An update on the economy of Western Australia’s Wheatbelt Region.

**WHEATBELT**

**Economic Perspective**

**HORTICULTURE** - Vegetable production is increasing as growers are moving out of the metropolitan area due to urban encroachment.

**WINE** - A number of small to medium size wineries are establishing in the Region.

**ROCK LOBSTER** - The lobster industry provides valued economic growth to the coastal areas of the Wheatbelt.

**ALTERNATIVE ENERGY** - Biomass embedded generation and a large scale wind farm are some of the alternative energy proposals being investigated.

**VITICULTURE** - Grape growing, especially for wine production, is expanding in the areas of Chittering and Wandering.
The Wheatbelt Economic Perspective was prepared by the Department of Local Government and Regional Development in conjunction with the Wheatbelt Development Commission, as one of a series of nine documents. Each document addresses a different non-metropolitan region of the State.

The Economic Perspectives are the core economic documents for the regions and provide a useful insight into regional Western Australia. Each document has been prepared in an easy-to-read format and provides the latest available information on population, labour force and employment, taxable income, tourism, fishing and aquaculture, agriculture, mining, construction, manufacturing, commerce, project investment, indigenous economic development and infrastructure. Each economic section contains a brief analysis and is supported by graphs to illustrate the trend over time.

The Wheatbelt Region is a dominant agricultural region in both the State and the Nation. While broadacre cereal crops, wool and livestock are the major commodities, the Region has been successful in diversifying its production to include growth in other commodities such as canola, lupins, olives, vegetables, wine grapes and hay for export. The economy is linked and building on it’s primary industry base creating opportunities in other sectors, such as manufacturing and services.

The Region also has a nature-based tourist industry, which includes the spectacular Pinnacles near Cervantes and Wave Rock at Hyden. These are complimented by man-made attractions including the New Norcia monastic complex, the Gravity Discovery Centre at Gingin and the stunning recreational complex at Narrogin.

The Region was home to 70,132 people in 2005 making it the third most populous region in the State. The population distribution for the Region is unique within Western Australia with the population being relatively evenly spread across many local government areas.

I encourage everyone with an interest in the Region to read the Wheatbelt Economic Perspective. I am sure you will find it interesting and informative.

Hon Kim Chance MLC
MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT.
THE REGION

The Wheatbelt Region of Western Australia partially surrounds the northern and eastern parts of the Perth metropolitan area. It extends north from Perth where it meets the Mid West Region and is bordered by the Indian Ocean to the west. The Wheatbelt extends east from the metropolitan area to the mining dominated, Goldfields-Esperance Region. The Region is also bordered by the Peel, the South West and Great Southern regions on its south-west and southern borders.

The Region covers 155,256 square kilometres (including islands) of the State, comprises 44 local government authorities and contains the majority of the State’s grain growing areas.

The Wheatbelt has a lot to offer. It has the economic advantage of being close to the Perth Metropolitan Area, the State’s largest market, which resulted in the establishment of numerous social amenities and service industries. Industrial diversification and locally initiated economic activities are broadening the economic base of the Region, which is having a positive influence on its stability and growth.

OVERVIEW

The Wheatbelt’s economy has historically been based on agriculture, particularly cropping, which remains the most dominant industry in the Region. Mining, commerce, manufacturing, construction, fishing and tourism industries also make notable contributions to the Region’s economy. The Department of Local Government and Regional Development estimated that the Wheatbelt’s Gross Regional Product in 2004/05 was $3.7 billion (indicative only), this represents 3.7 per cent of the Gross State Product.

The Wheatbelt Region is a major agricultural zone in both the State and the Nation. Total agriculture production in the Region was valued at $3.1 billion in 2003/04. This represents an increase of 72 per cent on the previous year compared to a 38 per cent increase for the sector statewide. The Region contributes 48.8 per cent of the State’s total agriculture output by value. Over half of the agricultural production was comprised of wheat, valued at $1.7 billion. Other major agriculture commodities include livestock (disposals) valued at $343 million and wool valued at $279 million (see page 8).

The Region’s manufacturing sector is largely based on supplying and servicing the agricultural sector and in processing local produce. In the last manufacturing Census, the Australian Bureau of Statistics (ABS) estimated that there were 425 manufacturing locations in the Region, producing a total of $473.1 million in sales and service revenue. At the time of the 2001 Population Census, the sector employed around 4.8 per cent of the Region’s workforce (see page 12).

The mining sector plays an important role in the Wheatbelt’s economy. In 2004/05, total mining activity was valued at $554 million. This was an increase of 20 per cent from the previous year. The key mineral commodities were heavy mineral sands, gold, iron ore and nickel. The Region currently contributes 2 per cent of the State’s total mineral production by value (see page 9).

A range of commercial activities occurs across the Region, mainly concentrating in the centres of Narrogin, Northam, Merredin and Moora. A strong retail and wholesale trade industry services the agriculture sector. In 2004/05, retail turnover was estimated at $431.8 million (see page 13).

The tourism industry is important to the Wheatbelt’s economy. Across 2004 and 2005, there was on average an estimated 663,700 domestic and international visitors to the Region. Total visitor expenditure was estimated at $184 million per year (see page 5).

The Region’s building and construction industry continues to operate at a high level. The number of approved residential dwellings and non-residential dwellings continues to grow in 2004/05. The total value of building approvals for the financial year was estimated at $122.9 million, of which residential construction contributed $91 million and non-residential contributed $31.9 million (see page 12).

The Region also has a dynamic fishing industry, with a total live weight fishing catch estimated at 3,297 tonnes in 2004/05, and valued at $68.1 million. The fishing industry in the Wheatbelt is dominated (in terms of value) by the rock lobster catch (see page 11).

Commercial timber production in the Region is relatively small scale. In 2004/05, 800 tonnes of plantation hardwood were logged. The establishment of a pilot Integrated Wood Processing Plant in Narrogin will complement demand for oil mallee trees (see page 11).

Other sections included in this document are Population (page 3), Labour Force and Employment by Industry (page 4), Average Taxable Income (page 5), Project Investment (page 13), Indigenous Economic Development (page 13) and Infrastructure (page 14).
POPULATION

Population Structure and Demographics

The Wheatbelt Region has the third largest population of the State’s nine non-metropolitan regions, which is estimated at 70,134 in 2005. This represents 3.5 per cent of the State’s population and 12.9 per cent of regional Western Australia’s population.

Source: Australian Bureau of Statistics and the Department for Planning and Infrastructure.

Growth Projection

The Department for Planning and Infrastructure have prepared future population projections based on the current estimated population levels. Steady increases in the Wheatbelt’s population are predicted over the next 30 years, reaching approximately 89,900 by 2031.

Population Distribution

The population distribution of the Wheatbelt Region is unique within Western Australia. The population is spread relatively evenly across many small population centres and there is an absence of a large, single central urban area. The dispersion across the four sub-regions and average annual growth rate is represented below.

The Region’s population in the past ten-years has declined by 0.1 per cent per annum. This is not a uniform fall over the ten-year period, the Avon sub-region grew by 0.5 per cent and the central Midlands grew by 1.3 per cent. The Shire of Chittering (4.2 per cent), Shire of Toodyay (3.2 per cent) and the Shire of Gingin (2.8 per cent) enjoyed the highest increases in population.

In 2005, the Town of Northam (6,227), the Shires of Gingin (4,574), Narrogin (4,368) and Toodyay (4,317) had the largest populations in the Region.

Estimated Resident Population 1995 - 2005

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p = Preliminary, AAGR = Average Annual Growth Rate.
Source: Australian Bureau of Statistics and the Department for Planning and Infrastructure.
LABOUR FORCE AND EMPLOYMENT BY INDUSTRY

Wheatbelt’s labour force (total number of people employed and unemployed) in 1995/96 totalled 36,434, reaching 40,412 people in 2004/05.

The number of people employed in the Region has followed a similar trend to the labour force. In 1995/96, the number of employed persons totalled 34,925, which increased to 39,728 in 2002/03, before dropping to 38,975 in 2004/05. The number of unemployed persons has fluctuated by a greater degree. In 1995/96, unemployment totalled 1,509, falling to 1,360 in 1999/00, then rising to 1,970 in 2001/02. Unemployment then declined to 1,715 in 2002/03 and further down to 1,438 in 2004/05.

The unemployment rate in the Wheatbelt has always been less than the rate for the State as a whole. In 1995/96, unemployment was 4.1 per cent for the Wheatbelt, compared to 8.1 per cent in the State. The unemployment rate reached its lowest point of 3.6 per cent (in the Wheatbelt) in 1999/00 and reached its highest level in 2001/02 at 4.8 per cent. Since then, the Region’s unemployment rate took on a downward trend similar to the State, declining from 4.1 per cent in 2002/03, to 3.6 per cent in 2004/05, compared to 5 per cent for the State.

Employment by industry is released every five years as part of the Australian Bureau of Statistics (ABS) Census. The last Census (2001) indicated the contribution of the production sectors of agriculture, manufacturing and mining to industry employment amounted to 33.8 per cent, 4.8 per cent and 2.2 per cent respectively. The service sector industries accounted for the remainder of the workforce and included retail trade (10.9 per cent), education (7.2 per cent) and health and community services (6.6 per cent). Agriculture, retail and education are the most labour intensive industries.
The largest increase in employment share from 1996 to 2001 was seen in retail trade (1.3 percentage points). In 1996, retail trade accounted for 9.5 per cent of the Region’s workforce and increased to 10.8 per cent in 2001. In addition, construction increased its relative share from 4.4 per cent to 5.4 per cent. Agriculture had the largest decline over the same period, falling from 36.1 per cent to 33.8 per cent.

Source: ABS Census Usual Residence - Employment by Industry.

### Employment by Industry - 1996 & 2001

<table>
<thead>
<tr>
<th>Industry</th>
<th>1996 % Share</th>
<th>2001 % Share</th>
<th>Change in Percentage Points</th>
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<td>Cultural &amp; Recreational Services</td>
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</tbody>
</table>

Source: ABS Census Usual Residence - Employment by Industry.

### AVERAGE TAXABLE INCOME

Average taxable income in the Wheatbelt has followed an upward trend. The Region’s average annual personal income has increased from $27,018 in 1994/95 to $38,093 in 2002/03, a nominal increase of 41 per cent over the period.

Source: Australian Taxation Office.

### TOURISM

Tourism’s contribution to the Wheatbelt’s economy has increased over the last decade. Given the Region’s close proximity to Perth, a high percentage of road and rail travellers pass through, in addition to visiting the Wheatbelt. The Region boasts a number of attractions, including 150 kilometres of pristine coastline, the historic Avon Valley, the monastic town of New Norcia, the nature-based attraction of Dryandra Woodland, a popular wildflower season and the gold-producing Yilgarn district. The Region also has two of the State’s most popular day trip destinations - the Pinnacles and Wave Rock.

Tourism Western Australia calculated (based on a two-year average) there were 663,700 visitors to the Region across 2004 and 2005 compared to 714,400 in the previous period. These visitors spend more than 2.0 million nights in the Region. The Region received 10 per cent of the tourist market to Western Australia. Domestic visitors accounted for 95 per cent of total visitor numbers, of which 91 per cent came from other parts of Western Australia and 9 per cent were from interstate. In comparison, international visitors accounted for 5 per cent of visitors totalling 34,200.

The average length of stay for domestic visitors was 2.6 nights and international visitors usually stayed on for 9.3 nights.

Total domestic visitor expenditure averages $159.1 million across 2004 and 2005. This represented a five per cent decline compared to the previous two-year average. In contrast, total international visitor expenditure increased by 22 per cent to over 24.9 million, for 2004 and 2005.

Source: Tourism Western Australia.
Over 25 per cent of domestic visitors to the Wheatbelt across the four years to 2004 were most likely to travel between July and September. International visitors to the Region came later in the year, with over 35 per cent most likely to travel between October and December.

Of all the overnight domestic visitors, 77 per cent visited for holiday/leisure and/or to visit friends/relatives. The remainder visited for business or other purposes. An estimated 36 per cent of domestic visitors stayed on a friend or relative’s property, 20 per cent stayed in hotels, resorts, motels and motor inns and 12 per cent in a commercial caravan park/camping ground. On the other hand, the preferred accommodation options of international visitors were caravans (36 per cent), hotel/resort/motel (30 per cent) and home of friend/relative (13 per cent).

Tourism not only generates expenditure, but also contributes to regional employment. The accommodation, cafe and restaurant services industry accounted for 3.4 per cent of employment in 1996, increasing to 3.5 per cent by 2001. In addition, the multiplier effect of the tourist dollar sustains complementary industries, in particularly retail, which increased by 1.3 percentage points over the five-year period.

In anticipation of increasing tourist numbers, planning is under way for 10 new motel units in Moora to be located beside the existing motel. In addition, by June 2005, there were 3 tourism accommodation projects under construction with a value of $0.5 million, providing 19 lettable units.

Cereal crops valued at $2.0 billion, dominated by wheat and barley, constituted 66.8 per cent of the Wheatbelt’s agriculture production by value. Crops collectively (including cereals) accounted for 79.3 per cent of the value of output ($2.4 billion). Livestock disposals collectively contributed $343.2 million (11.2 per cent) to the value of production, with sheep and lamb disposals making the greatest contribution. Livestock products valued at $292.1 million contributing 9.5 per cent of agriculture production, with wool contributing the majority of the value of that category.

In 2003/04, there were 4,461 agricultural holdings in the Wheatbelt, covering an area of 12.4 million hectares.

With the Wheatbelt’s economic performance being influenced by world demand, which can fluctuate between major agriculture commodities, the farmers in the Region have developed great flexibility to respond to change in the global market, and have the ability to switch relatively quickly and efficiently from one commodity to another.
Crops
Crop production was relatively stable over the last decade. In 1994/95, total crop production amounted to $1.1 billion in value. Following adverse growing conditions, production did not improve in 2002/03. However, better rainfall in the Wheatbelt resulted in the value of production increasing to $2.4 billion in 2003/04, which was 54.3 per cent of the value of crop production in Western Australia.

Source: Australian Bureau of Statistics.

The major commodities that contribute the highest value to crop production are wheat valued at $1.7 billion in 2003/04 (almost 70 per cent of the total value of crops), barley valued at $273.7 million (11.3 per cent), lupins valued at $120.6 million (5.0 per cent) and hay valued at $114.7 million (4.7 per cent).

Grains
The total production of cereals for grains in the Wheatbelt in 2003/04 was estimated at $2.0 billion, which was 65.3 per cent of the State's total. This was largely comprised of wheat ($1.7 billion), barley ($273.7 million), oats ($59.4 million) and triticale ($8.2 million), accounting for 68.8 per cent, 50.5 per cent, 61.4 per cent and 67.9 per cent of State production for each crop respectively. In addition, the Wheatbelt also cultivates $20 million of miscellaneous grains.

Wheat production was reasonably stable over the decade to 2003/04. In 1994/95, the value of wheat production was $863.6 million, before increasing to $1.3 billion in 1995/96. Global supply and demand and domestic climatic conditions are the principal causes of fluctuations in production. By 2002/03, the value of production fell to $622.6 million, the lowest value in the decade, before good rainfall saw wheat production recover to $1.7 billion, the highest value over the decade (2003/04).

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Source: Australian Bureau of Statistics.

The International outlook for wheat is mixed according to ABARE. Drought should see production in the European Union fall and demand is expected to have mixed fortunes over 2005/06. Russia is expected to increase the demand for wheat as feed, because of the estimated increase in pig and poultry production. China, however, is expected to reduce its demand for wheat as it increases its demand for higher protein foods and meat. China is also replacing wheat as an animal feed in favour of corn and oil seed. Brazil, Turkey, Iraq and North Africa are all expected to increase their imports of wheat.

Inadequate rainfall in the Eastern States should result in production dropping in 2005/06. Better conditions in Western Australia could see production increase, however, any rise in value may be offset by falling international prices.

Coarse grain, or “grain production (excluding wheat)” includes barley, sorghum, triticale, oats, legumes, and miscellaneous cereal crops. In 1994/95, total grains (excluding wheat) amounted to $204.8 million (consisting of cereals $102.3 million and legumes for grain $102.5 million). By 2000/01, cereals for grain increased in value and importance, almost doubling the value of legumes for the same year. By 2003/04, the total value of cereals for grain amounted to $361.4 million, whereas legumes for grain totalled $129.3 million, combining to reach a new high of $490.7 million.

Source: Australian Bureau of Statistics.
Fruit and Vegetables
The majority of the fruit and vegetable production in the Wheatbelt is carried out in higher rainfall areas, with suitable ground water and good access to markets. In particular, fruit and vegetable production has grown rapidly in the Shires of Gingin, Chittering and Dandaragan. There is a wide variety of both fruit and vegetables grown in the Region.

In 1994/95, fruit was valued at $5.4 million, which was 5.1 per cent of the value of total fruit production in the State. By 2003/04, total fruit production had increased to $14.9 million, which was equal to 5.5 per cent of the State’s total fruit production. The major fruits being produced in 2003/04 were wine grapes valued at $6.3 million, olives ($3.7 million) and oranges ($2.6 million). Fruit production has been led by the rapid growth in grapes for wine production. In 1994/95, wine grape production was only valued at $1.3 million, where as by 2003/04, the value of production had almost increased five times.

Vegetable production for 1994/95 in the Wheatbelt Region was valued at $21.2 million (13.1 per cent of the State’s total). Over the last decade, the value of production fluctuated and by 2003/04, vegetable production in the Region was valued at $26.2 million. The major vegetables cultivated in the Region include carrots ($20.8 million), potatoes ($2.1 million), cauliflowers ($1.2 million) and lettuce ($1.1 million). These represented 50.2 per cent, 6.2 per cent, 8.5 per cent and 10.0 per cent of the State total production respectively. There is a wide range of other vegetable crops successfully grown in the Wheatbelt in smaller quantities.

Canola
Canola production although fluctuating, has grown rapidly over the decade. In 1994/95, canola production was valued at $9.1 million. The value of production increased steadily peaking at $134.9 million in 1999/00. Although falling abruptly in 2000/01, the value of production in 2003/04 reached $73.9 million.

Source: Australian Bureau of Statistics.

ABARE’s forecast for Western Australia suggests that canola production should increase by 19 per cent in 2005/06 largely due to favourable rainfall. However, ABARE advises that Australia’s exports to Japan (major market) may decrease in 2005/06 as Japan has increased its domestic production of canola.

Other Agriculture Commodities
Other high value crops produced in the Wheatbelt include hay and flowers. The Wheatbelt Region is the largest producer of cereals for hay, worth $111.4 million in 2003/04 (67.7 per cent of State production). In addition, pastures for hay contributed another $3.4 million.

In 2003/04, the value of production from nurseries (potted plants, seedlings, micronutrients etc) was $1.1 million, cultivated turf $3.6 million and from cut flowers, $9.9 million. Total nursery produce was valued at $14.7 million, representing 14.1 per cent of the State’s production.

Livestock and Animal Products
Meat
Total livestock disposals in 1994/95, were valued at $162.5 million, which was 9.7 per cent of total agricultural production for the Wheatbelt Region and 26.0 per cent of the State’s livestock disposals. There was a general rise in the annual value of livestock disposals over the last 10 years. By 2003/04, livestock disposals were valued at $343.2 million, which was 11.2 per cent of regional agricultural production and 31.2 per cent of the State’s livestock disposals.

Source: Australian Bureau of Statistics.
In 1994/95, sheep and lamb disposals were valued at $78.5 million, which was 48.3 per cent of the livestock disposals for the Region. By 2003/04, sheep and lamb disposals were valued at $204.7 million which was 51.1 per cent of the State’s sheep and lamb disposals. The Wheatbelt is the largest producer of sheep and lamb meat in Western Australia. In 2003/04, the regional flock totalled 12.8 million sheep and lambs, however only a small portion were designated for meat production, as the majority were wool breads.

Cattle and calf production for slaughter was valued at $40.2 million in 1994/95, which was 13.6 per cent of the State total ($295.7 million in 1994/95). By 2003/04, Cattle and calf production for slaughter increased to $71.5 million, 14.6 per cent of Western Australia’s cattle and calf production for slaughter. The cattle herd increased from 176,611 in 1994/95 to 271,067 in 2003/04 (12.9 per cent of the State’s total).

Wool
Australia accumulated a large stockpile of wool during the 1980s, which was liquidated over the 1990s creating a ceiling on prices. By 2000, Australian wool prices strengthened as the last of the stockpile was sold off.

In 1994/95, the total value of wool production amounted to $364.4 million, which was 44.9 per cent of the State’s wool production. By 2003/04, wool production amounted to $279.3 million, 50.1 per cent of Western Australia’s total production.

Eggs
Egg production was valued at $12.7 million in 2003/04, and accounted for 41.6 per cent of the State’s total production.

Other Activities
Agriculture in the Wheatbelt is dynamic with a number of farmers diversifying into non-traditional industries, such as turkeys, marron, yabbies, emus and ostriches (feathers, meat, oil, leather), snails, worms, deer (venison), and alpacas (wool). Farmers are also trying different methods of value adding to their produce, such as the establishment of boutique abattoirs.

MINING
The value of mineral production in the Wheatbelt was $554.0 million in 2004/05, contributing 2 per cent of the State’s total mineral production by value. Iron ore has overtaken mineral sand as the highest value mineral commodity for the first time in the Region, accounting for 39 per cent ($215.9 million) of the Region’s production. Mineral sand was valued at 38 per cent of production ($209.6 million) followed by gold at 21 per cent ($115.1 million). Salt, gypsum and other minerals accounted for 2 per cent. Value of production increased by 20 per cent from the previous year.

Iron Ore
The Iron ore production in the Wheatbelt continues to achieve historical highs. In 1995/96, $32.7 million of iron ore was mined and by 2004/05, the value increased to $215.9 million. This was a 70 per cent jump in value compared to $127 million produced in the previous year. Almost all of the iron ore produced in the Region is exported to overseas markets.
Iron ore was first mined at Koolyanobbing in 1948 by the State Government to supply the charcoal iron industry at Wundowie. The Koolyanobbing mine is located 50 km north-east of Southern Cross. Portman Mining resumed developing the deposit in 1994. Portman increased its iron ore production to eight million tonnes per annum by developing its iron ore deposits at Mt Jackson, Bungalbin and Windarling, 60 km north of Koolyanobbing.

Mineral Sands

The Tiwest Joint Venture, located 180km north of Perth, is Australia’s largest titanium dioxide (TiO2) pigment producer. Titanium dioxide pigment is produced by processing a range of titanium bearing ores, including ilmenite, upgraded ilmenite (synthetic rutile), rutile and leucoxene, and is in turn used in the manufacture of paints, plastics, paper, rubber, printing inks, cosmetics, soap and pharmaceuticals.

The Tiwest mine at Cooljarloo has a capacity to mine 20 million tonnes of ore per annum, which is processed through a dry separation plant and synthetic rutile (upgraded ilmenite) plant at Chandala, south of Gingin.

Total mineral sand production for the Region was valued at $71.6 million in 1995/96, which peaked in 2000/01 at $258.7 million. By 2004/05, production amounted to $209.6 million. The majority of the State’s mineral sands are exported overseas, with the largest markets for heavy mineral sands being the USA (21 per cent), China (15 per cent), Taiwan (12 per cent), Japan (10 per cent) and the United Kingdom (9 per cent).

Zircon is recovered as a co-product from mining titaniferous ores. It is used in ceramic glazes, porcelain glazes, wall tiles, dinnerware, glazed bricks and industrial tiles. Zirconia compounds are produced at Kwinana. Approximately half of the world production of zircon comes from Western Australia. Zircon production for 1995/96, in the Wheatbelt, amounted to 54,692 tonnes valued at $23.3 million. By 2004/05, production amounted to 101,378 tonnes valued at $67.9 million.

In 2004/05, 5,626 tonnes of staurolite were mined as a mineral sand co-product, valued at $654,345. It has a number of uses including as an industrial abrasive.

Gold

The gold industry is well established in the Wheatbelt, but since peaking in 1994/95, at $259.7 million, the value of gold production declined steadily. In 2003/04, gold production went against the downward trend and increased by 21 per cent to reach $117 million. This was equal to 3.8 per cent of the State’s gold production and 25 per cent of the Region’s total value of mineral production. The increase in the value of gold production was the result of higher international gold prices and increased demand. The value of gold production remained relatively stable, dropping slightly to $115 million in 2004/05.

Salt

The value of salt production in 1995/96 was $4.0 million. As the volume of salt produced increased from 100,616 tonnes to 122,226 tonnes in 2004/05 the value increased to $6.6 million. Salt is mined at Lake Deborah, 75 kilometres north of Southern Cross and in the Shire of Wyalkatchem. After being transported to Perth, the salt is used in the manufacture of a wide range of products including butcher’s salt, cheese salt, sheepskin salt, table salt and bath salts.
FISHING AND AQUACULTURE

The coastline of the Wheatbelt Region supports part of the West Coast Rock Lobster Fishery and other marine fishing activities. The Region’s total value of the live weight catch in 1995/96 was estimated at $65.8 million (2,989 tonnes). It then gradually increased to $111.4 million in 1999/00 (4,312 tonnes), before dropping to $68.1 million in 2004/05 (3,297 tonnes). As lobsters constituted 95 per cent of the weight of the catch and 99 per cent of the value, the demand and the price of lobsters is the determinant of the value of the catch.

Source: Department of Fisheries.

Rock Lobster

The rock lobster industry remains the prime focus for the Region’s fishing industry. Following the record catch of 4,194 tonnes in 1999/00, the live weight of the catch has fluctuated. For the three years 2002/03, 2003/04 to 2004/05, the live weight was 3,003 tonnes, 3,343 tonnes, and 3,124 tonnes, valued at $73.4 million, $63.5 million and $67.2 million respectively. This sort of variation is normal and is largely dependent on the level of juvenile lobster settlement four years earlier, which in turn depends upon environmental factors, such as ocean currents.

Wetline Fish and Crab

Together the fish and crab catches were valued at an estimated $845,000 in 2004/05. The most common fish species were dhufish, snapper, mullet and shark. The fish catch for 2004/05 amounted to 116 tonnes, valued at $527,000 where as the crab catch amounted to 24 tonnes valued at $318,000.

Mollusc

The mollusc catch in 2003/04 was 34 tonnes, valued at $93,000 and the 2004/05 catch was 33 tonnes, valued at an estimated $91,000.

Aquaculture

Aquaculture in the Wheatbelt is commercially dominated by the production of yabbies and marine finfish. Yabby farming is restricted to the inland agriculture areas, including Beverley, Merredin, Pingelly, Dumbleyung and Lake Grace. The value of yabbies dropped as a consequence of the drought, that beset farming over the last few years. In 2002/03, the value of yabbies was estimated at $624,000, but subsequently dropped to $606,000. However recent heavy rainfall throughout the Region has resulted in significant increases in production. In 2004/05, production recovered and value increased to $672,000.

The Region also has suitable locations for coastal aquaculture. In particular, conditions are suitable to establish growout facilities for marine finfish. Potential also exists for the cultivation of abalone and significant interest has been shown in the production of rainbow trout in the saline waters of salt-affected farmland. Farmers are continuing to investigate the technical and economic potential for this farm diversification option.

FORESTRY

Forestry in the Wheatbelt Region is currently considered as a minor industry. In 2004/05, the Forest Products Commission reported production of 800 tonnes of plantation hardwood at a value of $13,000. This was down slightly from 2003/04 when 1,100 tonnes were harvested valued at $17,000 (these figures do not include any volume or value data for private log production).

Research into the commercial production of eucalyptus oil has resulted in the planting of 1.5 to 2.5 million oil mallee seedlings per year. The eucalyptus oil produced will be high quality and can be extracted at a competitive cost. In conjunction with the planting of other species, the oil mallee plantations will help to address the problem of salinity.

An experienced integrated wood processing plant in Narrogin has recently been successful in producing activated carbon. This may offer opportunities for the oil mallee industry.
MANUFACTURING

Manufacturing in the Wheatbelt has primarily developed to supply goods and services to the local agricultural sector, as well as to add value to local produce. The Region contains a wide variety of manufacturing operations such as flour milling, a range of engineering and metal fabrication works, various cabinet making and furniture manufacturers, and mineral sand processing. There is also brick making, abattoir activities, fibreglass production, and concrete products and production. Rock lobster and seafood processing are carried out on the coast.

Source: Australian Bureau of Statistics.

The last manufacturing Census was conducted in 2001/02 and at the time there were 425 manufacturing locations in the Wheatbelt Region, producing an estimated sales and service income of $473.1 million. At the time of the 2001 Population Census, the manufacturing sector employed around 4.8 per cent of the Region’s workforce (ABS Usual Residence 2001).

CONSTRUCTION

Total building approvals followed an upward trend between 1995/96 to 1999/00, with a value of $101.4 million. The introduction of the Goods and Service Tax (GST) saw building approvals contract sharply in 2000/01 to $76.6 million before rising to $99.8 million in 2002/03. In 2004/05, the value of total building approvals was $122.9 million. This was a 30.3 per cent increase on the $94.3 million reached in 2003/04.

The value of residential approvals in the Wheatbelt has always exceeded that of non-residential approvals over the past ten years.

Source: Australian Bureau of Statistics – Building Approvals.

Residential Building

The value of residential construction in 2004/05 was $91 million, 33.8 per cent higher than 2003/04. There were 545 dwelling approvals in 2004/05, 64 more than the previous year. The average value per approval is estimated at $166,972.

The number of new dwelling approvals remained lower than the number prior to the GST. At the beginning of the decade, there were 476 dwelling approvals (1995/96) which gradually rose to 677 in 1998/99. The introduction of GST affected the residential market with approvals falling from 701 in 1999/00 to 437 in 2000/01.

Of the 545 residential approvals in 2004/05, 107 were in the Shire of Chittering (valued at $20.2 million), 86 in the Shire of Gingin ($14.2 million), 55 in the Shire of Dandaragan ($8.7 million), 50 in the Shire of Toodyay ($7.9 million) and 44 in the Shire of Northam ($4.4 million). The remainder was scattered throughout a large number of shires.

Source: Australian Bureau of Statistics – Building Approvals.
Non-residential Construction
The value of non-residential approvals in 2004/05 was $31.9 million, which accounted for 26 per cent of the Region’s total value of approvals. This was 21 per cent higher than the previous year. As the non-residential approvals are reliant on specific projects, values can fluctuate from year to year. In 2004/05, the major areas of activity were in the Town of Northam and the Shires of Gingin, Trayning and Koorda, where non-residential construction approvals were valued at $4.02 million, $4.01 million, $3.8 and $3.7 million respectively.

State funding was made available in the 2006/07 budget for the realignment and reconstruction of the Great Northern Highway from Muchea to Wubin ($15.7 million); reconstruction of the Great Eastern Highway from Kellerberrin to Merredin ($12.2 million); construction of new buildings at Muchea for the Western Australian Meat Industry Authority ($10 million); redevelopment of the Department of Health’s Moora Multi-Purpose Centre ($1.9 million); and $920,000 to co-locate the Fire and Emergency Service Volunteers in Dalwallinu.

PROJECT INVESTMENT
Investment plays a vital role in regional economic growth and development. Investment in the Wheatbelt has fluctuated throughout the years. Projects under consideration are always greater in number, larger in aggregate value and are less certain to come to fruition than projects committed to and projects under construction.

In June 2005 quarter, total investment in the Wheatbelt Region amounted to $622 million, of which $314 million was for projects being considered. A further two projects worth $52 million were committed to and ten projects worth $256 million were under construction.

COMMERCE
The Wheatbelt Region supports a large rural sector and service industries and other businesses are dispersed widely throughout the Region. Narrogin, Northam, Merredin and Moora are the larger population centres and the focus for a range of business activities. These centres accommodate a range of service industries, including banking and financial services, industrial, building and home maintenance supplies, real estate, wholesale, hospitality and accommodation services.

Retail trade is an important industry in the Region and in 2001, it accounted for 10.8 per cent of the Region’s workforce. The last retail census was carried out in 1991 when there were 679 retail establishments with a total turnover of $235.3 million. Recent estimates by the Department of Local Government and Regional Development suggest turnover has increased to $431.8 million for 2004/05.

INDIGENOUS ECONOMIC DEVELOPMENT
There are approximately 3,000 Indigenous people in the Region (2001Census) with the majority living in larger centres such as Wagin, Narrogin, Brookton, York, Northam, Moora, Kellerberrin and Merredin. Smaller communities live generally within 100 kilometres of one of these towns. Unemployment levels are high, with CDEP schemes making up most of the employed Indigenous workforce. Several small and fledgling businesses exist in tourism, arts and crafts. A smaller group are employed in Government and semi-Government agencies, and Aboriginal organisations. As there has been a large reduction in physical labour options on farms, due to mechanisation over the past 30 years, employment options for many Aboriginals have reduced. When coupled with lower education standards and socio-cultural pressures to conform, many Indigenous people tend to exist on either social services or ‘work for the dole’ schemes. However, there are new initiatives being considered to generate employment opportunities in aquaculture, tourism, arts, fashion and cultural education.
INFRASTRUCTURE

The Wheatbelt Region has extensive infrastructure covering the breadth of the Region. This includes 44,700 kms of roads (35 per cent of WA’s road network), connection to the South West Interconnected Electricity System (for the majority of the Region), 92 schools, 24 hospitals and an extensive number of recreational facilities.

Water Supply

The provision of reliable and adequate water supplies to rural consumers is a high priority in this Region. There are large ground water reserves throughout the coastal area of the Wheatbelt supplying industry and residential users. Elsewhere, the Goldfields and Agricultural Water Supply Scheme, the Great Southern Towns Water Supply Scheme and a network of local schemes service the Region.

Energy

The Wheatbelt is serviced by the South West Interconnected System. Synergy and Western Power, distribute electricity to the Region from Muja via 132 kv and 66 kv lines, and maintain this system. The transmission lines are currently part of the Government’s upgrading program, to improve the reliability of electricity supply to rural people.

Two gas pipelines travel through the Region. The Dampier to Perth and Dongara to Perth pipelines run through the coastal strip of the Region.

Transport

The Wheatbelt Region has a comprehensive network of roads and rail freight transport lines that link it to Perth, the north and south of the State, to Kalgoorlie and on to the Eastern States. These links include the Great Northern Highway and Great Eastern Highway, the Brand Highway, the Great Southern Highway, the Brookton Highway and the Albany Highway. Most areas are served by rail links, which move agricultural produce and fertiliser for the Region. Co-operative Bulk Handling has built railheads and off-line receival points throughout the Region to facilitate the storage and transfer of grain to its markets.

Passenger rail services operated by Transwa comprise of the Prospector (Perth-Kalgoorlie) and Avonlink (Perth-Northam) trains. These services have recently been upgraded, decreasing the travelling time to and from Perth, Transwa also operates passenger bus services throughout the Region as do some private bus companies.

There is no commercial air transport service in the Region, however authorised landing areas are available in most of the major towns for privately owned or chartered aircraft. Aviation is becoming increasingly important within the Region with commercial pilot training based in Merredin, a popular air show at Cunderdin and increasing recognition of aviation tourism in the Avon Valley.

Communications

The Region has extensive coverage of terrestrial telecommunication infrastructure, as well as mobile phone services (mainly CDMA). All areas of the Region can access the Internet through dialup accounts and Telstra is in the process of rolling out affordable broadband in the form of ADSL. The rollout of ADSL is being facilitated by a joint WDC and Wheatbelt Area Consultative Committee (WACC) initiative to aggregate broadband demand in the region’s communities. Wireless broadband is also being made available to small communities that qualify under the HIBis scheme.

Radio and television is available throughout the Region with the principal stations being ABC radio and television and the commercial television stations of Golden West Network (GWN) and WIN television. There are some commercial AM and FM radio stations that broadcast in certain areas of the Region, as do SBS and Channel 31 television stations.

Major metropolitan and national newspapers are available daily and are supplemented by 10 local and community newspapers printed weekly. In addition, most towns publish a local community newsletter.

Education

There are 92 schools located in the Region including four senior high schools, three agricultural colleges and 23 district high schools. The Region has its own CY O’Connor College of TAFE with a network of Regional campuses. Curtin University maintains the Muresk Institute, which offers agricultural based tertiary courses in Northam.

Health

Public and private health facilities are available throughout the Region. There are 24 hospitals including regional hospitals in Northam and Narrogin. Aged care is a recognised need in the community and there are several facilities including self-contained units, nursing homes and hostels. In addition, general practitioners are resident in the major towns, with specialist medical services visiting the smaller communities on a regular basis.

In addition to the hospital services, the Region also has a number of nursing posts in the small communities, multi-purpose services and three District Health Advisory Councils to provide input into health planning and decision making in the Region.
MORE INFORMATION

Publications

Other Relevant Publications
Department of Local Government and Regional Development (2002) – Regional Prices index – Third Data Collection
Department of Local Government and Regional Development (2003) – Indicators of Regional Development in Western Australia
Department of Local Government and Regional Development (1999) – Living in the Regions
Department of Local Government and Regional Development (2003) – Regional Development Policy 2003: Regional Western Australia - A Better Place To Live
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