

**Media Release**

**17 October 2017**

**One in 20 WA jobs and \$30B traced back to Port of Port Hedland**

A landmark industry study reveals the Port Hedland Port Supply Chain supported more than 59,000 FTE jobs in the Western Australian economy – or around one in every 20 FTE jobs in the State.

Locally it supported almost 5,000 local jobs, and contributed \$418.4 million in direct economic output and \$585.9 million in indirect economic output for the Town of Port Hedland in 2015-16.

Significantly, the study also examines growth opportunities for the local, state and national economies should the Port continue to grow and reach its full potential over the next 10 years.

[An Economic Study of Port Hedland Port](#), prepared by ACIL Allen Consulting, examined the throughput of the world's largest bulk export Port and the economic flow-on effect of the supply chain that supports trade through the Port.

ACIL Allen Consulting Executive Director John Nicolaou said this is the first time a study of this kind has been undertaken on the Port Hedland Port. He stated that it helps to demonstrate the economic value of the Port infrastructure and the trade that it facilitates across all economies – the local community, the Pilbara, Western Australia and Australian.

"The Port of Port Hedland is one of Australia's most important pieces of economic infrastructure, facilitating half a billion tonnes of trade, the vast majority of that trade being iron ore," he said.

"The study demonstrates the substantial flow-on benefits of the Port – locally, regionally, to the State and the rest of Australia."

Nationally, the Port generated some \$30 billion economic output for the Australian economy, supporting an estimated 86,240 full time equivalent (FTE) jobs per annum. Of this, \$26.4 billion is directed back to the Western Australian economy – almost as much as the State's entire construction industry.

Regionally, \$18.3 billion economic output was directed to the Pilbara region. This is equivalent to a massive 47 per cent of total economic output in the region in the same period.

In addition, ACIL Allen estimates the activities of the Port Hedland Port Supply Chain contributed \$2.2 billion in taxation receipts to the WA Government, and a further \$2.4 billion to the Commonwealth each year.

Looking to the future, the *Study* forecasts that if the Port was to grow to a throughput of 700 million tonnes per annum over the next decade, the economic impact would be profound – an additional \$37 billion in economic output for the Australian economy, \$11 billion of which would be realised in the local Pilbara economy.

"To put this into context, the future economic growth from the Port of Port Hedland is equal to 1.5 times the export earnings of Tasmania, the equivalent of a new South Australian mining Industry every year or 2.5 months of jobs growth in the state every year for 10 years," he said.

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## **About the Port Hedland Industries Council (PHIC)**

The [Port Hedland Industries Council](http://www.phic-hedland.com.au) (PHIC) contributes to the scientific understanding of air quality in Port Hedland and promotes the sustainable co-existence of Industry and Community.

An incorporated member based organisation, PHIC works to collectively address industry issues, particularly in relation to the use of the Port Hedland Port.

PHIC provides a forum for information sharing and knowledge transfer, assists member companies manage and minimise the impacts of industry on the community and seeks to facilitate community and stakeholder engagement.

The organisation achieves its goals by focusing on developing and employing leading edge technology and by taking a committed, proactive approach to environmental protection.

PHIC was established by industry in 2009, and in line with the Port Hedland Dust and Noise Taskforce recommendations, its focus for the past few years has been on:

Managing an integrated air quality (and noise) monitoring program in Port Hedland

Delivering technical information to the Port Hedland community about the impacts of dust and noise. This network provides an environmental monitoring and reporting system for Port Hedland, including access to real-time monitoring data for the community and public via a monitoring website.

As member organisation, PHIC has evolved to become a single industry wide point of contact, facilitating community engagement in relation to the environment, public health and safety and industrial development.

[www.phic-hedland.com.au](http://www.phic-hedland.com.au)

## **Report Summary**

### **Contribution to the Port Hedland Economy**

- The Port Hedland Port Supply Chain accounted for \$418.4 million in direct economic output in the Town of Port Hedland in 2015-16. This was approximately 8.7 per cent of the economic output produced in the town of Port Hedland in the financial year. The activities of the Port Hedland Port Supply Chain in Port Hedland generated \$585.9 million of indirect economic output in the region.
- The total economic contribution exceeded \$1 billion (\$1.004 billion) in 2015-16. This represented approximately 21 per cent of total economic output produced in Port Hedland in the year.
- This level of activity supported approximately 5,000 FTE jobs (4,905) in the Port Hedland region, which in 2015-16 was just under half of total employment (10,989) in the region.

### **Contribution to the Pilbara Economy**

- The Port Hedland Port Supply Chain accounted for \$16.9 billion in direct economic output in the Pilbara region in 2015-16. This was approximately 45 per cent of the economic output produced in the Pilbara region in the financial year. The activities of the Port Hedland Port Supply Chain in Port Hedland generated an additional \$1.2 billion of indirect economic output in the region.
- The total economic contribution of the Port Hedland Port Supply Chain is estimated to be \$18.3 billion, or 47 per cent of total economic output produced in the Pilbara region in the year.
- The Port Hedland Port Supply Chain supported 10,510 FTE jobs in the Pilbara region in 2015-16, accounting for 16 per cent of total employment.

### **Contribution to the WA Economy**

- The Port Hedland Port Supply Chain accounted for \$18.5 billion in direct economic output in the Western Australian economy in 2015-16. This was 7.6 per cent of the economic output produced by the Western Australian economy in the financial year. The indirect economic contribution of the Port Hedland Port Supply Chain to the Western Australian economy was \$7.8 billion.
- The total economic contribution of the Port Hedland Port Supply Chain to the Western Australian economy is \$26.4 billion –almost as much as the State's entire construction industry.
- This level of economic contribution supported just over 59,000 (59,015) FTE jobs in the Western Australian economy –or around one in every 20 FTE jobs in the State.

### **Contribution to the Australian Economy**

- The Port Hedland Port Supply Chain contributed \$30 billion in economic output to the Australian economy in 2015-16. This is equivalent to 1.9 per cent of GDP. Excluding WA, the Port Hedland Port Supply Chain directly contributed \$193.9 million to the national economy, and contributed a further \$3.4 billion on an indirect basis.
- This level of economic contribution supported a total of 86,240 FTE jobs, with 12,850 of these direct and 73,390 of them indirect. The Port Hedland Port Supply Chain contributed \$8.1 billion in wages and salaries, with the vast majority of this (73 per cent) on an indirect basis.

### **Contribution to Taxes and Royalties**

- In total, ACIL Allen estimates that the Port Hedland Port Supply Chain directly paid \$2.2 billion in taxation receipts to the WA Government and a further \$2.4 billion to the Commonwealth in 2015-16.
- The majority of taxation receipts flowed to the State through royalties (\$1.9 billion) and to the Commonwealth through company taxes (\$1.8 billion) and personal income tax (\$606 million).

### **Forecast Economic Contribution**

#### **Real Output**

- \$30bn potential GRP increase over the study period
  - Average of \$3bn per annum
  - Equivalent to 7.4% of Pilbara GRP in 2015-16
- \$33bn potential GSP increase over the study period
  - Average of \$3.3bn per annum
- \$32bn potential GDP increase over the study period
  - Average of \$3.2bn per annum

#### **Real Income**

- \$12bn potential increase in real income across the Pilbara region over the study period
  - Average of \$1.2bn per annum
- \$24bn potential increase in real income across WA over the study period
  - Average of \$2.4bn per annum
- \$37bn potential increase in real income across Australia over the study period
  - Average of \$3.7bn per annum

#### **Real Jobs**

- Potential workforce boost of 1,500 FTE jobs across the Pilbara per annum over the study period
  - Equivalent to 3% of current workforce
- Potential workforce boost of 5,377 FTE jobs across Australia per annum over the study period
- Potential workforce boost of 5,338 FTE jobs across WA per annum over the study period

### **Real Exports**

- \$33bn potential increase in Australian exports over the study period
  - Average of \$3.3bn per annum
  - Equivalent to just over one per cent of Australia's total exports over the past 12 months
  - For Western Australia, the average potential increase in exports over the study period represents approximately five per cent of WA's total exports in 2015-16

### **Real Taxation**

- \$21bn potential increase in tax receipts across Australia over the study period
  - Average of \$2.1bn per annum
  - Direct and indirect company tax receipts potentially \$13.3bn higher over 10 years
  - Other Australian tax receipts potentially \$2.2bn higher over 10 years
- \$5bn potential increase in tax receipts across WA over the study period
  - Average of \$516 million per annum
  - WA royalty receipts potentially \$4.6bn higher over 10 years
  - WA payroll tax receipts potentially \$508 million higher over 10 years