



Invest in the West

Investment Environment in Western Australia



Western Australia has averaged 5.3 per cent economic growth per year over the past decade, and boasts the fastest economic growth in Australia.

Western Australia is seeing an increased shift in corporate activity to the State, led largely by investment in resources sector developments, and associated expansion of economic activity.

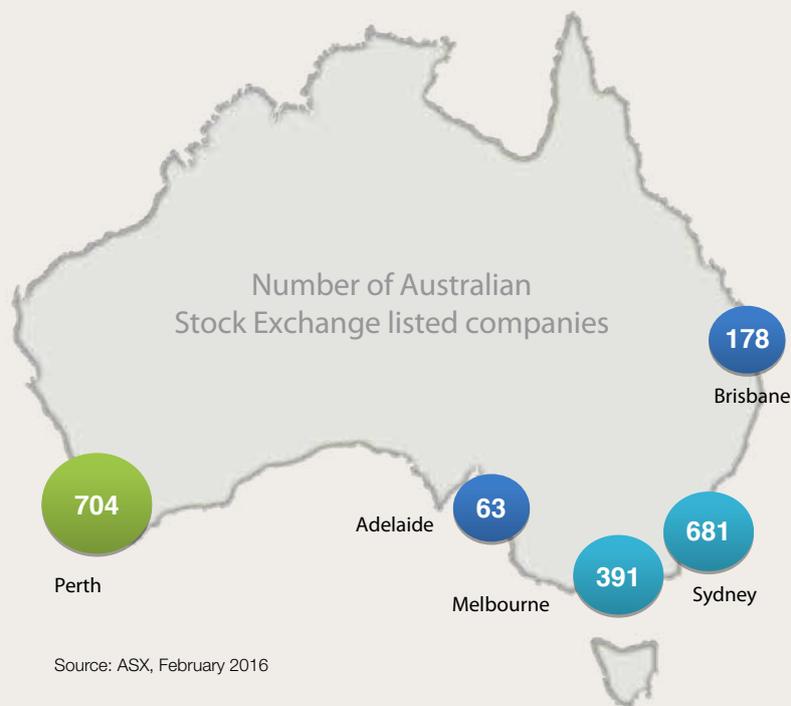
The State is home to 56 per cent of Australia's resources projects under construction or committed, and currently hosts over 294 commercial projects across 50 different minerals and 1046 operating mine sites.

Identified by the 2015 Fraser Institute Survey of Mining Companies as the world's top ranked jurisdiction for mining investment attractiveness, the State's resource investment potential is set to continue on an upward trajectory.

Along with a strong resources sector the State's Asset Investment Program, focussing on large infrastructure projects, will total A\$6.3 billion in 2015-16, which in coming years will provide opportunities for international investment.

WESTERN AUSTRALIA FAST FACTS

- 3.5 per cent economic growth in 2014-15
- A\$171 billion investment in resources projects under construction or committed
- 35 per cent of all ASX-listed companies are headquartered in Perth
- 76 per cent of listed companies in Perth are from the materials and energy sectors
- Strategic location to the Asia Pacific and Indian Ocean growth markets with access to capital



Western Australia's Investment Environment

Australia's A\$2.6 trillion funds management industry is one of the largest and fastest growing in the world.

The financial and insurance services sector is the seventh largest industry in Western Australia.

Western Australia has:

- A\$171 billion of resource projects under construction or committed and a further A\$110.4 billion under consideration
- A large concentration of Australian listed companies based in Perth (35 per cent), particularly from the resources sector (59 per cent)
- An annual average of 5.3 per cent Gross State Products (GSP) growth over the past ten years and the highest GSP per capita in Australia, 42 per cent higher than the national average
- The second highest average weekly earnings among the Australian States.

Commercial banks from Europe and North America have a historical presence in Perth (HSBC, Citibank, UBS, Rabobank, Bank of America, Merrill Lynch, Morgan Stanley) and financial service providers that either opened an office in Perth or notably increased their presence in the city include Goldman Sachs, BNP Paribas and Credit Suisse.

Asian institutions, such as Sumitomo Mitsui Banking Corporation, Industrial and Commercial Bank of China, Bank of Tokyo-Mitsubishi UFJ and Bank of China, are also entering or reconnecting with the market. An increasing number of specialist private equity and wealth management advisors are establishing themselves in Perth.

Perth, Australia's Capital for Listed Companies

Western Australia is home to Australia's largest concentration of listed companies and is a regional centre for listed companies servicing the State's resources sector.

Western Australia holds the largest number of companies of any Australian state on the Australian Stock Exchange (ASX) with 704 companies.

Australian resource companies typically choose to list via the ASX's Perth office, with 76 per cent of Western Australian based listings in the materials and energy industry sectors.

Perth's global significance has attracted roadshow visits from the Toronto (TSX) and London (AIM) stock exchanges.

Western Australia is home to:

- 35 per cent of the total 2,034 ASX-listed companies
- 59 per cent of the 702 ASX-listed materials companies
- 49 per cent of the 241 ASX-listed energy companies
- More than half of the small to mid-cap companies listed on the ASX.

Australia's post-GFC recovery in Initial Public Offerings activity was dominated by Perth-based companies from the metals and mining industry sectors.

Western Australian mining companies, particularly juniors, are large investors across projects in Africa, Latin America, Central Asia and South East Asia and account for about 58 per cent of all Australian projects in these regions.

Western Australia's Economy

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

- 15 per cent of GDP
- 26 per cent of business investment
- 44 per cent of merchandise exports
- 56 per cent of total value of resource projects under construction or committed
- 60 per cent of mining new capital expenditure.

The State has averaged annual economic growth of 5.3 per cent over the past decade due to its capacity to attract, develop and operate some of the world's largest mineral and gas projects. Achievements include:

- A\$99.5 billion of mineral and petroleum sales
- Exploration expenditure of A\$917 million in minerals and A\$2.1 billion in petroleum (58 per cent and 55 per cent of Australia's total respectively)
- A\$171 billion worth of resource projects under construction or committed
- 144 million tonnes (Mt) of annual iron ore production capacity
- 28.1Mt of annual liquefied natural gas production capacity under construction or committed.

Western Australia's Commercial Environment

Western Australia hosts:

- The shortest travel times from an Australian capital to most Asia-Pacific and Indian Ocean markets
- A shared time zone with China and much of Asia
- Longstanding business links with China, India, Japan, Korea and South East Asia
- A transparent regulatory framework and simplified investment procedures.

The State shares the same time zone with the exchanges in Singapore, Hong Kong and Shanghai and is within one hour of exchanges in Tokyo and Korea.

Perth is a centre of scientific and technical innovation, hosting numerous institutes with research and development centres.



Cultural Diversity

Western Australia is one of Australia's most culturally diverse States with over a third of its residents born overseas, the highest proportion of all Australian capital cities. Migration has added diversity to the population giving Western Australia a competitive edge in its international linkages.

Today the State's social diversity includes:

- people from more than 190 countries
- approximately 270 spoken languages and dialects
- more than 130 religious faiths.

Traditionally its people were from the United Kingdom and Europe, followed by migrants from South-east Asia and the Middle East. More recently migrants from South Asia and Africa have made Western Australia their home.

A Dynamic Lifestyle and Location

Perth is consistently ranked among the world's top ten most liveable cities by the Economist Intelligence Unit – the highest for all major resource cities in the world. The city offers a relaxed, friendly and outdoor lifestyle with modern infrastructure, health and education facilities and leisure and cultural activities.

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 eight hours of sunshine a day.

Perth is serviced by 18 international and 12 domestic and regional airlines connecting travellers to over 110 destinations globally and Australia-wide. Along with this, Western Australians continue to enjoy one of the highest weekly earnings, about 15 per cent higher than the national average. Perth is also Australia's western gateway to the world's most dynamic and emerging economies in Asia, with over 4 billion in population.

Information current as at February 2016

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