

6 Regional performance – economic

6.1 Background

The Western Australian economy is driven by the export of primary commodities, mainly minerals and hydrocarbons, with agricultural commodities also making a significant contribution. These commodities make up approximately 83 per cent of the State's exports and they are nearly all sourced from the regions. Thus, regional Western Australia, with just 27 per cent of the population contributes nearly all of the exports.

6.2 Economic goal for the regions

The goal for economic development in the regions is: *Growing a diversified economy.*

6.3 Key result areas

The Key Result Areas for the economic theme are shown in Table 11.

Table 11: Key result areas in the economic theme

Key Result Area	Context
Economic performance	Traditional measures of economic performance eg. GDP, participation in the workforce, unemployment, regional price index, terms of trade for commodities, and savings/debt levels, re-distribution of taxes from the regions, retail turnover, net investment into the region.
Infrastructure	Transport, housing, water, energy, land access, planning, public infrastructure, capital and maintenance levels, use: capacity ratios, cost to providers compared to consumers.
Goods and services	Production, exports from the region, business performance.
Economic resilience	Economic 'depth' in the region, Indigenous participation, research & development, government support, business and industry dynamics, adjustment processes.

6.4 A framework for indicators of economic performance

In Table 12, the key result areas in the economic theme have been located within a modified version of a standard logical framework to show the relationship between them in the context of regional economic performance. The framework contains three levels – the fundamental drivers of economic outcomes; the catalytic factors that will promote economic development, and the outcomes being the goal adopted for regional economic development.

The table recognises fundamental **drivers** of economic development, which essentially are the natural resources, human skills and knowledge and financial capital available to support economic activity. The indicators include the inherent natural resources of a region, such as minerals or agricultural potential, and the market environment for the products of these resources. Capital and labour availability complete the requirements for economic development. Most of these drivers are outside the direct control of regional governance, and sometimes beyond even the influence of national governance. For example, the terms of trade for primary commodities such as iron ore and wheat exert a powerful influence on the way these industries grow and develop, and the resultant impact on the regional economies that are sustained by these industries. On the other hand, the total net investment into a region is derived from both government and private sector sources. Most of the former is directed into boosting the catalytic factors that will stimulate economic performance – such as infrastructure and provision of business support services. Most of the latter goes directly into industry and business projects, the activity of which is captured in GDP and the other outcome indicators.

Table 12: Framework for economic indicators

Narrative summary	Objectively verifiable indicators	Important assumptions
Goal: Growing a diversified economy.	<ul style="list-style-type: none"> • GRP per capita • Economic diversity and structure • Employment • Equity in participation • Net contribution to wider economy 	Regional residents recognise the components of regional economic performance.
Catalytic factors: Regionally focused actions that encourage regional economic growth.	<ul style="list-style-type: none"> • Regionally relevant R&D • Local procurement • Infrastructure • Direct government support • Skills development (considered in social theme) 	The assumption is that investment into higher levels of each of the catalytic factors will contribute through time to achievement of the economic goal.
Drivers: external and internal factors, that promote economic growth.	<ul style="list-style-type: none"> • All forms of investment into the regional economy • Terms of trade • Natural resources (considered in environmental theme) • Population resources (considered in summary) 	The drivers have a significant impact on the economic outcomes experienced by regional residences. Trends in these indicators are able to explain trends in economic outcomes.

Achievement of the goal will be promoted by deliberate actions taken within the region to create a ‘fertile environment’ for the fundamental drivers to operate in. These **catalytic factors** include the investments in regional research and development, the appropriateness and quality of the infrastructure, direct support from government for industry and business development and adjustment, and actions taken to manage the price structure in the regions. Taking action on these factors is mainly the responsibility of governments, although large corporate operations can also be significant investors. This is most obviously seen in the Pilbara, where much of the rail and port infrastructure and the newer inland towns were built by corporate mining companies. At the other end of the scale, in the Wheatbelt region, where economic activity occurs mainly in small businesses, government has provided virtually all of the infrastructure and planning support for the regional economy.

In the Table 12 the **goal** for economic development is represented by a number of indicator groupings that describe the size and nature of the regional economy. In presenting the indicators, the assumption is made that the region's economic activity is entirely attributable to the contributions made by the resident population. This can be challenged on the grounds that it ignores inputs from outside the region, in areas like research and development, corporate management, financial management and input product development. However, separating out the contribution to a region's economic output made by those resident and those located elsewhere would be complex and easily disputed.

6.5 Regional economic indicators

6.5.1 Economic performance

Indicator: Gross Regional Product

Background

Gross Regional Product (GRP) is an indicator of the level of economic activity occurring in that region. It includes all aspects of the economic activity, including primary (e.g. mining, agriculture), secondary (e.g. manufacturing, food processing) and tertiary (e.g. education, financial services) sectors. The value of the indicator can be enhanced by considering factors such as GRP per capita and the rate of economic growth. Its main limitations as an indicator are that it does not address how the region's economic activity is distributed across: the three sectors; the region's people; or the distribution of the costs and benefits of the economic activity to entities outside the region. Some of these finer points are considered in later indicators.

Current situation

Gross Regional Product for the regions is shown in Table 13.

Table 13: Gross Regional Product, 2000-2001

Region	GRP (\$billion)	5 yr average annual growth rate (%)*	GRP per capita (\$)	Major primary contributors	Percentage of GSP
Gascoyne	0.50	5.2	48,448	Fishing, mining, agriculture, transport	0.7
Goldfields-Esperance	5.53	8.1	100,084	Mining, construction, property	6.9
Great Southern	1.56	4.1	29,271	Agriculture, forestry, fishing, manufacturing, finance and insurance	2.1
Kimberley	1.27	6.3	38,783	Mining, health and community services, transport	1.7
Mid West	2.95	6.8	58,509	Mining, agric, forestry and fishing, construction	3.8
Peel	2.27	6.5	29,612	Mining, manufacturing, construction	3.0
Pilbara	4.55	8.4	114,625	Mining, construction and transport	5.6
South West	4.56	6.0	35,085	Mining, manufacturing, construction	6.0
Wheatbelt	3.01	4.4	41,555	Agriculture, forestry and fishing, mining, transport	3.9
Regional WA	26.20	6.6	50,301		33.7
Perth	47.92	6.0	34,593	Finance and insurance, property, manufacturing	66.3
State Total	74.12	6.2	38,885		100.0

* Calculated as average annual growth rate, not adjusted for CPI, over five years – 1995/96 to 2000/01.

Source: Department of Local Government and Regional Development.

Comments

Overall, the Gross Product per capita in the regions is higher than in Perth, by 45 per cent. This difference is influenced strongly by the contribution made by the capital intensive mining industries in two regions – the Goldfields-Esperance and Pilbara regions. In the more labour-intensive economies in other regions such as Peel, Great Southern and the South West, GRP per capita is closer to the Perth figure of \$34,593.

The two most obvious characteristics of the regional economies are the large differences between them in GRP per capita and in their average annual growth rates over the last five years. The Gascoyne, Great Southern, South West, and Wheatbelt have been growing more slowly than in the regions either close to Perth (Peel) or where recent mining developments have been occurring – in the Goldfields-Esperance, Mid West and Pilbara regions.

Indicator: Employment by industry

Background

The Census of Population and Housing provides data for employment by industry in Western Australia. This indicator is represented by the percentage of people working in the region as an employee, employer, employed person – own account worker or employed person – contributing family worker. Also shown is the distribution of employment by sector, which provides an indication of the diversity and the strengths of each industry in the region.

Current situation

Table 15 reports on the number and percentage of people employed within each industry throughout the nine regions and Perth metropolitan area. Throughout all the regions retail trade was the largest or second largest employer, accounting for 9.9 per cent or greater of the workforce. Regions where 20 per cent or more of the workforce were employed by one single industry were the Wheatbelt – agriculture, forestry and fishing (34%), Pilbara – mining (25%), Great Southern – agriculture, forestry and fishing (22%) and Goldfields-Esperance – mining (22%). Employment in regional Western Australia is concentrated in the agriculture, forestry and fishing (14%), retail trade (13%), mining (8%) and manufacturing (8%) industries. Approximately one quarter of the State's workforce were employed in regional Western Australia with 24 per cent of these employed in the South West and 14 per cent in the Wheatbelt.

As shown in Table 14, which is the latest information available from the 1996 Census, the greatest percentage of employers reside in the Wheatbelt (6.0%) and the Great Southern (5.9%), which is caused by the dominance of family-owned farming businesses and the smallest proportion is in the Pilbara (1.6%), Goldfields-Esperance (2.7%) and Kimberley (2.7%).

Table 14: Type of employed person, 1996

Region	Employee (%)	Employer	Employed Persons - Own account worker (%)	Employed Persons - Contributing family worker (%)
Gascoyne	85.1	4.6	8.1	2.2
Goldfields-Esperance	90.8	2.7	5.5	1.0
Great Southern	77.1	5.9	14.2	2.8
Kimberley	92.1	2.7	4.3	0.9
Mid West	85.0	4.5	8.6	1.9
Peel	87.2	3.3	8.1	1.4
Pilbara	95.1	1.6	2.8	0.5
South West	85.4	4.6	8.4	1.6
Wheatbelt	76.4	6.0	14.6	3.0
Regional WA	86.0	4.0	8.3	1.7
Perth	90.8	2.5	5.9	0.8
State Total	86.5	3.8	8.1	1.6

Source: ABS Census of Population and Housing (1996).

Comment

At the regional scale, concentration of employment in a few industries is evident – with employment in some sectors ranging from 15.2 per cent (agriculture, forestry and fishing – Mid West) to 34.2 per cent (agriculture, forestry and fishing – Wheatbelt) of the total workforce. Three industries accounted for the majority of employment in the workforce – agriculture, forestry and fishing; mining; and manufacturing. These three industries combined account for between 25 and 41 per cent of employment in all regions, with the exception of the Kimberley where they account for only 18 per cent of the workforce. In Perth, this figure is 14 per cent. The Wheatbelt, Great Southern and Gascoyne all had strong agriculture, forestry and fishing industry sectors, employing a large percentage of the workforce.

Table 15: Employment by industry, 2001

Industry	Gascoyne	Goldfields- Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheatbelt	Regional WA	Perth	WA
Agriculture, Forestry and Fishing	963 (16.2)*	1,796 (6.7)	4,688 (22.4)	1,487 (9.1)	3,235 (15.2)	1,210 (4.8)	446 (2.2)	5,750 (10.8)	10,387 (34.2)	29,962 (13.6)	6671 (1.1)	36,633 (4.5)
Mining	234 (3.9)	5,800 (21.8)	62 (0.3)	705 (4.3)	2,308 (10.9)	1,284 (5.0)	5,032 (24.7)	1,900 (3.6)	728 (2.4)	18,053 (8.2)	10,403 (1.8)	28,456 (3.5)
Manufacturing	339 (5.7)	1,621 (6.1)	1,531 (7.3)	747 (4.6)	1,079 (5.1)	3,773 (14.8)	1,174 (5.8)	6,816 (12.8)	1,465 (4.8)	18,545 (8.4)	65,692 (11.2)	84,237 (10.4)
Electricity, Gas and Water Supply	64 (1.1)	168 (0.6)	148 (0.7)	128 (0.8)	162 (0.8)	187 (0.7)	220 (1.1)	707 (1.3)	285 (0.9)	2,069 (0.9)	4,797 (0.8)	6,866 (0.9)
Construction	407 (6.9)	2,135 (8.0)	1,504 (7.2)	1,010 (6.2)	1,612 (7.6)	2,648 (10.4)	2,183 (10.7)	4,716 (8.9)	1,761 (5.8)	17,976 (8.2)	43,870 (7.5)	61,846 (7.7)
Wholesale Trade	308 (5.2)	1,159 (4.4)	923 (4.4)	432 (2.6)	942 (4.4)	971 (3.8)	859 (4.2)	2,607 (4.9)	1,340 (4.4)	9,541 (4.3)	32,748 (5.6)	42,289 (5.2)
Retail Trade	744 (12.6)	3,062 (11.5)	3,070 (14.7)	1,617 (9.9)	2,964 (14.0)	4,596 (18.1)	2,043 (10.0)	8,143 (15.3)	3,322 (10.9)	29,561 (13.4)	93,476 (15.9)	123,037 (15.2)
Accommodation, Cafes and Restaurants	492 (8.3)	1,297 (4.9)	1,045 (5.0)	1,145 (7.0)	1,127 (5.3)	1,128 (4.4)	997 (4.9)	3,166 (6.0)	1,149 (3.8)	11,546 (5.2)	26,739 (4.6)	38,285 (4.7)
Transport and Storage	297 (5.0)	1,296 (4.9)	636 (3.0)	862 (5.3)	802 (3.8)	872 (3.4)	902 (4.4)	1,723 (3.2)	1,130 (3.7)	8,520 (3.9)	23,908 (4.1)	32,428 (4.0)
Communication Services	82 (1.4)	210 (0.8)	196 (0.9)	150 (0.9)	186 (0.9)	271 (1.1)	192 (0.9)	476 (0.9)	333 (1.1)	2,096 (1.0)	10,016 (1.7)	12,112 (1.5)
Finance and Insurance	85 (1.4)	335 (1.3)	357 (1.7)	198 (1.2)	332 (1.6)	378 (1.5)	158 (0.8)	868 (1.6)	431 (1.4)	3,142 (1.4)	20,988 (3.6)	24,130 (3.0)
Property and Business Services	376 (6.3)	2,151 (8.1)	1,354 (6.5)	1,112 (6.8)	1,288 (6.1)	1,998 (7.9)	1,728 (8.5)	3,928 (7.4)	1,297 (4.3)	15,232 (6.9)	74,837 (12.7)	90,069 (11.2)
Government Administration and Defence	416 (7.0)	1,193 (4.5)	818 (3.9)	2,544 (15.5)	917 (4.3)	799 (3.1)	988 (4.8)	1,737 (3.3)	1,329 (4.4)	10,741 (4.9)	25,320 (4.3)	36,061 (4.5)
Education	336 (5.7)	1,547 (5.8)	1,700 (8.1)	1,353 (8.3)	1,598 (7.5)	1,611 (6.3)	1,322 (6.5)	3,568 (6.7)	2,244 (7.4)	15,279 (6.9)	45,027 (7.7)	60,306 (7.5)
Health and Community Services	415 (7.0)	1,665 (6.3)	1,760 (8.4)	1,488 (9.1)	1,614 (7.6)	2,139 (8.4)	1,197 (5.9)	4,374 (8.2)	2,063 (6.8)	16,715 (7.6)	62,534 (10.7)	79,249 (9.8)
Cultural and Recreational Services	106 (1.8)	332 (1.2)	291 (1.4)	270 (1.6)	264 (1.2)	550 (2.2)	191 (0.9)	822 (1.5)	269 (0.9)	3,095 (1.4)	15,123 (2.6)	18,218 (2.3)
Personal and Other Services	263 (4.4)	844 (3.2)	872 (4.2)	1,127 (6.9)	802 (3.8)	1,011 (4.0)	770 (3.8)	1,750 (3.3)	846 (2.8)	8,285 (3.8)	24,818 (4.2)	33,103 (4.1)
Total	5,927 (0.7)**	26,611 (3.3)	20,955 (2.6)	16,375 (2.0)	21,232 (2.6)	25,426 (3.1)	20,402 (2.5)	53,051 (6.6)	30,379 (3.8)	220,358 (27.3)	586,967 (72.7)	807,325 (100)

Source: Australian Bureau of Statistics Census of Population and Housing (2001).

* Percentage of employment, by industry, within regions is shown in brackets.

** Percentage of total employment between regions is shown in brackets.

Indicator: Unemployment

Background

Unemployment figures for the September 2001 to June 2002 quarters were obtained from the Department of Employment and Workplace Relations. Unemployment figures by age group were obtained from the 2001 Australian Bureau of Statistics Census of Population and Housing.

Current situation

Unemployment data are shown in Table 16. The regions vary considerably in the percentage of people who are registered as unemployed. The Kimberley (14.3%), Mid West (8.3%), Gascoyne (7.8%) and Peel (7.2%) regions had the highest rates of unemployment in the June 2002 quarter and were the only regions with an unemployment rate greater than the State unemployment rate of 6.5 per cent. The Wheatbelt (4.4%) and Pilbara (4.3%) had significantly lower levels of unemployment in that quarter.

Table 16: Quarterly unemployment by region, 2001/02

Region	Unemployment rate (%)			
	September 2001	December 2001	March 2002	June 2002
Gascoyne	7.3	7.6	7.8	7.8
Goldfields-Esperance	4.8	5.0	5.3	5.2
Great Southern	7.2	7.1	6.6	5.8
Kimberley	13.6	14.0	14.4	14.3
Mid West	7.5	8.0	8.4	8.3
Peel	9.2	8.9	8.2	7.2
Pilbara	4.0	4.2	4.3	4.3
South West	6.5	6.4	5.9	5.3
Wheatbelt	4.3	4.5	4.6	4.4
Regional WA	6.7	6.8	6.6	6.2
Perth	6.9	6.9	6.8	6.6
Western Australia	6.8	6.9	6.8	6.5

Source: Department of Employment and Workplace Relations (2002).

Table 17 shows the unemployment rate by region and age groups. These figures represent people in the 15 – 19 and 20 – 24 age groups who were unemployed and in the region on Census night. Unemployment in the 15 – 19 year age groups was in excess of 10 per cent across all regions except for the Kimberley (9.7 per cent). For all regions, the unemployment rate was lower in the next age group, the 20 – 24 year olds. The Kimberley and Pilbara had unemployment rates of 7.9 and 8.1 per cent respectively in the 20 – 24 year age group, which were considerably lower than the State average of 12.3 per cent. Across all the regions, Peel had the highest rate of unemployment for each all age groups with the exception of the 65 plus age group, where Pilbara recorded the highest.

Indigenous unemployment

The official Indigenous unemployment rate was 19 per cent in 1996, a marked improvement from the Indigenous unemployment rate of 39 per cent in 1986. In 1996, the Kimberley had a low Indigenous unemployment rate of 8 per cent, Goldfields-Esperance 14 per cent and the other regions 20 to 24 per cent. However, ABS classifies Community Development and Employment Program (CDEP) participants as employed, although CDEP is intended as a work-readiness/ on-the-job training scheme for unemployed Indigenous people. When CDEP participants are included in the unemployment statistics, the adjusted Indigenous unemployment rate for the State was over 40 per cent. The northern regions had a very high adjusted Indigenous unemployment rate, ranging from 41 per cent in the Pilbara to 63 per cent in West Kimberley, while the southern regions had adjusted Indigenous unemployment rates of between 26 and 35 per cent. Collectively, the impact of including CDEP figures indicates the high reliance on CDEP as a means of providing income support in the northern regions.

Comment

From September 2001 to June 2002 all of the regions, with the exception of the Great Southern, Peel and South West, recorded increases in the level of unemployment. However increases were small, ranging from a 0.1 per cent increase in the Wheatbelt to a 0.8 per cent increase in the Mid West. The Peel, Great Southern and South West all recorded a greater than 1 per cent reduction in the level of unemployment.

Youth unemployment rates remain high throughout Western Australia, particularly in regional WA with the majority of regions recording unemployment rates between 10 and 20 per cent in the 15 – 19 and 20 – 24 age groups. Youth unemployment is explored further in Section 7.5.4.7. Peel was deemed to be a problem region across all age groups in 2001 with comparatively high unemployment rates.

Indigenous unemployment rates are significantly higher than in other community sectors. In 1996, the adjusted rate (including CDEP participants) ranged from 41 per cent in the Pilbara to as high as 63 per cent in West Kimberley. In 1998 the Indigenous unemployment rate in Western Australia was 19.3 per cent. The Government is responding to this situation through a range of programs. The Department of Training and Employment (now Department of Education and Training) provides a strategic advisory service to key stakeholders and training providers on vocational education and training and employment to meet the needs of Indigenous people throughout the State. Some of the programs aimed at increasing the level of Indigenous employment are:

- the Indigenous Economic and Employment Development Officer program;
- the development of innovative new apprenticeship opportunities, and
- the establishment of remote vocational education and training centres.

There are a total of 18 Indigenous Education, Employment and Training Committees established throughout the State.

Table 17: Percentage unemployment by age group, 2001

Age Group	Gascoyne	Goldfields- Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheatbelt	Regional WA	Perth	WA
15 - 19	13.9	13.8	16.4	9.7	21.1	22.1	10.8	15.0	15.9	16.1	16.5	16.4
20 - 24	10.7	9.7	14.0	7.9	16.2	17.4	8.1	12.4	10.2	12.0	12.3	12.3
25 - 34	7.4	5.3	9.6	5.1	9.5	12.0	4.9	8.3	7.0	7.6	7.9	7.8
35 - 44	4.9	4.2	6.1	4.2	7.7	8.6	3.5	5.7	4.5	5.6	5.8	5.8
45 - 54	3.5	4.1	4.6	3.3	6.1	7.2	3.0	4.8	4.2	4.8	4.8	4.8
55 - 64	5.1	4.9	6.1	3.5	7.8	9.1	4.5	5.3	5.1	5.9	5.8	5.8
65+	1.5	3.4	1.5	1.8	2.8	1.8	4.2	2.3	0.9	1.9	3.0	2.7
Average	6.0	5.7	7.7	4.9	9.3	10.8	4.7	7.4	5.9	7.1	7.6	7.5

Source: Australian Bureau of Statistics Census of Population and Housing (2001).

Indicator: Workforce participation rate

Background

The workforce participation rate is the percentage of people employed as a proportion of those who are able to work. Also included in this indicator are statistics on the participation rate for non-English speaking persons and the unemployment rates for non-English speaking persons, Indigenous persons and the overall unemployment rate.

Current situation

As shown in Table 18, using the most recent data compiled in June 2002, the participation rate for WA was 66.3 per cent in July 2002, a small decrease of 0.5 percentage points on the rate of 66.9 per cent 12 months previously. The participation rate at June 2002 ranged from 64.4 per cent in Southern WA, to 65.0 per cent in Perth, to 74.8 per cent in the Remainder of WA.

Table 18: Participation rate for Perth, Southern WA and the remainder, 2002

Region	Three months to Jun 01	Three months to Mar 02	Three months to Jun 02
Perth	65.8	65.8	65.0
Southern WA	65.2	65.2	64.4
Remainder of WA	74.6	74.5	74.8

Source: Labour Market Summary (2002).

NB The Southern WA region includes the Wheatbelt, South West, Great Southern and Peel. The Remainder of WA includes the Kimberley, Pilbara, Gascoyne, Mid West, Goldfields-Esperance.

In 1996, the participation rates of the non-English speaking labour force ranged from as low as 50 per cent in the South West to 75 per cent in the Pilbara (Table 19).

Table 19: Status of non-English speaking labour force, 1996

Region	Non-English speaking		Indigenous	WA overall	
	Total workforce (No)	Participation rate (%)	Unemployment rate (%)	Unemployment rate (%) ¹	Unemployment rate (%)
Gascoyne	631	67	5.7	8.3	7.4
Goldfields-Esperance	1,587	69	9.3	13.5	5.9
Great Southern	1,254	56	14.7	22.1	7.9
Kimberley	696	70	9.6	7.8	5.8
Mid West	1,286	65	16.7	26.6	9.2
Peel	1,011	53	16.3	Incl. in Perth	12.0
Pilbara	2,970	75	7.9	22.6	5.4
South West	2,456	50	10.1	21.7	7.7
Wheatbelt	1,342	55	9.7	19.2	6.0
Regional WA	13,233	56	11.1	15.1	12.8
Perth	82,276	56	16.6	27.5	8.3
Western Australia	95,509	56	12.0	19.3	9.1

Source: Australian Bureau of Statistics (1996).

1 Does not include Indigenous persons employed in CDEP

Overall, the participation rate for this sector of the community was 56 per cent in regional Western Australia and in Perth. The unemployment rate of the non-English speaking labour force was higher than the overall rate of unemployment across all regions, except for the Gascoyne.

Comment

Between June 2001 and June 2002 the participation rate did not vary significantly, however there was a consistent trend between regions. 'Perth' and 'Southern WA' both recorded participation rates of around 65 per cent and the 'Remainder of WA's' participation rate remained relatively constant at 75 per cent. Participation rates and employment rates are both lower amongst non-English speaking people, with the relationship between regions and Perth being the same as for the remainder of the population.

Indicator: Regional Price Index

Background

The Regional Price Index, prepared by the Department of Local Government and Regional Development (with the Regional Development Council and nine Regional Development Commissions), identifies the difference in the price of approximately 500 goods and services between 21 regional locations and Perth. It is based on the premise of taking a person living in Perth, identifying how much it costs that person to buy a selection of commonly used goods and services, and comparing these costs against the price of purchasing the same goods at other locations around the State.

The calculated regional price indices are only indicative of the cost of living in various locations around Western Australia, because they are based on expenditure common to Perth, as data on expenditure patterns for non-metropolitan regions are not available and because there is need to use a common data set if prices are to be compared.

Current situation

Table 20 shows the regional price indexes for the selected commodities by region along with the overall percentage difference between 1999 and 2000. Across regional Western Australia, price increases for the basket of goods and services over the 12 month period to December 2000, ranged from +2.3 per cent in the Great Southern to +5.6 per cent in Goldfields-Esperance. Of the 21 towns used in the analysis, Kalgoorlie prices rose the most (+6.1%) and Meekatharra by the least amount (+2.1%).

Comment

The distance of the regions from metropolitan Perth was the dominant factor in the difference in prices. As the distance increased so did the regional price index, with the Kimberley the highest at +13.3 per cent then the Pilbara and Gascoyne at +11.3 per cent and +8.5 per cent respectively. Regions close to Perth such as the South West and Great Southern were only 1.7 and 2.9 per cent more expensive respectively. There were a few commodities cheaper in some of the regions than in Perth, such as 'Household Equipment and Operation' and 'Health and Personal Care'.

The 21 towns used in the price collection varied considerably when contrasted to Perth. The dearest towns were Derby (+14.6%), Exmouth (+14.0%), Broome (+13.2%), Laverton (+13.0%), Kununurra (+12.7%), Port Hedland (+11.6%) and Karratha (+10.8%). The towns closest in price to Perth were Mandurah (+0.5%), Byford (+0.6%), Bunbury (+1.2%), Albany and Northam on 2.0%, Busselton on 2.9% and Geraldton on +3.8%. In considering these figures it is important to remember that they are relative to Perth, which involves price movements in the regions / towns and also in Perth, thus it is important to consider both locations when looking at any relative change. In general, although there has been a slight change in order, the dearest seven towns in 1998 are still the dearest seven town in 2000, as are the cheapest seven.

Table 20: Regional Price Index, November 2000

Commodity	Gascoyne	Goldfields- Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheatbelt	Perth
Food	109.3	108.5	101.6	117.6	109.2	101.8	112.9	100.8	109.2	100.0
Clothing	119.2	114.6	110.7	115.6	114.6	106.6	120.3	113.9	113.6	100.0
Housing	106.4	110.6	100.5	135.3	100.1	100.4	128.9	101.2	101.1	100.0
Household Equipment & Operation	101.8	100.2	101.3	101.9	98.4	98.7	102.9	95.1	98.7	100.0
Transportation	114.6	107.9	105.1	110.3	105.6	97.5	109.6	103.7	103.4	100.0
Tobacco & Alcohol	108.3	104.5	104.7	111.4	108	101.8	109	102.5	107.1	100.0
Health & Personal Care	98.6	100.5	99.1	104.4	97.6	99.3	102.9	98.4	97.7	100.0
Recreation & Education	115.6	108.7	105.4	111.2	103.9	102.8	108.4	109.7	110.1	100.0
Overall comparison	108.5	106.4	102.9	113.3	104.1	100.5	111.3	101.7	103.0	100.0
% change 1999 to 2000	+4.6	+5.6	+2.3	+4.2	+4.2	+4.6	+4.6	+4.7	+4.1	+6.0

Source: Regional Prices Index, Department of Local Government and Regional Development.

Indicator: Average taxable incomes

Background

¹¹ Income data are published in a regular website publication called 'Regional Trends and Indicators'. Variation and trends in average taxable income between regions is an indicator of economic health and growth in a region. However, the distribution of taxable income within a region is a better indicator of overall community welfare.

Current Situation

Table 21 depicts the average taxable income by region for the years 1995, 1997, 1999 and 2000. These figures are presented in current dollars, and in real terms where the incomes for 1997 and subsequent years have been deflated by the national Consumer Price Index (CPI) for that year, and preceding years.

Table 21: Average taxable income

Region	1995	1997	1999	2000	Percentage change (1995-2000)
Gascoyne Adjusted real income	27,583	29,144 27,476	31,989 29,627	34,347 30,944	24.5 12.2
Goldfields-Esperance Adjusted real income	33,977	36,472 34,375	38,384 35,541	38,112 34,335	12.1 1.1
Great Southern Adjusted real income	24,725	25,191 23,743	27,303 25,281	27,974 25,202	11.6 1.9
Kimberley Adjusted real income	29,587	30,841 29,068	34,599 32,036	37,077 33,403	25.3 12.9
Mid West Adjusted real income	29,760	30,630 28,869	32,589 30,175	30,872 27,813	3.7 -6.5
Peel Adjusted real income	27,903	29,286 27,602	33,271 30,806	34,686 31,249	24.3 12.0
Pilbara Adjusted real income	40,186	41,841 39,435	45,874 42,476	47,558 42,845	18.3 6.6
South West Adjusted real income	26,940	28,743 27,090	31,928 29,563	33,309 30,008	23.6 11.4
Wheatbelt Adjusted real income	27,018	29,172 27,495	29,784 27,578	28,690 25,847	6.2 -4.3
Regional WA Adjusted real income	29,374	30,971 29,190	33,435 30,958	33,958 30,593	15.6 4.1
Perth Adjusted real income	29,141	31,149 29,358	34,377 31,831	35,951 32,388	23.4 11.1
WA Adjusted real income	29,194	31,110 29,321	34,120 31,593	35,406 31,897	21.3 9.3

Source: Department of Local Government and Regional Development.

* Adjusted means that incomes have been deflated by the CPI each year and thus adjusted incomes are presented in 1995 dollars.

Comment

In 2000, the highest average incomes were received in the Pilbara and Goldfields-Esperance regions, and the lowest in the Great Southern and Wheatbelt. Overall only three of the nine regions had average incomes higher than those received in Perth. The average income in regional WA in 2000 was \$33,958, which was 5.5 per cent lower than the average Perth income of \$35,951.

The average taxable income for all individual taxpayers across regional Western Australia for 2000 increased in dollar terms by 15.6 per cent over the 1995 figure of \$29,374. Over the same period, average Perth incomes increased by 23.4 per cent over the 1995 figure of \$20,141. Increases occurred in average incomes in all regions over the same period, ranging between greater than 20 per cent increases in the Gascoyne, Kimberley and South West, and less than 10 per cent increases in the Mid West and Wheatbelt.

A more realistic measure of trends in the spending power of the income received can be seen in the figures adjusted for inflation (using annual CPI). This shows that real Perth incomes has risen at over twice the rate (11.1%) than they have in regional Western Australia (4.1%). Further, trends in individual regions show that real incomes have fallen by 4.3 and 6.5 per cent in the Wheatbelt and Mid West regions respectively, with only the Peel, Kimberley, and South West regions recording percentage rises in real average incomes higher than those received in Perth. Those regions experiencing lower increases in taxable income also experience lower than average increases in GRP (see Section 5.3).

Indigenous median individual income increased between 1986 and 1996 (ABS Census of Population and Housing 1996), but not as fast as the non-Indigenous median individual income. Thus the ratio of earnings between Indigenous and non-Indigenous people slightly reduced from 60 per cent of the non-Indigenous income in 1986 to 59 per cent in 1996. Generally, Indigenous median individual incomes were lower in the northern regions compared to the southern regions. The greatest disparity in income was in the Pilbara region, where Indigenous incomes were only 27 per cent of the non-Indigenous income.

¹¹ Average taxable income has been calculated for the nine regions and Perth metropolitan by the Department of Local Government and Regional Development, from data obtained from the Australian Taxation Office.

Indicator: Tax paid by individuals

Background

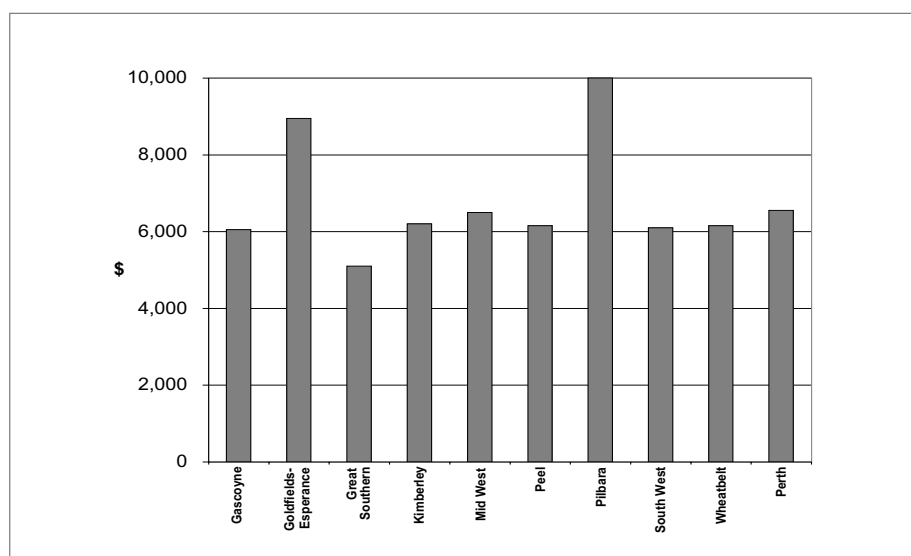
Taxation raised at regional level is an indicator of the relative contribution being made by the region's people to national welfare. It is also an indicator of how this obligation is distributed across the population.

Current situation

Taxation data were obtained from the analyses undertaken in a study commissioned by the Regional Development Council entitled *Taxation and Regional Western Australia 1999*. This study was driven by concerns that the taxation system prevailing at that time was inhibiting regional development.

The average tax paid by individuals varies from region to region (Figure 9), but in seven of the nine regions is close to that paid per capita in Perth. However, the Pilbara and Goldfields-Esperance regions have relatively high average tax collections for individuals, reflecting the high incomes earned in these areas. Both regions are characterised by large scale mining and mineral processing operations which pay large wage premiums to attract labour to these parts of the State.

Figure 9: Mean net individual tax collected, 1995-96



Source: Taxation and Regional Western Australia (1999).

Comment

These data were collected for a specific purpose and are not subject to regular reporting. However, they provide a useful indication of how the taxation commitment is distributed across the State.

Indicator: Average total income

Background

Weekly individual income includes the gross income (including dividends, salaries and wages, pensions and allowances) that a person usually receives each week. This is represented in Table 22 as four categories of income received for the year ending June 2001. Also shown is the percentage each category contributes to the total.

Current situation

On the scale shown, the Kimberley and Perth have a relatively even distribution of incomes, with 50 per cent of the population receiving less than \$399 per week and 50 per cent receiving a greater amount. The Pilbara (39%), Goldfields-Esperance (31%) and Mid West (24%) have the highest proportion of people earning in excess of \$800 per week. The majority of people in the Gascoyne, Great Southern, South West and Wheatbelt regions received weekly incomes of less than \$400 perweek.

When the data are aggregated, there was very little difference in the proportion of people in each income bracket between Perth and regional Western Australia. Only 2 per cent more people in Perth received weekly incomes in excess of \$400 than those in regional Western Australia.

Table 22: Weekly individual income by region

Region	\$negative / \$0 - \$119 (%)	\$120 - \$399 (%)	\$400 - \$799 (%)	\$800 + (%)
Gascoyne	1,167 (10)	5,506 (47)	3,216 (28)	1,797 (15)
Goldfields-Esperance	5,110 (13)	11,826 (31)	9,460 (25)	11,770 (31)
Great Southern	5,350 (15)	15,989 (45)	10,356 (29)	4,072 (11)
Kimberley	2,628 (10)	11,652 (43)	7,310 (27)	5,569 (21)
Mid West	5,132 (14)	14,382 (40)	9,482 (26)	6,887 (19)
Peel	7,090 (15)	21,895 (46)	11,169 (24)	7,193 (15)
Pilbara	3,707 (13)	7,193 (25)	6,287 (23)	11,024 (39)
South West	13,224 (15)	36,204 (40)	25,690 (29)	14,509 (16)
Wheatbelt	7,753 (16)	20,073 (42)	14,213 (29)	6,206 (13)
Regional WA	51,161 (14)	144,720 (40)	97,183 (27)	69,027 (19)
Perth	150,030 (15)	354,472 (36)	282,475 (29)	186,297 (19)
WA	201,191 (15)	499,192 (37)	379,658 (28)	255,324 (19)

Source: ABS Census of Population and Housing (2001).

Comment

The higher proportion of people in the Pilbara, Goldfields-Esperance and the Mid West earning more than \$800 per week can be attributed to the presence of mining as a significant employer in all three regions.

The Great Southern, Peel, South West and Wheatbelt regions recorded greater than or equal to 15 per cent of people earning less than \$120 per week. The reason for this skewedness to lower incomes is not immediately evident but may be a factor related to seasonal variation within these regions which may have impacted on farmers' incomes.

Indicator: Retail turnover

Background

Retail turnover has been calculated by the Department of Local Government and Regional Development based upon ABS and local data. Data are for the years 1998/99 to 2000/01 and can be compared inter-regionally.

Current situation

Retail turnover varied considerably between the nine regions, as a function of population and regional economic strength. Further, the percentage increase in retail growth from 1998/99 to 2000/01 varied considerably across the regions. The Kimberley recorded the strongest growth at 11.7 per cent, followed by the South West and Peel at 9.6 and 9.1 per cent respectively. Regions recording low levels of growth were the Pilbara and Goldfields-Esperance at 1.1 and 4.1 per cent respectively, which is an indication of their slightly declining population levels (see Table 4). The growth in retail turnover for Western Australia is estimated over this period at 6.8 per cent which was nearly identical to predicted growth in regional Western Australia as a whole (6.7%).

Table 23: Estimated Retail turnover 1998/99 to 2000/01

Region	1998/99 (\$m)	1999/00 (\$m)	2000/01 (\$m)	% change 98/99 to 00/01
Gascoyne	64.3	66.6	68.1	+5.9
Goldfields-Esperance	439.0	455.4	456.9	+4.1
Great Southern	340.3	354.1	358.1	+5.2
Kimberley	214.1	229.2	239.1	+11.7
Mid West	363.8	376.5	384.6	+5.7
Peel	413.4	440.0	450.9	+9.1
Pilbara	284.7	289.4	287.7	+1.1
South West	844.0	896.5	925.4	+9.6
Wheatbelt	345.9	358.8	360.5	+4.2
Regional WA	3,309.5	3,466.5	3,531.3	+6.7
Perth	11,109.3	11,637.8	11,873.1	+6.9
WA	14,418.8	15,104.3	15,404.4	+6.8

Source: Department of Local Government and Regional Development.

NB These data are recent estimates and are indicative only.

Comment

Overall, retail growth throughout Western Australia has strengthened in recent years, reflecting solid employment growth and a high level of consumer confidence in the State. The regions have generally captured their share of the growth in the State's retail turnover, proportional with population growth.

Indicator: Net investment in the region

Background

Maintaining a strong flow of investment into the regions is necessary for developing robust regional economies that are able to provide work for the people living there. This is particularly important for regions that are relatively dependent on one or two major industries, or those that have rapidly growing populations. One of the roles of Government is to attract investment and broker suitable regional development projects.

Current situation

Table 24 shows the level of project investment into the regions and the State as a whole in the June 2002 quarter. A total of 51 projects were under construction in regional Western Australia, worth some \$5.9 billion. A further 24 projects were committed, worth \$1.5 billion. Mining developments in the Pilbara, Goldfields-Esperance and Mid West are the major destinations for investment funds, with lesser activity in the other regions.

Table 24: Project investment in the region at June 2002 Quarter

Region	No. under construct	Construction value (\$m)	No. Committed (\$m)	Value committed (\$m)	No. under consideration	Value under consideration (\$m)
Gascoyne	2	21	0	0	6	1,482
Goldfields-Esperance	6	185	0	0	27	7,053
Great Southern	3	40	1	5	2	180
Kimberley	4	338	3	31	6	120
Mid West	4	115	1	35	17	1,067
Peel	2	228	1	20	12	820
Pilbara	14	4,142	11	1,382	39	10,464
South West	13	698	5	39	18	462
Wheatbelt	3	190	2	42	7	329
Regional WA	51	5,957	24	1,554	134	21,977
Perth	37	2,703	11	261	51	2,424
Western Australia	91	9,995	37	2,222	188	25,721

Source: Delta Electricity and Access Economics Investment Monitor (2001).

Comment

This information provided for this indicator provides a snapshot only of the project investment activity in WA. Better information will come from longer-term trends as these emerge.

6.5.2 Infrastructure

6.5.2.1 Transport

Indicator: Transport infrastructure

Background

This section reports on transport and transport related infrastructure. The total length of roads and rail are recorded along with the amount of tonnes exported from Ports in the regions.

Current situation

The total length of roads in the Western Australia is 134,821 km, with just over 90 per cent of this accounted for in the regions (Table 25). The Wheatbelt and Mid West have 52 per cent of the length of regional roads. Local roads account for 86.6 per cent of the State's total with National highways (3.5%), State highways (4.9%) and main roads (5.0%) making up the remainder.

Table 25: Total length of roads in kilometres, by type and region

Region	National Highway	State Highway	Main Roads	Local Roads	Total Length of Roads
Gascoyne	0	751	245	4,425	5,423
Goldfields-Esperance	1,008	1,057	124	12,636	14,825
Great Southern	0	533	852	11,347	12,732
Kimberley	1,450	147	647	3,648	5,892
Mid West	840	1,010	613	19,776	22,217
Peel	0	220	147	2,632	2,999
Pilbara	626	621	1,264	4,961	7,472
South West	0	622	792	9,134	10,548
Wheatbelt	652	764	2,036	39,936	43,388
Regional WA	4,576	5,725	6,720	108,495	125,496
Perth	93	882	27	10,927	11,929
WA	4,669	6,607	6,747	119,422	137,425

Source: Australian Bureau of Statistics (1996).

The value of new construction funded by Main Roads WA at June 2001, as the total value of current projects exceeding \$10m, totals \$1,255m for regional Western Australia and involves some 59 projects (Table 26). The majority of these projects are in the Kimberley, Mid West, Wheatbelt, South West and Peel. These five regions account for approximately 84 per cent of the current Main Roads projects underway. The total value of new contracts exceeding \$1m that were awarded in 2001 is \$432m for regional Western Australia, which accounts for 65.2 per cent of the States total. The value of the these contracts is concentrated in the Pilbara, Gascoyne, Kimberley and Goldfields-Esperance, accounting for 83 per cent of regional contracts.

Table 26: Major investments in road construction as at June 2001

RDC Region	New construction – total value of current projects exceeding \$10m	Total value of new contracts awarded in 2001 exceeding \$1 million
Kimberley	\$154 m (9)*	\$98 m
Pilbara	\$68 m (5)	\$18 m
Gascoyne	\$53 m (3)	\$4 m
Mid West	\$187 m (8)	\$9 m
Goldfields-Esperance	\$30 m (4)	\$103 m
Wheatbelt	\$204 m (10)	\$48 m
Peel	\$286 m** (5)	\$10 m
South West	\$222 m (12)	\$2 m
Great Southern	\$51 m (3)	\$4 m
Regional WA	\$1,255 m (59)	\$432 m
Metropolitan area	\$972 m (30)	\$231 m
WA	\$2,227 m (89)	\$663 m

* figures in parentheses indicate the number of projects

** includes \$201 m for extension of Tonkin Freeway to Mundijong

Source: Main Roads WA, Annual Report (2001).

Road traffic counts for 1998/99 are shown in Table 27 along with the annual growth rates. The highest growth in traffic occurred in the Great Southern and Peel regions, both recording an annual growth rate of over 7 per cent. The only region recording a reduction in road traffic counts over the preceding year was the Pilbara (-0.1%).

Table 27: Road traffic counts 1998/99

Region	Road Traffic Counts (AADT¹)	No. of Count Stations	Annual Growth (%)
Gascoyne	1,086	3	3.2
Goldfields-Esperance	5,598	7	1.8
Great Southern	4,742	8	7.7
Kimberley	1,243	5	1.9
Mid West	5,860	13	4.2
Peel	51,709	4	7.1
Pilbara	2,603	8	-0.1
South West	20,323	8	6.4
Wheatbelt	18,113	28	2.4
Regional WA	111,277	84	3.8

¹ Annual Average Daily Traffic is equal to the total number of vehicles passing a given point (permanent count station) during a specified year, divided by the number of days in the year.

Source: Main Roads WA and Department of Local Government and Regional Development.

Tonnage exported from regional and Perth ports from 1998/99 to 2001/02 are shown in Table 28. The Gascoyne, Peel and Wheatbelt regions do not have a major port within their region and hence are omitted from the table. Regional Western Australia carries the majority of exports through port activity, accounting for 93 per cent of the tonnage in 2001/02. In 2001/02 the Pilbara region accounted for 83 per cent of regional port activity which was mainly attributed to the iron ore shipments, which made up 79 per cent of tonnage exported.

Table 28: Port activity (tonnes exported), 1998/99 to 2001/02

Region	1998/99	1999/00	2000/01	2001/02	% Change 98/99 to 01/02
Goldfields-Esperance	2,736,822	3,083,361	3,914,957	6,256,284	+128.6
Great Southern	2,412,495	2,332,019	1,673,454	1,639,087	-32.1
Kimberley	534,620	508,731	572,243	500,623	-6.4
Mid West	3,630,896	3,439,628	2,075,386	4,383,361	+20.7
Pilbara	138,205,211	144,952,741	153,732,206	125,786,483	-9.0
South West	8,221,599	9,080,884	9,934,430	14,196,685	+72.7
Regional WA	155,741,643	163,202,291	171,330,433	152,261,900	-2.2
Perth	13,936,460	13,639,809	12,673,429	11,815,710	-15.2
Western Australia	169,678,103	176,842,100	184,003,862	164,077,610	-3.3

Source: Department of Local Government and Regional Development.

Comment

Due to the size and remoteness of regional Western Australia, the investment in transport-related infrastructure is very high. Maintaining 122,892 km of roads represents a significant commitment for Government at all levels. Western Australia's rail system is also reasonably extensive, however in some parts of the State, rail has been developed by, and is maintained fully or with assistance by the main users, such as mining companies.

6.5.2.2 Housing

Indicator: Property value

Background

The total number of single and multi residential dwellings sold in the year from March 2001 to February 2002 was obtained from the Valuer General's Office along with the median sale price of these dwellings. The value of housing can be seen as a function of regional wealth and also the relative demand and supply for residency in the region.

Current situation

The Peel and South West regions experienced a high turnover of dwellings in 2001/02, accounting for over half of the regional sales. However, in terms of State volume this is still very little as the Perth metropolitan area accounts for 80 per cent of all sales in Western Australia.

As shown in Table 29, median sales prices for single residential dwellings varied from \$71,000 in the Wheatbelt to \$221,000 in the Kimberley. The range for multi residential dwellings was not as large, with the Wheatbelt again recording the lowest median sale price of \$81,500 and the highest also in the Kimberley at \$180,000.

Table 29: Median sale price and number sold for single¹ & multi² residential dwellings, March 2001 to February 2002

Region	Single residential count	Single residential - median sale price (\$)	Multi residential - count	Multi residential - median sale price (\$)
Gascoyne	147	112,500	30	86,250
Goldfields-Esperance	856	129,250	182	116,000
Great Southern	869	140,000	96	125,500
Kimberley	234	221,000	125	180,000
Mid West	651	115,000	104	86,000
Peel	2,322	139,000	578	110,000
Pilbara	566	173,000	134	169,500
South West	2,423	140,000	363	138,000
Wheatbelt	1,006	71,000	60	81,500
Regional WA	9,074	137,861	1,672	121,417
Perth	29,073	178,000	14,540	155,000
WA	38,147	141,875	16,212	124,775

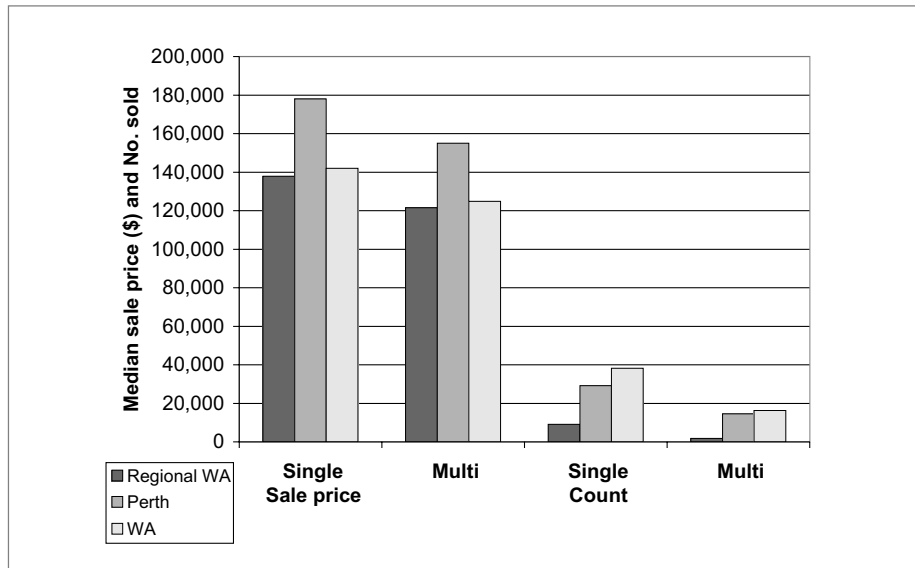
¹ Single residential dwellings consist of sales records on the VGO Sales Database with a Property Classification of "House" or "Houses".

² Multi residential dwellings consist of sales records on the VGO Sales Database with Property Classifications of "Apartment House/s", "Bed Sit", "Cluster House", "Cottage", "Detached House", "Detached Strata", "Duplex/Unit", "Flat", "Group House/s", "Home Unit/s", "Patio House", "Penthouse", "Quadruplex/Unit", "Retirement Villa", "Row House", "Semi Detached", "Studio House", "Terrace House", "Town House", "Triplex/Unit" and "Villa House/s".

Source: Valuers General's Office.

Summary data for sales in regional WA, Perth and for the whole State are shown in Figure 10. Although these aggregated data obscure the detail shown in Table 29, overall, residential accommodation is cheaper on average in regional WA than in Perth.

Figure 10: Median sale price and number sold, March 2001 to February 2002



Source: Valuer General's Office.

Comment

The relatively high turnover and cost of housing in the Peel and South West is an indication of the growth in housing development in these two regions.

When comparing the relativities between single and multi-residential median sale prices between regions, there was very little difference in the ranking of regions highest to lowest. The Kimberley, Pilbara, South West and Great Southern regions were the most expensive regions to purchase single and multi residential dwellings, and the Wheatbelt had the lowest prices for both classes of dwelling. The high cost of housing in the remote Kimberley and Pilbara regions is likely to be acting as an impediment to permanent settlement in those areas.

Single residential dwellings were, on average, 29 per cent more expensive in Perth than in regional Western Australia, and multi residential dwellings were 27 per cent more expensive.

Indicator: Tenure arrangement and occupied dwellings

Background

This indicator reports on the status of tenure for occupied dwellings. The level of improvised housing and home ownership amongst Indigenous and non-Indigenous people is also reported.

Current situation

Western Australia's combined home ownership and purchase rate (68%) was above the national average (66%) with 25 per cent of households in private and public rental compared with the national figure of 26 per cent. The tenure arrangements have remained relatively stable over the past 30 years despite movements between ownership and purchase levels and between private and public rental. For example, the latter has progressively declined from 9 per cent in 1971 to 4.2 per cent in 2001. There are also notable variations across Western Australia. In the Kimberley and Pilbara, less than 40 per cent of homes are owned by the dweller, or are in the process of being purchased. The Gascoyne and Goldfields-Esperance also have relatively low levels of home ownership, or homes in the process of being purchased.

Table 30: Tenure arrangements, 2001

Region	Percentage in each tenure arrangement			
	Owned	Buying	Rental	Other
Gascoyne	43	12	29	16
Goldfields-Esperance	24	28	35	13
Great Southern	43	23	25	9
Kimberley	26	11	41	22
Mid West	37	25	28	10
Peel	40	30	22	8
Pilbara	14	25	46	15
South West	37	30	25	8
Wheatbelt	47	21	21	11
Perth	36	34	24	6

Source: Department of Housing and Works (2002).

Compared to the total population (Table 30), Indigenous home ownership and home purchase rates are lower in the regions (Table 31). However, rental arrangements are much higher amongst Indigenous persons.

The levels of home ownership and home purchase rates for Indigenous persons in regional Western Australia ranged from 9.7 per cent in the Kimberley to 37.5 per cent in the South West/Peel. The Perth figure was also 37.5 per cent. Conversely, the proportion of Indigenous people living in a rental property was highest in the Kimberley (80.7%) and lowest in the South West/Peel (58.5%). In Perth this figure was 56.3 per cent.

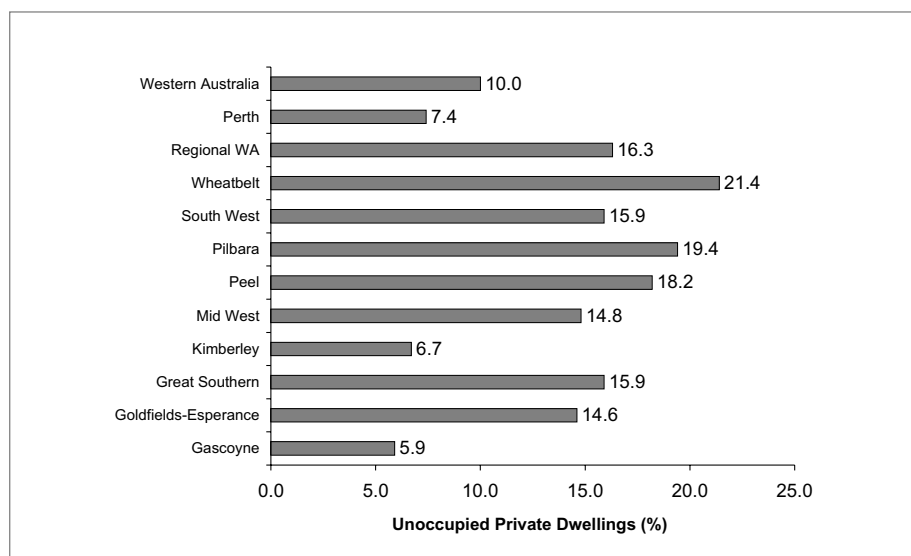
Table 31: Indigenous housing tenure, 2001

Region	Indigenous Households (No.)	Home Ownership (%)	Home Purchase (%)	Being Rented (%)	Households in Improved Housing (%)	
					Indigenous	Non-Indigenous
Perth	5,558	7.9	29.6	56.3	1.7	0.1
South West (incl. Peel)	989	11.5	26.0	58.5	0.3	0.2
Great Southern	426	12.2	17.8	65.3	0.0	0.1
Goldfields	1,123	6.3	13.9	72.0	1.4	0.2
Wheatbelt	777	12.5	16.5	64.4	0.0	0.4
Mid West (incl. Gascoyne)	1,571	8.1	13.7	64.7	3.6	0.4
Pilbara	1,356	4.2	9.7	75.7	1.6	0.3
Kimberley	2,653	5.0	4.7	80.7	1.2	2.2
Western Australia	14,453	7.5	19.0	65.6	1.6	0.1

Source: ABS Census of Population and Housing (2001) – Indigenous Profiles Tables I23
 Being Rented includes private, public, community and employer provided rental.
 Improved % based on ABS data classified as Improved home, tent sleepers out.

The proportion of unoccupied private dwellings ranged from 5.9 per cent in the Gascoyne region to 21.4 per cent in the Wheatbelt (Figure 11). Perth had a relatively low proportion of unoccupied dwellings at 7.4 per cent.

Figure 11: Proportion of unoccupied private dwellings, 2001



Source: ABS Census of Population and Housing (2001).

Household utilisation

While three bedroom houses are still the dominant house type (43%), there has been significant growth in four bedroom houses (31%) since 1971 (12%). The number of four bedroom dwellings, which has increased by 3 percentage points between 1996 and 2001 is contributing to the national trend of increased excess housing capacity. In WA:

- 43 per cent of WA households had two or more spare bedrooms;
- 33 per cent had one spare bedroom;
- 19 per cent had adequate capacity, and
- 3 per cent (~20,000 households) had an unmet need and required additional capacity.

Comment

The Kimberley, Pilbara, Gascoyne and Goldfields-Esperance have a relatively low level of home ownership, presumably as a consequence of greater mobility in the workforce and community.

Indigenous people have a lower rate of home ownership than the overall average. However, between 1986 and 1996, Indigenous home ownership showed improvement in all of the regions except for the Murchison / Gascoyne. Improvement in the level of home ownership has a flow on effect of decreased reliance on rented dwellings.

The northern regions (East Kimberley, West Kimberley, Goldfields and Pilbara) have comparable levels of home ownership with non-Indigenous households. Community-owned housing is included in housing owned / being purchased which explains why the levels of Indigenous ownership are higher for the Kimberley and Pilbara regions. There exists a relatively high level of improvised housing for Indigenous households compared to non-Indigenous people.

Indicator: Number and value of building or planning approvals

Background

The indicator is represented by the value of non-residential building approvals along with the quarterly growth rates. Data is obtained from the Australian Bureau of Statistics.

Current situation

Shown in Table 32 are the values of non-residential building approvals and the quarterly growth rates from December 1999 to March 2001. The value of non-residential building approvals was highest in the South West over the six quarters. The values of approved projects were relatively evenly distributed across the remaining regions except in the Gascoyne and Pilbara where the value of approvals relative to the other regions were low.

Growth in the value of non-residential building approvals varied considerably within and between regions over the period from December 1999 to March 2001. Quarterly growth ranged from -92.2 per cent in the Peel (Mar 00) to +248.3 per cent in the Mid West (Sep 00). The only region that showed positive growth over all quarters was the Wheatbelt.

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Table 32: Non-residential building approvals, Dec 1999 – Mar 2001

Region	Value of Approvals (\$m)						Quarterly Growth (%)					
	Dec 99	Mar 00	Jun 00	Sep 00	Dec 00	Mar 01	Dec 99	Mar 00	Jun 00	Sep 00	Dec 00	Mar 01
Gascoyne	0.7	1.1	2.2	1.9	0.4	0.1	1.8	56.9	109.9	-11.5	-79.2	-85.4
Goldfields-Esperance	13.9	19.6	14.7	4.9	3.8	7.8	190.7	40.3	-24.8	-66.2	-23.8	104.3
Great Southern	7.6	7.8	22.1	2.5	6.1	7.5	-25.8	2.5	183.5	-88.6	140.7	23.9
Kimberley	5.1	5.4	8.7	4.8	7.9	12.9	-34.8	6.0	60.1	-44.4	63.3	63.9
Mid West	3.2	4.3	2.9	10.1	6.5	5.6	-78.3	35.8	-33.1	248.3	-35.9	-60.1
Peel	24.0	1.9	6.0	5.7	3.5	11.4	26.7	-92.2	223.6	-5.5	-39.2	229.2
Pilbara	3.4	6.1	3.3	4.0	1.8	3.4	-27.9	77.6	-45.7	22.4	-54.7	84.1
South West	20.9	26.0	43.1	10.9	17.9	15.5	-12.6	24.4	65.8	-74.6	63.1	-13.3
Wheatbelt	6.1	4.2	12.1	3.8	7.6	3.2	25.3	30.6	187.2	68.3	99.8	58.3
Perth	206.6	158.1	202.6	237.8	156.3	184.8	-19.8	-23.5	28.2	17.4	-34.3	18.2

Source: Australian Bureau of Statistics (2001).

Comment

Seventy two percent of the total value of non-residential building approvals from December 1999 to March 2001 were concentrated in Perth metropolitan area. This is equivalent to the percentage of the State's population resident in Perth.

6.5.2.3 Water

Indicator: Value of water infrastructure

Background

The Water Corporation is one of Australia's largest water service providers with nearly \$9 billion invested in water services infrastructure. The Corporation provides water and wastewater services to the city of Perth and many towns and communities throughout Western Australia. The Water Corporation also provides drainage and irrigation services to households, businesses and farms across the State.

Current situation

Shown in Table 33 are the Water Corporation's infrastructure and asset values for regional Western Australia as at 30 June 2001. The majority of water services are concentrated in the south of Western Australia, with the Great Southern and South West accounting for nearly 50 per cent of the number of regional water services. This is also reflected in the value of assets with 49 per cent of assets allocated to these two regions.

Table 33: Water Corporation infrastructure and value, regional areas, 2002

Description	Agricultural & Goldfields	Great Southern	Mid West	North West	South West	Metro Area
No. of water services	34,226	29,322	29,466	20,512	54,220	529,284
Length of water mains (km)	8,484	3,466	2,179	1,281	2,037	11,484
Length of sewer mains (km)	260	390	270	341	1,059	8357
No. of wastewater (sewerage) connections	11,320	16,596	12,984	19,116	55,554	521,406
Volume of wastewater treated (MI)	1,600	3,285	1,825	6,750	8,395	97,455
Asset values (\$m)	1,546	960	683	1,172	2,344	8,676

Source: Water Corporation.

The regional demand for water is shown in Table 34.

Table 34: Regional breakdown of water demand (1999-2000)

Regions (per Water and Rivers Commission)	RDC Region	Percentage of total water demand
Perth	Perth	32
Moore	Mid-West/Wheatbelt	7
South West	South West	19
South East Coast	Goldfields-Esperance	1
Wheatbelt	Wheatbelt/ Gt Southern	7
Goldfields and Murchison	Goldfields-Esperance/Mid West	11
Central West Coast	Gascoyne/Mid West	17
Pilbara	Pilbara	6
Kimberley	Kimberley	5

Source: Water and Rivers Commission 2002.

These data show the large demand for irrigation water in the South West and Kimberley, and mine process water in the Goldfields and Murchison.

During 2000/01 more farming communities had access to regular water supplies under the State Government's Rural Water Supply Improvement Program (RWSIP). In the Great Southern region (in the Kondinin, Hyden and North Karlgarin area) a project was completed involving the laying of 120 kilometres of water pipeline to service 43 farms at a cost of almost \$4 million. This project brought the total number of RWSIP projects to 25 at a cost of almost \$24 million and involving more than 430 farms.

Comment

The existing water service providers in Western Australia include:

- Water Corporation, which is the main supplier and operates under the Water Corporation Act 1995;
- AqWest (Bunbury Water Board);
- Busselton Water Board;
- Hamersley Iron Pty Ltd;
- Irrigation Scheme Cooperatives (e.g. Harvey Water, Ord River Irrigation), and
- Rottnest Island Authority.

(Source: Draft State Water Conservation Strategy, July 2002)

Virtually all of the information provided in this section relates to services provided by Water Corporation. As such there are several areas not covered in the information presented. An important omission from these data relating to water is the significant proportion of the Indigenous population (15,000) who live in remote communities who are not serviced by the Water Corporation (Department of Indigenous Affairs, *pers. comm.*).

Indicator: Quality of service

Background

All Western Australians expect to receive quality service from utilities. For water, the dominant provider is the State-owned, but corporatised Water Corporation.

Current situation

Customer service performance for the whole State is shown in Table 35. Separate data are not available at a regional scale. In 2000/01 the Water Corporation resolved 95 per cent of queries during the customer's first call. Also the waiting period for customers during the peak billing period was shortened through achieving telephone responsiveness targets throughout the year.

Table 35: Customer service performance, Water Corporation

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Details	2000-2001	1999-2000	% Change
Number of residential accounts	685,981	672,228	+2.0
Number of business accounts	50,049	48,740	+2.7
Customer perception of value (%)	80.2	73.0	+9.9
Telephone calls answered within 20 sec (%)	73.9	63.8	+15.8
Written complaints resolved within 21 days (%)	97.6	96.9	+0.7
General correspondence answered within 10 days (%)	96.4	83.9	+14.9
First call resolution	95.0	94.8	+0.2

Source: Water Corporation Annual Report (2001).

Comment

In the South West region, through the Stirling-Harvey Redevelopment Scheme, the Water Corporation formed partnerships with local Indigenous organisations and the first fully accredited Indigenous-run plant nursery in Australia was set up in Collie. In the Mid West region, the Water Corporation consulted with the Yamatji Land and Sea Council on construction of a \$2 million water supply for 116 properties at Greenough Flats.

Indicator: Revenue and cost of supply

Background

This indicator is supported by the total sales of water, total revenue, price received, operating expenditure, operating cost and also depreciation. Data were obtained from the Water Corporation.

Current situation

Table 36 reports on the Water Corporation's accounts for its regional areas to 30 June 2001. The majority of regional water sales occur in the Agricultural and Goldfields and North West regions, accounting for 53.6 per cent of total regional sales. Excluding the metropolitan area, operating expenditure is the greatest in the Agricultural and Goldfields region and is \$36.5m per year, or 35 per cent of the State's regional areas' total.

Table 36: Water Corporation accounts – regional areas

Description	Agricultural & Goldfields	Great Southern	Mid West	North West	South West	Perth
Total water sales (ML)	25,996	9,258	15,118	23,898	18,890	241,243
Volume of Wastewater treated (ML)	1,600	3,285	1,825	6,750	8,395	97,455
Total revenue (\$m)	88.9	57.8	47.2	70.6	91.2	598.3
Total operating expenditure (\$m)	36.5	16.3	12.1	22.6	17.9	251.1
Depreciation (\$m)	20.87	10.2	9.3	13.8	19.0	81.5
Capital Expenditure 30/06/2001	22.54	1.85	5.142	10.35	16.05	26.54
Capital Expenditure 30/06/2002	24.27	4.762	2.83	4.81	16.16	23.86

Source: Water Corporation.

Comment

Although the largest number of individual services in the regions are in the South West (see 'Value of water infrastructure indicator'), the majority of regional water sales come from the Agricultural and North West regions, being 27.9 and 25.7 per cent respectively of the total.

6.5.2.4 Energy

Indicator: Source and quantity of power infrastructure

Background

This indicator is represented by the number and type of non renewable private and public electricity generation stations over 10 MW throughout regional Western Australia and Perth metropolitan. Also included is the total capacity (MW) of those power stations. Data were obtained from the Office of Energy. The leading energy providers in Western Australia are Western Power, with operations across the State, and a range of smaller providers servicing regional industries and communities.

Current situation

Shown in Table 37 are the number and capacity of non renewable private and public electricity generation stations over 10 MW as at May 2002. The Gascoyne, Great Southern and Wheatbelt do not contain any public or private power stations with a capacity over 10 MW.

The total number of power stations in regional Western Australia totals 52, of which 54 per cent are private. The majority of power stations are located in the Goldfields-Esperance, Mid West and Pilbara regions, making up 65 per cent of the total. These power stations servicing mining in these regions and some nearby communities. Most of the total capacity of electricity generation stations are located within the South West and Perth, with total regional capacities of 1,708 and 1,700 MW respectively.

Table 37: Number and capacity of power throughout Western Australia, May 2002

Region	No. of power stations		Capacity (MW)		Total
	Public	Private	Public	Private	
Goldfields-Esperance	5	12	82	530	612
Kimberley	7	1	40	20	60
Mid West	6	4	121	132	253
Peel	-	2	-	193	193
Pilbara	3	7	2	549	551
South West	3	2	1,460	248	1,708
Regional WA	24	28	1,705	1,672	3,377
Perth	3	2	1,523	177	1,700
WA	27	30	3,228	1,849	5,077

Source: Office of Energy.

Table 38 shows the source of power for the power generation stations listed in Table 37. The source of power for non-renewable power generation stations is either distillate, natural gas or coal. The majority (54%) are powered by distillate, followed by natural gas (39%) and then coal (7%).

Table 38: Source of power for power stations in Western Australia, May 2002

Region	Distillate		Natural Gas		Coal	
	Public	Private	Public	Private	Public	Private
Goldfields-Esperance	5	4		8		
Kimberley	7	1				
Mid West	5	2	1	2		
Peel				2		
Pilbara	3	3		4		
South West			0.5	1	2.5	1
Regional WA	20	10	1.5	17	2.5	1
Perth	1		1.5	2	0.5	
WA	21	10	3	19	3	1

Source: Office of Energy.

Comment

Even though 53 per cent of power stations in Western Australia are private, they only represent 36 per cent of the total capacity. The Goldfields-Esperance region has the most power generation stations out of all the regions, although the South West produces just over half of the total regional capacity, and 'exports' power to the Peel, Wheatbelt, Great Southern, Mid West and Goldfields-Esperance regions, and to the Perth metropolitan area.

The indicators relating to power are not representative of a significant proportion of the Indigenous population as some 15,000 Indigenous persons live in remote communities which are not serviced by Western Power (Department of Indigenous Affairs, *pers. comm.*).

Indicator: Quality of service

Background

The 'quality of service' indicator is represented by the number of outages and duration of outages per regional system, on the non-interconnected system. The Energy Smart Line is a service that provides energy saving advice and information to consumers. Other data included are Western Power's service standards and targets for 2000 and 2001.

Current situation

The number of outages and duration of outages per regional system on the non-interconnected system is as follows:

CAIDI¹² (Total outage duration minutes / average no of customers) 50.4
SAIFI¹³ (Total no of customer interruptions / total no of customers served) 7.3

Western Power's service standards and targets are listed in Table 39, showing the targets and the achievements for 2000 and 2001. Western Power exceeded or met 33 per cent of their targets in 2000 and improved on this in 2001, meeting 44 per cent. Even though a majority of targets weren't reached, actual achievements were 95 per cent or above for 67 per cent of the standards.

Table 39: Western Power's service standards and targets, 2000 – 2001

Service and Standard	Target (%)	Actual 2000 (%)	Actual 2001 (%)
Restoration of unplanned outages within 4 hours. Metro & major regional.	85	90	96
Restoration of unplanned outages within 4 hours. Rural & remote.	-	79	95
Providing at least 2 hours working days' notice of scheduled power interruptions, including metro, regional, rural and remote.	100	100	100
Completing new connections within 3 working days for metro and major regional centres and within 5 days for rural and remote areas.	95	85	90
Replacing faulty streetlights within 5 working days in metro and major regional centres.	100	91	99
Replacing faulty streetlights within 9 working days in rural and remote areas.	100	89	97
Answering phone calls to our Customer Service Centre within 30 seconds.	100	75	94
Acknowledging the receipt of, or replying to, letters within 5 working days.	100	97	100
Acknowledging the receipt of emails, or replying to emails within 2 working days (available from 2002).	100	NA	NA

Source: Western Power (www.westernpower.com.au).

¹² CAIDI stands for Customer Average Interruption Duration Index and is the amount of time that a typical customer experiencing a sustained outage was out of power.

¹³ SAIFI stands for System Average Interruption Frequency Index and is the average number of sustained outages that a typical customer experienced during the year.

Comment

The Western Australian Government is in the implementation phase for restructuring Western Power, which will see the establishment of four private sector power suppliers taking over the responsibilities formerly held by the State-owned facility.

Indicator: Proportion of energy from renewable energy sources

Background

In those areas of Australia not serviced by a main electricity grid, electricity generated from renewable sources can be cost-effective compared to reducing reliance on diesel fuel for electricity generation. The Renewable Remote Power Generation Program (RRPGP) provides financial support to increase the use of renewable energy generation in remote parts of Australia that presently rely on diesel for electricity generation.

The objective of the RRPGP is to increase the uptake of renewable energy technologies in remote areas of Australia, which will:

- help in providing an effective electricity supply to remote users;
- assist the development of the Australian renewable energy industry;
- help meet the energy infrastructure needs of Indigenous communities, and
- lead to long term greenhouse gas reduction.

There is also the Western Australia's Remote Area Power Supply (RAPS) Scheme which is a program with a budget of \$18 million in RRPGP funds to provide rebates of 55 per cent (50% RRPGP rebates, 5% WA rebates) of the initial capital costs of renewable energy installations in remote areas of Western Australia.

Current situation

Table 40 shows the amount of electricity generated from renewable energy sources (kW) per financial year that replaces fossil fuel sources. Western Power itself generates 60 kW per year on the non-interconnected system (Exmouth) and 22 MW on the South-West interconnected system. Many of the other sources are small settlements and individual businesses.

Table 40: Renewable remote power generation programme

Region	Systems	kW	Rebate (\$)
Goldfields-Esperance	31	31	300,964
Great Southern	7	2	18,276
Kimberley	39	70	981,028
Mid West	45	35	411,066
Peel	13	8	105,739
Pilbara	19	68	1,047,118
South West	17	14	172,996
Wheatbelt	112	46	448,094
Regional Total	308	309	3,885,775

Source: Office of Energy.

Table 41 shows the renewable energy electricity generation stations over 20 kW as at May 2002 and their individual capacity. The Wheatbelt does not have any renewable or non-renewable capacity in this category, and sources its power from the South West region. The State's renewable energy capacity is just below 75 MW, or 1.45 per cent of the total capacity. Renewable energy capacity in the regions is mainly provided by wind powered stations, with one each in the Gascoyne, Goldfields-Esperance and Great Southern regions, and a hydro-electric station located on the Ord Dam, which services the Kununurra area.

Table 41: Renewable energy electricity generation stations over 20 kW, May 2002

Region	No. power stations	Type	Renewable capacity (MW)	Non renewable capacity (MW)	Renewable proportion of total capacity (%)
Gascoyne	1	wind	0.69	0	100
Goldfields-Esperance	1	wind	2	612	0.33
Great Southern	1	wind	22	0	100
Kimberley	2	hydro/bagasse	36	60	37.5
Mid West	1	solar	0.02	253	0.01
Peel	-	-	-	193	0
Pilbara	-	-	-	551	0
South West	1	hydro	2	1,708	0.12
Wheatbelt	-	-	-	-	-
Regional WA	7	NA	62.31	3,377	1.81
Perth	2	landfill gas/biogas	12.6	1,700	0.74
WA	9	NA	74.91	5,077	1.45

Source: Office of Energy.

Comment

In 2000/01, 309 kW of energy produced by fossil fuel was replaced by renewable energy sources, attracting a total rebate of \$3.9m. The majority of the rebates went to the Kimberley and Pilbara regions, who together accounted for 45 per cent of the replacement of fossil fuel energy sources by renewable means.

The State's renewable energy capacity is 1.45 per cent of the total capacity. This is below the National target of 2 per cent renewable energy by 2012. The majority (83%) of renewable energy capacity is derived from regional Western Australia and is mainly fulfilled by wind powered stations. However, in the Kimberley region there is a hydro / bagasse power station that contributes to 48 per cent of the State's total renewable capacity.

6.5.2.5 Production

Indicator: Value of economic activity

Background

This indicator shows the total value of production for six major sectors. The six industries included in this analysis are mining, agriculture, tourism, manufacturing, fishing and retail turnover. These figures were obtained from the Regional Economic Perspectives (2001). These figures include the total value of production and often also include intermediate goods and services purchased from outside the region (e.g. technology services from Perth). This is different to Gross Regional Product (GRP) shown in Table 13, which is the aggregate of all value adding in the region. If a percentage of regional production relies on inputs from outside the region, GRP will be lower than the total value of production. The difference between these measures is most strongly seen in regions where there is a high contribution to regional industries such as mining from outside the region.

Current situation

Total value of economic activity is shown in Table 42. Mining contributes most to economic activity in five of the nine regions. The contributions are large, being \$11,700m in the Pilbara, \$3,000m in Goldfields-Esperance and over \$1,000m in the Peel and Mid West Regions. Collectively, mining contributes 61 per cent of the total value of economic activity for these six sectors across regional WA.

The regions where mining is not the most important contributor are the Gascoyne, Great Southern, South West and Wheatbelt. In the Gascoyne, mining, tourism, fishing and retail each contributed between \$65 and \$73m in 1999/00. In 1999/00 agriculture contributed \$561m to the Great Southern and \$1,800m to the Wheatbelt region. In the South West manufacturing was the most significant sector (\$2,960m). In the regions manufacturing and retail production form a smaller proportion of total economic activity compared to Perth.

Table 42: Value of economic activity 1999/00

Region	Mining (\$m)	Agriculture (\$m)	Tourism ¹ (\$m)	Manufacturing (\$m)	Fishing (\$m)	Retail Turnover (\$m)
Gascoyne	71	51	65	55	73	67
Goldfields-Esperance	3,000	316	139	699	19	455
Great Southern	3	561	128	230	5	354
Kimberley	891	136	431	23	13	229
Mid West	1,600	561	168	222	177	377
Peel	1,700	81	62	394	20	440
Pilbara	11,700	28	153	134	19	289
South West	1,400	467	423	2,960	11	897
Wheatbelt	509	1,800	134	154	111	359
Regional WA	20,874	4,001	1,702	4,870	448	3,467
Perth	17	264	1,638	13,759	92	11,638
WA	20,891	4,265	3,340	18,629	540	15,105

¹ Overnight domestic visitor expenditure. NB 1999/00 year chosen to show common comparison between the sectors.

Source: Department of Local Government and Regional Development (2001).

Comment

Mining contributes most to the value of production from the Western Australian regions (\$20.8 billion). However, the gap between value of production and GRP shows the important role played by economic activity outside the mining-dominated regions in supporting mining production.

Agriculture (\$4 billion) is the next most important source of production value. The regions contribute about 50 per cent of the value of tourism income to Western Australia and nearly all of the fishing income.

Indicator: Sector statistics

Background

Each sector's contribution within each region is determined by the Gross Regional Product (GRP) per sector. These data were obtained from the Department of Local Government and Regional Development.

Current situation

Table 43 presents a detailed analysis of GRP by sector. Throughout all the regions the majority of GRP was obtained either through 'Agriculture, Forestry and Fishing' or 'Mining'. In the Goldfields-Esperance region, 67 per cent of GRP was contributed by the mining sector. This was the highest percentage any one industry contributed to GRP throughout all the regions. Agriculture, Forestry and Fishing accounted for more than a quarter of GRP in the Great Southern and Wheatbelt regions.

Comment

The biggest contributors to GRP in regional WA are the 'Mining' and 'Agriculture, Forestry and Fishing' sectors. Across the regions these sectors combined made up between 27.6 and 71.0 per cent of GRP. Regional Western Australia's economic profile differs considerably to that in the Perth metropolitan area, where it is the 'Finance and Insurance', 'Property' and 'Manufacturing' sectors that contribute the most towards GRP, with a combined contribution of 37 per cent.

Considering Western Australia as a whole the top four contributors to GRP were 'Mining' (20.1%), 'Finance and Insurance' (10.4%), 'Property' (10.3%) and 'Manufacturing' (9.2%). While 'Agriculture, Forestry and Fishing' is regionally important, it contributes only 3.7 per cent of total Gross State Product.

Table 43: Gross Regional Product by sectors, 2001

Sector	Contribution of sector to GRP in \$m (percentage*)											State Total
	Gascoyne	Goldfields-Esperance	Great Southern	Kimberley	Mid West	Peel	Pilbara	South West	Wheatbelt	Regional WA	Perth	
Agriculture, Forestry and Fishing	66.3 (14.6)	132.9 (2.8)	365.5 (24.4)	77.2 (6.4)	234.8 (9)	82.1 (3.9)	34.5 (0.9)	346.2 (8.4)	761.7 (28.2)	2101.2 (9.0)	461.7 (1)	2,562.9 (3.7)
Mining	81.2 (17.9)	3,128.4 (66.6)	47.5 (3.2)	328.5 (27.4)	1,211 (46.6)	592.9 (28.2)	2734.1 (70.1)	865.4 (21.1)	534.4 (19.8)	9,523.4 (41.0)	4,434.8 (9.6)	13,958.2 (20.1)
Manufacturing	21.4 (4.7)	118.8 (2.5)	122.5 (8.2)	36.2 (3)	82.8 (3.2)	288.2 (13.7)	122.4 (3.1)	531.8 (13.0)	123.8 (4.6)	1,447.9 (6.2)	4,925.6 (10.6)	6,373.5 (9.2)
Electricity, Gas and Water	12.2 (2.7)	31.9 (0.7)	38 (2.5)	25.9 (2.2)	42.6 (1.6)	28.7 (1.4)	42.3 (1.1)	193.3 (4.7)	69.1 (2.6)	484 (2.1)	921.9 (2.0)	1,405.9 (2.0)
Construction	34.2 (7.5)	244.7 (5.2)	1175 (78)	72.5 (6.0)	169.8 (6.5)	197.1 (9.4)	202 (5.2)	372.1 (9.1)	137.6 (5.1)	1,547.5 (6.7)	3,640.6 (7.9)	5,188.1 (7.5)
Wholesale	19.3 (4.3)	99.4 (2.1)	64.0 (4.3)	25.1 (2.1)	72.3 (2.8)	65.4 (3.1)	50.8 (1.3)	135.7 (3.3)	106.9 (4)	638.9 (2.7)	2,436.1 (5.3)	3,075.0 (4.4)
Retail	19.2 (4.2)	96.7 (2.1)	92.5 (6.2)	39.5 (3.3)	86.9 (3.3)	117.5 (5.6)	64.5 (1.7)	200.1 (4.9)	99.8 (3.7)	816.7 (3.5)	2,695.0 (5.8)	3,511.7 (5.0)
Accommodation, Cafes & Restaurants	13.0 (2.9)	44.5 (0.9)	30.7 (2)	32.1 (2.7)	35.2 (1.4)	29.4 (1.4)	39.3 (1.0)	79.5 (1.9)	36.3 (1.3)	340.0 (1.5)	758.4 (1.6)	1,098.4 (1.6)
Transport & Storage	34.3 (7.6)	157.7 (3.4)	79.1 (5.3)	83.3 (6.9)	113.2 (4.4)	90.2 (4.3)	143.8 (3.7)	188 (4.6)	155.5 (5.8)	1,045.1 (4.5)	2,986.8 (6.5)	4,031.9 (5.8)
Communication Services	19.0 (4.2)	50 (1.1)	38.8 (2.6)	18.0 (1.5)	32.6 (1.3)	42.6 (2.0)	26.6 (0.7)	73.8 (1.8)	61.4 (2.3)	362.8 (1.6)	1,560.4 (3.4)	1,923.2 (2.8)
Finance and Insurance	24.7 (5.4)	110.7 (2.4)	118.3 (7.9)	50.5 (4.2)	114.8 (4.4)	121.9 (5.8)	62.1 (1.6)	235.5 (5.7)	141.8 (5.3)	980.3 (4.2)	6,255.6 (13.5)	7,235.9 (10.4)
Property	25.4 (5.6)	194.2 (4.1)	100.1 (6.7)	71.9 (6.0)	128.2 (4.9)	152.8 (7.3)	139.3 (3.6)	297.6 (7.3)	104.4 (3.9)	1,213.9 (5.2)	5,980.2 (12.9)	7,194.1 (10.3)
Government	30.9 (6.8)	52.7 (1.1)	63.1 (4.2)	60.9 (5.1)	77.0 (3.0)	65.1 (3.1)	58.3 (1.5)	118.8 (2.9)	114.8 (4.3)	641.6 (2.8)	2,309.7 (5.0)	2,951.3 (4.2)
Education	14.2 (3.1)	66.7 (1.4)	69.9 (4.7)	46.9 (3.9)	66.2 (2.5)	62.3 (3.0)	61.0 (1.6)	146.3 (3.6)	99.6 (3.7)	633.1 (2.7)	1,833 (4.0)	2,466.1 (3.5)
Health and Community Services	25.0 (5.5)	105.9 (2.3)	69.1 (4.6)	174.5 (14.5)	80.6 (3.1)	90.3 (4.3)	74.4 (1.9)	193 (4.7)	101.7 (3.8)	914.5 (3.9)	3,010.9 (6.5)	3,925.4 (5.6)
Cultural and Recreational Services	3.9 (0.9)	19.4 (0.4)	18.6 (1.2)	12.3 (1.0)	11.8 (0.5)	24.9 (1.2)	9.6 (0.2)	39.4 (1.0)	10.5 (0.4)	150.4 (0.6)	815.6 (1.8)	966.0 (1.4)
Personal and Other Services	9.7 (2.1)	45.3 (1.0)	65 (4.3)	44.6 (3.7)	40.4 (1.6)	48.7 (2.3)	35.1 (0.9)	83.7 (2.0)	40.7 (1.5)	413.2 (1.8)	1,273.6 (2.8)	1,686.8 (2.4)

Source: Department of Local Government and Regional Development.

* Percentage of a region's total gross product.

Indicator: Small business statistics

Background

A small business is defined as any business:

- that is independently owned and operated;
- that is closely controlled by owners / managers who also contribute to most, if not all, of the operating capital; and
- for which the principal decision-making functions rest with the owners / managers.

For statistical purposes, small businesses are identified as those businesses that employ less than 20 people. A micro business is any small business employing less than five people and agricultural businesses are not included in small business counts. While statistics for the sector occur at State scale, they are not available at RDC regional scale. The information on employers and employees at the regional scale (see Table 14) provides some indication of the distribution of small employers across the State.

Current situation

In 2000/01 there were 126,000 small businesses in Western Australia, an 8.6 per cent increase since 1999/00. The number of small businesses in Western Australia has grown at an average annual rate of 4.8 per cent since 1983/84; a rate that was higher than in any other state and well above the national average of 3.5 per cent.

The small business sector is the major employer across Western Australia. In 2000/01 the sector employed 364,000 people, a 2.1 per cent increase on the previous year. The small business sector now accounts for some 49.4 per cent of the private sector workforce in the State and comprises 121,400 persons working in their own business and 242,600 employees. In the past 17 years the WA average annual growth rate in small business employment has been 4 per cent. Again this is a higher growth rate than is seen in any other state and well above the national average which is just above 3 per cent. While the majority of small businesses in Western Australia (54%) do not employ any staff, 43 per cent of the total number of small business employees work in an environment where there are 5 – 19 employees and only 24 per cent are self-employed.

At June 2001, there were 64,300 women operating a small business in WA. This represents a significant increase in the number of WA women in small business, up from 50,300 in November 1999. Between November 1999 and June 2001 there was a 17 per cent average annual increase in the number of WA women and small business operators – a rate higher than any other state (Source: Small Business Development Corporation Fact Sheet, October 2002.).

Comment

Small businesses are an integral part of Western Australia's economy, being the major employer across the State. It is also evident that the small business sector is growing rapidly, with a 8.6 per cent increase between 1999/00 and 2000/01.

6.5.3 Economic resilience

6.5.3.1 Economic diversity

Indicator: Indigenous participation

Background

Commonwealth and state policies (including the Draft Regional Policy Statement 2002) promote Indigenous enterprise development, employment and wealth creation. In WA, the State Government will build on its 2001 Statement of Commitment to the Indigenous community by establishing Government/community partnerships and agreements at a regional and local level.

Current situation

The most recent data on Indigenous participation in economic activity in the Western Australian regions are from the 1996 ABS Census of Population and Housing. These data are expressed as the percentage of Indigenous persons employed in Community Development Employment Program (CDEP) projects or other means of employment and the percentage unemployed. Also represented is the total Indigenous labour force as at 1996.

Two thirds of Western Australia's Indigenous labour force are located in regional Western Australia. Eighty five per cent of these people are employed, including 31 per cent working in CDEP activities. The highest concentration of Indigenous persons employed in CDEP are in the Kimberley and Goldfields-Esperance regions where 54 and 37 per cent of the labour force respectively are employed in CDEP activities. Unemployment rates for Indigenous persons are the highest in the Mid West (26.6%), Pilbara (22.6%) and Great Southern (22.1%) regions and are the lowest in the Kimberley region (7.8%). The majority of Western Australia's Indigenous labour force are located in the Kimberley (26.6%) and Goldfields-Esperance (10.4%).

Table 44: Indigenous participation

Region	Employed (%)		Unemployed (%)	In Labour Force Total (%)
	CDEP	Other		
Gascoyne	35 (24.3)	97 (67.4)	12 (8.3)	144 (1.0)
Goldfields-Esperance	546 (36.4)	751 (50.1)	203 (13.5)	1,500 (10.4)
Great Southern	22 (5.1)	316 (72.8)	96 (22.1)	434 (3.0)
Kimberley	2,059 (53.5)	1,489 (38.7)	302 (7.8)	3,850 (26.6)
Mid West	77 (6.6)	776 (66.8)	309 (26.6)	1162 (8.0)
Pilbara	184 (14.7)	786 (62.7)	283 (22.6)	1,253 (8.7)
South West	21 (5.5)	278 (72.8)	83 (21.7)	382 (2.6)
Wheatbelt	45 (5.4)	628 (75.4)	160 (19.2)	833 (5.8)
Regional WA	2,989 (31.3)	5,121 (53.6)	1,448 (15.1)	9,558 (66.1)
Perth / Peel	12 (0.2)	3,534 (72.2)	1,348 (27.5)	4,894 (33.9)
WA	3,001 (20.8)	8,655 (59.9)	2,796 (19.3)	14,452 (100.0)

Source: Australian Bureau of Statistics (1996).

Over recent years there has been an increase in the participation of Indigenous persons in small business development and also in specific areas of employment such as the mining, tourism, pastoral and aquaculture industries. Indigenous persons are also employed in areas providing services specifically for the Indigenous community, such as health, the legal system, housing and police.

Comment

The majority of Western Australia's Indigenous labour force is resident in regional Western Australia (66%), which is slightly higher than the total proportion of Indigenous persons living in regional Western Australia (52%). Across the State the majority of Indigenous persons are employed in the mainstream economy (54%), although CDEP employment is relatively high in the Goldfields-Esperance, Kimberley and Gascoyne regions. This is due to the comparatively high proportion of Indigenous people living in these regions who find it difficult to access mainstream employment for reasons including location, and lack of adequate skills.

In some instances partnerships are being formed between various industries and Indigenous communities. This approach is being fostered by the State government. Several of the major mining companies operating in Western Australia are developing relationships with Indigenous people and consult over plans for developing new mines and managing cultural heritage. These mining companies strongly support Indigenous participation in their operations and schemes are operating to support education, training, employment and business opportunities. In a number of instances, targets are being set for the percentage of Indigenous employees in company operations, and requirements for Indigenous employment are being specified in tenders for services by major contractors. The focus is aimed at creating employment and business opportunities that are sustainable over time.

6.5.3.2 Government support

Indicator: Government planning and investment in regional industries

Background

The indicator 'Government planning and investment in regional industries' is represented by the completed, current or proposed planning activities by region taken from the Ministry for Planning's (now Department for Planning and Infrastructure) annual report. Also included, by region, are the capital works highlights for 2001 – 02. These focus on the State Government's commitment to enhancing regional infrastructure and opportunities for regional investment.

Current situation

The planning activities throughout the regions over the year 2000/01 are shown in Table 45. It is worth noting that many of these activities have now been completed.

Table 45: Planning activities in the regions, 2000/01

Region	Activity – completed, current or proposed
Kimberley	• Kununurra-Wyndham Area Development Strategy
	• Kununurra Land Release Plan
Pilbara	• Port Hedland Area Planning Study
	• Onslow Structure Plan
Gascoyne	• <i>None included in Annual Report</i>
Mid West	• Geraldton Region Scheme
	• North South Road Selection Study
	• Foreshore Redevelopment in Geraldton
	• Oakajee Industrial Estate
	• Batavia – Gascoyne Coastal Facilitator (also services Gascoyne Region)
	• Moresby Range Strategy
	• District Structure Planning
Goldfields-Esperance	• Basic raw material strategies for Kalgoorlie and Esperance being prepared
	• Preparation of Gribble Creek Floodway Study
	• Investigating options for relocating railway through Kalgoorlie
	• Undertaking Eastern Goldfields Regional Prison Facility Site Selection and Evaluation Study
	• <i>Goldfields-Esperance Regional Planning Strategy</i> released in July 2000. This includes structure plans for Kalgoorlie-Boulder and Esperance
	• Kalgoorlie-Boulder Land Release Plan Update
	• Esperance Land Release Plan
	• New town planning scheme and local planning strategy for the Shire of Ravensthorpe, being processed.

Wheatbelt	<ul style="list-style-type: none"> • Northam Land Release Plan – under preparation • Central Coast Regional Strategy – being implemented. Completion of the last remaining section of Indian Ocean Drive, between Lancelin and the Pinnacles access road, is scheduled for completion by the end of 2005 • Implementation of the <i>Avon Arc Sub-regional Strategy</i> • Gingin Coast Structure Plan
Peel	<ul style="list-style-type: none"> • Peel Region Scheme – planned for approval in 2002 • Mandurah Inner Area Strategic Land Use and Transport Integration Study
South West	<ul style="list-style-type: none"> • Warren-Blackwood Rural Strategy – includes three sub-studies – Agricultural Economic Potential, Water Condition and Availability, and Agricultural Significance Assessment. • Busselton Wetlands Conservation Strategy • Bunbury Basalt Buffer Study • City of Bunbury Town Planning Scheme No. 7 has been re-advertised (at July 2001) • New schemes submitted for Shires of Collie, Bridgetown-Greenbushes, and Nannup for assessment (at July 2001) • Preparations being made for schemes for Shires of Augusta-Margaret River, Manjimup and Dardanup • Augusta-Margaret River Land Release Plan • Warren-Blackwood Land Release Plan • Greater Bunbury Land Release Plan
Great Southern	<ul style="list-style-type: none"> • Lower Great Southern Regional Strategy • Albany Local Planning Strategy • New town planning schemes and local planning strategies for the Shires of Cranbrook, Dumbleyung, Jerramungup, Ravensthorpe, West Arthur, and Woodanilling being processed • Development plan for Bayonet Head in City of Albany • Development plan for Weedon Hill in Shire of Denmark • Albany Land Release Plan

Source: Department for Planning and Infrastructure.

Table 46 shows the capital works ‘highlights’ for the year 2001/02. These include only those major works that had already commenced in previous years or those that commenced in 2001/02. The majority of capital works that commenced in 2001/02 were concentrated in Perth (65%) as were the continuing works (64%).

Within the regions themselves, works in 2001/02 were concentrated in the South West, making up approximately 30 per cent of the regional total for both commencing and continuing works.

Table 46: Capital works 'highlights', 2001 to 2002

Region	Commenced in	Continuing Works 2001 – 02¹
Gascoyne	\$7,300,000	\$29,357,000
Goldfields-Esperance	\$7,083,000	\$48,208,000
Great Southern	\$7,247,000	\$25,033,000
Kimberley	\$8,252,000	\$18,809,000
Mid West	\$12,264,000	\$45,242,000
Peel	\$3,261,000	\$7,442,000
Pilbara	\$18,586,000	\$16,509,000
South West	\$33,240,000	\$94,491,000
Wheatbelt	\$8,057,000	\$54,524,000
Regional WA	\$105,290,000	\$339,615,000
Perth	\$191,955,000	\$605,624,000
WA	\$297,245,000	\$945,239,000

¹ These figures include only capital works highlights and those works that had already commenced in previous years or those that commenced in 2001 – 02.

Source: Department of Treasury and Finance.

Comment

Capital works projects are designed to assist in attracting investment and increasing jobs in regional areas or to improve the access of regional communities to services. Thirty five per cent of investment in these capital works 'highlights' is occurring in regional Western Australia, which is a similar proportion to the percentage of the State's population resident in the regions (27%).

Indicator: Local procurement

Background

Government procurement of goods and services from within a region can be a powerful and effective means of supporting regional economic development and diversity, and can assist regional businesses to higher levels of activity, thereby promoting additional employment and investment.

Current situation

The State Government purchases goods and services to a value of \$5 billion annually. The Government has strengthened its commitment to local procurement through the *Buy Local Policy*. This is an initiative aimed at recognising the contribution of local businesses in building a stronger Western Australian economy. The Policy covers all State Government purchasing and contracting, including leasing, hire and disposals of goods, services, housing and works. It is applicable when government agencies seek verbal or written quotations or undertake a public tender process. The minimum buy local purchasing target has been increased from 70 to 80 per cent of all purchases and contracts awarded. In addition, a mandatory local content criterion has been set for all government buying above \$750,000.

Another key objective of the State Government, is the Aboriginal Economic Development Strategy. The aim of this strategy is to increase the level of supply of services to government by enterprises that employ, or are owned and operated by Indigenous residents of Western Australia.

Comment

The *Buy Local Policy* targets are considered achievable, and will be monitored and reported against in the future. Private sector suppliers who have specified regional contributions as part of tender specifications will also be monitored for compliance with their commitments.

6.5.3.3 Small business assistance

Indicator: Small business assistance

Background

Government assistance for small business is most commonly by way of free or low cost advisory services, information and guidance. Most forms of assistance are offered throughout the State. Assistance is rarely by way of cash grants or loans to enable new businesses to start, or to help existing businesses overcome a shortage of funds.

Current situation

Current State and Commonwealth Government initiatives that would benefit region-specific requirements are shown in Table 47.

Table 47: Key State and Commonwealth Government initiatives available for region specific adjustment

Grant	Responsible Entity	Region	Comment
Market access program – Indian Ocean region	Dept. of Ind. & Res.	WA	Facilitation program
Small business improvement program	Small Bus. Dev. Corp.	WA	Partial reimbursement of consulting expenses
Small business smart business	Small Bus. Dev. Corp.	WA	Reimbursement of training costs to \$200
Relocation feasibility scheme	Dept. of Local Govt. and Regl. Devt.	WA	Financial assistance for businesses investigating relocation from Perth to regional WA
Industry relocation scheme	Dept. of Local Govt. and Regl. Devt.	WA	Financial incentives for businesses relocating from Perth to regional WA
Aquaculture development fund	Dept. of Fisheries	WA	Financial assistance for aquaculture development
FarmBis	Dept. of Agriculture	WA	Grants for business skill development
Satellite mobile phone scheme	Dept. of Ind and Res.	WA	Satellite phone subsidies, up to \$1,100 per handset
South west industry assistance scheme	Dept. of Ind and Res.	South West	Financial assistance for and facilitation of new businesses investments
Timber industry assistance program	Dept. of Ind and Res.	South West	Financial assistance for value adding projects
Business exit assistance scheme	Dept. of Ind and Res.	South West	Timber industry exit assistance
Yellow pages business ideas grantssmall business sector.	Pacif. Access	National	Annual awards recognizing ideas from the
Export market development grant scheme	Austrade	Federal	Partial reimbursement of marketing expenses
Export access	Austrade	Federal	Facilitation program
Tradex	AusIndustry	Federal	Customs duty relief for re-exported goods
Investment feasibility study fund	Dept. of Ind., Sc. and Res.	Federal	Pre-feasibility and feasibility study funding

Dairy regional assistance program	Dept. of Trspt. and Rgnl. Svcs.	Federal	Regional business supplements for -communities impacted by deregulation of the dairy industry
Regional tourism program	Dept. of Ind. Sc. and Res.	Federal	Facilitation program
Food into Asia	CSIRO	Federal	Dollar for dollar research subsidies
Petroleum products freight subsidy scheme	AusIndustry	Federal	Freight subsidy for transporting petroleum products to remote areas
Information technology online program	Nat. Office of Inf. Tech.	Federal	Facilitation of business to business e-commerce
Commercialising emerging technologies	AusIndustry	Federal	Merit based consulting support of innovative products
Innovative investment fund	AusIndustry	Federal	Assistance with venture capital raising
New industries development	Agr. Fish. and For. Aus. technologies	Federal	Commercialisation of innovative program
R and D start	AusIndustry	Federal	Grants and loans supporting product commercialisation
Research and development corporation	RDC	Federal	Fisheries and aquaculture, grains, rural industries, dried fruits, forest and wood products, and grape and wine research grants.
Horticulture Australia	Horticulture Aus.	Federal	Dollar for dollar funding for horticultural research in technology, marketing and economics
New enterprise incentive scheme	Aus. Emp. Services	Federal	Small business training access for job seekers

Source: Small Business Development Corporation.

Comment

There are a number of grants / assistance packages offered to small businesses throughout the State. While these initiatives are generally offered on a State or National basis, there are three assistance schemes / programs that are offered only in the South West region.

