



Photo: ©Metropolitan Redevelopment Authority

# Invest in the West

## Infrastructure in Western Australia



**Western Australia's fast-growing population and economy are driving major upgrades and expansions of urban and regional infrastructure.**

With Australia's highest population growth of 3.1 per cent, increased investment in infrastructure is required to meet the State's needs.

Western Australia leads the country in infrastructure development, with around 34 per cent of Australia's infrastructure spending in 2012/13. Perth, the State's capital and Australia's fastest growing city, faces major infrastructure overhauls, with its metropolitan population of 1.9 million set to more than double by 2050.

There are major developments also underway in regional Western Australia, driven largely by unprecedented growth in the mining and oil and gas sectors. This has not only led to significant investment in resources infrastructure, but also in the accompanying social infrastructure needed for regional communities and towns.

The State's infrastructure needs will provide numerous and diverse investment opportunities in the coming years.

### WESTERN AUSTRALIA FAST FACTS

- The State's economy grew 5.1 per cent in 2012-2013.
- In 2014, the State allocated \$23.7 billion to a four-year infrastructure program.
- Strategic location to the Asia Pacific and Indian Ocean growth markets.
- AU\$146 billion of resource projects under construction or committed.
- Fastest population growth in Australia at 3.2 per cent in 2013.
- More than 1,300 new arrivals per week are settling in WA.
- 37 per cent of the population were born overseas.

## Infrastructure in Western Australia

Western Australia's key economic infrastructure includes:

- Transport (roads, railways, ports, airports)
- Energy (electrical power networks, natural gas pipelines)
- Water (water storage/supply, sewerage collection, disposal of waste water)
- Communications (telephone/mobile phone networks, internet and television/radio transmission stations)
- Schools, universities and colleges
- Hospitals and health campuses
- Prisons and courthouses
- Community housing

Infrastructure also includes cultural and sporting facilities and tourism infrastructure such as:

- Sport facilities and stadiums
- Museums, libraries, galleries and theatres
- Convention centres, hotels, resorts and restaurants.

## Western Australian Ports

- Bulk mineral export facilities are currently operating near capacity.
- The total trade volume through WA's Port Authority Ports has more than doubled from 200Mt in 2002 to 428 Mt in 2011. This growth was driven almost entirely by export volumes.
- By 2031 the volume of regional-based freight movements through the State's ports is expected to be around 2.5 times greater than today's levels.

## Western Australian Road and Rail

As Western Australia's population and economy continue to expand, so too does the scale of freight movements in the regions. The increase in port traffic provides opportunity for connecting infrastructure developments such as rail and road.

It is forecast that by 2031:

- Western Australia's regional road freight throughput will be twice that of 2010.
- Freight levels serviced by the State's rail freight network will be 2.25 times greater than in 2010.

## Western Australian Airports

Perth's growing population combined with an increasing number of visitors has seen passenger volumes at Perth Airport grow from 4.9 million in 2001 to 11.3 million in 2011, a growth rate of 9% per annum.

Perth's reliance on fly-in fly-out workers in the resources sector has seen passenger (PAX) volumes more than quadruple since 2001 in the regional airports of Port Hedland, Newman, Karratha and Paraburdoo.

The increase in activity at Perth Airport and regional airports provides opportunities for expansion and upgrades of this vital infrastructure.



Artist impression: Perth Airport's new T1 Domestic Pier

## Tourism Infrastructure

Three major State government developments with a combined value of more than \$8 billion are transforming the heart of Perth, reconnecting the city with the Swan River, the cultural and entertainment precinct of Northbridge and the eastern foreshore.

With heavy demand for business, convention and leisure travel the Western Australian Government is also actively encouraging and supporting hotel development in a number of locations across the Perth CBD. Perth has maintained consistent hotel performance levels and these are projected to continue over the next five to ten years.

In regional areas, the Government is considering opening up more of the State's coastline for tourism. Expansion of regional air services and growth in the two tourism centres of Broome and Margaret River are key objectives.

## Western Australia's Economy

The State has averaged annual economic growth of 4.9 per cent over the last decade due to its capacity to attract, develop and operate some of the world's largest mineral and gas projects. Achievements include:

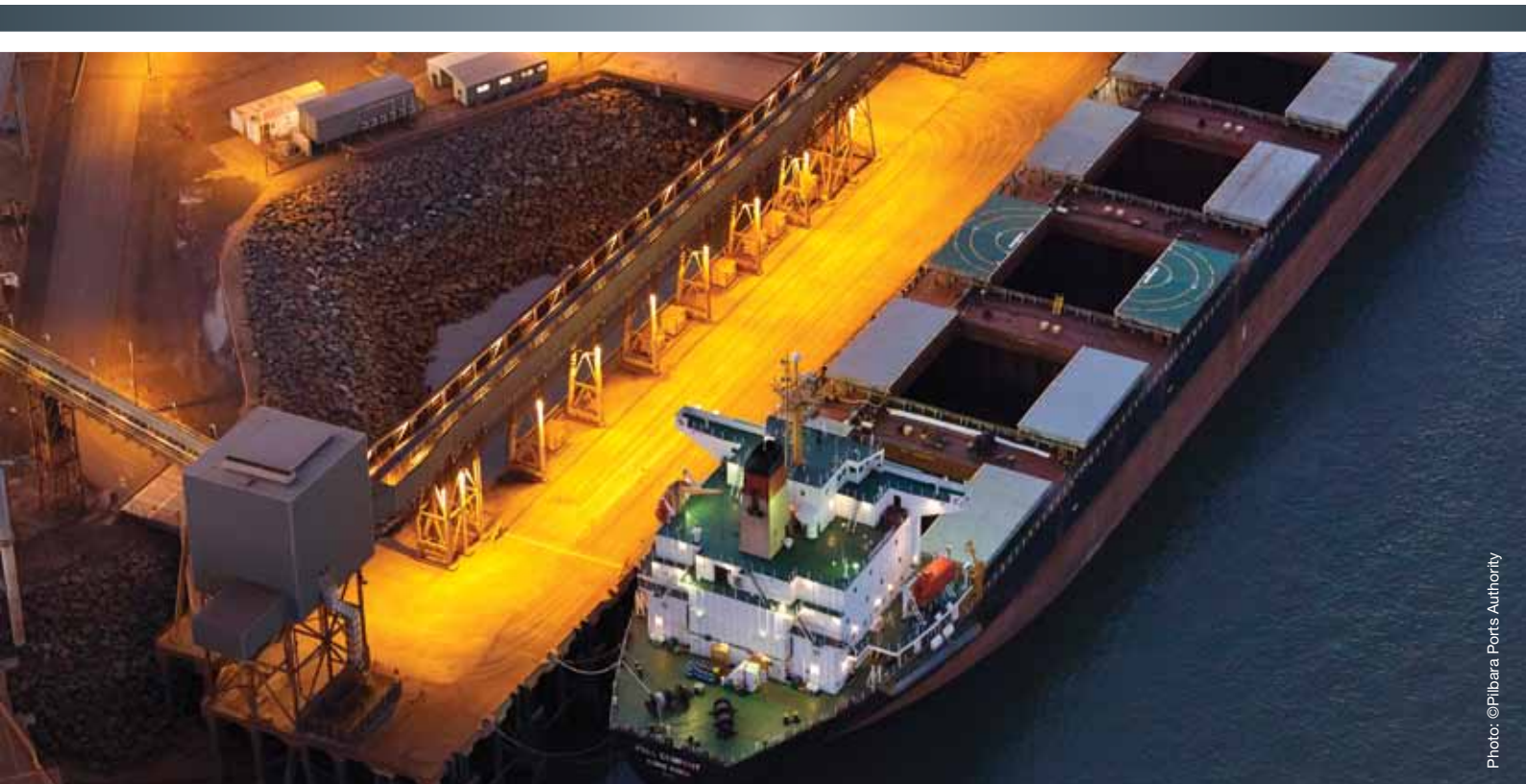
- AU\$102 billion of mineral and petroleum sales
- Exploration expenditure of AU\$1.8 billion in minerals and AU\$3.3 billion in petroleum, 58 per cent and 69 per cent of Australia's total respectively
- 165Mt of annual iron ore production capacity under construction or committed
- 28.1Mt of annual LNG production capacity under construction or committed.

With only 11 per cent of Australia's population, the State accounts for:

- 16 per cent of GDP
- 28 per cent of business investment
- 48 per cent of merchandise exports
- 51 per cent of total value of resource projects under construction or committed
- 58 per cent of mining industry value added.

## Western Australia's Commercial Environment

- Western Australia is located within the high-growth Asia-Pacific region and shares the same or similar time zones with markets in China, Singapore, Japan, South Korea and South East Asia.
- Taxation measures enable companies investing in infrastructure to benefit from early stage tax losses by indexing them to the 10-year bond rate.
- Foreign companies in Western Australia can gain access to a wide range of experienced business support services, including legal and accounting firms and business and professional organisations.
- Many international companies have already benefitted from doing business in Western Australia. Eight of the top 20 construction companies in the world are currently operating in Western Australia.
- Western Australia is a training ground for geologists, engineers and builders, ensuring that international investors can tap into the world class skills and knowledge that Western Australia offers.



## A Dynamic Lifestyle and Location

With liveability rankings consistently in the Economist Intelligence Unit's (EIU) top 10 – the highest for all major resource cities in the world – Perth offers a relaxed, friendly and outdoor lifestyle with modern infrastructure, health and education facilities and leisure and cultural activities. Similar to other major Australian cities, Perth also has a big multicultural population.

Western Australia covers an area of 2.5 million square kilometres (3.5 times the size of Texas), and has a pristine coastline stretching 12,500 km. Perth's Mediterranean-style climate averages 8 hours of sunshine a day.

Western Australia's attributes offer investors distinct advantages. It has Australia's highest rate of skilled migration and one of the lowest unemployment rates in the world.

Perth is one of the world's largest and most distinctive resource hubs and increasing the regional headquarters for resources and resource services companies.



Information current as at June 2014

## KEY CONTACTS

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