



# Report on the Western Australian Marine Industry Executive Summary

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Edith Cowan University was engaged by the Department of Commerce to conduct research to ascertain the size, structure and economic impact of the marine industry within Western Australia. The data collected will inform future government policy and industry development initiatives. All of the firms were surveyed in the first half of 2009 during the deepest part of the global financial crisis. In light of this, the outlook for the industry was generally positive with firms predicting that turnover and employment levels will continue to increase over the next five years.

Estimated total impact on the WA economy	
2009	Marine industry output
Direct industry output	\$1,502,717,037
*Indirect contribution	\$2,073,749,511
Total effect on the WA economy	\$3,576,466,548

*\*Indirect contribution is based on a conservative multiplier of 2.38 consistent with the previous Western Australian Shipbuilders Association (WASA) report on the economic impact of the shipbuilding industry in Western Australia prepared by Paul McLeod in 1992.*

Summary of key findings	
Marine related company turnover generated in WA 2007/08*	\$1,502,717,037
Marine related company turnover generated overseas 2007/08*	\$405,391,000
Marine related capital investment generated in WA 2007/08	\$388,529,157
Marine related investment in research and development in WA	\$37,326,655
Total employment	7424 people

The total capital investment in the marine industry in Western Australia increased by 83 per cent between the 2005/06 and 2007/08 financial years.

Western Australian company turnover 2006/07 and 2007/08 financial years		
	2006/07	2007/08
Shipbuilding	\$578,910,000	\$611,400,000
Ship upgrade and repair	\$54,428,363	\$63,482,500
Ship service and supply	\$127,055,000	\$204,064,200
Boat building	\$48,437,000	\$48,695,250
Boat upgrade and repair	\$52,729,500	\$71,957,000
Boat service and supply	\$95,597,249	\$124,872,248
Components	\$18,085,000	\$16,568,000
Dealer/Importer	\$52,570,000	\$55,520,000
Marinas	\$40,783,000	\$55,705,000
*20% extrapolation	\$213,719,022	\$250,452,840
Total	\$1,282,314,134	\$1,502,717,038

*\*A 20% extrapolation has been applied to more accurately reflect the value of the industry to the WA economy i.e. of the estimated 400 firms in the industry across the nine identified marine industry sectors the data is based on the turnover of 175 firms.*

## Growth in shipbuilding between 2002 and 2009

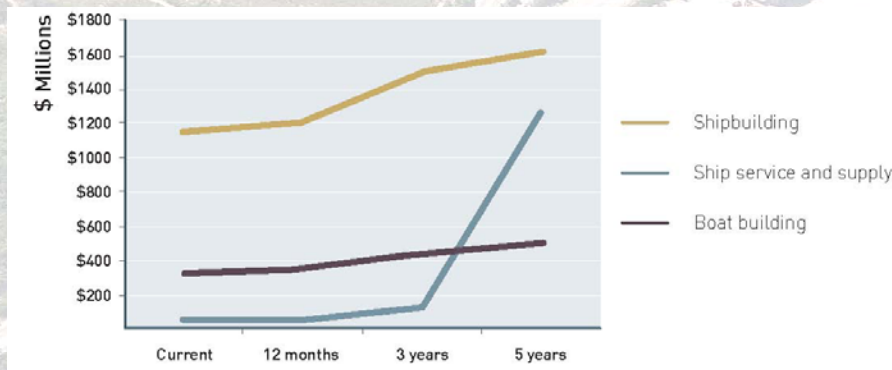
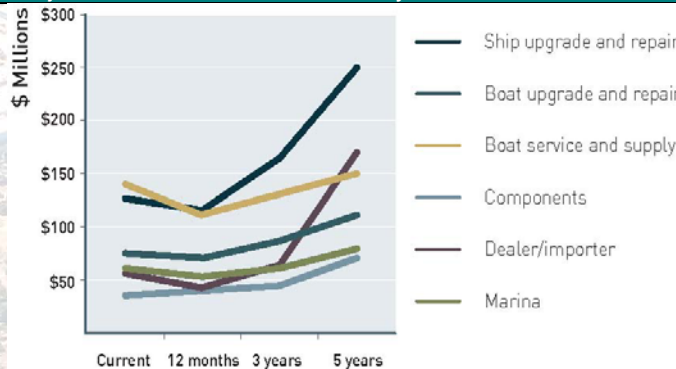
Shipbuilding	2002	2009
Output from respondents	\$377,000,000	\$611,400,000
Indirect contribution	\$521,000,000	\$843,732,000
Total value	\$898,000,000	\$1,455,132,000

A comparison of the results from this 2009 survey with those of the 2002 WASA survey shows that there has been a 61 per cent increase in turnover in shipbuilding in the past seven years.

## Forecast industry growth

Despite the data being collected in early 2009 during the depths of the global financial crisis, all sectors generally forecasted an increase in the next three to five years as depicted in the graphs below.

### Projected turnover for the next 5 years



## Key messages from Industry

### Key infrastructure or facilities that would aid business growth

The building of new marinas and boat pens was a major concern across the whole industry.

### Important training and skilling issues

The main issues centred around training of apprentices and the need for improving business skills such as marketing and customer service. A shortage of high calibre staff with the right skills, experience and attitude was highlighted.

### Issues concerning legislation/international codes or standards

The major concerns were around the conflict between different levels of legislation and standards. There was particular reference to environmental issues and regulations and fishing industry regulations.

### Areas of expansion and opportunity over the next three years

The top three areas of expansion and opportunity for the industry were: product diversification; new innovation (in-house) and diversification external to marine.

### Barriers or threats to growth over the next three years

When considering the outlook for the industry over the next five years, the global economic downturn and financial crisis were the major issues. Other significant issues were environmental legislation and regulation and infrastructure development.