



Local Economic Impacts from the Construction of **BUNBURY OUTER RING ROAD**



Australian Government

BUILDING OUR FUTURE



mainroads
WESTERN AUSTRALIA

The Bunbury Outer Ring Road (BORR) project will build a 27-kilometre free-flowing highway in South West WA to link Forrest Highway with Bussell Highway.

Facts and Figures

BORR will provide efficient and safe access to the Port of Bunbury, local industry and industrial expansion areas, and is essential for the long-term economic development of the Greater Bunbury area and the South West Region.

South West Region, WA

Population



92% of residents travel to work via private vehicles

Employment



Gross Regional Product



South West's share of Western Australian economy

Businesses



Construction (11%) is the main employing industry

Sources: Australian Bureau of Statistics, 2019.

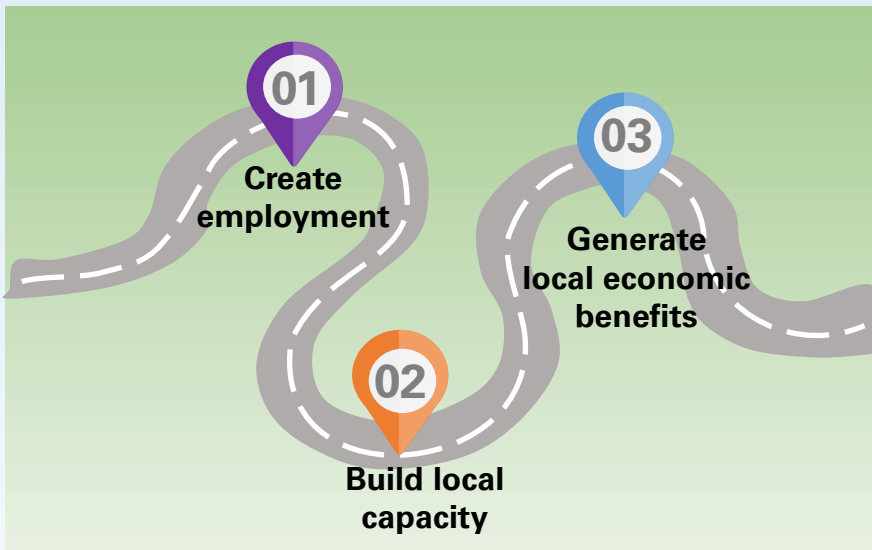
Western Australia Economic Profile, June 2019.

50% local content

In delivering the project, a key focus during construction is to encourage and maximise local industry participation.

A spending target of \$300 million has been set for local content out of the \$600 million that will be spent on design and construction.

The project is working with local businesses in the South West region to:



During project development, Main Roads formed the Local Business Advisory Group to develop a transparent system for the preferencing of locally owned and operated businesses.

Local economic impacts of BORR

KPMG was commissioned by Main Roads to estimate the South West economic impacts flowing from a 50% local content target for the BORR project. A regional economic model was used to estimate the direct and indirect effects of BORR's local spending during the project's construction phase.



\$194m output

ECONOMIC CONTRIBUTION TO THE SOUTH WEST REGION



1,669 jobs



The BORR project is anticipated to generate \$0.3 million of output and 2.7 jobs in the South West for every \$1 million invested on BORR's construction.

The project will also increase local expenditure by \$1.38 million for every \$1 million of total project spend.

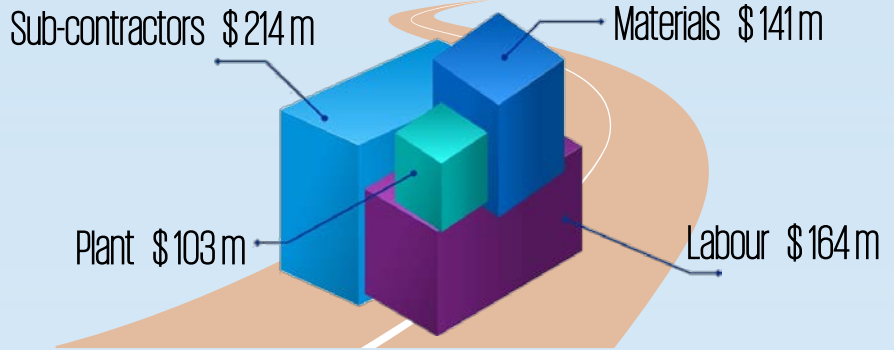


Local spending increases output and employment in the local economy, the additional local content requirement is expected to support wage rates and the supply of local materials.



The construction of BORR makes a **direct contribution** to the local economy as an investment stimulus.

Capital expenditure consists of:



Direct Impacts

Local sectors expected to directly benefit from project expenditure include:

Construction services



\$50m output
735 jobs

Professional, scientific & technical services



\$58m output
374 jobs

Wholesale & Retail trade



\$30m output
322 jobs

Transport, machinery & equipment sector



\$7m output
68 jobs

Indirect Impacts

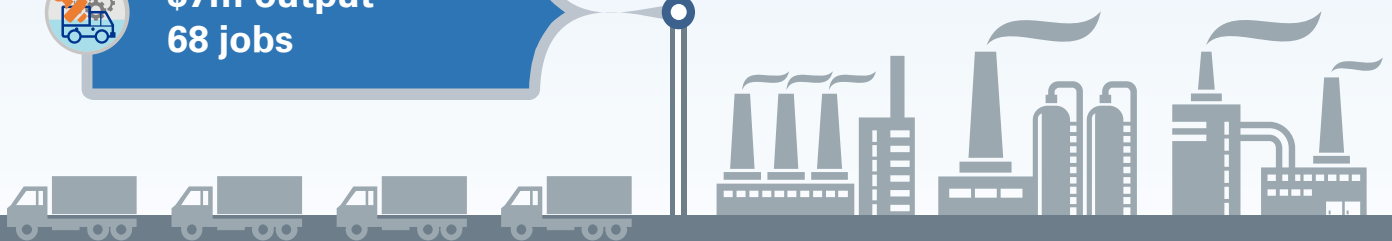
Indirect impacts in other sectors flow from increased activity due to supply chain linkages.

The economic benefits of the BORR project extend from the construction sector to manufacturing and other service-oriented sectors.

Other businesses indirectly benefit from the spending activities of workers employed in businesses that directly supply goods and services to BORR.

Other sectors

\$10m output
170 jobs



The Bunbury Outer Ring Road project is one of the largest infrastructure initiatives ever in South West WA. A 50% target for local content during the project's construction will benefit locally-owned and operated businesses, which leads to more output and employment in the region.



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