Barnett: what boom?

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COLIN Barnett has rejected speculation that Western Australia’s boom is running out of steam, predicting up to three decades of strong growth that will continue masking the “brittleness” in other parts of the economy.

Mr Barnett deflected recent commentary that “the resources boom that never was is now over”, saying he’d never talked up a mining boom as WA Premier “because we don’t have one”.

Instead, the state was on a long and “very steep ride upwards”, he told the TAFE Directors Association conference yesterday in Perth.

“We have probably 10, 20, maybe even 30 years of very strong economic growth,” he said.

Mr Barnett said WA already accounted for 46 per cent of Australia’s exports, more than the three big eastern states combined. “By the end of the decade it will probably be approaching 60 per cent on projects already committed,” he said.

He expected iron ore production to double this decade, and liquefied natural gas production to treble.

WA’s economic performance is “concealing some brittleness” in other parts of the economy, he said. WA had gained 44,000 full-time jobs last financial year while the rest of Australia had lost 36,000.

Mr Barnett acknowledged risks in a highly specialised economy that was “hitched to China in particular, but also Japan and increasingly India”.

“It’s going to be bumpy,” he said.

However his state’s integration with Asia and particularly China was not understood elsewhere in Australia, with the WA government enjoying a direct contact with Beijing at cabinet level.

“The relationship between Australia and China is very much between China and WA. You only have to look at the size of the Chinese consulate to realise that – it’s nearly as big as the outfit in Canberra.

“It is going to be a factor for at least another 20 years, and will probably get even stronger.”

Mr Barnett said WA accounted for 73 per cent of Australia’s exports to China and 80 per cent of Chinese investment in Australia.

He said WA, with a population of 2.4 million, had sent exports worth $47 billion to China last year. This was more than half the $91bn of exports sent to the world’s most populous country by the world’s biggest economy, the US.