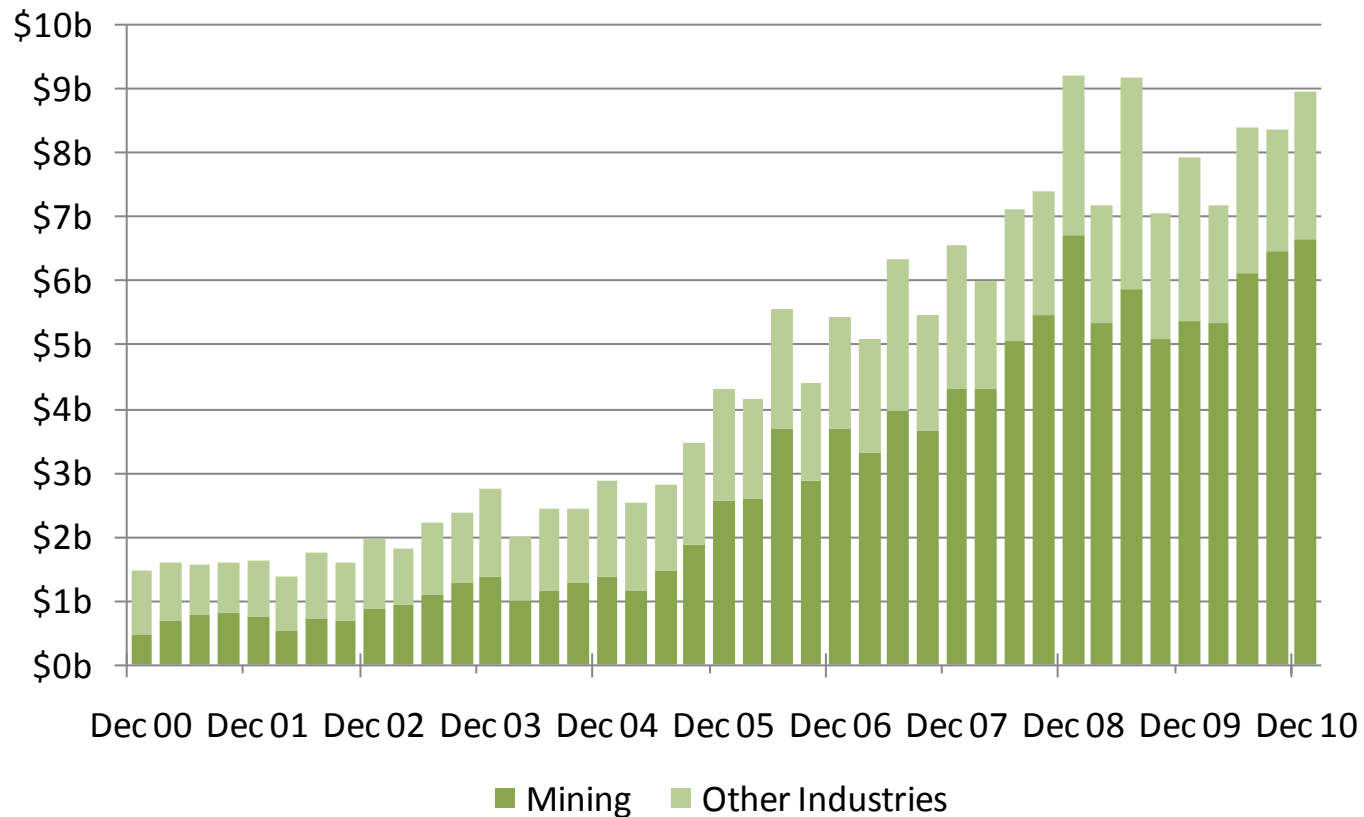
Exports By State 12-Month Rolling Sums



Value of WA Mineral Production



WA Private New Capital Expenditure Original, Quarterly Level



WA Investment Projects by Status

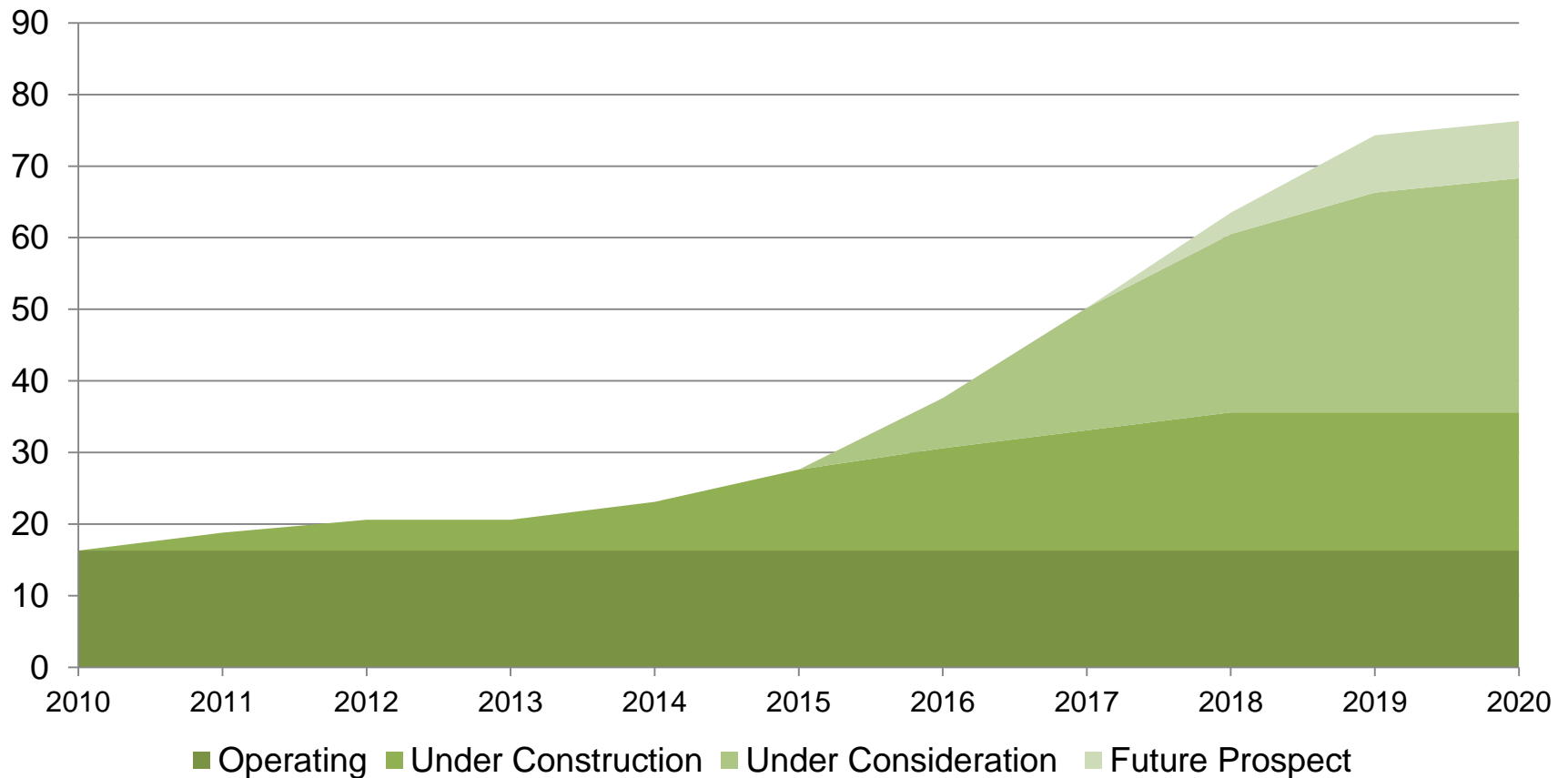
Project Status	Capital expenditure (\$b)
Commenced Operations	10
Committed/ Under Construction	83
Under Consideration	95
Total	188

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	-
Total	91.5	141

LNG Developments in WA

LNG Capacity (mtpa)



Source: DSD

WA Major Iron Ore Projects by Status

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

Department of State Development

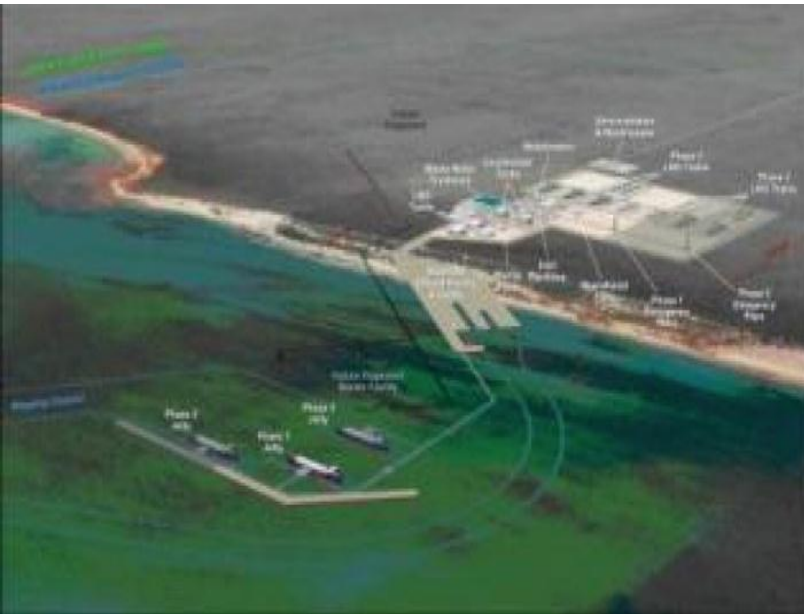
Role

“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



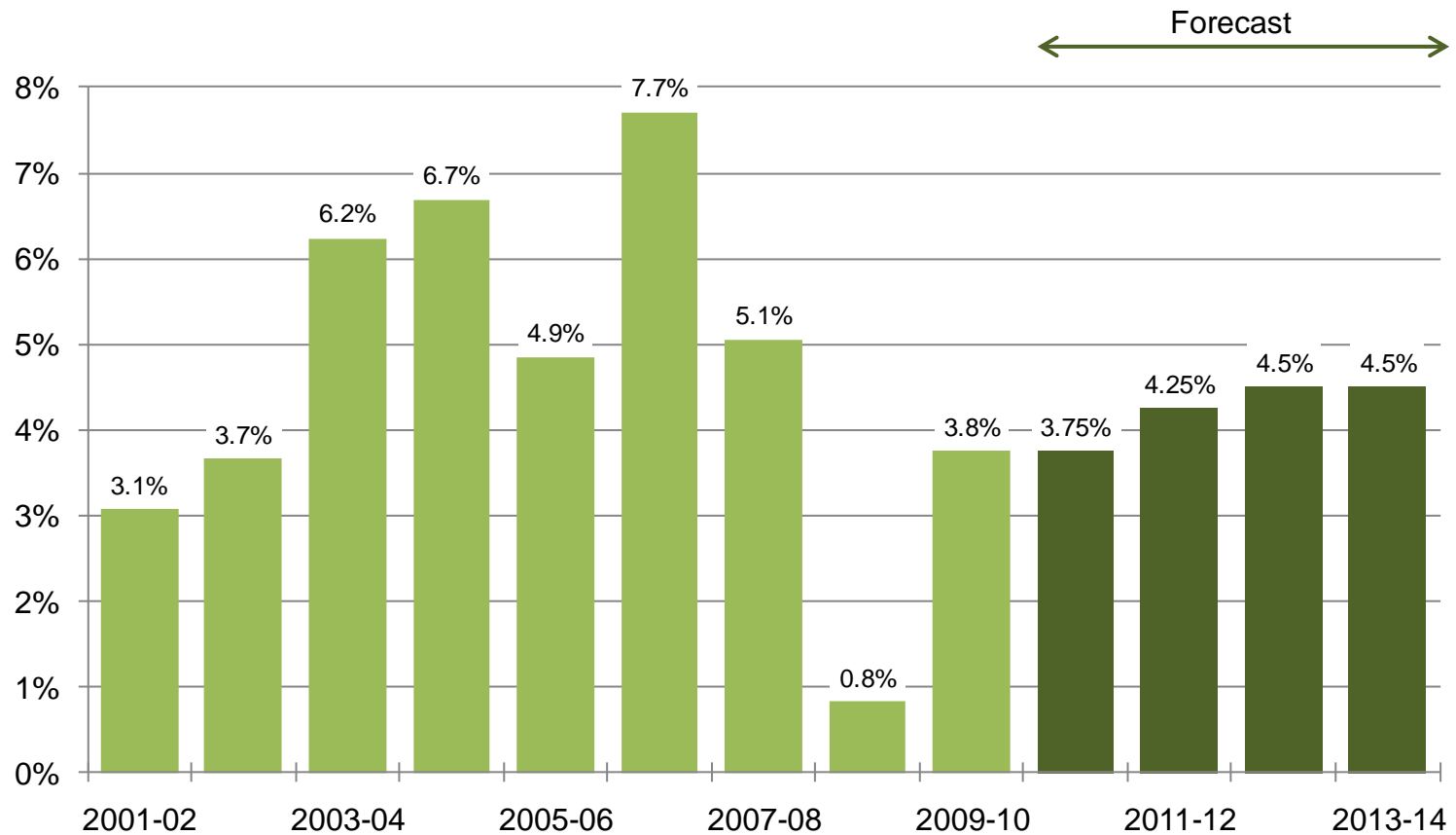
- Browse Precinct – facilitating the commercialisation of the Browse Basin
- Ashburton North – Developing the Western Carnarvon and Exmouth basins

State Developments - Iron Ore



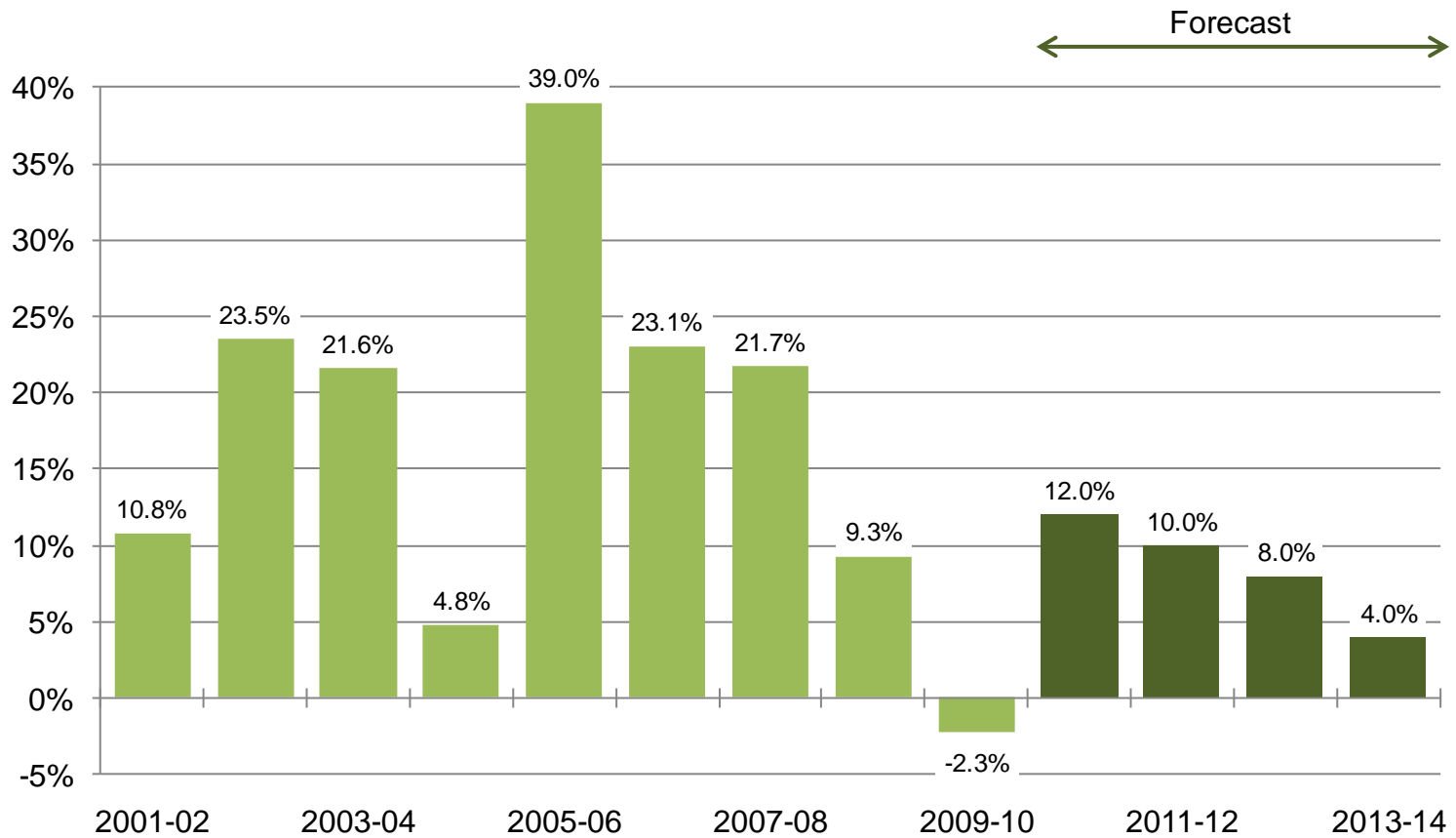
- Oakajee - integrated port, rail and industrial estate
- Anketell - multi-user port and industrial estate

Household Consumption Growth



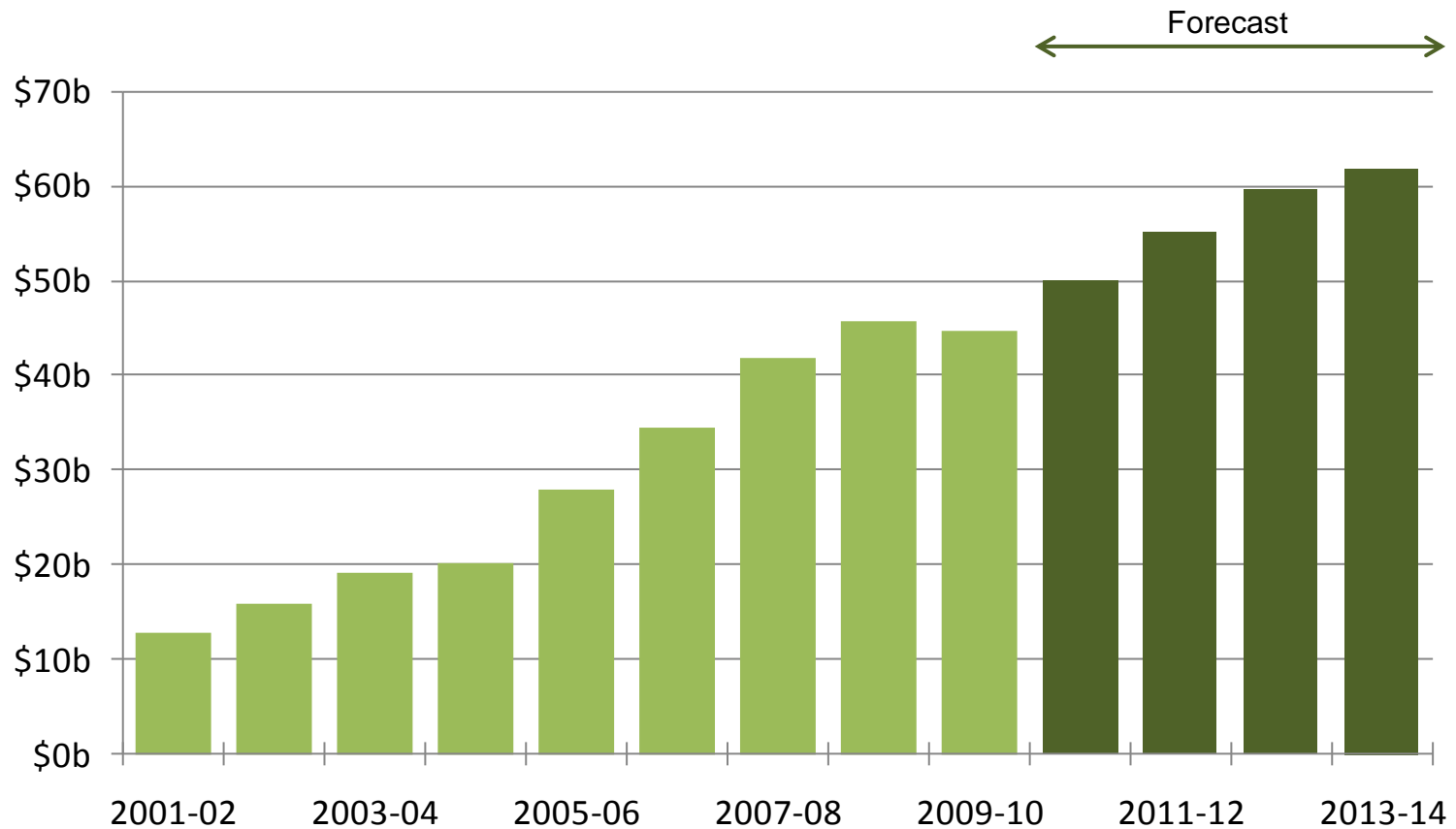
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Business Investment Growth



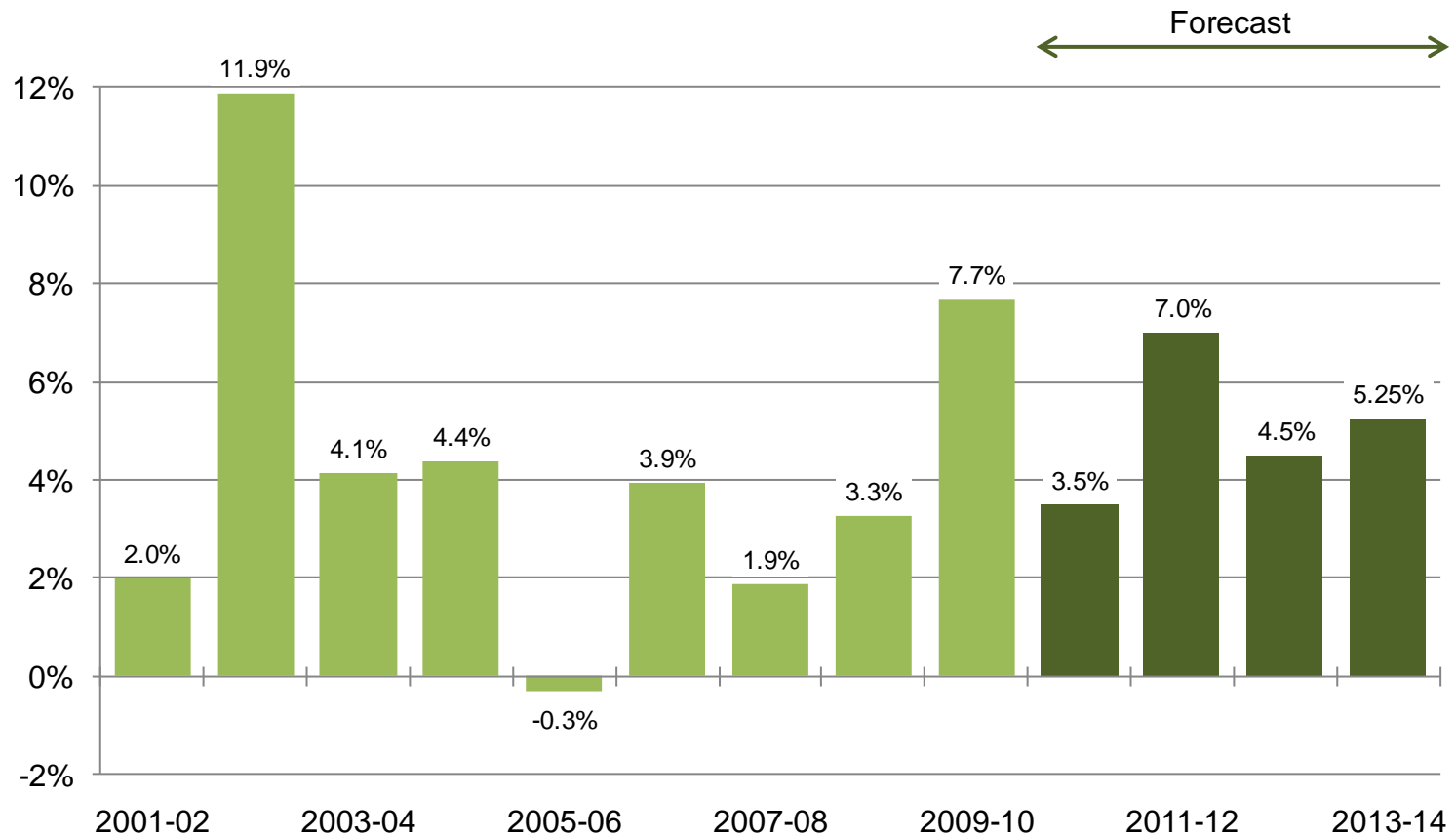
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Business Investment Chain Volume, 2008-09 Prices



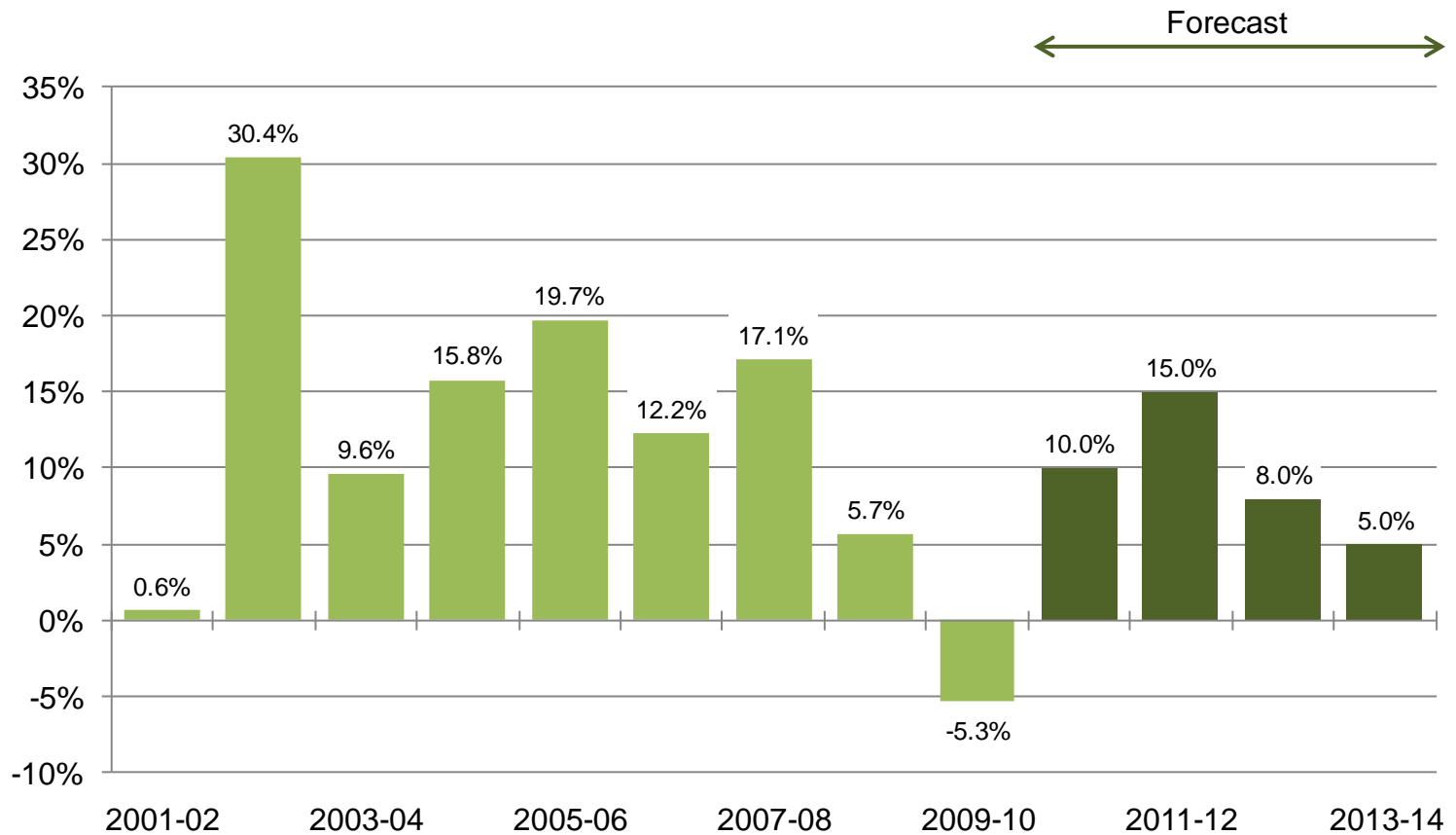
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Merchandise Exports Growth



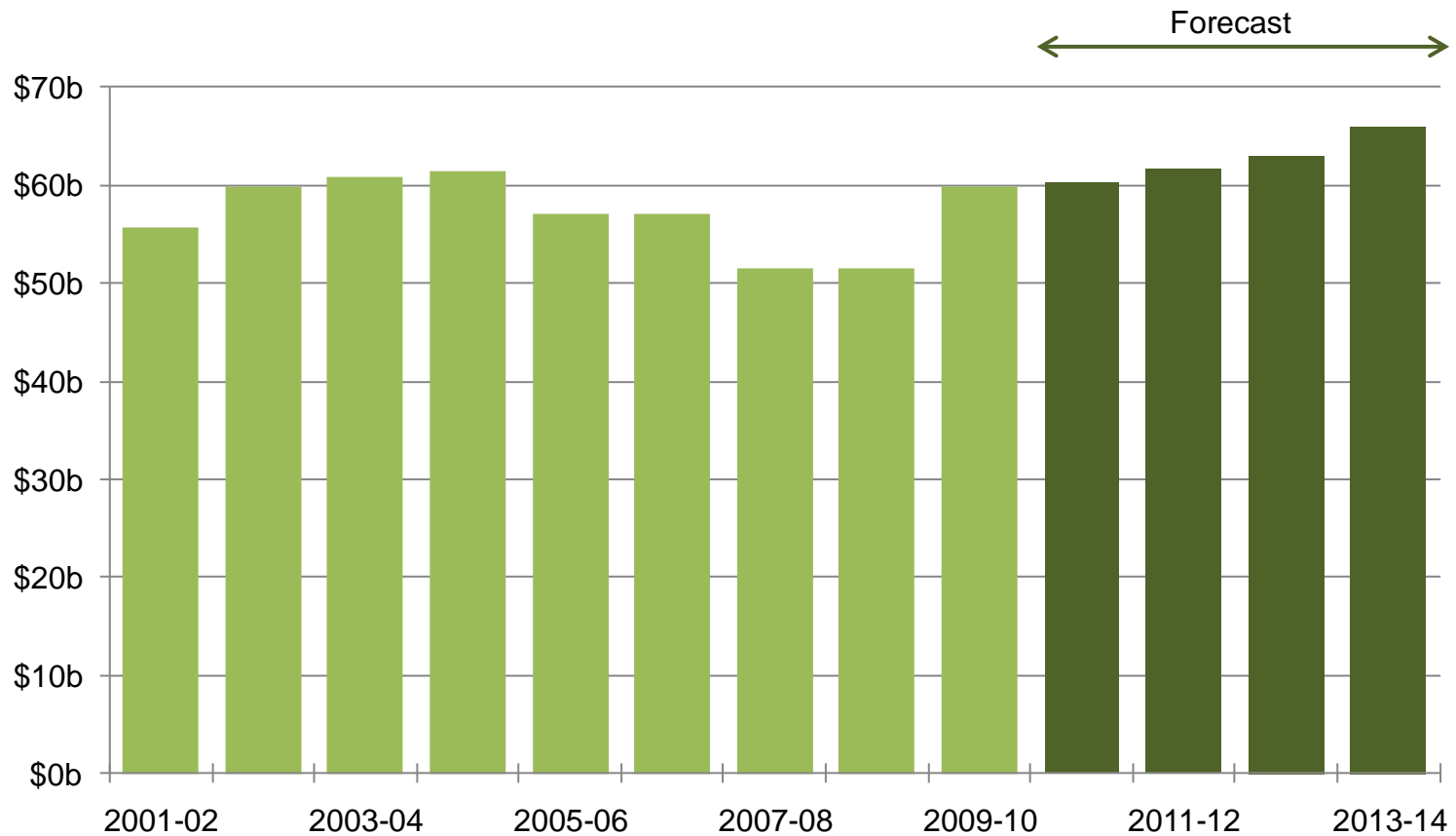
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Merchandise Imports Growth



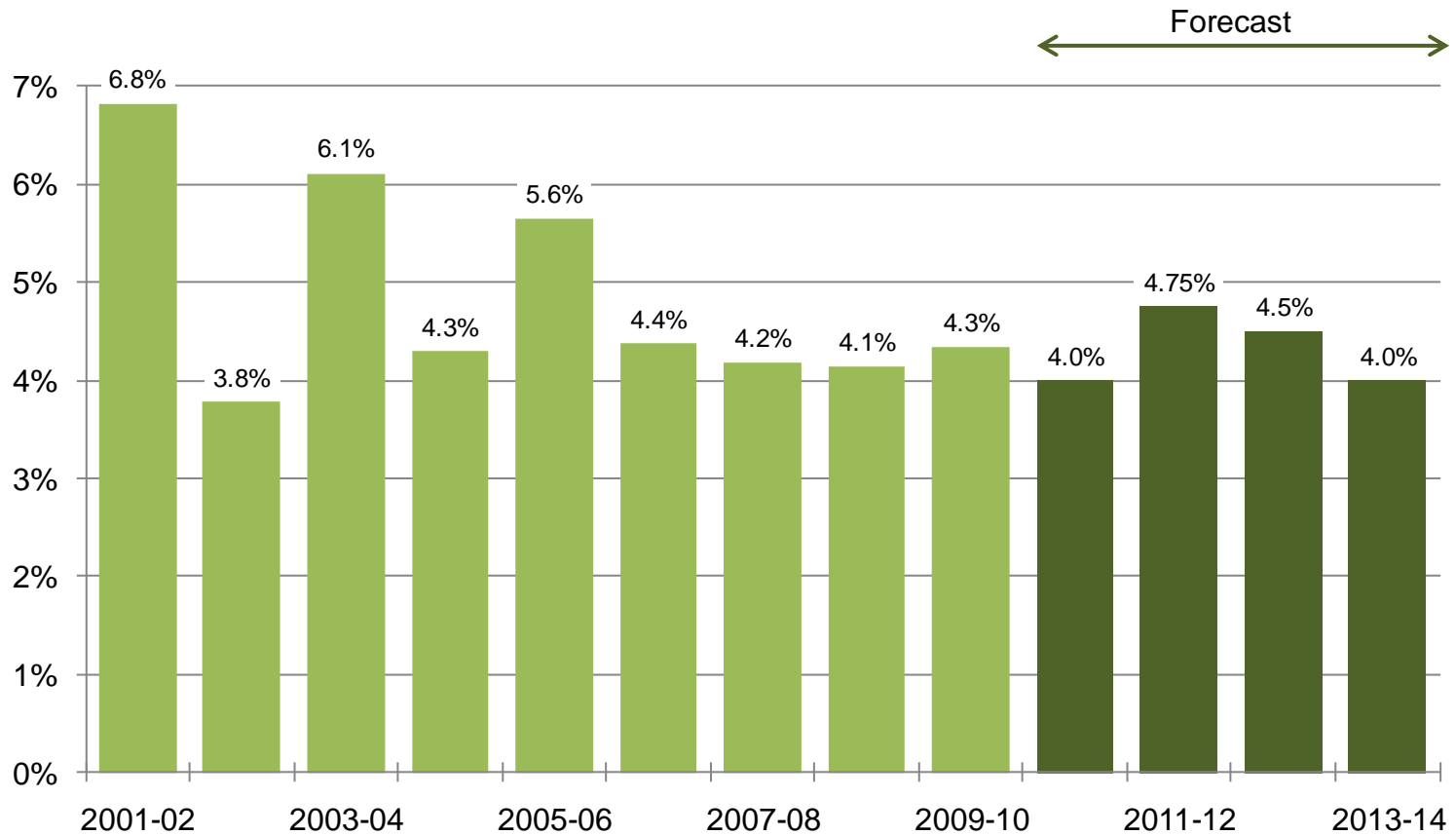
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Net Exports Chain Volume, 2008-09 Prices



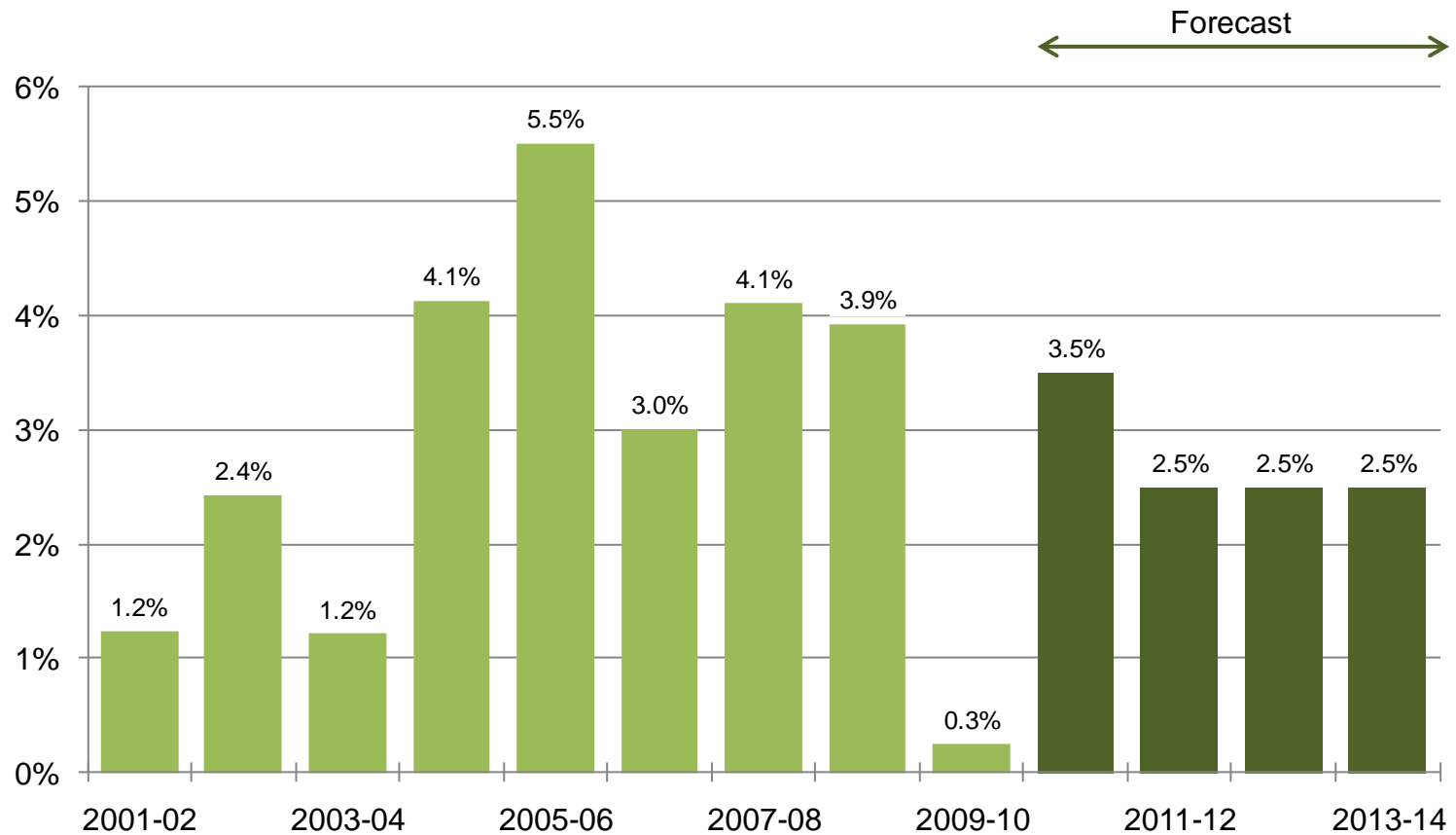
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Gross State Product Growth



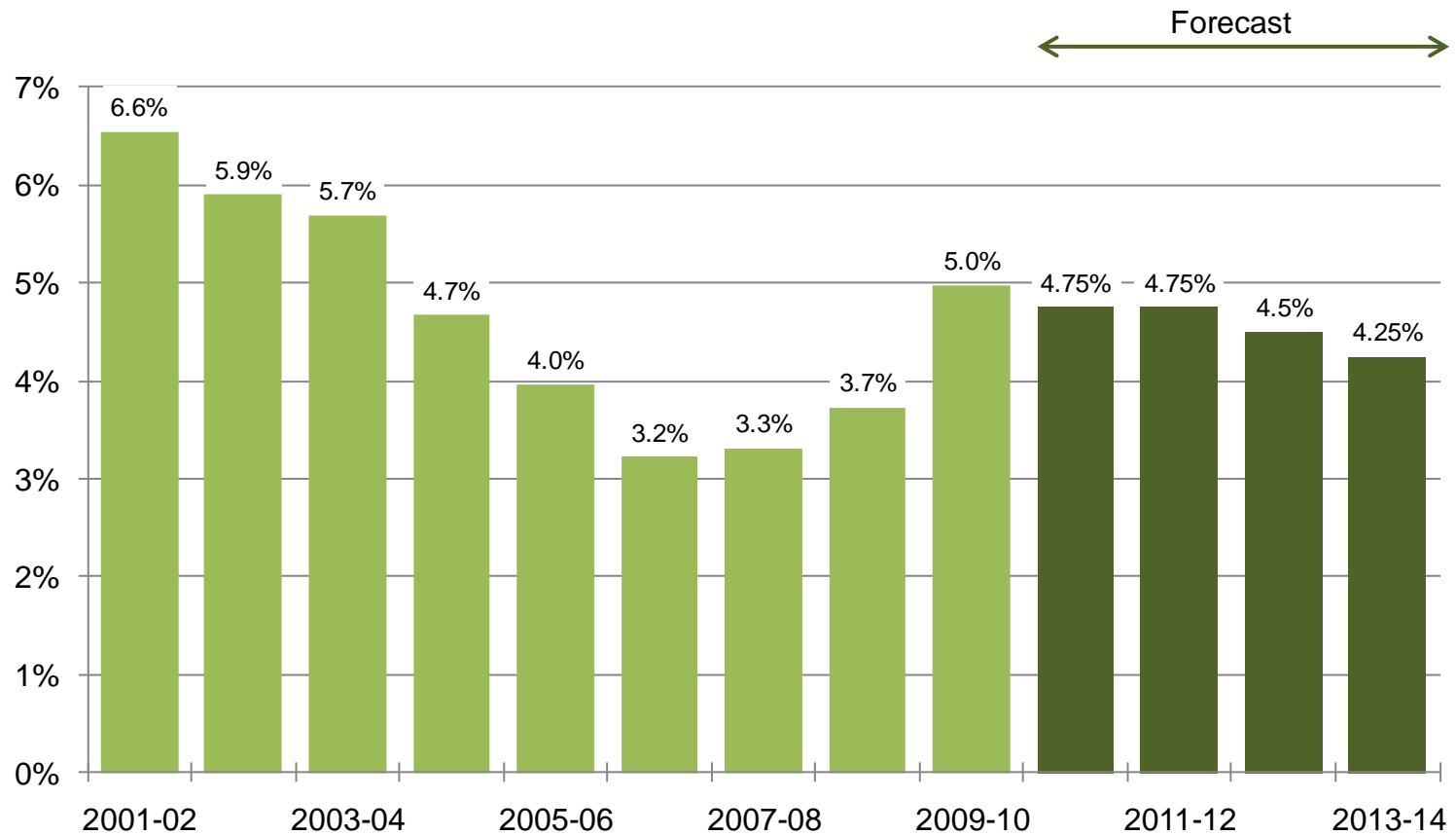
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

Employment Growth



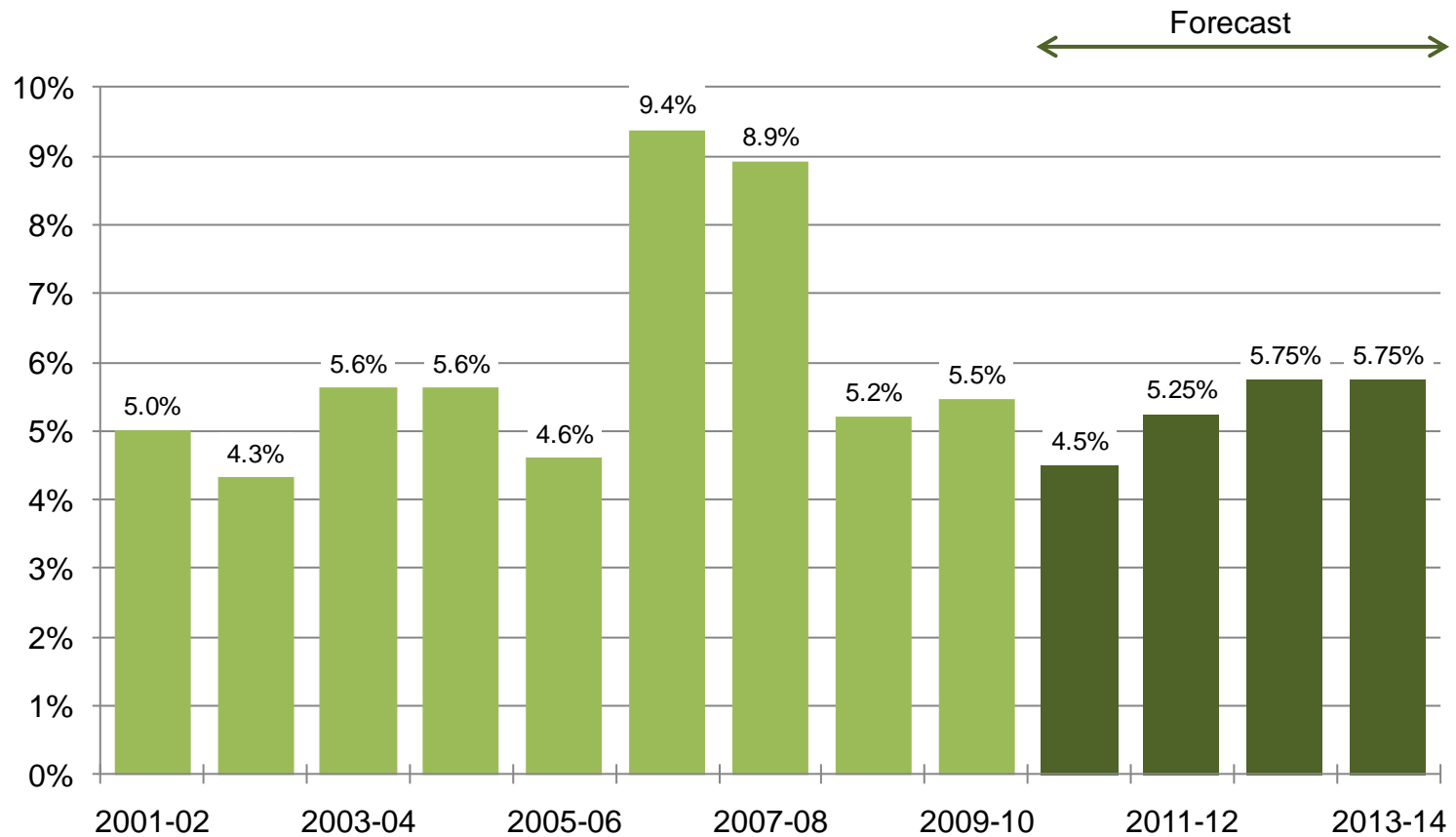
Source: ABS and 2010-11 Mid-Year Financial Projections Statement

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