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Perth households struggling beyond the boom

It was the seemingly never-ending mining boom that has left many households across Perth and Peel feeling bust, with a less than positive outlook about the future. A Committee for Perth survey has found almost 40% of people experienced some form of career disruption, whether it was being made redundant, or a change in career or industry because of the end of the boom or the GFC. Another 72% are predicting no real wages growth and 45% of people can't see any improvement in their quality of life.

"The mining, energy and construction boom lasted over a decade and as a community we have forgotten what it is like to live in what would be described as a normal economy. Many people expected and were given wage rises every year and saw the value of their assets like a home and shares constantly increase. Post-boom, this just isn't the case anymore which has made life painful for many," said Committee for Perth CEO, Marion Fulker.

"That lack of optimism was uncovered in our survey which found that 60% of household finances are so fragile they would struggle if living costs went up by just 5% and only 38% of the people thought they were better off than they were five years ago. A significant number of people still think they're stuck in financial rut with 26% of them saying their current income is insufficient for their needs. This is a clear indication that policy makers are in for challenging times."

The survey commissioned by the Committee for Perth and carried out by market research firm, Ipsos examined the attitudes and behaviours of 2,000 Perth and Peel residents to understand how they were coping post boom. The survey is part of the Committee's *Bigger and Better Beyond the Boom* two-year research project. The project will examine industries and challenge conventional wisdoms to identify strategies for a more economically diverse and robust future.

"The story of the boom was always one about a two-speed economy. There were those who reaped the financial benefits of working in the resources sector and those who didn't but had to cope with the higher cost of living. Examining those two groups and who was affected by the end of the boom, we found it was just over a quarter of households with income of \$40,000 or less and almost half of households with income of \$150,000 or more," added Mrs Fulker.

"What's interesting is that most higher income households bounced back, 62% of them are better off than they were five years ago, while 70% expect an improvement in their quality of life and 69% believe their job is secure.

"When we look at people on lower incomes, only 19% of them are better off than they were five years ago. Only 38% expect any improvement in their quality of life, and only 45% think their job is secure."

For many the end of the boom was a time to head back to the eastern states. The exodus started in June 2014 and at the peak of interstate migration in mid-2016, there was almost 3,000 people a month leaving the state.

"After the highs of the boom and the adjustment to the new normal, there was a perception that the grass was greener on the other side of the country. The biggest motivator for moving was better income at 66%, 44% thought there are better career opportunities, 35% thought the cost of living was lower and 33% would go for a better lifestyle. On the other hand, the biggest factor for staying was to be near family at 44%," Mrs Fulker added.

The breakdown of the figures are:

Struggle to meet a 5% increase in expenses:

- Perth Inner 55%
- Overall 59%
- Peel 64%

Don't expect their quality of life to improve over time:

- Perth Inner 47%
- Overall 45%
- Peel 59%

Expect household income growth:

- Perth Inner 38%
- Overall 28%
- Peel 19%

Expected real wages growth:

- Perth Inner 37%
- Overall 28%
- Peel 19%

Differences are noted in career expectations amongst Peel residents:

- 47% working in the industry they want to be in versus 62% overall
- 44% working in the career they want to be in versus 60% overall
- 41% believe they'll be working in the same industry in 5 years versus 61% overall
- 54% think they'll end up working multiple jobs versus 35% overall
- 61% think career opportunities would be better elsewhere versus 51% overall

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