



Addressing WA's growth challenges

CEDA Economic and Political Overview 2020



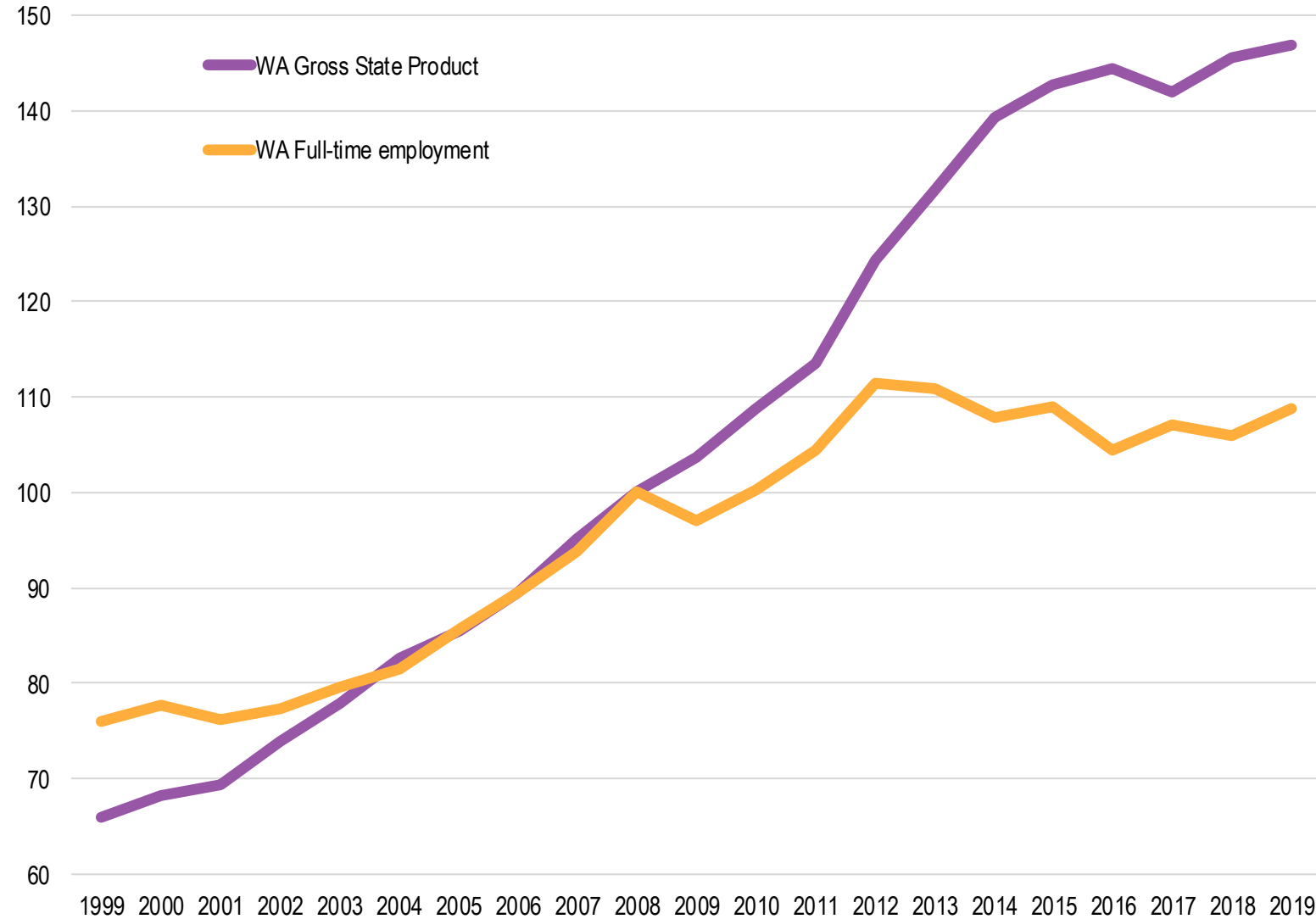


The Internal-External Disconnect

The economy is growing, but with fewer jobs



Gross State Product vs Full-time Employment in Western Australia, Index; 2008 = 100



Impacts...



House prices unchanged since 2007 at \$480,000



48,000 people have moved East since 2013



Sluggish retail spend
1.2% growth per annum for 5 years



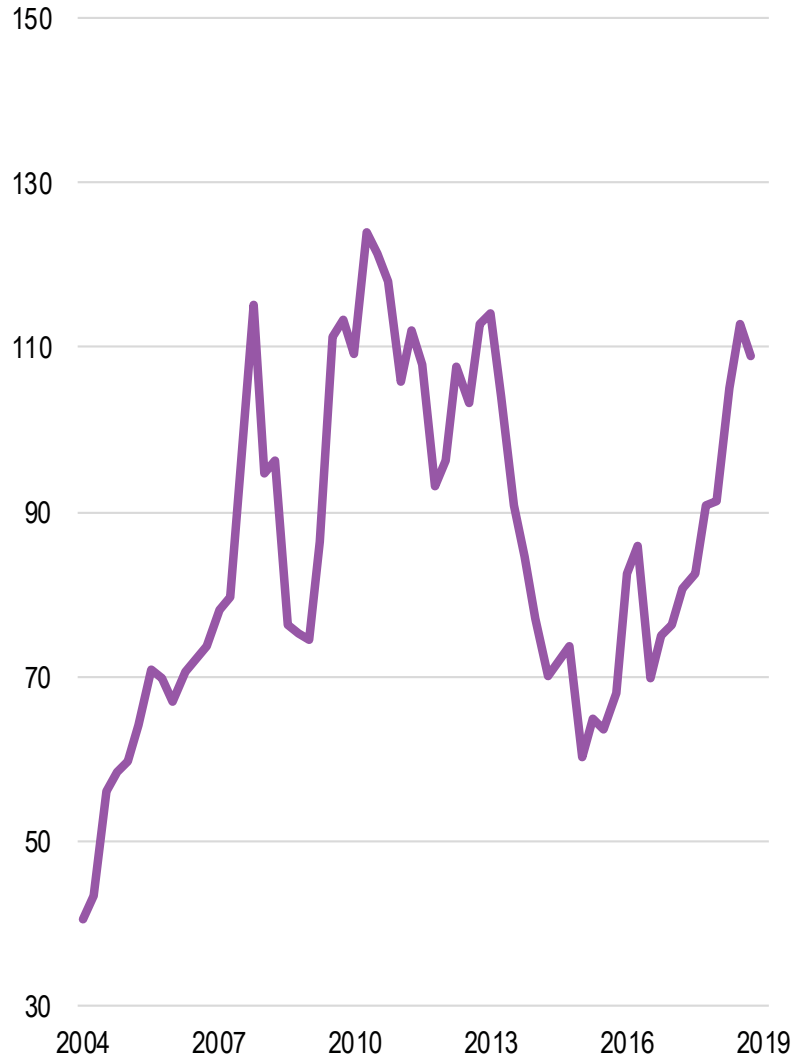
No growth in real wages
0.3% per annum for three years

Source: ABS Cat. 5220.0, ABS Cat. 6101.0. Monthly employment converted to annual using end of financial year value.

The Commodity Cycle swings up once more



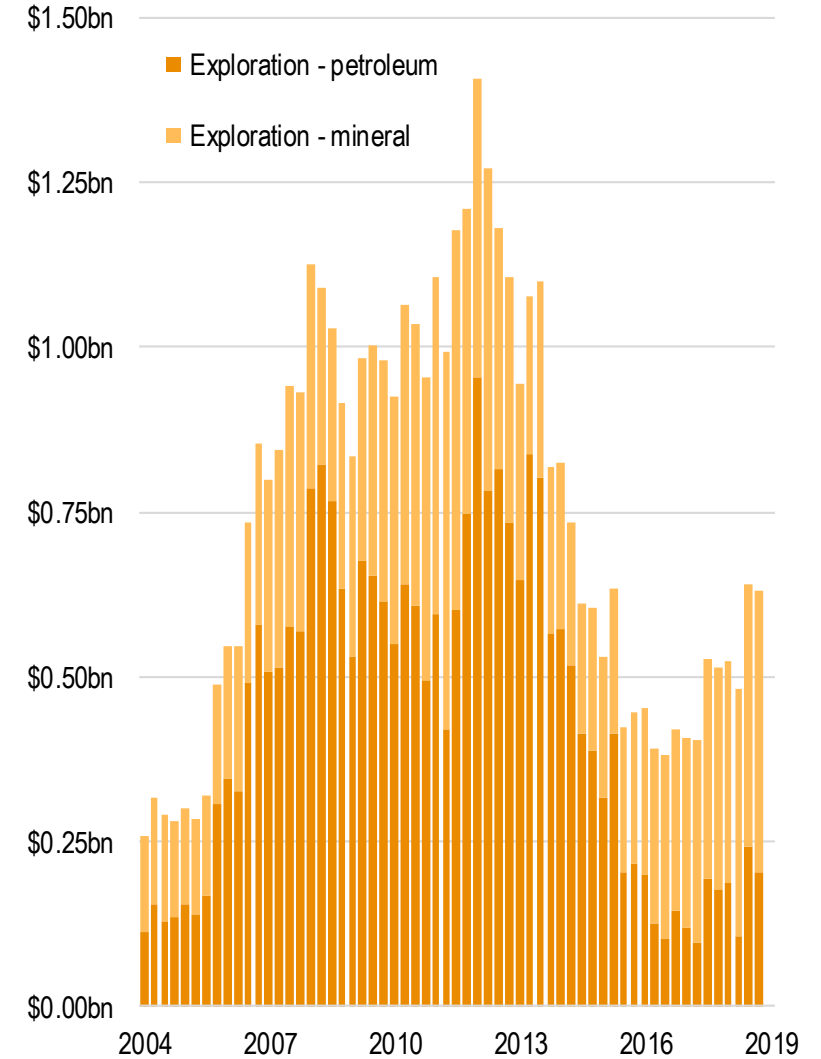
WA Commodity Price Index, 2018-19 = 100



WA merchandise exports, \$bn



WA mineral and petroleum exploration, \$bn in quarter



Sources:











Addressing 3 Critical Challenges

(1) The jobs challenge



Western Australia's Jobs Opportunity Matrix

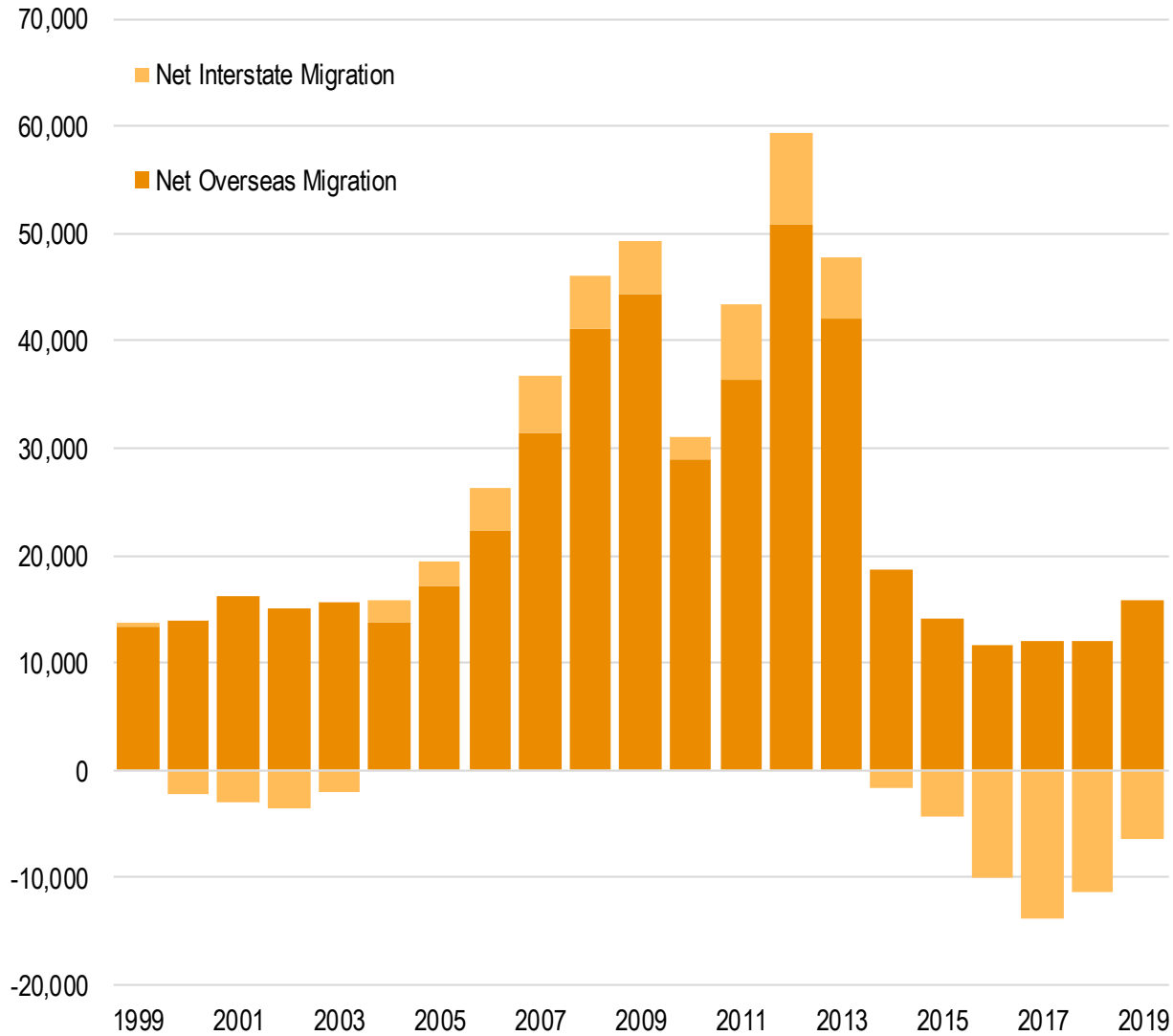


		Jobs per \$m
	Heritage, Performing Arts and Creative Industries	8.3
	International Tourism	7.1
	Residential Care and Social Assistance Services	7.0
	Health Care Services	6.8
	Domestic Tourism	6.4
	Other Personal Services	5.9
	Higher Education	4.9
	Professional Services	3.4

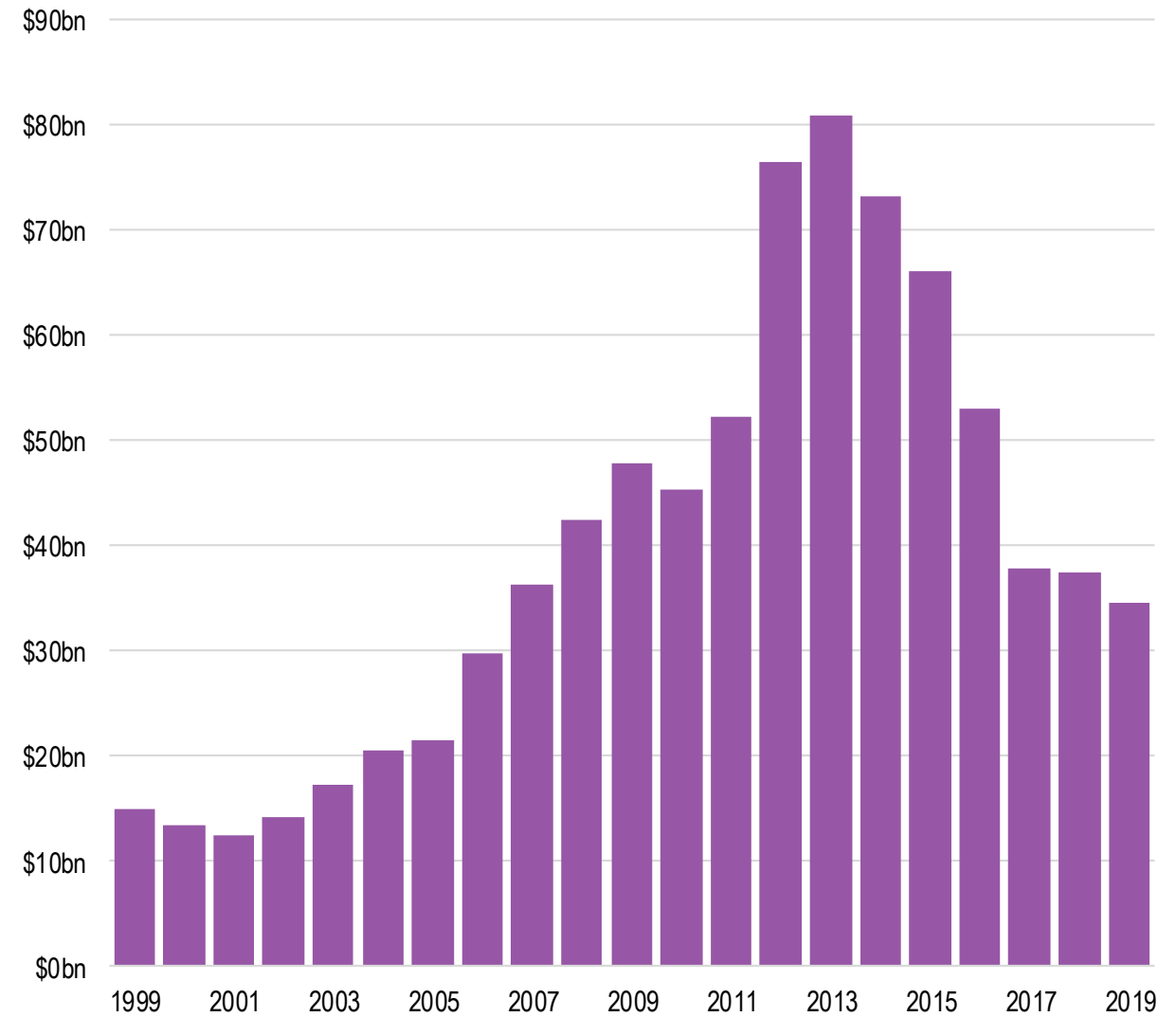
(2) The productivity challenge



WA migration patterns, four quarter rolling sum, persons



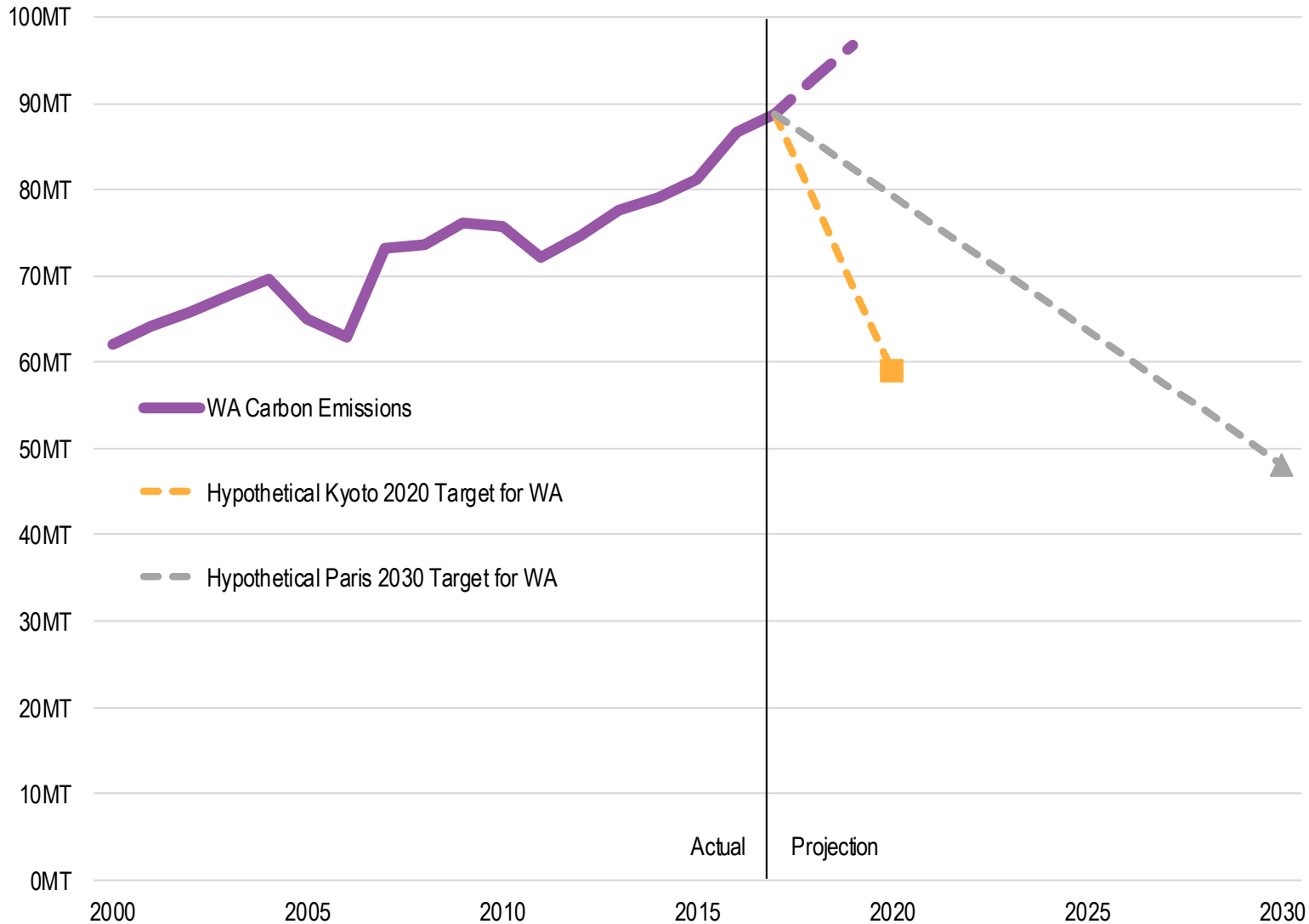
WA business investment, financial year total, real 2019 dollars, \$bn



(3) The policy challenge – climate change



Greenhouse gas emissions, WA, MT of CO2-equivalent, Actual, projected and hypothetical targets



WA's emissions sources (and change since 2000)

		2017 level	+/- MT
	Electricity Generation	25.4 MT	+11.7
	Direct Combustion	28.7 MT	+9.9
	Transport	14.8 MT	+6.3
	Fugitive Emissions	12.8 MT	+7.6
	Industrial Processes	5.0 MT	+1.8
	Agriculture	9.0 MT	-1.1
	Land Use, Land Use Change and Forestry	-10.9 MT	-11.5
	Waste	1.5 MT	-0.4

Source: Commonwealth Department of Energy and Environment, projections for 2018 and 2019 WA emissions based on linear extrapolation of trend growth between 2010 and 2017.



The Growth Agenda

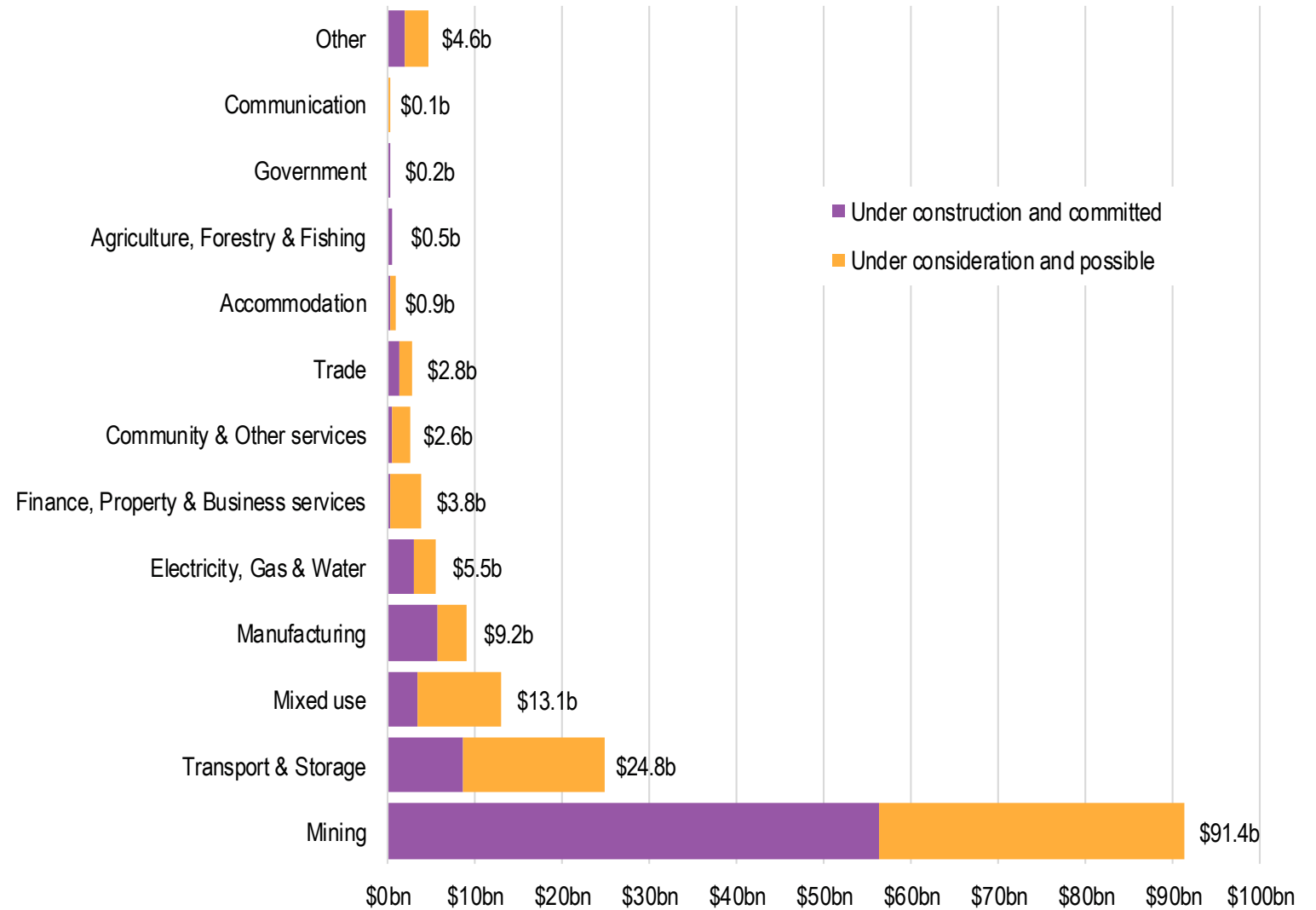
The private sector investment outlook suggests growth



WA's infrastructure pipeline, total projects, \$bn (end 2019)



WA infrastructure projects, by industry and status, \$bn (end 2019)

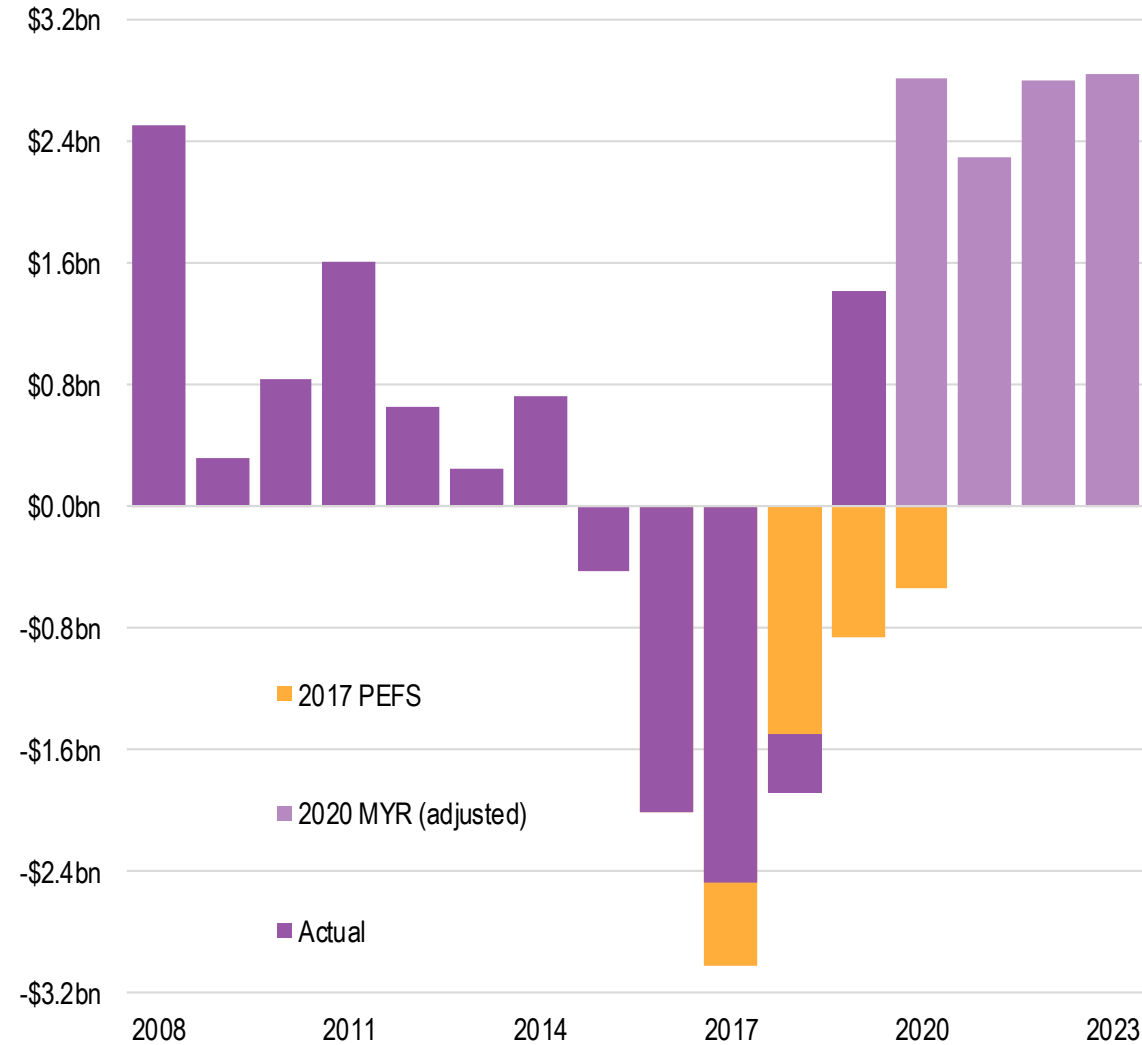


Source: Filtered aggregation of Commonwealth Department of Industry Resources and Energy Quarterly, Deloitte Access Economics Investment Monitor, WA Business News BNIQ database, S&P Metals and Mining, WA State Budget

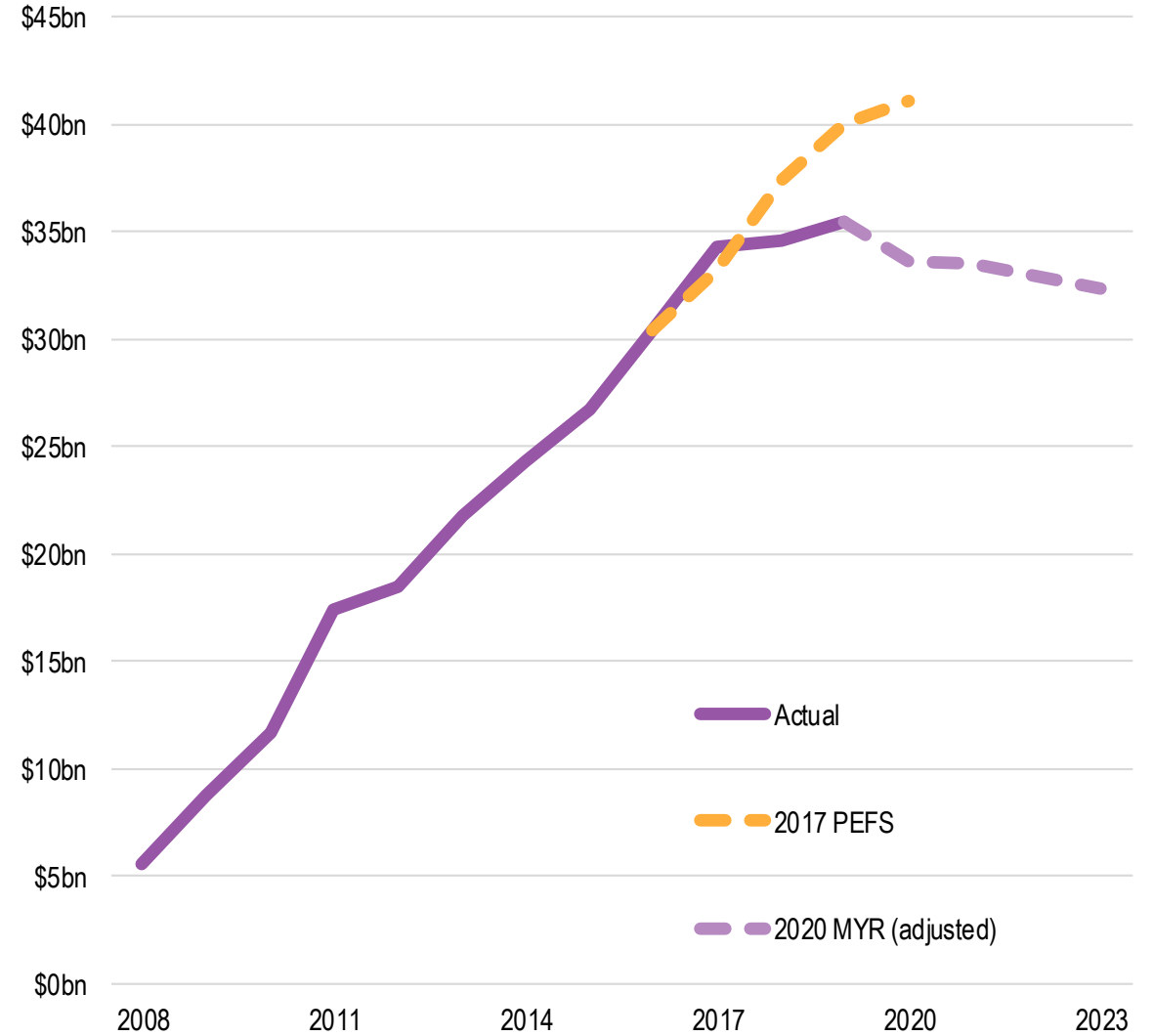
Stronger financial position provides the scope for targeted investment



General Government operating balance, Actual vs projections*, \$bn



TPS net debt, Actual vs projections*, \$bn



Source: Consecutive State Budget papers. Adjustment made to 2020 MYR to estimate trajectory of General Government net operating balance and Total Public Sector net debt prior to change to AASB 16 (Leases) to allow for comparison to 2017 Pre Election Financial Statement.

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