Regional Development Australia
PILBARA

Regional Plan
2013 - 2016
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1. Message from the Chair

The Pilbara region covers an area of 512,000 square kilometres with a population of approximately 62,000 and includes the Shires of Ashburton, Roebourne and East Pilbara and the Town of Port Hedland. It stretches from the western coastline of Western Australia to the Northern Territory border in the east. It encompasses iron ore ranges, tin, manganese and gold deposits, coastal solar salt fields and the North West Shelf oil and gas fields. The Region it is primarily known for the iron ore and petroleum products and is responsible for over 95% and 99% respectively of Western Australia’s exports of these commodities.

In 2010-11, the state boasted the highest per capita gross state product of $93,593, 50% higher than the national average. The gross regional product of the Pilbara Region has more than doubled since 2008 and contributed a massive $14.04 billion in 2011-12.

In 2009, the Western Australian State Government responded to the challenges of ensuring that productivity and returns from the Pilbara are maximised and sustainable, by launching a $1.2 billion Pilbara Cities programme. This initiative is designed to increase the regional population to 140,000 by 2035, by building vibrant regional cities in Port Hedland and Karratha, and upgrading several regional centres and townships across the region.

Our vision for the Pilbara is an economically vibrant and socially inclusive region that promotes opportunities and Regional Development Australia (RDA) Pilbara is playing a pivotal role in driving a sustainable long term future for the Pilbara. RDA Pilbara has taken a leadership role over the last two years by producing several evidenced based reports to promote the region and support sound decision making.

I am confident that the detailed research and suite of documents RDA Pilbara has undertaken over the last 12 months, in conjunction with our Regional Plan will assist RDA Pilbara on its journey in improving the economic, social and environmental wellbeing of the Pilbara communities. RDA Pilbara’s strong relationship with local, state and federal governments, together with the partnership approach that has prevailed in the Pilbara with industry, ensures that there is a solid basis for continued and sustainable growth.

Chairperson
RDA Pilbara
2. Executive Summary

The Regional Development Australia (RDA) Pilbara committee continues to reinforce their dedication to the region by working closely with regional partners to provide a bright future for the Pilbara. With a vision for the Pilbara to have an economic and vibrant future which promotes opportunity, RDA Pilbara has implemented a number of initiatives to see this vision reach fruition.

The organisation continues to be a strong voice for the Pilbara community through the role of providing evidence to support informed decision making and ensuring that the growth in the Pilbara is sustainable. The Committee strives to achieve a holistic approach to decision making where organisations work together to create a great future for this region.

To further this, RDA Pilbara has undertaken several studies throughout the year. The Pilbara Report 2012 was compiled to clearly articulate the level of infrastructure investment required, and the opportunities available, to capitalise on the prosperity and growth of the Pilbara.

The Non-Government Map and Gap Analysis which was undertaken in association with the Pilbara Development Commission, seeks to support the non-government organisation (NGO) sector to deliver high level, equitable, human services to meet the demand of the growing population in the region. The purpose of the report is to outline key recommendations and planning consideration for non-government agencies, funding providers and policy makers to sustain and strengthen the sector. The report was developed through extensive consultations and conversations with the service providers.

RDA Pilbara has also completed the Cost of Doing Business report which captures the high cost structure and the constraints this presents. The study revealed that the price indices for the Pilbara are the highest of any region in WA and impact negatively on employment costs to business and NGOs.

The State of the Environment report summarises the environmental resources of the region as well as providing a clear picture of the drivers of change, the pressures or likely impacts on the environment, current management initiatives and future outlooks.

RDA Pilbara continues to facilitate the West Pilbara Communities for Children initiative which is funded by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs ('FaHCSIA') and is part of the Family Support Program under Family and Children’s Services. The key focus of this initiative is to provide better opportunities for isolated and disadvantaged children and their families and to build stronger communities that allow them to flourish and achieve their potential.

2.1 Overview of the Region

The Pilbara is a large, dry, thinly populated region in the north of Western Australia known for its Indigenous peoples, its stunning landscapes, the red earth and its vast mineral deposits. It is a bioregion under the Interim Biogeographic Regionalisation for Australia.

The Pilbara is remote from major centres, from markets and from labour sources. Its environment is harsh, with many days above 40°C. It is subject to cyclones and there is not much water. It is also one of the most productive and dynamic regions in Australia. The Pilbara is a resources region and its one of the strongest anywhere in the world.
The Region is branded by its petroleum, natural gas and iron ore deposits, which contribute significantly to Australia’s economy. Other industries include pastoral activities, fishing and tourism. The Pilbara encompasses iron ore ranges, tin, manganese and gold deposits, coastal solar salt fields and the North West Shelf oil and gas fields. It is, however, primarily known for the iron ore and petroleum products and is responsible for over 96% and 97% respectively of Western Australia’s exports of these commodities.

The growth in the Pilbara has been exceptional. After an initial period of establishment of the resources industry in the 1960s, the region’s population grew from a few thousand residents to 40,000 by 1981. It then experienced a long period of almost no growth until 2003 when rapid expansion of the resources sector recommenced. Between 2006 and 2011 the population grew from 44,000 to 62,700, an average annual growth rate of 7.3% and the service population, including fly-in-fly-out workers grew from 45,000 to 73,000 by 2011.

The Pilbara comprises of four local government areas, Shires of Roebourne, Ashburton and East Pilbara and the Town of Port Hedland. Each Local Government Area has developed a vision and priorities for their respective communities of interest.

The Shire of Roebourne controls an area of 15,197km2 and has its offices in Karratha which is recognised as one of the major centres in the region. It supports five other towns, Dampier, Wickham, Roebourne, Cossack and Point Samson. The resident population is estimated to be 22,900 people, 38% of the Pilbara (Census 2011).

The Town of Port Hedland covers the smallest area of the four Local Government Areas, 11,844m2 and has two towns, Port Hedland and South Hedland. The population is estimated to be 15,044 (Census 2011).

The Shire of East Pilbara was formed by an amalgamation of the Shires of Marble Bar and Nullagine in 1972 and is the largest Shire in the world comprising an area of over 379,571km2. The total population is estimated to be 11,950 (Census 2011). The main towns include Newman, Marble Bar and Nullagine.

The Shire of Ashburton covers an area of 105,647 km2 and has some of the world’s largest open cut mines. The Shire’s population is estimated at 10,000 (Census 2011) and includes the towns of Tom Price, Onslow, Pannawonica and Paraburdoo.

The future for the Pilbara is bright, but it must contain a rich mix of elements to support its population in happiness and prosperity. There are clear challenges, however, the results will be worthwhile, giving true sustainability to the region’s community, with increased resilience.
2.2 The Region’s Strengths, Needs, Challenges and Opportunities

The base economic activity for the Pilbara is strong. The economy of the region, particularly the contribution from the resource sector, is the major driver of growth in the region. The Pilbara has impacts on the economic progress of the State and in turn, is impacted by developments in the State and Australia, including policy settings and competition for inputs needed for large scale expansion and diversification.

The region is competing globally for skilled people and it must attend to factors which have been identified to make places attractive for people to live. The region has many assets that if relied on solely can relate in the future to challenges. The need to diversify the economy is paramount as is the need to provide a liveable and sustainable environment. RDA Pilbara has identified strengths, needs and challenges as well as opportunities that have informed the development of its vision for the region.

2.2.1 Strengths

The Pilbara is a resources region, one of the strongest anywhere in the world.

Major economic activities in the Pilbara include mining of iron ore and base metals, and the extraction of oil, gas and salt. There is a small manufacturing and minerals processing industry and service industry as well as tourism, pastoralism and fishing activities. The largest export commodity in Australia is iron ore and approximately 95% of this is produced in the Pilbara. The region also produces 70% of Australia’s natural gas. This is sourced from the Carnarvon Basin off-shore and is serviced and processed onshore from the Shire of Roebourne at Dampier.

The Pilbara accounts for almost two thirds of the commodity exports of the State by value, which is almost 20% of the total value of merchandise exports of Australia. This means that 20% of national goods exports is made possible by 0.2% of the national population. In 2012 the Pilbara (on and off shore) was responsible for $75.1 billion of the production value of minerals and petroleum, 74% of the Western Australian total. This is projected to grow strongly as construction projects currently underway are completed and production increases. The projected total value of earnings of minerals and petroleum to be produced in the Pilbara by 2018 is approximately $211 billion.

Its location to the north of Western Australia and in the same time zone as many of the highest growth countries in the world provides interesting opportunities.

These strengths provide a substantial platform for further growth and opportunity for business and industry.
2.2.2 Needs and Challenges

Pilbara Futures – Building on a Strong Base

The Pilbara has a very strong base to build on. It has world-class economic activity and is well connected to the world. It has well established towns that are being upgraded by the day. It has an exciting future, but it must meet some challenges to improve its resilience to inevitable changing circumstances in the future and achieve true longevity and sustainability.

The ‘business as usual’ trajectory for population growth is flat. This is the future for the Pilbara if it relies only on resources industries for its economic life. The Pilbara has a need for significant economic diversification. The fluctuations of commodity prices will influence the viability of new projects. The changes in the project lifecycle which sees a shift from construction to operation will serve to dampen population growth. The competing supply for both gas and ore products from other global locations, often with a lower cost base, will influence demand from overseas markets. Over the very long term resources have a lifespan and the community must plan to outlive this lifespan.

The constraints to growth and diversification in the Pilbara are formidable. It is unlikely that economic and social opportunities in the region will be fully maximised without changes to the operating environment. The region needs much more than resources for its future. There are many challenges:

- An unbalanced structure of resources completely dominating GRP, with exposure to commodity price fluctuations and rising costs;
- Diversification is problematic given the small size of the local market and above all the current exceptionally high cost structure of the region;
- Shortages of land and accommodation are restraining commercial growth; and
- Existing essential infrastructure installations are at, or beyond, capacity and there are high costs associated with new power, water and transport supply capacity.

2.2.3 Opportunities

The four Pilbara Local Government Areas have a range of strategic and community plans and policies recognising and supporting environmental and sustainable considerations, activities and initiatives. Importantly underpinning development in all community sectors is the need for affordable housing, as this has an impact on attracting and retaining workers, accommodating tourists and encouraging permanent residency in the region.

The Pilbara has a number of characteristics that provide the potential for future development of sustainable commercial scale algae industries. Other potential non-mining export sector projects include bio-fuels, hi tech greenhouse, aquaculture fish farming and fish processing factories.

The growth of the tourism sector will be an action for the region from 2014 onwards as the construction phase of major projects wind down. The demand for informal fly-in-fly-out accommodation has underpinned the viability of many of the short stay establishments across the region. There is likely to be capacity and need to change orientation to tourism to maintain business turnover. This in turn will spill over to many other areas of economic activity including retail and food services.
2.3 RDA Pilbara Priorities

RDA Pilbara has considered all aspects of the Pilbara and taken into account the strengths, needs and challenges, and opportunities when developing its vision.

Four clear priority areas have been developed by the RDA Pilbara Committee and are informed by extensive consultation and their understanding of the Pilbara region. Committee members have been appointed based on their experience and regional networks, and this knowledge and background has been used in determining regional priorities. Key priorities that are within some level of influence of RDA Pilbara have been identified by the Committee as follows:

1. Attracting and facilitating infrastructure investment in the Pilbara

2. Promoting economic diversification and capitalising on the Pilbara’s competitive advantage

3. Supporting priority sector investment projects that meet the aspirations of longevity and sustainability

4. Supporting the community sector to promote liveability through place based solutions for local communities.
3. Vision for the region

RDA Pilbara has developed a five year vision for the Region that embodies the State and Local Government focus and priorities. The vision takes into account community aspirations and provides a platform on which RDA Pilbara launches its initiatives and activities in collaboration with key stakeholders and community. This vision has been developed through an understanding of the strengths, needs and challenges as well as the opportunities that exist within the Pilbara. It provides insight into the future for the Pilbara and guides the organisation as it develops initiatives and activities over the coming years.

RDA Pilbara understands that whilst there are short term goals and aspirations the vision needs to align with the long term outlook of the local government authorities, the state government and the resource sector. In light of the infrastructure investment required within the region and the planned investment by the resource industries, the Committee acknowledges that a long term vision will provide the ongoing focus as the Pilbara emerges as a region with two world class cities.

The Pilbara Development Commission’s Blueprint, which will be developed in collaboration with key stakeholders, including RDA Pilbara, has a 2035 vision. RDA Pilbara will continue to align its vision and strategies with this Blueprint as well as state planning documents and other regional development planning frameworks and priorities. RDA Pilbara will also continue to align with Federal Government priorities and frameworks to ensure a cohesive and coordinated approach to planning in the Pilbara.

3.1 RDA Pilbara Vision and Mission Statement

Our vision for the Pilbara is: An economically vibrant and socially inclusive region that promotes opportunities.

Our mission is: To develop and strengthen Pilbara communities through leadership, collaboration and the provision of responsive and innovative services.

Strategic Focus

1. Vibrant economy
   There is a need to concentrate on features which will make the Pilbara attractive both now and beyond resources. A resilient future is to build on the strong resource base, but not rely on it to meet all future needs. The urgent focus areas include the promotion of a diversified economy characterised by economic resilience. Economic opportunities through diversification need to provide employment outside of the resource sector.

2. Liveability
   RDA Pilbara will strive to facilitate and advocate for services and lifestyle features to support a large and more diverse population. It is evident that the cost of living and the current amenity in the Pilbara has an influence on whether people will choose to live and work and remain in the region. Access to a reasonable range of medical and health services coupled with improved education both secondary and tertiary will further encourage families to make the Pilbara a long term choice.
3. **Comparative advantage**
The Regional Australia Institute undertook a study based on the World Economic Forums Global Competitiveness Report and through this study has highlighted that the Pilbara is in a strong institutional position; its influence at state and national level is comparatively high and regional governance is relatively transparent with reasonable clarity of roles. The region has good transport links and infrastructure. Average incomes are high with a relatively young, healthy and energetic workforce who is engaged, flexible and mobile. These comparative advantages as well as its location need to be capitalised on.

4. **Future Proof**
As the Pilbara diversifies its economy and provides social infrastructure both soft and hard the more resilient and stable this region will become.

3.2 **Local Government Vision**
The four local government areas in the Pilbara have individual visions that align and complement each other. These visions also align with the state’s vision and incorporate liveability; economic opportunity and environmental sustainability. The State’s vision for the Pilbara aligns with both RDA Pilbara’s vision and that of the local government areas. It is anticipated that through this shared vision for the region, a vibrant and sustainable future for this region can be achieved.
4. Role of the RDA

4.1 What is Regional Development Australia?

Regional Development Australia is an Australian Government initiative bringing together a national network consisting of 55 committees, designed to strengthen regional communities through a partnership between Australian, State, Territory and Local Governments.

The committees comprise local leaders who volunteer their time to work with government, business and community groups to deliver better services to their regions by identifying and addressing the economic, social and environmental issues affecting them.

4.2 About RDA – Pilbara

RDA Pilbara is a non-profit community based organisation formed as part of the Federal Government’s Regional Development Australia initiative.

As an incorporated body, in accordance with the Associations Incorporations Act 1987, we receive our core funding from the Australian Government. To support our operations, RDA Pilbara has a memorandum of understanding between the Commonwealth and Western Australian governments.

It is a requirement of the Australian Government under RDA Pilbara’s funding agreement to produce documentation summarising the economic, social, environmental and other significant aspects of the region, in order to assist in the determination of priorities and how RDA Pilbara will address each of these focus areas. RDA Pilbara has met this requirement through development of a package of informative documents, the Pilbara Report 2012.

4.3 Outcomes and Key Performance Indicators

RDA Pilbara Committee is required to report against each of the five required Outcomes, which are based on the agreed RDA Pilbara roles and functions. KPIs will measure activities against each of the Outcomes and are both measures of outputs (that is, how many and how often) and impacts (that is, what was achieved and the impact on the community).

RDA Pilbara committee should set a target number of activities to be undertaken for each Outcome and this will form our performance target for the financial year. These targets will be the minimum performance requirement of the RDA Pilbara committee and the benchmark against which performance will be assessed.

The five Regional Development Australia Outcomes are:

- Outcome 1 – Consultation and Engagement with the Regional Community
- Outcome 2 – Informed Regional Planning
- Outcome 3 – Enhanced Whole-of-Government Approach to Regional Issues
- Outcome 4 - Enhanced Awareness of Government Programs
- Outcome 5 – Improved Community and Economic Development

The Reporting framework also provides an opportunity for Regional Development Australia committees to provide information on other ad-hoc tasks or activities which might not fit into the Outcomes framework and to provide qualitative information on work undertaken.

RDA Pilbara has developed evidence based studies that align with:
• **Delivering Community Services in Partnership Policy** – provides the framework for partnership between State Government agencies and the not-for-profit (NFP) sector in the funding and contracting of community services.

• **Fixing the hole in Australia’s Heartland: How Government Needs to Work in Remote Australia** – the Report establishes principles for effective long term governance in remote Australia and captures them in a framework for governance reform. While centrally about Indigenous inclusion, it provides a useful framework for broader application.

• **Contribution of the Not-for-Profit Sector, Productivity Commission Report** – an Australian Government commissioned study.

Accordingly RDA Pilbara has also developed:

• **Pilbara Report 2012** – The Pilbara Report 2012 comprises a suite of documents including the summary brochure, investment prospectus and a details reference report. The purpose of these documents is to clearly articulate the level of investment required, and the opportunities available, to capitalise on the propensity and growth of Australia’s powerhouse – the Pilbara Region of Western Australia.

• **Non-Government Organisation Map & Gap Analysis** – Commissioned by RDA Pilbara and the Pilbara Development Commission profiles service provision by non-government organisations (NGOs) in the Pilbara through detailed consultation with NGOs, stakeholders and support sectors, mapping funding and investment in services, and identifying potential gaps, challenges and opportunities. The purpose of the report is to outline key recommendations and/or planning considerations for NGOs, funding providers and policy makers to sustain and strengthen the sector to ensure the delivery of high level, equitable service provision to meet current and future demand posed by a rapidly growing Pilbara population.

• **The Cost of Doing Business in the Pilbara** – The aforementioned NGO Map and Gap Analysis identified the cost of doing business as a key challenge to organisational sustainability. RDA Pilbara contracted an economist to profile the cost of doing business in each major centre in the Region, namely Karratha, Port Hedland, Newman and Onslow.

The report scope was expanded to capture the cost to businesses, principally Small to Medium Enterprises as well as the NGO sector given Regional Development Australia’s priority in building resilient economies and the impediment of the high cost structure in the Pilbara to business development, sustainability and economic diversification. The report notes that the Pilbara has the lowest number of businesses in Western Australia by substantial margin.
• **Pilbara State of the Environment Report** – Commissioned by RDA Pilbara for the Shire of Roebourne, Shire of Ashburton and Town of Port Hedland. This report summaries the environmental resources of the Pilbara, through examination of the environmental themes of air, water, land, biodiversity, coasts, marine environment, heritage and built environment, in order to define the drivers of change; pressures or likely impacts on the environment; current management initiatives; and future outlooks.

The report’s purpose firstly is to provide decision makers with access to current relevant information for improved understanding and effective management of critical elements of the Pilbara’s environmental and cultural systems and secondly as an awareness tool for the community to help people and organisations reduce negative impacts on the environment.

• **Pilbara Resources and Beyond** – The growth of the Pilbara highlighted a need to prepare a report that captures the progress of development in the Pilbara. This report has been prepared using the above mentioned documents and documents from other key organisations and stakeholders that provide information on various aspects of the Pilbara. This information has provided an informed outlook on where the Pilbara is presently, and the opportunities and challenges it faces in achievement of the Pilbara Cities vision.

RDA Pilbara is working in partnership with Pilbara Development Commission and Lotteries West to develop a 10 year Non Government Organisation Sector Community Plan to provide strategic direction to this sector.

RDA Pilbara is working in partnership with Pilbara Development Commission to deliver the Pilbara Regional Investment Blueprint Report and extensive marketing strategy for the Pilbara.

RDA Pilbara has been funded by the Department of Communities to develop a long term Regional Children Services Plan.

These initiatives all support the vision for the Region.
5. Analysis of the Region

The Pilbara region can be separated into three distinct geographical formations, a vast coastal plain, breathtaking inland ranges and an arid desert region extending to Australia’s dry centre. The climate is semi-arid, characterised by high temperatures, low and variable rainfall and high evaporation.

The region covers an area of 512,000km² and is comprised of the Shires of Ashburton, Roebourne, East Pilbara and the Town of Port Hedland with a population of approximately 62,000 people. It stretches from the western coastline of WA all the way to the Northern Territory border in the east.

The major towns of Karratha, Port and South Hedland, Newman, Paraburdoo, Onslow and Tom Price accommodate approximately 70% of the population. The remainder of the population is in smaller towns, in remote pastoral and mining locations, or in Aboriginal communities.

The population profile of the region consists of Indigenous people, and those associated with the resources sector (minerals, oil and gas), government services, small business and the pastoral industry. The Indigenous population of the Pilbara is 7,211 or 12.0% of the total population for the region (2011 Census). This is significantly higher than for Western Australia as a whole where Indigenous people make up 3.1% of the total population.

5.1 The Pilbara Regional Economy

The Pilbara is often described as ‘the engine room of the nation’ because of its significant contribution to the national wealth. Its immense reserves of natural resources provide massive direct export sales and also fuel a thriving economy of support services, but the Pilbara is more than mineral resources. Tourism, sheep and cattle, fishing and aquaculture all feature to varying extents in the economy of the region, providing a diversity of activity and a range of business opportunities.

The Pilbara’s economy is dominated by the mining and petroleum industries and is considered to be the State’s premier mining region. In 2010, the Pilbara contributed over 53% of the value of Western Australia’s mineral and petroleum production. The production value of the Regional’s mining and petroleum industries was $80.5 billion in 2010/11, with oil and condensate valued at $12.4 billion, iron ore valued at $54.9 billion and gas (LNG, LPG, Natural Gas) valued at $10.8 billion. Other minerals extracted in the Region include salt, silver, gold, manganese and base metals. The value of earnings from the Pilbara can be compared to the Gross Domestic Product (GDP) of many nations. It is projected to have earnings of $211 billion by 2018. As a comparison, this represents:

- 17% of Australia’s total GDP
- 150% of New Zealand’s GDP
- Greater than the individual GDP of 117 of the world’s 184 nations.

Estimated Gross Regional Product (GRP) of the Pilbara in 2008/9 was just over $7 billion. In 2009-10 the Pilbara’s GRP exceeded $12 billion and was $14.4 billion in 2010-11. The GRP per capita in the Pilbara in the 2010-11 year was $342,398 and the GRP per worker was $605,648. This contrasts dramatically with the national average of less than $50,000 per person. A continuation of high growth rates is anticipated due to increased production of minerals and energy production.
The structure of the economy is unbalanced and dominated by the resource sector. The total output or gross revenue for products and services from the Pilbara economy is nearly $30 billion dollars annually. The mining sector in the Pilbara contributes $22.369 billion annually or 74.6% of total Pilbara output. The dependence of the economy of the Pilbara on the extraction industries will continue. The competitive advantage of the resources sector in terms of the large and productive resource base, industry focus, expertise, high quality and efficiency of production will remain. Output of other industry sectors in the Pilbara regional economy is led by businesses with links to mining.

The importance of mining to the economy of the Pilbara is likely to increase given the scale of further investments over the next few years. This will increase the prominence of the resource sector in the Pilbara. The region already has a major impact on global supplies of iron ore and, in the short term, the region will become the major producer of LNG in Australia and a significant contributor to global supplies.

The shelf life of extraction industries will clearly have a major impact on investment, production and the economy of the Pilbara over the medium and long term. It is, therefore, necessary to establish the magnitude of the reserves of minerals and petroleum in the region. The Reserve Bank has recently noted that “mineral reserves are sufficient to sustain current production levels for many more decades, and ongoing exploration and technological advances are likely to continue to increase supply”.

It is apparent then that the resource base is considerable. Even so there is a finite limit beyond which dependence on resources for sustainability is unrealistic. Longer term planning is needed to diversify the economy over the next few years. Australia’s reserves of oil and gas are small in a global context. While Australia’s known oil reserves would be exhausted in around 20 years at current rates of extraction, known reserves of gas have grown strongly over recent decades and would sustain the current production rate for an extended period. Exploration undoubtedly supports the long term sustainability of the minerals and energy sector. With the current production outlook for Western Australia, it is critical for the industry and the Western Australian economy that reserves are sufficient for sustainability.

5.2 Pilbara Resources Risks, Issues and Constraints

The shelf life of extraction industries will clearly have a major impact on investment, production and the economy of the Pilbara over the medium and long term.

Estimates of resource commodity reserves change as new information becomes available. Current forecasts indicate that Pilbara iron ore and LNG reserves will be sufficient to provide an economic base for the next 50 years at least. These forecasts were based on a Geosciences report (2010) using projected production levels (324 million tonnes). These production levels have already been exceeded (by a significant amount) and if the rate of extraction continues above the projected production level (or intensifies) the useful economic life of the resources sector will be reduced, unless new exploration reveals additional resources. It is possible, and perhaps even highly likely, that additional reserves will be located and this will extend the life of extractive industries in the Pilbara.

The estimates of the longevity of the resource base show that attempts to diversify the economy need to be implemented swiftly.
A strong expansion in extractive industry investments in many countries around the world started in 2002 as demand grew strongly. This is reflected in increasing global steel production, particularly in China. This is important because it underlines the competition for investment destinations and for skills needed for investment planning and implementation.

Rising investment spending has led to inflation of mining costs, as the mining supply and service industries have been pushed up against capacity constraints and their costs and prices have risen. The industry is also facing higher oil and other energy prices, as well as strong upward pressure on wages due to a limited supply of skilled workers.

5.3 Global Economic Developments

Developments in the global economy will largely determine the pace and scope of investment in the Pilbara region, with extractive industries leading the way. In turn this will influence future GRP growth rates, population, employment, incomes, the need for additional infrastructure, and non-extractive industries business investment.

While the immediate committed investment in the mining sector will drive growth at high levels over 2011/12, and the next few years up to about 2015/16, there are considerable downside risks in the short term. The European debt crisis is a threat to major projects going forward. The Western Australian Treasury (mid-year budget review December 2011) has estimated a decrease of nearly $1 billion from expected royalty earnings over the four years to 2014-15, because of Europe’s debt crisis and has stated that multi-billion-dollar resource projects may be delayed if things get worse.

The Chinese market dominates demand. The Governor of the Reserve Bank of Australia gave his opinion (April 2011) on China’s share of the global economy, forecasting that it will surpass Europe’s in five years and approach the U.S.’s in a decade, based on the Asian nation’s projected 7% annual growth. China’s share of world economic output last year rose to more than 13%, from less than 4% two decades ago. In contrast, the U.S. and European Union each accounted for about 20% in 2010, down from about 25% each in 1990. The International Monetary Fund (IMF) marked down Global Growth Forecasts in a report released January 24, 2012. With intensifying strains in the Euro area weighing on the global outlook, the IMF has sharply cut its forecast for world growth this year, saying prospects have dimmed and risks to financial stability have increased.

In 2012-13, growth in emerging and developing economies is expected to average 5.75%, a significant slowdown from the 6.75% growth registered in 2010-11, and about 0.5 percentage points lower than projected in the September 2011 World Energy Outlook. This reflects the deterioration in the external environment, as well as the slowdown in domestic demand in key emerging economies. Despite a substantial downward revision of 0.75 percentage points, developing Asia is still projected to grow most rapidly at 7.5% on average in 2012-13. This is important for Australia from the point of view of exports.

The World Bank Global Economic Prospects (GEP) 2012 has stated that, “Developing countries should prepare for further downside risks, as Euro Area debt problems and weakening growth in several big emerging economies are dimming global growth prospects”. The World Bank has lowered its growth forecast for 2012 to 5.4% for developing countries and 1.4% for high-income countries (0.3% for the Euro Area), down from its June estimates of 6.2 and 2.7% (1.8% for the Euro Area), respectively. Global growth is now projected at 2.5% and 3.1% for 2012 and 2013, respectively. Slower growth is already visible in weakening global trade and commodity prices.
Global exports of goods and services expanded an estimated 6.6% in 2011 (down from 12.4% in 2010), and are projected to rise by only 4.7% in 2012. Meanwhile, global prices of energy, metals and minerals, and agricultural products are down 10%, 25% and 19% respectively since peaks in early 2011. Declining commodity prices have contributed to an easing of headline inflation in most developing countries.

It is important to note that, since the rather dire forecasts of the agencies (mentioned above) were made, the outlook for the global economy has improved, particularly in the USA. Also, in late 2011 and early 2012 prices for copper and iron ore trended upwards, which highlights the difficulties in forecasting global prices and trends.

5.3.1 International Economic Risks, Issues and Constraints

Developments in the global economy will largely determine the pace and scope of investment in the Pilbara region, with extractive industries leading the way. In turn this will influence future Gross Regional Product growth rates, population, employment, incomes, the need for additional infrastructure, and non-extractive industries business investment.

It is apparent that the IMF, OECD and World Bank are cautious about the near term prospects for the global economy, however growth will almost return to normal in 2013 and output will return to potential by 2015.

Within the overall forecasts it is apparent that Asia is expected to retain reasonably strong growth and, as a result, although commodity prices will decline this will not be precipitous.

While the immediate committed investment in the mining sector will drive growth at high levels over 2011-12, and the next few years up to about 2015-16, there are considerable downside risks in the short term. The European debt crisis is a threat to major projects going forward. The Western Australian Treasury (mid-year budget review December 2011) estimated a decrease of nearly $1 billion from expected royalty earnings over the four years to 2014-15, because of Europe’s debt crisis and has stated that multi-billion-dollar resource projects may be delayed if things get worse.

On the other hand, recent data on the economy of the USA shows that recovery may be happening faster than expected and if Asian nations are able to ease monetary policy in 2012 there is in fact an upside risk to projections of demand for commodities.

On balance though, the debt crisis will continue to have an impact on global demand and prices of commodities for some time to come. This global uncertainty is placing a dampening effect on the readiness of financial institutions to lend money for development projects.

5.4 Commodity Demand and Price

5.4.1 Short Term Outlook (2012–2015)

The world economic outlook remains uncertain. Short-term forecasts for consumption of iron ore show increases of around 5% over the next two years. However, there are expectations that by 2013 a balance between supply and demand will have been reached. The Western Australian Treasury has stated in its mid-term Financial Statement that Western Australia’s direct exposure to developments in Europe is limited (with the European Union accounting for only about 6% of the State’s merchandise exports). However, should the current developments translate into softening economic activity in China (which sells 20% of its exports into the European Union); Western Australia’s economic outlook will be affected. If conditions in Europe continue to worsen and negatively impact
the availability and cost of credit, major resource projects underway or planned within Western
Australia may be delayed.

5.4.2 Medium to Long Term Outlook

There are different views on the medium to long-term price trend for commodities. Available
knowledge about the resource base and opportunities facing the industry suggest that a
competitive, international industry will continue to meet growth in metal demand at reasonable
cost, as it has done in the past. The Word Bank view is that rapid world economic growth,
particularly fast growth in developing countries, will pose significant challenges:

“The precise long-term trend of metals prices, once the current cyclical high ends and prices
revert back towards trend, is uncertain. The path taken will be the net outcome of a range of
complex forces on both the demand and supply sides of the market. However, it is possible
that the trend decline in real prices that has been a feature of the last forty years or so could
be stopped and reversed to some extent. Real prices, though, look unlikely to stay
substantially above past long-term trend levels for sustained periods”.

5.5 Human Capital in the Pilbara Region

5.5.1 Population

The Pilbara is home to approximately 2.7% of Western Australia’s population and 0.2% of the
population of Australia. The population has increased by 155% over the ten years from 2001 to
2011, due primarily to expansion within the resources sector. The Pilbara Cities vision calls for the
population to expand dramatically to more than 120,000 by 2035. This will require a sustained
average growth rate of about 3% per annum for 25 years. This vision seeks greater family
involvement, longer stay residents, three generation communities and the choice of retirement in
the Pilbara.

While most residents live in the Region’s towns, the vast majority of the population live in the
western third of the Region, in the towns of Karratha, Port and South Hedland, Newman, Tom Price,
Paraburdo, Roebourne, Wickham, Dampier, Pannawonica, Onslow and Marble Bar.

Over 7,200 Aboriginal and Torres Strait Islander people live in the Pilbara with a number of
Aboriginal communities scattered across the Region having resident populations of between 50 and
300 people. Approximately 3% of Pilbara residents choose the rugged lifestyle of the pastoral
stations. The cultural, economic and environmental diversity of the Pilbara Region provides its
residents with a relaxed and rewarding lifestyle with a variety of recreational activities and social
opportunities. While education, training, health and recreation services endeavour to provide
residents with a standard of living that is on par with other towns and cities in Western Australia,
they are, however, increasingly operating at or beyond capacity. These and other key lifestyle and
wellbeing shortcomings must be improved.
Across the Pilbara, the proportion of males between the ages of 20 and 59 and females between the ages of 25 and 34 are inordinately higher than the state proportion. This is primarily due to the resources activity in the Region attracting a larger proportion of working age persons, with the proportion employed in the mining or construction industries increasing to 44.2% of the working population in 2006, from 35.5% ten years before.

In 2011 there were 36,882 males and 23,012 females in the region. The proportion of 15-19 year olds across the whole Pilbara is lower than the state proportion, (4.6% compared to 6.6%), possibly reflecting the number of students leaving the Region for educational opportunities. Also to be noted is that the 20-49 year age group makes up almost 60% of the Pilbara population, in comparison to 30.6% in WA. On the other hand, the 60+ age group only makes up for 4.6% of the Pilbara population, in comparison to 18.7 in WA.

When looking at the population levels for each local government area within the Pilbara, Roebourne stands out as the area experiencing most of the residential population growth, taking up 34.3% of the total Pilbara growth in the 2006-2011 periods.
In Ashburton and East Pilbara, the number of total households has followed a similar pattern. Between 1996 and 2001 the number of households dropped, but recovered slightly between 2001 and 2006. These variations have mainly been caused by changes in the number of family households (in particular, couple families with children). In Port Hedland, the total number of households increased between each Census, despite the number of family households dropping (particularly couple families with children).

**Note:** The term “Other Households” refers to unoccupied private dwellings, no private dwellings and households where all occupants are “visitors” (do not usually reside in that household). The term “Family Households” refers to the sum of the Census categories „Couple family with children,” „Couple family with no children”, „One parent family” and „Other family” (Other family is defined as a group of related individuals residing in the same household who do not belong to a couple or one parent household).

### 5.5.2 Family structures

The “Family” consists of “couples with no children”, “couples with children”, “one parent families” and “other family” categories.

The number of families in the Pilbara decreased by 9% between 2001 and 2006 but has grown again by nearly 11% from 2006-2011. Roebourne has shown strong population growth and a steady increase in the number of family households since 2001. All Local Government Areas in the Pilbara showed an increase in the number of family households over the 2006-2011 periods.
The breakdown of each family structure shows the Pilbara has a decrease in couple families with children between 2001 and 2006. Couple families with no children have increased while one parent families and other family structures have been more or less steady over the same period.

5.5.3 Individual and household incomes

While the income levels range widely over the Pilbara working population, gross individual incomes have grown markedly over the previous 5 years to 2006, with the number of people earning over $1000 a week increasing from 28% of the workforce in 2001 to 36% in 2006. The number of people earning over $1500 a week has increased by more than 80% from 2001 to 2006. Furthermore over 15% of the Pilbara working population earned more than $2000 per week (gross) in 2006. The 2011 census shows that the median weekly income in the Pilbara region is $2788 per week (gross), and 39.1% of the households have an income of more than $3000 per week, compared to 14.1% in WA.

![Figure 5: Distribution of Gross Individual Weekly Income, Pilbara 2011 (Source: ABS)](image)

Household incomes in the $0 to under $1200 a week ranges have been falling over successive periods from 1996, while the number of households receiving over $1200 a week have been growing each Census. The most dramatic change over the ten year period has been those households earning $2000 or more. While doubling in number between 1996 and 2001, the number of households with a combined income of $2000 a week has further increased by a factor of three between 2001 and 2006. With the large increase in household wages attributed to the demand from the mining and construction sectors, it is important to note the equally high increases in the cost of housing and accommodation in the region over the same period.
5.5.4 Level of socio-economic disadvantage

There is a general socio-economic index for the Pilbara that was created using measures of relative disadvantage as well as measures of relative advantage. There are 21 measures included, such as: low or high income, internet connection, occupation and education. Roebourne rated the highest of the four Pilbara local government areas in this index, reaching the top decile in the state and ranked 129 of 142 local governments. East Pilbara rated the lowest, scoring in the 7th decile and ranking 89 of all Western Australian local governments.

<table>
<thead>
<tr>
<th>Relative Socio-Economic Advantage &amp; Disadvantage</th>
<th>Ranking within Western Australia</th>
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<tbody>
<tr>
<td>Score</td>
<td>Rank</td>
</tr>
<tr>
<td>Ashburton</td>
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<td>East Pilbara</td>
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<tr>
<td>Port Hedland</td>
<td>1016</td>
</tr>
<tr>
<td>Roebourne</td>
<td>1053</td>
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</tbody>
</table>

Source: SEIFA, ABS

Figure 6: Related Socio-Economic Advantage & Disadvantage Ranking within Western Australia

<table>
<thead>
<tr>
<th>Education &amp; Occupation</th>
<th>Ranking within Western Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>Rank</td>
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<td>Port Hedland</td>
<td>964</td>
</tr>
<tr>
<td>Roebourne</td>
<td>966</td>
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</tbody>
</table>

Source: SEIFA, ABS

Figure 7: Relative Socio-Economic Disadvantage

This index reflects the general level of education and occupation-related skills of people within an area. There are nine measures included in this index, including qualifications achieved and whether further education is being undertaken. The occupation information in this index includes occupations that require a high level of skills, occupations that require a low level of skills, as well as unemployment. All areas of the Pilbara scored comparatively lower in this index than in the other SEIFA indices. Roebourne ranked 64 and Port Hedland ranked 45 of 142 local governments in WA. Ashburton and East Pilbara both scored within the 2nd decile, ranking 24 and 20 respectively in WA. Across all indices, Roebourne generally scored highest of the Pilbara local government areas. Port Hedland and Ashburton were similar across most indices, while East Pilbara scored the lowest in all areas. The Pilbara fared markedly worse across the Education & Occupation Index. However, in the overall Relative Socio-Economic Advantage & Disadvantage Index, the Pilbara scored quite high in relation to the rest of the state and country.
5.5.5 Education

The total number of students in the Pilbara has been gradually falling between 1999 and 2005, with 2006 showing the first increase, although almost 850 less students than were present in 1999. There also seems to be a growing gap in the male to female student ratio, which is evident across all local government regions within the Pilbara. Of note is that Port Hedland has on average over 35% of the Pilbara Indigenous students.

There are only a limited number of Education Support Centres across the Pilbara. Several students with disabilities are a part of the normal school system.

The Pilbara has seen an increase in apprenticeships and traineeships commenced and completed between 2001 and 2008. This increase is directly related to the increase of apprenticeships commenced, however, there will be a delay affect of three to four years depending on the type of apprenticeship. The increase of completed apprenticeships between 2005 and 2007 is attributed to the increase of commenced apprenticeships between 2001 and 2003 and so on.

The provision of high quality tertiary education is a critical requirement for the future of the Pilbara.

5.6 The Pilbara Regional Environment

The Pilbara region is situated in the north of Western Australia between the Gascoyne Mid West and Kimberley regions. It comprises 512,000km² of a vast array of landscapes, waterscapes and seascapes, from numerous offshore islands along the coastal plains of the Indian Ocean in the west of the region, to the largest mountain range in Western Australia, the Hamersley Ranges, through the middle and the desert plains across to the Northern Territory border, in the east, the Pilbara is enormously rich in resources and natural beauty.

The Pilbara region is vitally important to Western Australia and the nation. It is enormously rich in natural resources, from the considerable mineral and hydrocarbon wealth to the ancient sculptured landscapes, biodiversity and country. The region is home to one of the oldest continuous cultures, celebrated across a multitude of locations such as magnificent rock art gallery on the Burrup Peninsula.

The Pilbara environment is subject to fundamental pressures which result in changes to the environment. The primary drivers of change in this region are population growth, consumption of natural resources, and climate variability. These pressures are driven by the often conflicting collective and individual behaviours, attitudes and values of communities locally, nationally and internationally. Practices and decision making that provides for environmental sustainability needs implemented to ensure that the environment is not neglected in favour of economic growth and prosperity.

5.6.1 The Enabling Environment

This section of the report examines aspects of the Pilbara environment that need to be considered in order to enable sustainable growth and development to the region. This is termed the ‘enabling environment’ and broadly comprises political, economic, social, cultural, technological, (natural) environmental and legal factors. Specifically, this section discusses enabling factors pertinent to the Pilbara, which are: the Pilbara Cities’ vision, national sustainability indicators and changes in tax policy impacting on the resources sector. Assessing and understanding the enabling environment is crucial to attaining the Pilbara Cities vision.
The Vision is a State Government initiative designed to encourage more people to live and settle in the Pilbara. The Pilbara Cities key focus areas are infrastructure coordination; land availability and development; community projects and engagement; and, economic diversification. The purpose of focusing on these areas is to address the challenges associated with record population growth resulting from exponential growth within the resource sector.

Underpinning and facilitating the Pilbara Cities Vision is the State government’s Royalties for Regions Programme; a long-term vision for the sustainable development of regional Western Australia. Over $1.2 billion in Royalties for Regions funding has now been committed to transform the Pilbara by building modern, vibrant cities and regional centres that can support and deliver a skilled workforce for major economic projects in the Pilbara.

Other important considerations for the enabling environment of the Pilbara are national sustainability initiatives and changes in tax policy affecting the resources sector. With regards to sustainability initiatives, it is noted that the Commonwealth Government’s Sustainable Population Strategy is important for the Pilbara. The strategy seeks to build communities that offer sufficient services; job and education opportunities; affordable housing; and, amenity, all of which are areas of development in Pilbara towns. A Government allocation of $150 million (in 2011-12) is to support measures designed to achieve a sustainable population in Australia. Future planned government investments into sustainability total over $3 billion. In terms of tax policy, there are two specific planned and/or implemented policy initiatives that will impact upon resource companies and utilities, and in some cases, households. These are the Mining Resources Rent Tax (MRRT) and the Carbon Tax. MRRT is a tax on super profits generated from the exploitation of non-renewable resources in Australia, while the Carbon tax is a form of carbon pricing for those producers that release carbon into the atmosphere. The impacts of these taxes are important in the Pilbara, given that the economy of the region is largely driven by the mining and resources industries.

5.7 Competitive Advantages

A range of factors largely explain differences in regions’ economic prosperity and growth patterns. These include differences in resource endowments, the size of markets, demography and population dispersion, levels of human capital, the extent and incidence of taxation and the level and quality of public expenditure, as well as competition and market settings. It is therefore useful to investigate prospects for the region through the prism of its economic performance and competitiveness relative to other regions or wider areas.

A competitiveness index developed by the Regional Australia Institute and drawing on the World Economic Forum’s Global Competitiveness Report provides some guidance. The 10 themes of regional competitiveness are distinguished between:

- Those that are essentially fixed in nature and cannot easily be adjusted (such as the presence of natural resources or market size); and
- Those that can be changed by policy decisions, either directly through a decision to build, invest or change (such as institutions and infrastructure), or at least influenced by policy (such as human capital and labour market efficiency).

An assessment of the Pilbara on these parameters provides an indication of the areas of comparative strength in the region and those that need attention or strategies to deal with them.
The relative comparative rankings for the Pilbara Region against all 55 Australian Regions identified by Regional Development Australia and using the data measures utilised in the Insight project show how the Pilbara is positioned. Note that this includes regions within capital cities.

1. **Institutions**
In comparative terms the Pilbara is in a strong institutional position: its influence at state and national level is comparatively high and regional governance is relatively transparent with reasonable clarity of roles. However, regional autonomy is quite low: local capabilities are highly dependent on continuing influence and good relations with the state government (in particular) and national government for resources; there is limited ability to raise funds locally for expansion projects. The relatively low proportion of people working in the public sector has positive and negative aspects to it: there is reduced understanding amongst the various levels of the bureaucracy of regional conditions, but a higher reliance on private sector activity to drive the economy.

2. **Infrastructure and Services**
The region has good transport connections and infrastructure. However it ranks poorly in all aspects of access to health services and education services. These are critical areas if the population is to be retained and expanded. Extended GP, specialist and aged services are required to service population growth and to meet Pilbara Cities objectives. There is a critical need for vastly expanded access to tertiary education and also technical and further education.

3. **Human Capital**
The region has a relatively young, healthy and energetic workforce. However, the region ranks comparatively poorly on other measures of human capital, with a lower than average incidence of trade qualifications and of tertiary education amongst the workforce. The high proportion of FIFO workers limits the ability of this part of the workforce to contribute to regional expansion beyond the specific project on which they are working. Of particular note is the relatively low school performance scores at both primary and secondary level. This is a key factor that must be improved if population retention and growth is to be achieved.

4. **Labour Market Efficiency**
In comparative terms the labour force is relatively engaged, flexible and mobile. However, the participation rate is quite low, possibly partly reflecting the indigenous population, but also possibly reflecting the lower than average participation of partners of people working in major projects who might regard their time in the Pilbara as relatively short term and not have employment that meets their needs or expectations. The level of skilled labour (i.e. people employed as managers and professionals) is amongst the lowest in the country.

5. **Technological Readiness**
Regional business and individual effectiveness using information and communication technologies (ICT); Preparedness for technological development.

There is coming to be good access to high speed broadband in most parts of the region and particularly in the main settlements. This is not a barrier to growth. There is no particular expertise amongst the business community for technology related industries.

6. **Business Sophistication**
The region is dominated by very large employers and has a small and underdeveloped small and medium business sector. With several exceptions there is not a tradition of new enterprise creation.
7. **Innovation**
Amongst the major minerals and resources companies the level of leading edge research and development is very high and its application in the region is widespread, resulting in continuous innovation and globally competitive operations. This presents an opportunity for the future of the region. It provides a level of skill and expertise that can be applied to other regional enterprises and also opportunity for supply chain and spin-off enterprises.

8. **Economic Fundamentals**
While the region currently has a relatively small local market, it is coming to a scale that it can support a greater range and diversity of business and services; the presence of world-class purchasers provides a substantial opportunity.

9. **Natural Resources**
There is opportunity for several main classes of expansion to the externally-oriented sectors of the Pilbara economy:

- **Expansion of the economic base** – the probability of development of the main minerals and energy projects has been addressed and analysed in the Chamber of Minerals and Energy report. This shows some expansion, but a general slowing of new construction and a fairly quick transition to an operational phase overall. However, there are new prospects that may arise and become viable over time and be either located in or serviced from the Pilbara. These include Canning Basin gas projects and the Balmoral South magnetite project.

- **Diversification projects**: several of these are possible and are addressed below.

- **Exportable services**: at the moment the services base of the Pilbara is small and underdeveloped. However research institutes and tertiary education focussing on further development of the region’s base minerals and energy industries and spin-offs form technology-based diversification projects would provide a services sector with output applicable outside of the region. This is an area of great opportunity for the region and is one key to achievement of the Pilbara Cities vision.
6. Regional Priorities

RDA Pilbara priorities have a regional impact and aspect. The priorities have been identified by RDA Pilbara in collaboration with key stakeholders, local government, state agencies, industry and community. These priorities are the drivers for RDAs actions and strategies that form the foundation of work plans and collaborations in delivering outcomes for the Pilbara. The development of the Pilbara Report 2012, Non Government Organisations (NGO) Map and Gap Analysis, Cost of Doing Business in the Pilbara and the State of the Environment Report have all been instigated and driven through the constant and vigilant consideration of the community’s priorities and aspirations.

There are several projects being planned to enhance the wellbeing of remote communities within the Pilbara and whilst these projects may not be of regional significance, RDA Pilbara recognises the importance of such projects to support the sustainable and place based solution for isolated and remote communities.

RDA Pilbara will work in collaboration with its strategic partners to deliver tangible outcomes associated with each priority area. This will be achieved through providing evidence to support robust decision making, advocacy and leadership to AFFORD sustainable and measurable outcomes that support the vision and targets set for the Pilbara.

The regional priorities indicated below have been identified and align with the aspirations of federal, state, local government and the non government organisation sectors as well as community aspirations. RDA Pilbara will contribute towards the realisation of these priorities through actions, advocacy and leadership as appropriate.

6.1 RDA Pilbara Priorities

Priority 1. Attracting and facilitating infrastructure investment in the Pilbara

The Pilbara is a major contributor to state and national economies. Its per capita productivity is amongst the highest in the nation, yet it is constrained in many ways by limited physical and social infrastructure within the region. To achieve the Pilbara Cities Vision and establish mature sustainable regional cities, attention must be paid to the enabling environment. To enable sustainable changes, key aspects of the economic environment need to be considered, namely political, economic, social, cultural, technological, (natural) environmental and legal factors. Specifically, this includes legislation; processes; institutions (and their roles); the cost structure for households and businesses to provide the best chance for sufficient investments in construction, housing, infrastructure and economic diversification.

The importance of the Pilbara to the overall Australian economy is now well understood, as is the need to diversify its economy and increase population. While the resources sector provides a strong economic base, it is clear that relying on this sector alone will not enable the population to reach the necessary scale to provide the range and quality of services to draw additional population to the region, to sustain it over the long term and to maximise the many opportunities for the region.

The region is competing globally for markets and skilled workers. It must attend to the factors which have been identified to make places attractive for people to work and live in. These have been identified for cities and can be applied, with modifications, to regions.
The overall strategy for the Pilbara is therefore to increase population to provide scale economies and increase lifestyle factors. This underpins development strategies already in place within the Pilbara by RDA Pilbara, the Pilbara Development Commission and the Pilbara local governments and is now recognised in both State and Commonwealth Government policy.

The Pilbara has many opportunities. These are reflected in policy, on both sides of politics, for substantial development of northern Australia. For example, the Coalition Policy ‘2030 Vision for developing Northern Australia’ includes analysis of opportunities summarised in the following diagram:

<table>
<thead>
<tr>
<th>Trend</th>
<th>Description</th>
<th>Example areas of opportunity</th>
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</table>
| Ageing population            | • Global life expectancy to rise from 68 to 76 by 2050  
                              | • Currently 500 million people over the age of 60; expected to rise to 1.3 billion in 2040 | • Healthcare: Develop capabilities in advanced healthcare treatment and research  
                              |                                                                                          | • Tourism: Invest in tourism infrastructure in key destinations |
| Rising middle class – the 'Next Billion' | • Explosion in the middle class (1.2 billion people by 2030)  
                              | • Purchasing power of middle class to reach $16,500 per capita by 2040 (from $2,149 in 1998)  
                              | • Desire for quality amongst aspirational class | • Education: Develop as a vocational and higher education hub  
                              |                                                                                          | • Agriculture: Cater to increased preference for higher quality foods  
                              |                                                                                          | • Healthcare: Meet demand for international healthcare in the region |
| Urbanisation                 | • Rise of megacities (18 in 2005 to 27 in 2015)  
                              | • 70% of the world’s population to be in cities by 2050  
                              | • Significant demand for construction materials, especially steel  
                              | • Strain on education, healthcare, food and fresh water supplies | • Resources: Consolidate advantage in iron ore supply  
                              |                                                                                          | • Education: Serve excess demand for higher education in the region  
                              |                                                                                          | • Agriculture: Boost production output to meet increased food volume demands |
| Security & Sustainability    | • Broad increased awareness of sustainability  
                              | • 43% more energy consumption by 2030, with growth in demand for clean energy  
                              | • Future security of borders and natural assets | • Energy: Serve as a clean energy provider to meet domestic and international needs  
                              |                                                                                          | • Defence: Locate more of Australia’s defence capabilities in the North  
                              |                                                                                          | • Agriculture and Water: Leverage our clean, reliable abundant water and soil resources |

These are familiar and are recognised in the various Pilbara development strategies.

The Coalition Policy proposes that by 2030 Northern Australia could drive growth by:
- developing a food bowl, including premium produce, which could help to double Australia’s agricultural output;
- growing the tourist economy in the North to two million international tourists annually; and
- building an energy export industry worth $150 billion to the economy, with a major focus on clean and efficient energy, providing major increases to resource exports.

It also sees opportunities to leverage some of Australia’s broader strengths within the region, including:
- establishing world-class medical centres of excellence in the North;
- creating an education hub with world-class vocational and higher education campuses in selected areas; and
- growing Australia’s exports of technical skills related to resources and agriculture into a $7 billion a year industry.

The strategic implications for these opportunities, as identified in the Coalition Policy, are also consistent with Pilbara region development strategies already in place for the region and its constituent local governments.
The Policy flags the preparation of a White Paper on developing Northern Australia will consider, *inter alia*, the following policy options that are particularly relevant to the Pilbara:

- **Looking to build on existing key urban zones** – such as Darwin, Cairns, Townsville and Karratha – *with the aim of substantially increasing the population in these areas*. To this end, the efficacy and targeting of current relocation incentives and personal and business tax incentives could be reviewed.

- **Establishing a Cooperative Research Centre (CRC) responsible for Developing Northern Australia**. The CRC would foster the collaboration of research bodies, institutions and individuals across Australia, including the involvement of commercial interests in relevant research and development.

- **Relocating relevant components of Federal departments and Commonwealth agencies**, such as CSIRO and AQIS, *to key urban zones in Northern Australia*.

- **Examining the range of appropriate private and public education provider options to best develop technical skills in resources, agriculture, tourism, healthcare, infrastructure and education**.

There are therefore signs of a supportive policy environment for Pilbara incentives to expand education, health and government administration services in the region.

The research by RDA Pilbara that documents the substantial cost disadvantage in the Pilbara, its causes and its consequences for residents, businesses and NGO services is outlined in this report. There are two main elements arising from this research that could be addressed in policy responses:

1. **Differential labour costs**; and  
2. **Accommodation costs**. These are partly linked to:
   - labour costs, as well as  
   - environmental factors; for example, the costs of building for cyclone and flood conditions; and  
   - supply and demand factors.

**Priority 2. Promoting economic diversification and capitalising on the Pilbara’s competitive advantage**

The Pilbara is a resource region and one of the strongest anywhere in the world. There is however a need to concentrate on features that will make the Pilbara attractive beyond resources. The priority is to deliver a diversified economy that is resilient and advocates for services and lifestyle features to support a large and more diverse population.

The Pilbara has a need for significant economic diversification. This requires high-skilled and committed people. The attractiveness of the region as a place in which to live and work is a key determinant of the region’s ability to grow.

There is soon to be good access to high speed broadband in most parts of the region and particularly in the main settlements. This can support business growth; however there is no current particular expertise amongst the business community for technology related industries.

The region is dominated by very large employers and has a limited and underdeveloped small and medium business sector. With some exceptions there is not a tradition of new enterprise creation.

While the region currently has a relatively small local market, it is coming to a scale that can support a greater range and diversity of business and services; the presence of world-class purchasers provides a substantial opportunity.
There are a number of areas of possibilities for diversification:

- Non-mining export oriented industries
  - Bio-fuels Project
  - Hi-Tech Greenhouse
  - Aquaculture fish farm
  - Fish processing factory
  - Algae Farm

1. **Special Economic Zone**

One enabling mechanism to reduce costs and increase investments in the non-resources sector is the creation of a Special Economic Zone (SEZ). These are territories with more liberal economic legislation in comparison with general economic laws of the country. They are becoming more widespread in a wide variety of countries and need to be considered as a component of maintaining international competitiveness. While many countries have set up special economic zones, China has been the most successful in using SEZ to attract foreign capital. In fact, China has even declared an entire province (Hainan) to be an SEZ, although most SEZs are parts of cities or regions. Primarily geared to exporting processed goods, the Special Economic Zones are foreign-oriented areas which integrate science and industry with trade, and benefit from preferential policies and special managerial systems.

The aim is that tax and investment incentives provides a new economic environment, with a wider range of business opportunities, access to highly qualified labour force, as well as natural and energy resources. The overarching purpose of an SEZ for the Pilbara would be to maximise economic growth and contribute to the social sustainability of the region, thus, assisting with the achievement of the Pilbara Cities Vision.

Internationally, Special Economic Zones generally aim to promote increased, streamlined trade through beneficial taxation schemes and reduced customs oversight, but many nuances have developed within this broad framework to accommodate specialized industries, working conditions, country infrastructure, government oversight, and geographies. Some combination of these may be applicable to the Pilbara:

- **Free Trade Zone**

One of the most expansive types of SEZ is a Free Trade Zone ("FTZ"). An FTZ is a geographically fenced-in, tax-free area that provides warehousing, storage, distribution facilities for trade, shipping, and import/export operations in a reduced regulatory environment, meaning they generally have less stringent customs controls and sometimes fewer labor and environmental controls. These zones generally focus on the tangible operations of international trade and many SEZs attract labor-intensive manufacturing.
• **Export Processing Zone**

Another type of SEZ is an Export Processing Zone ("EPZ"). These zones are similar to FTZs in that they encompass large land estates that focus on foreign exports, but they differ in that they do not provide the same degree of tax benefits or regulatory leniency. They instead provide a functional advantage to investors seeking to capitalize on the economies of scale that a geographic concentration of production and manufacturing can bring to a trade region. These zones are beneficial to a host country, if they are successful, because the host country does not have to provide reduced tariffs or regulations but it still benefits from increased trade to the region. Hybrid EPZs are also geographically delimited zones, but they are broken down into specialized zones that cater to specific industries. In a hybrid EPZ, all industries use the “general” zone’s central resources, but each industry also operates within its own zone created to streamline specialized processes unique to those industries.

• **Enterprise Zones**

Enterprise Zones not only provide manufacturing or production benefits like other SEZs, but they also provide unique benefits of local, centralized development efforts. If a specific industry is well suited for growth in an enterprise zone, it may take on characteristics of an EPZ or a hybrid EPZ, but the Zone’s purpose in promoting trade is secondary to its goal of gentrification and revival. These zones use greater economic incentives than EPZs—like tax incentives and financial assistance—to revitalize an area by bringing trades into the zone that will spur organic, localized development and improve local inhabitants’ quality of life. This organic growth model assumes that improvement of a region’s industry and trade begins at the individual neighborhood level.

• **Single Factories**

Single Factories are special types of SEZs that are not geographically delineated, meaning they don’t have to locate within a designated zone to receive trade incentives. They instead focus on the development of a particular type of factory or enterprise, regardless of location.

• **Freeports**

Freeports are typically very expansive zones that encompass many different goods and service-related trade activities like travel, tourism, and retail sales. The variation of products and services available to a Freeport cause them to be more integrated with the host country’s economy. Most encourage a fully integrated life on-site for those who work in the Freeport, as opposed to just using the SEZ for manufacturing, production and shipping.

• **Specialized Zones**

In addition to Enterprise Zones and Freeports, Specialized Zones have been established to promote highly technical products and services unique to an industry. Many of these zones focus on the production and promotion of science and technology parks, petrochemical zones, highly technical logistics and warehousing sites, and airport-based economies. For example, Dubai Internet City is a specialized zone that focuses solely on the development of software and internet-based services. The Labuan Offshore Financial Centre in Malaysia is another example of a specialized zone that caters mostly to the development of off-shore financial services.

Elements of these in the Pilbara would improve the operating environment and pave the way for substantial economic diversification and regional economic growth. Any measures could be time-limited, with a sunset or review period after a number of years of operation.
Key SEZ ingredients applied to the Pilbara are:

- Clear objectives, with projects encompassing some or all of:
  - Economic diversification;
  - Building on economic base (e.g. downstream processing);
  - Export orientation;
  - Technical sophistication and innovation.

- Targeted incentives linked to objectives:
  - Company tax
  - Personal tax
  - Financial incentives

- Active management.

- Realistic timeframes.

2 Zone Allowances within the Personal Taxation System

Australia has had a system of taxation relief for people in remote areas since 1945, via the zone allowance system, with taxation offsets for workers in defined regions of Australia. However, apart from a review in 1981, which resulted in some zone boundary modifications, little has changed since 1945. The zone rebates, while useful to those who receive them, are relatively small and applied unevenly. Importantly, they can apply to the place of work for FIFO workers and are thus not an incentive to increase the residential population of remote areas.

As a mechanism, they can be effective in reducing the tax burden for individuals living in remote areas and thus provide a financial incentive to live there and directly lower labour costs. However, they are in need of review and overhaul. This is recognised in the latest thinking on taxation by the Australian Treasury, as contained in the most recent comprehensive taxation review, the so-called Henry Review. Recommendation 6b of the Report of the review states:

*The zone tax offset should be reviewed. If it is to be retained, it should be based on contemporary measures of remoteness.*

There is thus room in the Henry Review to more effectively link zone offsets to Government policy, with the objective of substantially reducing the taxation burden on residents of the Pilbara (and most likely other residents of the northern region). Suggestions made in submissions to the 2010 taxation review provide some indication of how this might be achieved in detail. They include:

a) Tighten the definition of ‘residency’ in the tax legislation, so that the zone rebate is available only to permanent residents of designated remote areas of Australia. ‘Permanent’ can be defined as being resident in designated remote area or combination thereof, for at least 182 consecutive days in the year. Allowance should be made for split tax years to accommodate teachers, police and other employees that start work in February and finish in November, with their employment split over two financial years.

b) Include all centres with populations of up to 60,000 persons, to ensure the growth of viable main centres is encouraged and to specifically include settlements such as Karratha and Port Hedland.

c) Combine the current four zones into two and substantially increase the rebate available to permanent residents of the zones, with automatic indexation.
d) To provide an incentive for tertiary qualified taxpayers to become residents of rural and remote communities, provide a substantial rebate of repayments due under the Higher Education Contribution Scheme/Higher Education Loan Program (HECS-HELP), as well as a higher zone tax rebate, such that taxpayers with a HECS-HELP debt would have 25% of their liability reduced for each year of residence in an Ordinary Remote Zone and 100% of their liability reduced for a year in a Special Remote Zone.

e) Both Zone tax rebates and HECS-HELP rebate be apportioned by the number of days actually residing in a zone.

f) Exclude entitlement for non-residents now claiming tax zone rebate solely as a result of accumulating 182 days on site (e.g. FIFO workers).

g) The taxation relief could be in the form of a tax credit rather than a rebate.

3 Company Tax for Small and Medium Enterprises.

Company tax options for SMEs operating in the Pilbara may be applicable and would help this sector. For example to encourage inward investment and diversification a corporate tax free period of three years for new small and medium sized entrants to the region could be considered. To improve the viability of all SMEs, a tax rate of 15% per annum instead of the current rate of 30% would assist considerably. This was one basis of the rise in the economic wealth of Ireland in the 1990s and early 2000s period (notwithstanding the ensuing and Sunrelated problems caused by the GFC).

Priority 3. Supporting priority sector investment projects that meet the aspirations of longevity and sustainability

A resilient and stable community requires economic diversification as well as social, community and cultural wellbeing. There is a need to provide:

- Education services at a high level to keep people in place longer;
- Health services that meet all of the health needs of all the community;
- A richer cultural life, with cultural activities more than pubs and movie downloads;
- Well supported and vibrant community groups;
- A wide range of formal and informal sporting and recreation opportunities;
- Places for people to meet – this means paying attention to the liveability of the major centres; and
- Attending to cost issues – lowering the cost base for accommodation and key services.

Investments are needed in the key areas of health; education; social services; cultural tourism and economic development; sport and recreation, and the (natural) environment. Investment in tourism infrastructure is essential for the Pilbara, focusing on attractions such as Aboriginal art and culture and the unique natural landscapes and features of the region. In tandem with this, is the need for conservation strategies and natural resource management programmes, in order to address localised issues and preserve the natural environment.

The four Pilbara LGAs have a range of strategic and community plans and policies recognising and supporting environmental and sustainability considerations, activities and initiatives. Importantly, underpinning development in all community sectors is the need for affordable housing, as this has an impact on attracting and retaining workers, accommodating tourists and encouraging permanent residency in the region.
RDA Pilbara has identified a wide range of investment projects in a broad spectrum of asset classes that are not only vital to future growth but can also offer sound returns on investment. They include:

- **Land and Housing**: The Pilbara Cities growth plans indicate a medium term requirement for more than 15,000 dwellings, predominantly in Karratha and Port Hedland to accommodate the projected residential population in these two locations.

- **Power supply**: Major changes to the existing North West Integrated System (NWIS) are imminent. An immediate additional supply source of at least 100MW is required to meet short term demand through to 2015.

- **Water supply**: The schemes servicing Karratha and Port Hedland are already at capacity and new supply is urgently needed to meet burgeoning demand. Current projections indicate the need for in excess of $1.5 billion for capital investment in the West Pilbara Water Supply Scheme with almost half of this sum required in the period to 2015.

- **Waste water management**: The second Karratha Waste Water Treatment Plant (WWTP) plant is at capacity and needs an estimated $30 million of works for upgrading to cope with increased flows.

- **Waste management**: Critical to the long term growth of the region is the establishment of a suitable Class IV waste management and hazardous waste disposal facility. Sites in the Shire of Roebourne and Town of Port Hedland are currently under investigation for this purpose.

- **Airports**: Airports throughout the region are experiencing a dramatic rise in patronage and upgrades are required at all major locations to handle increased passenger loads.

- **Ports**: Port expansion programmes led by major resource companies are ongoing, yet there is some uncertainty around which players will proceed with developments in the Port Hedland outer harbour and the Anketell Port project. Port Hedland’s Lumsden Point has been identified as a possible location for a marine-based Common User Facility (CUF) consisting of wharves, lifting lay down areas, and repair, maintenance and load-out facilities.

- **Roads**: Significant road transport improvements are required, including the upgrade of the North West Coastal Highway (NWCH) to national highway status, thus, creating a new major supply chain link. Improved port access roads will be required and additional east west linkages connecting inland towns such as Newman, Tom Price, Paraburdoo and the myriad of mine sites to the NWCH and the ports.

**Priority 4. Supporting the community sector to promote liveability through place based solutions for local communities**

Projections for the Pilbara’s resident population have continued to be surpassed by the region’s population growth. Western Australia Tomorrow, the Department of Planning’s population forecast, forecasts the Pilbara population growing to between 46,200 and 59,500 by 2026. If current trends continue, by 2035 the region’s population will move closer to the Pilbara Cities scenario which has a target population of 140,000 nearly three times the current resident population. The cities of Karratha City and Port Hedland City will each be home to 50,000 residents; the sub-regional centre of Newman will be home to 15,000 people; with the major towns of Tom Price, Onslow, Wickham, the towns of Paraburdoo, Roebourne and Pannawonica, and villages of Point Samson, Marble Bar, Nullagine, Cossack and Shellborough home to a combined 25,000 people.

The NGO sector in the Pilbara is a reflection of the dynamic and rapidly changing nature of the region and its communities, as well as broader structural changes occurring within the NGO sector. The profile of Pilbara NGOs is diverse with organisations varying in their scale of operations, the mix and type of services they deliver and the locations in which they deliver services across the region. Key factors affecting the sustainability of the NGO sector in the Pilbara region are related to policy and program priorities and procurement processes of funders, infrastructure, governance and...
management, people and the local social and economic context. The issues impacting on the capacity of NGOs to deliver appropriate, accessible and reliable services and programs are not new.

Key factors affecting the sustainability of the NGO sector in the Pilbara region were related to policy and program priorities and procurement processes of funders, infrastructure, governance and management, people and the local social and economic context. The issues impacting on the capacity of NGOs to deliver appropriate, accessible and reliable services and programs are not new. The issues and challenges identified were:

- Housing,
- Pilbara NGO staff and volunteers,
- Governance of NGOs,
- The cost of doing business in the Pilbara,
- Sustainability of the NGO sector,
- Infrastructure to support Pilbara NGOs: facilities and office accommodation,
- Social and community issues relevant to Pilbara NGOs,
- The community’s understanding of the NGO sector, and
- Gaps in NGO services in the region.

Given the diversity of the region and its populations, a place-based approach to planning people and community centred services, programs and facilities was identified as the most appropriate. Such an approach is consistent with the Western Australian Government’s Delivering Community Services in Partnership Policy and needs to draw on local community knowledge and understanding. The approach also calls for a commitment to interagency collaboration at a government level as well as pooling of funding to be administered by a single government agency.

It is inevitable that as the population increases in the two Pilbara cities, some NGOs will also expand and outgrow their current accommodation. Allocation of land for future use for NGO office and service delivery accommodation is therefore important as planning for, and development of, the two cities proceeds. A framework for services and facilities should be developed in consultation with the NGO sector, reflecting the directions of the Pilbara Cities Vision, settlement hierarchy and proposals to grow the region’s cities, towns and communities.

RDA Pilbara in partnership with PDC and close collaboration with PANGO will develop a 10 year Pilbara Regional Community Plan that will include:

I. What services should have a regional focus and broad target group and be located centrally in Karratha and/or Hedland and what facilities will be needed to support those services? Accessibility is an important consideration in the location of facilities.

II. Which of the regional services located centrally in Karratha or Hedland might be provided on an outreach basis by non-Pilbara based organisations until population targets are reached and what appropriate facilities need to be available for use/lease on a part time basis? What services should be located in a sub-regional centre and/or town or village and are there existing facilities that are appropriate as hubs or venues for a variety of services and activities?

III. What services provided at a subregional centre and/or town or village level will continue to be provided on an outreach basis by city-based organisations and what new or upgraded facilities will be needed.
6.2 RDAP Vision

*Our vision for the Pilbara is: An economically vibrant and socially inclusive region that promotes opportunities.*

RDA Pilbara advocates that by attracting and facilitating infrastructure investment in the Pilbara a resilient future that builds on the strong resource base and provides for diversification can be achieved.

Given the projected population growth through the Pilbara Cities vision and the aspirational population targets there is a clear need to invest in land, housing and infrastructure in order to support work and life in the Pilbara.

This priority aligns with all aspects of our vision and is a clear focus for RDA Pilbara.
7. RDA Activities/Projects/Initiatives

Through extensive consultation carried out RDA Pilbara has developed a suite of priorities that will contribute to attracting investment into the Pilbara, promoting economic diversification, supporting priority sector development and the community sector to promote liveability through place based solutions for local communities, collaborative planning and decision making, strong communities, environmental sustainability and resilient communities.

RDA Pilbara will develop a work plan that will support the progression of the priorities identified. This will be done in partnership and through collaboration with key strategic stakeholders. We will add value to regional planning and decision making in the Pilbara. As RDA Pilbara grows, delivering enduring value to the Pilbara community will be our focus. RDA Pilbara will strive to foster strong, meaningful and inclusive partnerships with all levels of government, industry and the community sector.

RDA Pilbara will make a recognisable, effective and measurable difference to planning and decision making in the Pilbara.
Priority 1: Attracting and facilitating infrastructure investment in the Pilbara

Outcome: A collaborative and inclusive approach to promote the Pilbara as a region for viable infrastructure investment.

Challenges

- The need to establish and continue strong relations with other key Pilbara stakeholders;
- Establishing effective, meaningful and inclusive partnerships across government, industry and the community sector;
- Differentiating ourselves from other Pilbara bodies;
- Securing funding in a challenging economic environment;
- Working within a constantly changing economic context.

The Future

- Inclusive and accessible planning documents;
- User friendly information portals;
- Effective mechanisms to promote collaborative decision making;
- Providing a delegation to Canberra and Perth to develop an investment model for the Pilbara;
- Additional funding to deliver new programmes and services.

Priority 2: Promoting economic diversification and capitalising on the Pilbara’s competitive advantage

Outcome: An economically diverse region that promotes the establishment of businesses and invites investment to support a growing population.

We will work with key stakeholders to create an enabling environment for business and industry to prosper.

Challenges

- The need to address the high cost structure in the Pilbara;
- Attract residents to boost the relatively small local market;
- Promoting the concept of a ‘Special Economic Zone’ for the Pilbara;
- Improved regional governance and coordination.

The Future

- A strong and resilient economy that is diverse;
- Fostering further development of small and medium enterprises in mining and resource support services and the resource value chain;
- Fostering incubation projects and support services;
- Fostering the development of small and medium enterprises in agri-business support services.
**Priority 3: Supporting priority sector investment projects that meet the aspirations of longevity and sustainability.**

**Outcome:** A consistent regional approach is in place that encourages, promotes and supports a sustainable future that incorporates economic opportunity and liveable environments. Strategies are established to maintain a diverse and resilient economy that supports economic development, the creation and retention of new jobs, skills development and business investment.

RDA Pilbara will take on a leadership role to promote the Pilbara and encourage investment in infrastructure that will support the delivery of a sustainable and liveable environment.

**Challenges**
- Securing funding in a challenging economic environment;
- Working within a constantly changing economic context;
- Securing a unified approach to building a sustainable future that builds on the strong economic base.

**The Future**
- High standard educational and health facilities support the growing population’s needs;
- Access to a range of cultural and recreational facilities and activities;
- Unified and defined policy positions across the region.

**Priority 4: Supporting the community sector to promote liveability through placed based Solutions for local communities**

**Outcome:** We will work with the community to grow the Pilbara economy. As the powerhouse of the nation’s economy, a lot of attention is placed upon the economic development of the Pilbara region. RDAP has an important role to play in ensuring that the interests of the community sector, non-government organisations and small to medium enterprise are reinforced during this period of rapid growth.

RDA Pilbara will strive to be recognized for making a positive, measurable and valued contribution to the Pilbara economy.

**Challenges**
- Securing appropriate funding in a challenging economic environment
- Securing funding that reflects to high cost structures in the Pilbara
- Establishing a unified position on key issues facing the Pilbara economy
- Securing commitment to interagency collaboration at government level
- Advocating for the pooling of funding to be administered by a single government agency

**The Future**
- Infrastructure to support the NGOs that includes office space, facilities and housing.
- Input into decision making regarding government funding in the region
- Service provision is appropriate and funded to support the growing population
8. Sources

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Attachment 1. Stakeholder Consultation and Partnerships

RDA Pilbara has actively consulted widely to inform the development of the Regional Plan and several other reports and plans that have been developed in 2013.

RDA Pilbara in partnership with PDC undertook a Map and Gap Analysis of the NGO Sector across the Pilbara. Consultation was an integral part of this process and provided a keen insight into the opportunities and challenges that this sector faces. This consultation occurred on a one to one basis as well as workshops and as a result of the information provided RDA Pilbara undertook a Cost of Doing Business in the Pilbara study.

The development of this report included online surveys as well as one on one interviews to gain an understanding of the impacts of the cost of doing business in the region.

Through these studies RDA Pilbara accumulated a significant amount of information both factual and anecdotal which has informed the Regional Plan. RDA Pilbara in partnership with the three Local Government Authorities undertook the Pilbara State of the Environment Report. The development of this report included extensive consultation within the three LGA’s being Shire of Roebourne, Town of Port Hedland and Shire of Ashburton and has also provided community input to support the Regional Plan.

RDA Pilbara as the facilitating partner for West Pilbara Communities for Children undertakes ongoing consultation with indigenous communities, remote communities and service providers across the West Pilbara. Through this initiative RDA Pilbara has access to community partner consultation information and has thereby collected and collated a significant amount of information pertaining to disadvantaged and isolated families and their children.

RDA Pilbara is represented on several working groups across the Pilbara including the Pilbara Wide Marketing and Messaging group that comprises of all the Pilbara leaders and provides insight into the Pilbara economy and social dynamic.

RDA Pilbara works in close collaboration with PDC and will provide input into the development of the Pilbara Blueprint and other strategic plans and reports. RDA Pilbara has developed a strong collaboration with the Pilbara Regional Council and access to information pertaining to workforce priorities and tourism to help inform this organisation in planning and strategic outlook.

RDA Pilbara meets regularly with the Small Business Centres’ and Chambers of Commerce and Industry across the Pilbara and has partnership initiatives in place to support the development of economic diversification and sustainable business models.

RDA Pilbara meets regularly with the High Schools and the Pilbara Institute to ensure that strategic planning includes education and opportunities for young people and young mums have access to training. RDAP is represented on communities liaison groups which are hosted by the resource sector and the information provided is used to inform planning and strategic direction as articulated in the Regional Plan.