BIGGER AND BETTER
BEYOND THE BOOM
Perth’s economic future as a region of 3.5 million people
Bigger & Better Beyond the Boom: Perth’s economic future as a region of 3.5 million people seeks to examine the size, industry composition and spatial structure of the Greater Perth economy.

• Identify industry sectors that are growing; industries in decline; and emerging economic threats and opportunities for the future.
• Examine and illustrate the importance of local, regional, national and international connections to and between industries in Greater Perth.
• Challenge conventional wisdoms and identify strategies for a more economically diverse and robust future for the region.

With a proven track record of undertaking major projects as a ‘deep dive’ into an issue and an evidence base to positively impact public policy.

Arose as a recommendation from our Get a Move On! project, which identified that Perth and Peel lacked a cohesive economic development strategy. In addition, our 2015 Perth Perception Survey found that households were concerned with the economic future of the region.
Bigger & Better Beyond the Boom is a project of the Committee for Perth and is funded by the following organisations:

Core Funder

pwc

Major Funders

Western Australian Planning Commission

Westpac

Supporting Funders

Brookfield

City of Wanneroo

dbp

Ipsos

REIWA

THE UNIVERSITY OF WESTERN AUSTRALIA

Department of Jobs, Tourism, Science and Innovation
Two final inputs to come - learnings from elsewhere and analysis of Perth based reports <15 years
2017 Household Sentiment Post-boom

37% experienced career disruption

45% expect no improvement in quality of life

59% of households said they would struggle if costs went up by 5%

26% current income is now insufficient for their needs

38% better off than 5 years ago

72% no expectation of real wages growth

Source: Ipsos 2017, Community Survey Presentation.
**Pivotal Economic Events post-WWII**

- **1950**
  - WWII 1945
  - Stephenson & Hepburn Plan 1955
  - Early 1950s BP oil refinery
  - Wool price shock mid-1950s
  - 1950s 80% exports Agriculture

- **1960**
  - 1960s Resource Boom
  - 1966 1st iron ore export to Japan

- **1970**
  - Corridor Plan 1979
  - Mid 1970s mineral expansion
  - 1970s oil crisis

- **1980**
  - 1980s Americas Cup win
  - 1987 Stock market crash

- **1990**
  - Early 1990s recession

- **2000**
  - 2000s Resource Boom
  - Most recent Resource Boom

- **2010**
  - GFC
Findings: Higher Education and VET

$1.39 - $1.41 billion from international education in 2015, lower than all states except N.T.

Human capital
2001 - 2.48
2011 - 0.74

9,854
Full-time equivalent jobs from international education, 4% of the total generated in Australia
Findings: Tourism

In 2015-16, tourism contributed 4.6% of direct and indirect state GVA and employed 109,000 workers.

Domestic tourism contributed 76% of direct state tourism GVA in WA.

Perth Airport experienced a decline in domestic travellers by 3.98% between 2012-13 and 2015-16.

Visitors to WA:
- International visitors - 30 days
- Interstate visitors - 9.3 days

International visitor numbers have increased in WA, however length of stay and dollars spent does not match this growth.
In 2016, Australia had 49 dependents for every 100 people of working age. This is expected to increase to 79.5 by 2100.

- Reduced workers and size of labour force
- Consumption shift towards leisure and healthcare services
- Decreased productivity leading to less GDP
- Pressure on governments' budgets as health care needs increase
Findings: State Government Leadership and Interventions

- State investment of between $363m to $436m (2017 dollars) in 1955 led to the establishment of the Kwinana Industrial Area through a State Agreement.
Findings: Our Economic Base is Changing

The economic base of a city or region incorporates those industries which are driving growth, usually through exports.

Location quotient analysis identified our most propulsive industry is mining, with a score of 1.89.

The next major industries of our economic base include:

- Rental, hiring and real estate services (1.14)
- Arts and recreation services (1.09)
- Education and training (1.09)
- Electricity, gas, water and waste services (1.06)
Findings: Perth’s Global Connectivity

Perth lost 98 ASX listed firm headquarters between 2013-2016, more than any other Australian capital city.

ASX-listed Perth-based firms had 195 overseas branch offices in 58 countries.

Industry breakdown of the 652 Perth-headquartered firms listed on the ASX.
Findings: Local Economic Competitiveness

7.29% of Perth’s employment growth was linked to local factors rather than being accounted for by broader national growth patterns or the particular combination of industries within the Perth and Peel region.

Most competitive sectors in Greater Perth between 2011 & 2016:

- Healthcare & social assistance 1.08%
- Accommodation & food services 0.90%
- Construction 0.86%
- Retail trade 0.69%

The Central sub-region had lower levels of overall local competitiveness.

Across the metropolitan region, local competitiveness was higher in the outer sub-regions.
• Greater Perth’s economy is more diverse and resilient than we give it credit for – a diverse and resilient economy.

• Globalisation has led to increased competition nationally and internationally to attract economic growth from key areas including education, tourism, professional services and arts and recreation – playing a competitive game.

• Technological, social and environmental disruptions are likely to impact our economic output – our economy must be future focused.

• In 2018, our community is increasingly split and job tenure and security is the divider. People are worried about employment, cost of living and safety.

• Ambitions of current government will require significant policy support to be realised.