



Hon Peter Tinley MLA  
Chair  
Economics and Industry Standing Committee  
By Email: [laeisc@parliament.wa.gov.au](mailto:laeisc@parliament.wa.gov.au)

Dear Minister Tinley

## **CHALLENGES AND OPPORTUNITIES FOR THE WA ECONOMY**

I refer to your letter of 29 July 2021 inviting the Department of Local Government, Sport and Cultural Industries (DLGSC) to provide a submission to the Economics and Industry Standing Committee's inquiry into challenges and opportunities for the Western Australian (WA) economy.

The DLGSC provide the following comments for consideration by the Standing Committee and are addressed as per the terms of reference provided:

- **The current structure of the WA economy**

The *WA Creative Industries: An Economic Snapshot* (2019) report found there to be 53,000 people in creative employment in WA and 10,000 creative businesses, most of them sole traders. The same report found that the largest growth in WA creative services exports from 2013 to 2018 was in 'Intellectual property charges for music', growing by 38.1% p.a. This is more than double the national annual growth rate in this category (14.0%).

The WA Creative Industries contributed an estimated \$3.3 billion in Industry Value Add (IVA) to the WA economy in 2019-20 and generated an estimated \$175.9 million in service exports.

In Australia, creative industries contribute 3.3% of Gross Domestic Product (GDP) and in WA they comprise 1.4% of Gross State Product (GSP).

- **Key factors driving current demand for WA exports**

Art connects visitors to WA's rich Aboriginal culture, history and stories. Regional Aboriginal art production in WA makes up approximately 60% of Australia's Aboriginal art centre economy. This high rate of contribution to the national Aboriginal art industry is a direct result of WA's continued investment in initiatives like the *Revealed: WA Aboriginal Art program*. In 2021, the Revealed Exhibition and Art Market was uploaded

to an online catalogue, which generated artwork sales with buyers from all over Australia and international sales including the UK and USA.

As part of the WA Government's COVID-19 Recovery Plan, it has committed \$2 million to the *Selling WA to the World* initiative – which includes the design and delivery of online aboriginal art sales and performing arts performance opportunities / support systems (e.g. Live Streaming / web presence). The impact of COVID-19 has highlighted the highly varied nature in the online capability of Aboriginal Arts centres across WA, nationally and internationally, as well as for performing arts companies. *Selling WA to the World* is intended to help bridge these gaps. The process will draw together expertise of organisations at various scales, foster collaboration and promote WA works on the local, national and international stage.

The WA Government is also working with Department of Foreign Affairs and Trade on the British Council's *UK-Australia Season of Culture* by bringing WA artists over to the UK to perform as part of the Season in the second half of 2022. The Season was initially conceived for 2020/21 but due to the impacts of COVID-19 on the international arts ecology it will now take place in 2022-23. A total of seven WA projects are currently in the making across a variety of art forms, including some prominent Aboriginal art works and productions.

Demand is driven by the quality and creativity of WA artists and their wider global reputations, particularly within Asia, China and New Zealand. Whilst artworks can still be exported, the restrictions on traveling internationally have meant that international performance tours have been rescheduled.

#### *Small business as a driver of employment generation and creating export market*

Migrants not only supply critical labour for WA industries, but also create demand and niche markets for exporting goods and services. Entrepreneurial migrants own one in three Australian small businesses or 620,000 businesses across the nation, employing 1.41 million Australians. Based on their modelling, the Independent Economics and the Migration Council of Australia estimates a 45% gain in employment through migration by 2050, exceeding the population gain of 37%, thus reinforcing the role of migration in creating jobs.<sup>1</sup> The contribution of migrants to the economy in terms of job creation, diversifying economy and export base, and GDP is substantial.

At a broader level, immigration, education, and tourism adds to innovation, greater openness to diversity and challenges, a diverse workforce, enlightened citizen body and enhanced equity in society. Supporting and leveraging the entrepreneurship of Western Australians from migrant backgrounds supports WA's global competitiveness and export diversification.

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<sup>1</sup> [https://www.australianchamber.com.au/wp-content/uploads/2021/02/ACCI-Submission\\_Planning-Australia-Migration-Program-2021-22.pdf](https://www.australianchamber.com.au/wp-content/uploads/2021/02/ACCI-Submission_Planning-Australia-Migration-Program-2021-22.pdf)

An Office of Multicultural Interests study on culturally and linguistically diverse (CaLD) business owners in WA indicates that compared to WA small business owners, CaLD small business owners are more likely to be employers (33.7% and 41.3%, respectively). Going beyond traditional industries of mining and construction, migrant business owners have ventured into more diversified industries such as – education, migration services and cultural entertainment.

They are making significant contributions in the business sector, creating jobs and niche markets, diversifying the economy and providing necessary services to local, regional, state, national and international markets - often by leveraging their language skills, and people to people links with their country of birth. Most of the respondents of this research were first generation migrants, who moved to Australia as students or as mature professionals. They experienced challenges such as culture shock due to different business norms and culture, difficulty in building networks to enable business development, lack of adequate marketing nous and resources, as well as language barriers and experiencing discrimination.

The need for supportive policies and strategies for migrant business owners can help foster an equitable platform to encourage successful businesses including export business. Additional supports are recommended to fully realise these benefits, including:

- greater and relevant networking opportunities for CaLD small businesses;
- promotion and recognition of CaLD business owners;
- supported access to financial support and markets; and
- easily accessible information on business support services in multiple languages through multiple communication channels such as radio, television and digital platforms.

- **Key factors that will affect demand for WA exports into the future**

Demand for exports is impacted by the global economic situation and dependent on buyers having the financial capacity to buy (i.e. artworks). It is also impacted by the capacity to travel and stage performances, exchanges, international collaborations.

The Games Industry is the fastest-growing segment of the screen industry and a global, digital and weightless export driven sector. Over 80% of Australian game revenue comes from export markets, with Australian clients reporting the US is their largest export market, followed by Europe. Supporting the WA games sector to build capacity and scale globally through the Digital Games Tax Offset will not only increase export revenues but also have a positive impact on investment attraction potential.

The WA Governments commitment to build new Film production studios will influence product created or filmed in WA. Sound marketing of WA as a result of this commitment, and other screen funding initiatives, will influence demand for WA products, particularly across Asia whilst also influencing inbound investment.

- **Actions being undertaken by relevant stakeholders to plan for identified trends in demand for WA exports**

Tourism WA reported that 81% of visitors surveyed last year were interested in experiencing Aboriginal tourism if it were easily accessible in WA, yet only 21% did so. Of those visitors who did not participate, 33% stated that it was because they could not locate these experiences or did not know of any available. The WA Government's \$50 million commitment to an Aboriginal Cultural Centre in our capital city provides a much-needed opportunity to showcase and celebrate WA's world-renowned Aboriginal culture and art in all its richness and diversity to tourists and export markets.

The Jira: Aboriginal Tourism Action Plan 2021–2025 creates a foundation for authentic Aboriginal tourism experiences and will showcase the world's oldest living culture as Aboriginal people share their stories and culture with visitors from around the world. DLGSC will partner with Tourism WA and other agencies on specific initiatives within this plan such as working with Tourism Australia to help encourage a culture of authentic Aboriginal art, products and artefacts that can be supplied, including to the leisure market.

Building capacity in Aboriginal businesses is also part of work being undertaken by DLGSC through various funding programs such as Aboriginal Business Development.

- **Key factors affecting inbound investment in major sectors of the WA economy**

The WA screen sector will be enhanced with the \$100 million Screen Studio development, WA Screen Fund and the \$20 million Screen Production Attraction fund will attract large scale film and television productions to the State. The Screen Production Attraction fund will incentivise productions that deliver economic, cultural and community benefits to WA and produce content for the national and global market. In 2019-20, there was a significant increase in demand for WA made screen projects from across the globe. WA screen content was sold into the UK, Europe, the Middle East, the USA, South America and Asia demonstrating a growing interest in exporting WA screen content.

The relative stability of the WA economy, due to the State Government's good management of the COVID-19 environment, has contributed to interest in investment opportunities.

Major investments in WA's cultural and sporting infrastructure such as the WA Museum Boola Bardip, the State Football Centre (under construction) and the proposed Aboriginal Cultural Centre will make WA a more attractive destination for tourism and events. This includes domestic as well as international tourists.

Tourism and events will also be boosted by investments aimed at activation of the city, such as the relocation of Edith Cowan University's Academy of Performing Arts to a central city location, and the rejuvenation of the Perth Cultural Centre. Creating a more vibrant and active city centre will support Perth market itself as a destination for international students, as well as events and conventions. It will also assist in encouraging people to choose Perth as a destination to access services in sectors such as health.

Increased levels of tourism will generate private sector investment in accommodation, hospitality, events, education and health services. Some of this investment will come from overseas sources.

Please do not hesitate in contacting my office via phone (08) 9492 9800 or email [odg@dlgsc.wa.gov.au](mailto:odg@dlgsc.wa.gov.au) should you require further information about the commentary provided in this submission.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

Lanie Chopping  
DIRECTOR GENERAL

31 August 2021