



Invest in the West

Investment Environment in Western Australia



Western Australia has averaged 4.9 per cent economic growth a 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 the resources sector developments, and associated expansion of economic activity.

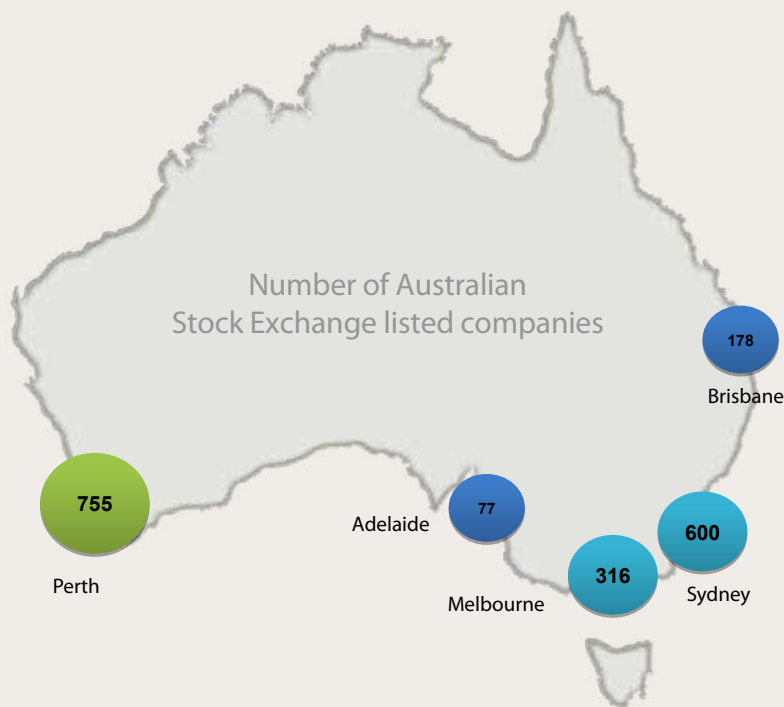
The State is home to 51 per cent of Australia's resources projects under construction or committed, and currently hosts over 520 commercial projects across 50 different minerals and 1130 operating mine sites.

Identified by the 2013 Fraser Institute Survey of Mining Companies as the world's top-rated resources sector investment destination, the State's resource investment potential is set to continue on its upward trajectory.

Along with a strong resources sector the State's Asset Investment Program, focussing on large infrastructure projects, totalled \$7.5 billion in 2013-14, which in coming years will provide opportunities for international investment.

WESTERN AUSTRALIA FAST FACTS

- 5.1 per cent economic growth in 2012-13
- AU\$146 billion investment in resources projects under construction or committed
- 35 per cent of all ASX listed companies are headquartered in Perth
- 79 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 AU\$2.2 trillion funds management industry is one of the largest and fastest growing in the world. The financial and insurance services sector is the fifth largest industry in Western Australia.

Western Australia has:

- AU\$146 billion of resource projects under construction or committed and a further AU\$97 billion under consideration
- Large concentration of Australian listed companies based in Perth (35%), particularly from the resources sector (58%)
- Annual average 4.9 per cent Gross State Product (GSP) growth over the past 10 years and the highest GSP per capita in Australia, 48 per cent higher than the national average
- Highest average weekly earnings among the Australian States, 17.5 per cent higher than the national average
- Highest level of incidence in direct share ownership among the Australian states at 45 per cent.

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 in the last two years include Goldman Sachs, BNP Paribas and Credit Suisse.

Asian institutions, such as Sumitomo Mitsui Banking Corporation, Industrial Commercial Bank of China, Bank of Tokyo Mitsubishi and Bank of China, are also entering or reconnecting with the market, and 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.

Perth holds the largest number of companies of any Australian state on the Australian Stock Exchange (ASX), with 755 companies.

Australian resource companies typically choose to list via the ASX's Perth office, with 79 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 2,155 ASX listed companies
- 60 per cent of the 774 ASX listed materials companies
- 50 per cent of the 261 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 75 per cent of all Australian companies active in these regions.

Western Australia's Economy

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.

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
- AU\$146 billion worth of resource projects under construction or committed

- 165Mt of annual iron ore production capacity under construction or committed
- 28.1Mt of annual LNG 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
- 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 R&D centres.



Photo: Fortescue Metals Group_Herb Elliott Port

A Dynamic Lifestyle and Location

With liveability rankings consistently in the EIU's top 10 – the highest for all major resource cities in the world – Perth offers a relaxed, friendly and outdoor lifestyle of 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 an increasingly desired location for regional headquarters which can take advantage of local projects, a large resource base, one of the world's largest and most distinctive resource hubs and a broad services sector.



Information current as at March 2014

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