



Our ref: IWA21 101

Your ref: A903749

Hon. Peter Tinley MLA
Chair, Economics and Industry Standing Committee
Parliament House
4 Harvest Terrace
WEST PERTH WA 6005

Dear Mr Tinley,

Thank you for the opportunity to provide a submission to the Economics and Industry Standing Committee on intergenerational challenges for the Western Australian economy to 2041.

Infrastructure WA (IWA) was established in 2019 as a statutory body to provide objective advice to the State Government on infrastructure matters. IWA has recently published its inaugural draft State Infrastructure Strategy – *Foundations for a Stronger Tomorrow* (the Strategy) for comment, which sets out WA's significant infrastructure needs and priorities for the next 20 years. The draft Strategy can be accessed [here](#).

IWA recognises that infrastructure is not an end in itself but is an enabler of economic, social and environmental outcomes. In producing the Strategy, IWA has given significant consideration to the future economic potential of the State, how to achieve greater levels of diversification and the infrastructure required to support the Strategy's vision for 2042:

'WA is a sought-after place to live, work, study and invest, with infrastructure improving productivity and equity, and unlocking industry growth that leverages WA's advantages and diversifies its economic base.'

The Strategy addresses both build and non-build (e.g. policy, regulation, financing, etc.) recommendations to support a prosperous community and economy over the long-term.

To the extent that recommendations within the Strategy are ultimately supported by Government, in full or in part, State agencies and Government Trading Enterprises (GTEs) will then need to ensure that they are implemented. The *Infrastructure Western Australia Act 2019* sets out the process for how the Government must respond to the Strategy and the provisions regarding State agencies and GTEs implementing and aligning with it.

1. Infrastructure and economic development

A range of research and best practice has shaped IWA's thinking on the role of infrastructure in economic development and how this has been addressed in the draft Strategy.

As the Organisation for Economic Cooperation and Development (OECD) notes, infrastructure should form part of an integrated approach to economic and regional development, as it is insufficient on its own to support sustainable, inclusive growth. As such, infrastructure must

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form part of a coordinated suite of economic development strategies related to human capital, industry development, innovation, and trade and investment, set within a conducive political and regulatory environment. Complementary social infrastructure such as housing, education and health is also necessary to support liveability and workforce attraction and retention across WA.

Where governments are responsible for multiple regions, such as in WA, the OECD also encourages place-based approaches that build on the strengths of each region and maximise their potential. This is important to optimise their contribution to the State as well as reduce inter-regional competition and lagging regions becoming a drag on growth. Given the diversity of WA's ten regions, a well-coordinated approach is essential to ensure effort and investment is aligned to each region's comparative strengths to maximise impact and achieve transformational, long term outcomes.

Due to WA's export oriented economy, a focus on the traded sectors is also important, as is the need to support emerging industries to promote a more complex and diversified economy, as outlined below. To support WA's next phase of growth different approaches are required to develop nascent industries in growing export markets. Given multiple stakeholders and schools of economic thought, it is important that the State provides clarity on how government, industry and the community can work together to realise economic opportunities, and ensure infrastructure settings and investments support those opportunities.

IWA has applied this thinking in the Strategy's methodology, research and recommendations. In this submission IWA outlines the economic research undertaken for the Strategy and those recommendations most relevant to the questions raised by the Committee. These are as follows:

- Services commissioned from Deloitte to:
 - Provide a baseline understanding of the current structure and performance of the WA economy and significant policies and strategies shaping the State's economic future (report is available [here](#)).
 - Provide an assessment of megatrends and drivers of change and strategic opportunities that will drive demand for WA's exports and infrastructure, to inform scenario planning and formulation of a 20-year Strategy vision.
- Services commissioned from consultant ACIL Allen to:
 - Provide baseline regional economic and social profiles, including regional strengths.
 - "Regionalise the Strategy vision" by providing a comparative assessment on which regions are best placed to host the strategic opportunities identified by Deloitte (report is available [here](#)).
- Recommendations relating to economic and regional development that support identified trends in demand for WA's exports.

2. Current structure of the WA economy

Structure of WA's economy

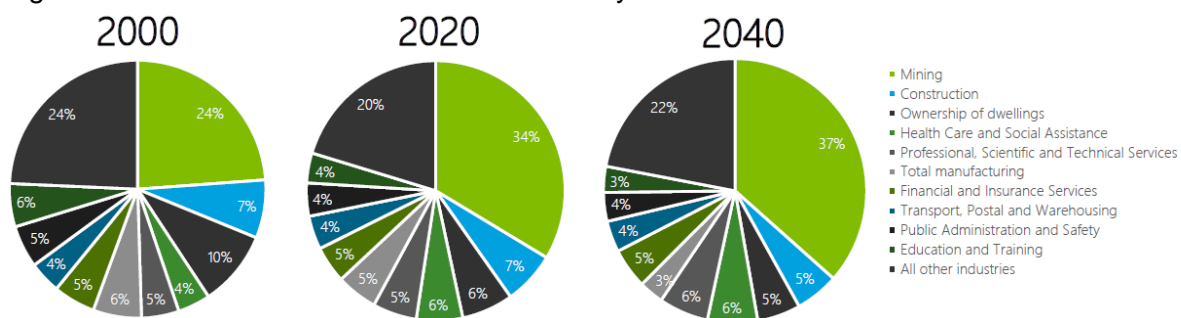
In setting a vision for the future to guide infrastructure planning, delivery and operations, IWA reflected on the current structure and performance of WA's economy. To establish a view of

where WA wants to be, we must have a comprehensive view of where the State is now. As part of its work assisting IWA with Strategy scenario planning and vision setting, Deloitte provided an economic baseline assessment of WA.

Key insights and findings include:

- WA has an export-oriented economy and is more dependent on international exports than any other State or Territory in Australia. In 2018-19, net international exports represented 28 per cent of WA's Gross State Product, compared to 22 per cent in the Northern Territory and just 9 per cent in Queensland.
- Commodity exports dominate WA's export profile. In particular, the resources sector has historically driven and shaped WA's economy. In 2019-20 iron ore accounted for 55 per cent of the value of WA's international merchandise export, compared to 15 per cent in 1999-2000. A further 27 per cent of merchandise exports by value was accounted for by LNG and gold. Figure 1 below illustrates WA's share of Gross Value Add across the past, present and projected future.ⁱ

Figure 1 – WA share of Gross Value Add in 20 year incrementsⁱⁱ



Notes: 'All other industries' refers to 17 industries classified by ABS ANZSIC industry divisions. Industries include 'Retail trade', 'Arts and recreational services', 'Primary and fabricated metals' and others. Source: Australian Bureau of Statistics, Australian National Accounts: State Accounts (cat no. 5220.0), Deloitte Access Economics.

- The growth of the resources sector has historically influenced population growth, with expansions pushing up wages and creating demand for workers. These periodic population booms have exerted significant demand on the State's infrastructure. For example, the arrival of new migrants raises the demand for the school places, hospital beds, housing and transport.
- Baseline forecasts prepared by Deloitte suggest the mining sector will continue to contribute strongly to output growth, but its contribution to employment growth is expected to decline due to technological change in digital and automation, with increasing contribution from service driven industries.

As shown above, WA's economy is undeniably linked to the strength of the resources industry, however it is cyclical in nature and volatile to external factors affecting demand and pricing. This has acute impacts on WA as a whole, as well as regional economies and communities that are highly dependent on the resources sector for employment and growth.

WA's economic complexity

The Department of Primary Industries and Regional Development commissioned the Centre for International Development at Harvard University to prepare the Economic Complexity Report (2020). The work aimed to better understand and address constraints to economic

diversification, which is recognised as a priority to reduce over-reliance on certain sectors of the economy, and drive productivity, competitiveness, and more inclusive and resilient job creation in WA.

As identified in the report, “economic complexity is a measure of the knowledge in a society as expressed in the products it makes”. The concept refers to a place’s tacit knowledge (or ‘knowhow’) that is useful to produce a wide diversity of goods, including complex products that few other places can make. So the higher the levels of complexity, the higher the potential of a place to diversify its production of goods and services.

Key conclusions include:

- WA’s productive structure is characterised by an export-intensive mining sector, and construction employment is also high likely due to the heavy presence of mining and its construction demand.
- WA’s overall productive structure is of low economic complexity, meaning that knowhow embedded in industries that are present in WA do not stimulate diversification as easily as other similar States, both in Australia and globally. As noted in the report, this helps to explain why diversification of WA’s exports has been very limited over the last decade and underscores the need for the State to take a strategic approach to catalysing economic diversification if the future is to look different.
- Regions within the State vary considerably in scale and economic structure, with mining, agriculture, manufacturing, construction, and other services being particularly intensive in some regions and absent in others.
- Perth is by far the most complex region in WA and is best connected to new diversification opportunities.
- WA has comparative advantage in five broad industry groups which have significant potential for WA’s export and employment diversification:
 - Intermediate inputs and materials manufacturing including chemicals, metals and metal products
 - Primary industries including beverages, fisheries, food, fruit and tree nut farming and wood products
 - Professional services including consulting, engineering, IT, legal and specialised design services
 - Technology and advanced manufacturing including computer and electronic products, health products, machinery and transport equipment
 - Tourism including education and health tourism.ⁱⁱⁱ

Existing policies and strategies

Deloitte also assisted IWA in assessing WA’s policy environment to identify Government policies or strategies that would materially influence and drive the State’s economic development, such as:

- Diversify WA
- WA Recovery Plan
- WA Renewable Hydrogen Strategy
- Future Jobs, Future Skills
- Energy Transformation Strategy
- Future Battery Industry Strategy WA

Notable amongst these is Diversify WA (2019) – an economic development framework aimed at building capacity and capability in the priority sectors of energy; tourism, events and creative industries; international education; mining and mining engineering and technical services; technology and advanced manufacturing; and primary industries.

The Department of Jobs, Tourism, Science and Innovation is working across government and with industry on a number of streams aimed at diversification. For example, these include defence industries, space industries and health and medical technology; as well as more detailed actions around supporting the renewable hydrogen economy, future battery industries and growing the creative industries and tourism experiences.

State strengths

As outlined above, infrastructure should support economic development opportunities that capitalise on strengths to enable WA industry to expand into new and existing markets and boost employment.

Deloitte identified WA's strengths as a basis for identifying strategic economic development opportunities:

- **Stable government and institutions** – WA has stable government, strong public institutions and robust regulation governing key industries, particularly relative to its natural resource endowment.
- **Extensive geographic space** – the vast size of WA is an enabling feature of many of its key export industries, which allow for large scale mining and industrial activity to occur with minimal disruption to residential areas.
- **Highly liveable cities and towns** – Perth is acknowledged as one of the most liveable cities in the world, and WA has many regional cities and towns that offer attractive lifestyles.
- **Valuable natural resources** – Significant natural resource reserves such as iron ore, natural gas, and rare earths, underpin major current and future exports. WA's climate and environment provide a comparative advantage for renewable energy production.
- **Leader in resource extraction** – the breadth and scale of the WA's resources industry has made it a globally significant producer of key commodities. Its willingness to embrace technology and innovation has helped it become a world leader.
- **Skilled population base** – WA has a highly skilled workforce, with high proportions of specialist skills, especially those associated with the resources, marine and construction industries.
- **Proximity to key markets** – WA is geographically close to key export markets in southeast Asia and the Asia-Pacific region, with which it has established trade links. China is a major trading partner and its economy is expected to continue to grow.

Regional strengths

ACIL Allen was commissioned by IWA to undertake an assessment of the comparative strengths of WA's ten regions. As outlined above, regions need to play to their greatest strengths, as well as align to overarching State-wide goals, to focus effort and investment where it would achieve the strongest outcomes for the State and the regions. Applying a data driven approach, each region was assessed across 71 indicators relating to the economy,

industry, human capital, liveability, infrastructure, climate and natural environment. The table below includes high level results on the top four highest performing regions under each category.

Table 1: Top four regions in each category

Economy	Perth, Pilbara, South West, Gascoyne
Industry	Perth, Peel, South West, Pilbara
Human Capital	Perth, Peel, Pilbara, South West
Liveability	Perth, Great Southern, South West, Peel
Existing infrastructure	Perth, Peel, South West, Great Southern
Climate	Mid West, Gascoyne, Peel, Perth
Natural environment	Kimberley, Gascoyne, Pilbara, South West

3. Key factors driving current demand for exports

China's economic development and growth

The bulk of WA's growth has recently occurred in three major commodity exports - iron ore, LNG and gold. Growth in net exports has been facilitated by strong relationships with trading partners in east and southeast Asia, representing eight of the top 10 destinations for WA's exports. In 2019-20 more than half of WA's exports by value went to China, and around 87 per cent went to participants in the Asia Pacific Economic Cooperation, including China and the United States.

WA's exports over the last 20 years have been largely driven by WA's changing trade relationship with China, driven by its own rapid economic expansion. WA was largely unscathed by the Global Financial Crisis of 2008-09 as China ramped up steel production as a stimulus response to the crisis, driving up demand for iron ore. However, the end of the resources construction phase and softening demand for iron ore from China led to a downturn in the WA economy.

Prior to the COVID-19 pandemic, WA was running trade surpluses in raw materials and international education. Trade deficits existed for mass produced manufactured goods and tourism.

COVID-19 pandemic

Clearly the most pervading issue facing the current economy is the impact of COVID-19. Despite the economic downturn in the early stages of the pandemic, the WA economy and community have recovered remarkably well, shepherded through with significant State and Federal Government support. China's own stimulus activities, which have increased demand and prices for iron ore, have also helped to maintain strong resources exports and support employment across the WA economy.

The State Government's COVID-19 Recovery Plan has pumped an additional \$2.4 billion into the WA economy on infrastructure projects to ensure stability, retention and growth of jobs. The State's asset investment program now sits at \$27 billion over the next four years. The

benefits of this investment can be seen in once-in-a-generation infrastructure outcomes through road and passenger rail projects, social housing construction and refurbishment, school maintenance programs, tourism investment and housing grants. However, the pace and scale of investment, combined with closed borders, has led to a heated labour market and supply chain issues that threaten to stymie growth and impact WA's current export potential.

4. Key factors affecting demand for WA exports into the future

In setting a 20-year vision to inform infrastructure planning, Deloitte were asked to undertake analysis of macro trends and drivers expected to drive the State's long term economic development trajectory. The intent of this analysis was to focus on the global markets likely to drive demand for WA's exports into the future, and the infrastructure required to support economic development opportunities.

Macro trends and drivers

Deloitte's analysis identified 39 drivers of change, which aggregated into eight themes, or macro trends that are already shaping current and future economic opportunities.

- **Growth of the knowledge society** - Intellectual property and human capital is highly prized, more so than land, labour or financial assets, which is changing the way we create and capture value. Employment will increasingly be knowledge worker jobs.
- **Rise of the services economy** – Service-based value chains are rising in importance and value, growing the global trade in services, which is linked to the growing knowledge economy. Investment is shifting from physical assets to research and development, data, software, patents and new business models.
- **Shifting skills needs** – The services economy values both cognitive and interpersonal skills, with a premium on fields including technology, cybersecurity and artificial intelligence. Digital literacy and reskilling will be important to knowledge economy jobs.
- **Combating inequality** – Inequalities in wealth, power and opportunity are accelerating, particularly as middle-class incomes stagnate or decline. The growth of the knowledge society must bring with it equity of access to prevent social fragmentation.
- **Climate change action** – Growing demand for and action on climate change will bring significant shifts in renewable energy, water efficiency and urban design. Adaptation to climate change such as extreme temperatures and weather events will increase.
- **Shifting power bases** – China and India's growing economic force will influence the global balance of power. By 2025, one fifth of the world's working age population will be Indian. Geopolitical competition has potential to increase economic volatility.
- **Demographic change** – By 2040, 20% of the world's population will be older than 60. Growing middle classes in developing economies will drive demand for higher quality goods and services such as clean food and tourism.
- **Technological change** – Advances in technology are changing the way our economies and day-to-day lives function. Future prosperity will be underpinned by adoption of new technologies and full digitisation.

Strategic opportunities

From Deloitte's analysis, IWA identified six strategic opportunities that emerge where WA's strengths (identified above) and macro trends and drivers intersect. These opportunities corroborate and are complementary to the economic diversification priority sectors identified in Diversify WA. These opportunities have informed the Strategy's vision, which in turn has informed infrastructure planning and prioritisation. The six opportunities are:

- **A global location of choice** to work, live and invest, with highly liveable, stable and inclusive communities, with access to top quality services.
- **Serving the emerging consumer class**, through high quality tourism, agrifood and education exports.
- **Promoting and leveraging Aboriginal heritage and enterprise**, to underpin new enterprises and business opportunities, and foster a society which is more inclusive and sustainable.
- **Supporting the transition to green energy technologies**, by deploying its world-class physical and intellectual capital to develop its green energy resources, allowing it to both transition its domestic energy use and become a global renewable energy exporter.
- **Approaching the technology frontier**, by leveraging its existing leadership in advanced technology to create a robust technology start-up and investment ecosystem.
- **Value-adding for strategic commodities**, by leveraging cheap, reliable, renewable energy and supply chain security, to process strategic mineral and agricultural commodities within the State, becoming a producer and exporter of value-added downstream products.

To "regionalise the Strategy vision" and understand the geographic spread of these opportunities across WA's ten regions, ACIL Allen's regional analysis identified which regions are best placed to host these opportunities. Table 2 provides a summary of the outcome of this assessment. Further detail on the assessment can be found in the ACIL Allen report.

Table 2: Regional opportunity assessment – top four regions

Opportunity	Regions
A global location of choice	Perth, South-West, Peel, Great Southern
Serving the emerging consumer class	
High quality tourism exports	Perth, South-West, Gascoyne, Kimberley
High quality agrifood exports	
Livestock and livestock products	Wheatbelt, Great Southern, South-West
Grains and feeds	Wheatbelt, Great Southern, Mid-West, Peel
Horticulture and irrigated crops	South West, Perth, Peel, Wheatbelt
Food and beverage	Perth, South-West, Peel, Great Southern
Aquaculture and seafood	Perth, Mid-West, Kimberley, South-West
Forestry	South West, Great Southern, Peel, Perth
High quality education exports	Perth, Peel, South-West, Great Southern
Promoting and leveraging Aboriginal heritage and enterprise	Perth, Kimberley, Pilbara, Peel
Supporting the transition to green energy technologies	Perth, Gascoyne, Pilbara, Mid-West

Approaching the technology frontier	Perth, Peel, South-West, Great Southern
Value-adding for strategic commodities	Pilbara, Perth, Goldfields-Esperance, Peel

Long term scenarios

Deloitte's analysis on WA's strengths and strategic opportunities informed scenario planning undertaken by IWA to provide a structured way of thinking through and making critical strategic choices despite uncertainty about the future. This work helped to consider opportunities, challenges and risks that the Strategy vision would need to address to WA's long term resilience and growth.

The four scenarios were:

- **Business as usual scenario:** Represents projections for the 'most likely' future to 2040. By definition, it does not anticipate major shocks or structural changes over the long term, nor include discrete events or changes that are possible but cannot be said to be the 'most likely' outcome.
- **Future we plan for scenario:** Premised on the principle that actions taken by government, business and the community are successful in realising the six key opportunities open to the State.
- **Alternative scenario 1 – De-globalisation and disruption:** Through a combination of issues, by 2040 the world is many ways reflective of conditions post-World War I. Nations are increasingly self-sufficient, while the rise of nationalism and protectionism has led to reduced growth in global merchandise trade as well as significant geopolitical tensions, particularly with China.
- **Alternative scenario 2 – Accelerated climate action:** Examines a very ambitious climate change scenario. In many ways, this set of circumstances is opposite to that of aAlternative scenario 1, whereby nationalism and protectionism are replaced by concerted international collaboration on climate action to achieve major reductions in emissions over the long term.

Further detail on each of the scenarios can be found in the Deloitte report.

5. Actions being undertaken by relevant stakeholders to plan for identified trends in demand for WA exports

In determining infrastructure responses to key challenges and opportunities across the sectors and cross-cutting themes within the Strategy, alignment with these strategic opportunity areas has been a key consideration, along with deliverability, triple bottom line outcomes and positioning against the Strategy's ten objectives.

Examples of recommendations in the draft Strategy that, if accepted and implemented by the State Government, will help to facilitate growth in export industries are outlined in Table 3. The selected summarised recommendations will contribute to sound strategic planning, availability of essential services and utilities, access to serviced land, supporting a skilled workforce and showcasing WA to the world.

Table 3: Example draft Strategy recommendations supporting export growth

Sector / cross-cutting theme	Recommendations supporting export growth
Digital technology and connectivity	1. Elevate WA's focus on accelerating digital transformation and the priority given to underlying connectivity infrastructure
Aboriginal cultural heritage, wellbeing and enterprise	9. Develop and implement complementary and proactive measures to progressively build capacity and capability of Aboriginal businesses
Climate change and sustainability	11. Implement the State Government policy for net zero emissions by preparing and implementing sectoral emissions reduction strategies 12. Strengthen and expand existing programs outlined in the <i>Western Australian Climate Policy</i> to develop carbon farming and sequestration markets
Regional development	17. Develop and implement a regional development strategic framework that identifies State and regional priorities to guide effective whole-of-government action and investment.
Planning and coordination	26. Progressively prepare integrated regional plans to establish the long-term land use, infrastructure and environmental needs of each region. 27. Introduce and implement State priority areas to identify locations of State-level significance for greater Government infrastructure coordination and investment, tailored governance models and land use planning intervention. 28. Facilitate and coordinate investment in industrial and technology precincts.
Energy	42. Prepare a North-West Interconnected System energy future report to provide a long-term view on energy generation, demand and network infrastructure requirements. 43. Update the State's hydrogen work program, including ensuring hydrogen infrastructure in priority locations.
Water	46. Modernise legislative, regulatory and planning frameworks for water resources and water services. 49. Ensure long-term water security through climate-independent infrastructure and protection of natural water resources, to provide fit for purpose and sustainable water services
Transport	57. Progress targeted expansion and improvement of the road network. 63. Conduct further strategic planning to complement Westport's preparations for a new container port in Kwinana. 65. Support expansion of direct shipping to the State's north. 66. Implement a structured approach to planning, and consideration of public contributions towards proposals for expansion of the State's freight rail network over the remainder of the lease period. 67. Work with the Federal Government to plan for long-term potential needs of a new civil and general aviation airport for Perth, including the identification and protection of sites and corridors.
Health	79. Subject to business cases, co-invest in common use health infrastructure and medical life sciences facilities.

Education and Training	81. Plan for future skills and training and fund relevant equipment.
Arts, Sport, Culture and Recreation	83. Increase investment in existing and new arts, culture, sport and recreation infrastructure State-wide to ensure they are fit for purpose. 84. Develop and publish a ten-year+ State tourism strategy to guide tourism precinct and infrastructure development and investment.

Table 2.3 in the Strategy also identifies the top 2-3 strengths and infrastructure directions for each of WA's nine regional areas. The ACIL Allen assessment of regional strengths and opportunities, outlined above, was a key input to Table 2.3, which is included below at Figure 1.

6. Key factors affecting inbound investment in major sectors of the economy

WA has the most emissions intensive economy of any State in Australia, which continues to increase despite national level commitments to the Paris Agreement, and more recently, the net zero emission by 2050 aspiration as set out in the *WA Climate Policy*. It is clear that investor sentiment and WA's trading partners are turning towards more sustainable portfolios and practices. The State's emissions profile will gain increasing attention and scrutiny as other jurisdictions decarbonise their economies. Unless more meaningful action is undertaken across WA's economic sectors, the State stands to risk forgoing finance and trade opportunities and be less competitive as carbon pricing and other policy instruments, such as the EU Carbon Border Adjustment Mechanism, become more widespread.

Costs of manufacturing and production also remain a significant factor affecting inbound investment into the future, despite an increased desire to improve supply chain security and resilience in response to global health and geopolitical factors. This extends to the cost and availability of input materials, energy and water supplies; regulatory and taxation settings; and access to human capital.

Turning to the cost and availability of labour, there is a tangible link with housing supply, particularly for regional locations. As is evident now, and with previous buoyant economic times, sufficient supply of affordable housing is vital to maintaining and growing momentum. Ongoing consultation with industry, the community, service providers and Government agencies confirms this as a primary issue across the State and is viewed as constraining economic growth. This is particularly evident in the regions, where the cyclical nature of the economy is impacting access to finance for prospective owners and investors alike; and availability of new housing supply lags considerably behind spikes in economic activity, if at all.

Figure 1: Top 2-3 strengths and infrastructure directions for each region

Region	Strengths	Infrastructure directions
KIMBERLEY	<ul style="list-style-type: none"> • Tourism, agriculture and food, and resources. • Significant Aboriginal population, culture and heritage. • Natural environment (including a World Heritage area). 	<ul style="list-style-type: none"> • Support interstate and international tourism, and the Kimberley (including Broome) as a world-class tourism precinct. • Support agriculture and food, including realising the potential of the Ord River Irrigation Area. • Support and advance Aboriginal enterprise, and improve the liveability of remote Aboriginal communities and town-based reserves.
PILBARA	<ul style="list-style-type: none"> • Globally-significant resources sector and largest regional economy. • Solar resource. • Significant Aboriginal population, culture and heritage. 	<ul style="list-style-type: none"> • Support resources value-adding, productivity and innovation. • Support renewable energy and hydrogen industry. • Support and advance Aboriginal enterprise, and improve the liveability of remote Aboriginal communities and town-based reserves.
GASCOYNE	<ul style="list-style-type: none"> • Agriculture and food, and tourism (including World Heritage areas). • Solar and wind resources. • Significant Aboriginal population, culture and heritage. 	<ul style="list-style-type: none"> • Support interstate and international tourism, and the Ningaloo Coast (including Exmouth) as a world-class tourism precinct. • Support renewable energy and hydrogen industry. • Support and advance Aboriginal enterprise, and improve the liveability of remote Aboriginal communities and town-based reserves.
MID WEST	<ul style="list-style-type: none"> • Agriculture and food, and resources. • Solar and wind resources. • Globally significant space science infrastructure – Murchison Radio-astronomy Observatory and radio quiet zone to support Square Kilometre Array. 	<ul style="list-style-type: none"> • Support agriculture and food. • Support renewable energy and hydrogen industry. • Support and capitalise on space science infrastructure.
WHEATBELT	<ul style="list-style-type: none"> • Agriculture and food. • Integrated road and rail freight network. • Proximity to Perth. 	<ul style="list-style-type: none"> • Support agriculture and food, value-adding and supply chain efficiency. • Plan and adapt service delivery and infrastructure to accommodate population change and structural readjustment.
PEEL	<ul style="list-style-type: none"> • Resources and value-adding, and agriculture and food. • Liveability and proximity to Perth – fastest growing regional population and largest regional centre (Mandurah). • Road, rail and port access, and available commercial and industrial land. 	<ul style="list-style-type: none"> • Support resources value-adding, and agriculture and food. • Support innovation and advanced manufacturing. • Support population growth and address gaps in social services and infrastructure, including health, education, training and housing.
SOUTH WEST	<ul style="list-style-type: none"> • Agriculture and food, tourism, resources and tertiary institutions. • Liveability, and largest regional population, workforce, and business sector. • Natural environment, State forests and water resources. 	<ul style="list-style-type: none"> • Support interstate and international tourism, and the South West as a world-class tourism precinct. • Support agriculture and food, value-adding, and innovation and advanced manufacturing. • Support population growth, Greater Bunbury as a major population centre, and Bunbury Fast Rail investigations and planning.
GREAT SOUTHERN	<ul style="list-style-type: none"> • Agriculture and food. • Liveability. • Road, rail and port access. 	<ul style="list-style-type: none"> • Support agriculture and food, value-adding and supply chain efficiency. • Address gaps in social services and infrastructure, including health, education, training and housing.
GOLDFIELDS-ESPERANCE	<ul style="list-style-type: none"> • Resources, and agriculture and food. • Road, rail and port access. • Significant Aboriginal population, culture and heritage. 	<ul style="list-style-type: none"> • Support resources value-adding and supply chain efficiency. • Plan and adapt service delivery and infrastructure to accommodate population change and structural readjustment. • Support and advance Aboriginal enterprise, and improve the liveability of remote Aboriginal communities and town-based reserves.

Government investment in enabling infrastructure is also considered to be a key input in supporting future inbound investment. The scale of opportunity is directly linked to the capacity of WA's utilities, transport network (ports, freight rail and road) and land supply to support planned growth. Government investment in common user infrastructure, either in full or co-funding with other partners, will be vital. This will need to be shaped by transparency of process, clear public value, and targeted investment based on regional strengths where there is evidence of market failure or an inability for industry to pre-fund necessary works.

I trust that this information is of use to the Committee and I am happy to expand further, should you require it.

Yours sincerely



Philip Helberg
Chief Executive Officer

3 September 2021

ⁱ Deloitte (2020), State Infrastructure Strategy Scenario Planning Project - Economic Review Report, prepared for Infrastructure WA

ⁱⁱ *ibid*

ⁱⁱⁱ Centre for International Development - Harvard University (May 2020), Economic Complexity Report for Western Australia, prepared for the Western Australian Department of Primary Industries and Regional Development.