

MINING - The power house of the Region.



GOLDFIELDS-ESPERANCE

Economic Perspective



AGRICULTURE - The Region supports a strong agricultural sector.



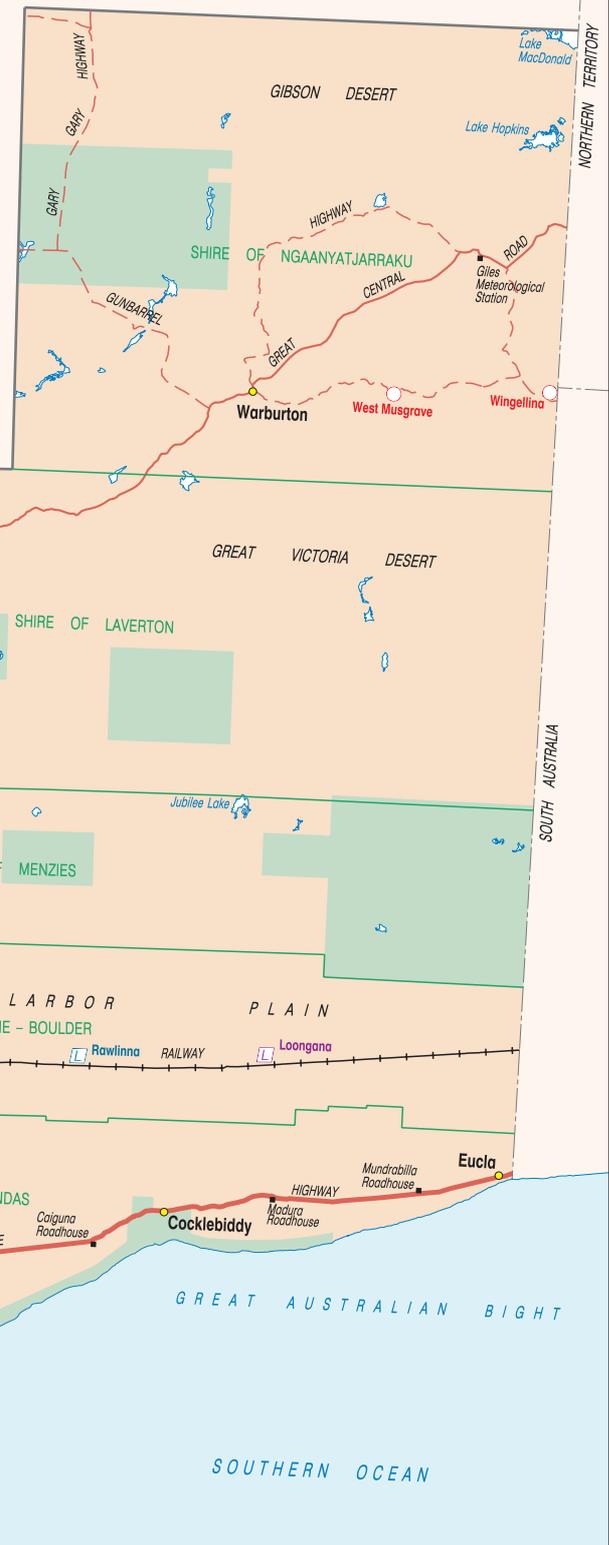
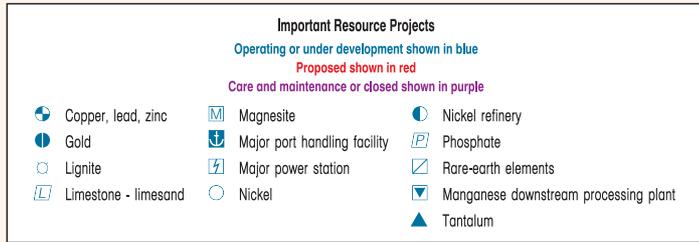
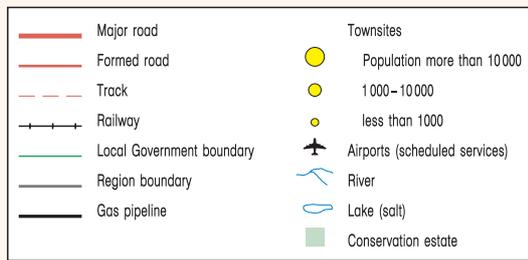
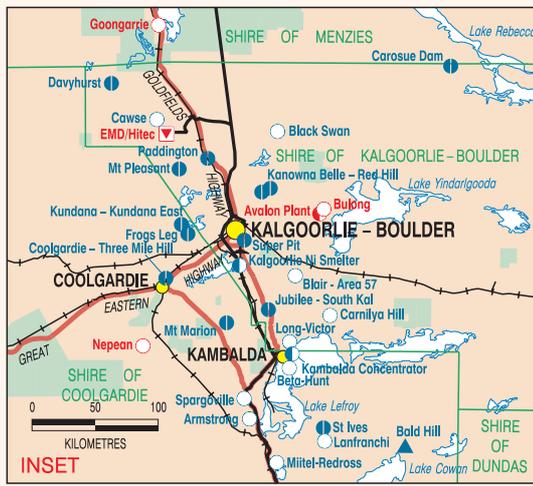
COMMERCE - There are nine Local Governments in the Region. Kalgoorlie-Boulder and Esperance are the principal commercial centres.



INFRASTRUCTURE - Water supply is a key consideration to regional economic development.



HEALTH SERVICE - Ravensthorpe Hospital provides a full range of professional health services.

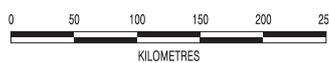


GOLDFIELDS-ESPERANCE

KEY FEATURES



Department of
Industry and Resources



Produced by the Geological Survey of Western Australia.
Map product is to be used for broad based planning only.
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July 2006

DATA DIRECTORY		
THEME	SOURCE	DATE
Cultural	DLI/DoIR	1998
Transport	DLI	1998
Hydrography	DLI	1998
Tenure	CALM	Mar 2005
LGA Boundaries	DLI	2004
Aboriginal Communities	Department of Indigenous Affairs	2004
Important Resource Projects	DoIR - modified from MINEDEX and WAPIMS databases	Nov 2004

FOREWORD

The Goldfields-Esperance Economic Perspective was prepared by the Department of Local Government and Regional Development in conjunction with the Goldfields-Esperance 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 Goldfields-Esperance Region makes a vital contribution to the Western Australian economy. Mining is the predominant sector in the central and northern parts of the Region, with a well-established agriculture sector in the south. The Region is currently enjoying a period of sustained economic growth and there is a great deal of optimism about its future. The Region's Gross Regional Product was estimated at \$5.4 billion in 2004/05, a 21.4 per cent increase compared to the previous year.

Nickel and gold are the Region's principal mineral commodities. In 2004/05, nickel production was valued at \$2.3 billion and gold valued at \$2.2 billion. BHP Billiton's multi-billion dollar Ravensthorpe Nickel Operation is expected to generate hundreds of new job opportunities as well as facilitate social and economic developments.

As Minister for the Goldfields-Esperance Region, I invite you to read the Goldfields-Esperance Economic Perspective and look forward to continuing the Western Australian State Government's commitment to the development of strong and vibrant regions.

A handwritten signature in black ink, appearing to read 'John Bowler'. The signature is fluid and cursive, with a large initial 'J'.

Hon. John Bowler JP MLA

**MINISTER FOR RESOURCES AND ASSISTING THE MINISTER FOR STATE DEVELOPMENT; EMPLOYMENT PROTECTION;
GOLDFIELDS-ESPERANCE AND GREAT SOUTHERN.**

THE REGION

The Goldfields-Esperance Region is located in the south-eastern corner of Western Australia (WA) and covers 770,488 square kilometres (including offshore islands). It is the largest of the State's nine regions and over three times the size of the State of Victoria. Geographically, the Region is bounded by the Pilbara Region to the north, the Wheatbelt and Mid West Regions to the west, the Great Southern Region to the south-west, the Southern Ocean and the State border to the east.

The City of Kalgoorlie-Boulder and the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ngaanyatjarraku and Ravensthorpe are located within the Region.

As diverse as it is vast, the Goldfields-Esperance Region extends from the southern coast to the rugged landscape of the northern Goldfields. Undulating plains and low rugged ranges typify the north-eastern Goldfields. Further east, the country is largely desert, although the vegetation displays considerable diversity.

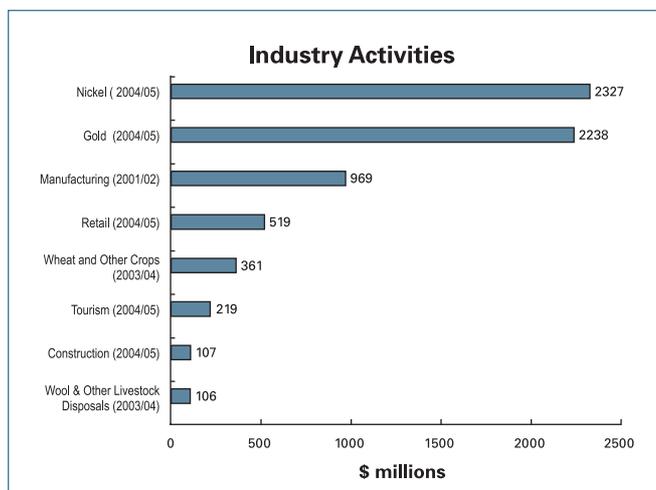
The eastern Goldfields area (centred on Kalgoorlie-Boulder) is predominantly flat, with many salt lakes, some hills, and low ranges. Eucalypt trees cover one of the largest, intact temperate woodlands in the Southern Hemisphere stretching from the State barrier fence west of Norseman to east of Balladonia.

Wild coastal scenery, rugged granite peaks, estuaries and sweeping heathlands characterise the south-east coast. The coastal strip boasts four National Parks that protect its diverse flora and fauna. The Fitzgerald River National Park, west of Ravensthorpe, is one of the most diverse botanical regions in the world with more than 1,800 species of flowering plants. This represents nearly 20 per cent of the total number of plant species in Western Australia. To the east of Esperance, Cape Arid National Park is home for more than 160 species of birds. Both of these parks add to the unique natural resources that typify the Region.

The Region supports a wide range of industry, including mining, agriculture, aquaculture and tourism.

OVERVIEW

The Goldfields-Esperance Region makes a vital contribution to the Western Australian economy and is well positioned for further growth. Mining is the predominant sector in the central and northern parts of the Region, with a well-established agricultural sector in the south. The Department of Local Government and Regional Development estimated the Gross Regional Product of the Goldfields-Esperance Region in 2004/05 was \$5.38 billion (indicative only), 21.4 per cent higher than in 2003/04.



Note: Industry activities are based on value of production, turnover and expenditure whereas Gross Regional Product is the value of final goods and services produced in the Region less intermediate inputs.

Source: Department of Local Government and Regional Development.

The economy of the Goldfields sub-region is based on the extraction and processing of mineral resources, principally gold and nickel. The value of mining production was \$4.6 billion in 2004/05, of which gold accounted for \$2.2 billion and nickel accounted for \$2.3 billion (see pages 10).

The strong manufacturing base in the Goldfields sub-region is driven by minerals processing, with manufacturing in the Esperance area principally servicing the fishing and agricultural industries. In 2001/02 (most recent data), manufacturing sales and service income was estimated at \$968.7 million (see page 12).

Kalgoorlie-Boulder and Esperance are the principal commercial centres in the Region. In 2001, 16.6 per cent of the working population were engaged in wholesale and retail activity with education, health and community services accounting for another 12.5 per cent. Retail turnover in 2004/05 was estimated at \$518.9 million (see page 13).

The value of agricultural production in 2003/04 was \$466.5 million, consisting principally of cereals, wool and livestock disposals. The value of cereals is comprised predominantly of wheat (\$154.0 million) and barley (\$113.8 million). In the same year, wool was valued at \$46.9 million and livestock disposals at \$59 million (see pages 7).

There are two distinct tourism areas in the Region - coastal Esperance and the outback Goldfields. There were on average 500,300 overnight domestic and international visitors to the Region across 2004 and 2005. Total visitors expenditure was estimated at \$219.0 million (see page 5).

Construction activity has increased in recent years due to the housing boom and the increase in mining activity in the Region. In 2004/05, there were 319 dwelling approvals and total construction approvals were valued at \$107.4 million (see page 12).

In 2004/05, the Region's fishing industry was estimated at \$10.1 million. The mollusc catch (\$6.7 million) accounted for 66 per cent of the total value and was primarily composed of abalone and scallops (see page 7).

The most valuable timber harvested in the Region is sandalwood. In 2003/04, 2,170 tonnes of sandalwood was harvested with an export value of \$10.1 million (see page 9).

The Goldfields-Esperance Region offers excellent infrastructure with east-west transport connections, a regional port, natural gas and a competitive energy supply, well equipped education and training amenities, and high quality recreation facilities (see page 14).

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), and Indigenous Economic Development (page 13).

POPULATION

Population Distribution

The Goldfields-Esperance population remained relatively stable during the ten-year period from 1995/96 to 2004/05. However, over the latter five years of that decade, it is estimated that the Region's population experienced an average annual decline of 0.8 per cent.

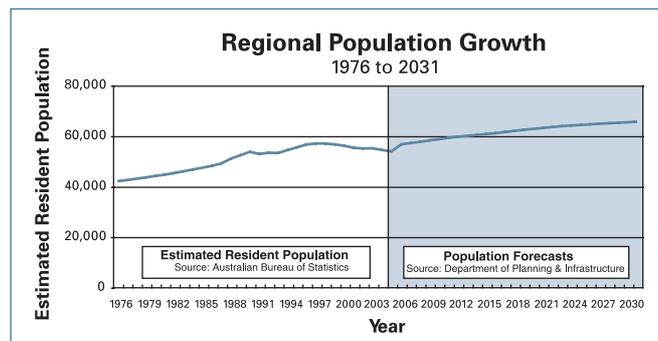
Population growth in the Goldfields-Esperance Region, especially in the Goldfields sub-region, is principally driven by employment particularly in the mining industry. With the recent project construction/mining boom, the Region's population is expected to enjoy robust growth in the coming years.

Kalgoorlie-Boulder is the largest administrative and services centre in the Goldfields-Esperance Region. In 2005, the estimated population was 29,099 or 54 per cent of the Region's total. The Shire of Esperance is the second largest centre, with a population of 13,265 or 25 per cent of the overall Region.

Population Structure and Demographics

In 2005, an estimated 53,661 people were living in the Goldfields-Esperance Region, which was 9.8 per cent of the population of regional Western Australia and 2.7 per cent of the State's total population.

Growth Projections



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

The Department of Planning and Infrastructure's projections for the Region indicates robust population growth over the next five years with an average annual growth rate of 6.8 per cent. As a result, population in the Region is expected to reach 58,000 in 2009, 59,000 by 2011, and 65,400 by 2031.

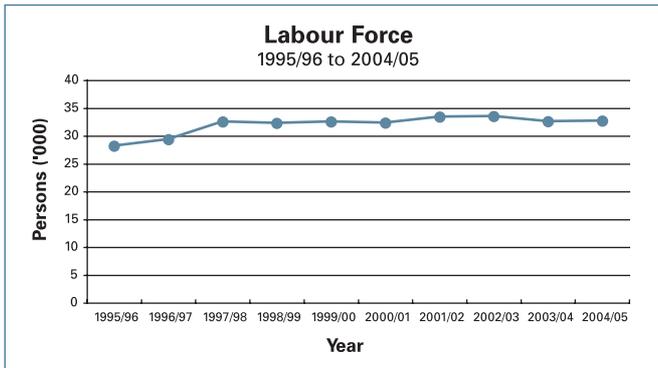
LGA	1995	1998	2001	2004	2005p	% Share of the Region 2005	Annual Growth 2004-2005 %	AAGR 2000-2005 %	AAGR 1995-2005 %
GOLDFIELDS-ESPERANCE	55,281	56,763	55,099	54,174	53,661	100	-0.9	-0.8	-0.3
Coolgardie (S)	5,638	5,125	4,267	3,867	3,744	7	-3.2	-3.3	-4.0
Dundas (S)	1,680	1,514	1,257	1,148	1,070	2	-6.8	-5.0	-4.4
Esperance (S)	12,058	12,804	13,315	13,265	13,265	25	0.0	0.1	1.0
Kalgoorlie-Boulder (C)	28,768	30,316	29,651	29,390	29,099	54	-1.0	-0.6	0.1
Laverton (S)	1,284	1,232	1,202	1,205	1,205	2	0.0	-0.2	-0.6
Leonora (S)	2,740	2,468	1,998	1,920	1,861	3	-3.1	-3.5	-3.8
Menzies (S)	320	349	349	359	361	1	0.6	0.4	1.2
Ngaanyatjarraku (S)	1,370	1,498	1,556	1,679	1,715	3	2.1	2.2	2.3
Ravensthorpe (S)	1,423	1,457	1,504	1,341	1,341	2	0.0	-2.0	-0.6

p = preliminary AAGR = Average Annual Growth Rate.

Source: Australian Bureau of Statistics - Estimated Resident Population.

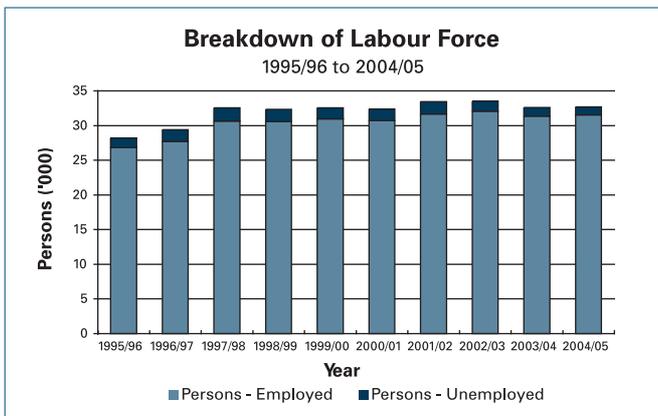
LABOUR FORCE AND EMPLOYMENT BY INDUSTRY

The labour force (total of employed and unemployed persons) in the Goldfields-Esperance Region has increased over the last decade, from 28,221 in 1995/96 to 32,703 in 2004/05.



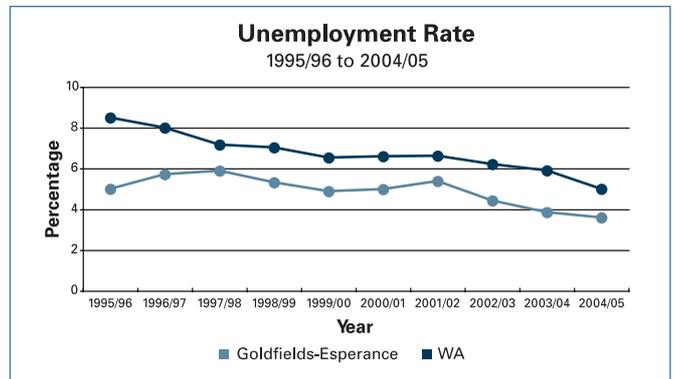
Note: Each financial year is calculated on a four-quarter average.
Source: Department of Employment and Workplace Relations.

The initial growth spurt over the decade occurred when the number of employed persons increased from 26,810 in 1995/96 to 30,640 in 1997/98, where it has remained relatively stable, reaching 31,516 in 2004/05. The number of unemployed persons over the past decade has followed a similar pattern, increasing from 1,411 in 1995/96 to 1,919 in 1997/98 and remained relatively stable until 2003/04, where it fell to 1,259 and further to 1,187 in 2004/05.



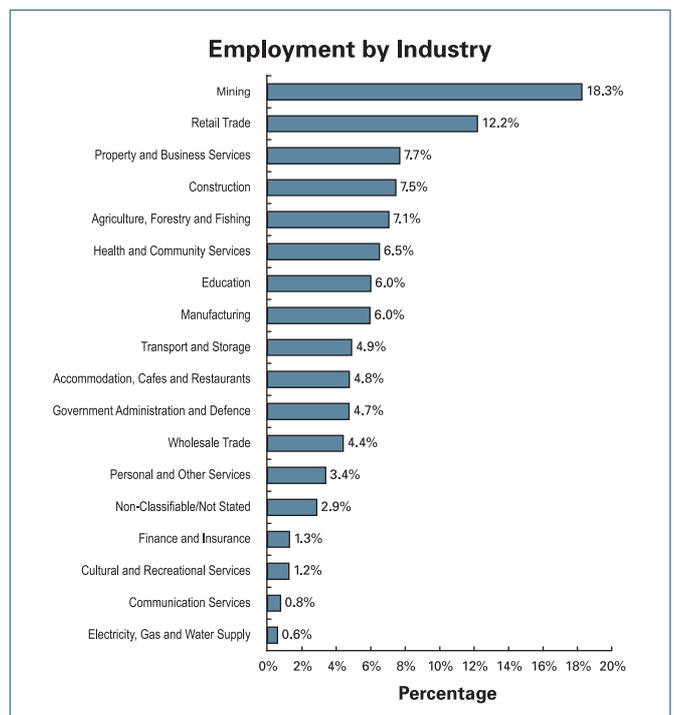
Note: Each financial year is calculated on a four-quarter average.
Source: Department of Employment and Workplace Relations.

The unemployment rate in the Region has remained consistently lower than the State as a whole. In 1995/96, the unemployment rate was 5.0 per cent for Goldfields-Esperance, compared to 8.5 per cent for Western Australia. The unemployment rate reached a high of 5.9 per cent in 1997/98 before falling progressively to reach a record low of 3.6 per cent in 2004/05.



Note: Each financial year is calculated on a four-quarter average.
Source: Department of Employment and Workplace Relations.

In the 2001 Census year, the mining sector accounted for 18.3 per cent of the Goldfields-Esperance total employment. This reflects the prominence of gold and nickel mining in the Region. In addition, the agriculture sector accounted for 7.1 per cent and the manufacturing sector 6.0 per cent. The most labour intensive service sector industries were retail, property and business services, and construction.



Source: ABS Census Usual Residence - Employment by Industry.

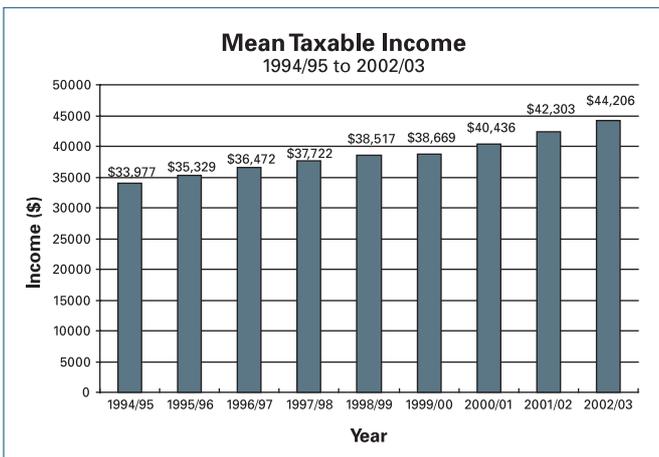
The largest changes in the relative shares of total employment from the census years of 1996 to 2001 occurred with mining, which dropped from 22 per cent to 18.3 per cent, and government administration and defence, which increased from 2.1 per cent to 4.7 per cent. Retail trade and manufacturing increased their relative share of employment by 1.5 and 1.1 percentage points respectively.

Employment by Industry - 1996 & 2001			
Industry	1996 % Share	2001 % Share	Change in Percentage Points
Electricity, Gas and Water Supply	0.5	0.6	0.1
Communication Services	1.1	0.8	-0.4
Finance and Insurance	1.4	1.3	-0.1
Non-Classifiable/Not Stated	4.2	2.9	-1.3
Personal and Other Services	3.0	3.4	0.4
Wholesale Trade	5.0	4.4	-0.6
Government Admin & Defence	2.1	4.7	2.6
Accom Cafes & Restaurants	4.6	4.8	0.2
Transport and Storage	4.3	4.9	0.5
Manufacturing	4.8	6.0	1.2
Education	5.5	6.0	0.5
Health and Community Services	7.0	6.5	-0.5
Agriculture, Forestry and Fishing	7.3	7.1	-0.2
Construction	8.2	7.5	-0.7
Property and Business Services	7.0	7.7	0.7
Retail Trade	10.6	12.2	1.5
Mining	22.0	18.3	-3.7
Cultural and Recreational Service	1.3	1.2	0.1
Total	100.0	100.0	0.0

Source: ABS Census Usual Residence - Employment by Industry.

AVERAGE TAXABLE INCOME

The Goldfields-Esperance Region had the second highest average taxable income in the State, which increased from \$33,977 in 1994/95 to \$44,206 in 2002/03. By comparison, in 2002/03, the average taxable income for regional Western Australia was \$39,254 and the average for the State was \$40,180. In the Shires of Coolgardie, Dundas, Leonora and the City of Kalgoorlie-Boulder, annual incomes were above the regional average.

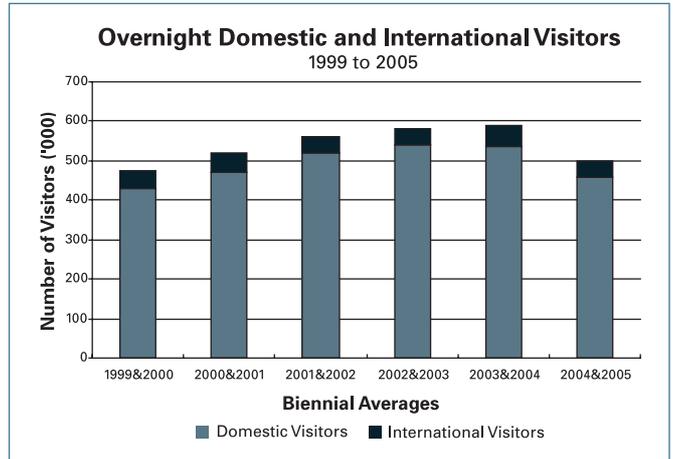


Source: Australian Taxation Office.

TOURISM

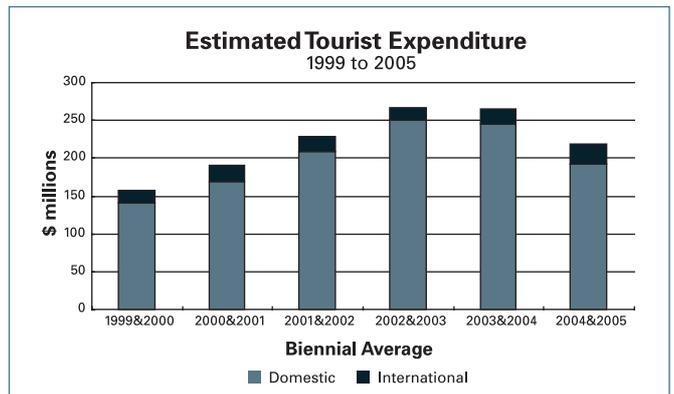
The Goldfields-Esperance Region has two distinct tourism zones. The coastal zone centred on Esperance includes the attractions of sandy bays, offshore islands and a marine environment ideal for windsurfing, diving, sailing and fishing. By contrast, the Goldfields area, to the north, provides visitors with an opportunity to experience the unique outback and an insight to the gold mining industry and its heritage.

Over 2004 and 2005, there were an average of 500,300 overnight domestic and international visitors to the Region, compared to 587,500 visitors over 2003 and 2004.



Note: All visitor numbers are calculated based on a two-year rolling average. Source: Tourism Western Australia.

The average total domestic visitor expenditure across 1999 and 2000 was estimated at \$140.7 million and average international visitor expenditure was estimated at \$17.4 million. The value of domestic tourism expenditure continued to increase reaching \$244.8 million across 2003 and 2004 and international expenditure rose to \$20.7 million. On average, across 2004 and 2005, expenditure fell with domestic expenditure totalling \$193 million and international expenditure totalling \$26 million.



Note: All tourist expenditures calculated based on a two-year rolling average. Source: Tourism Western Australia.

Goldfields Tourism Area

An average of 312,300 overnight visitors stayed in the Goldfields area across 2004 and 2005, a slight drop compared to the previous average of 388,200. The annual average number of visitor nights was estimated at 1.4 million, and is expected to increase to 1.6 million by 2015. Average total overnight visitor expenditure in 2004 and 2005 was estimated at \$135 million.

Between 2004 and 2005, 51 per cent of domestic visitors to the Goldfields visited for holiday/leisure purposes and/or to visit friends/relatives, while 34 per cent visited for business reasons. Of all domestic visitor nights spent in the Goldfields, 36 per cent were in commercial accommodation (hotel, resort and motel) and 64 per cent in non-commercial accommodation (Caravan park, camping rented apartment, backpackers or friends/family).

On average, domestic visitors to the Goldfields over the four years to 2005 were most likely to visit in the second half of the year, particularly during the months of July to December. The annual Kalgoorlie-Boulder Racing Round draws large crowds and the city hosts many meetings and conferences each year.

The major tourism development in Kalgoorlie-Boulder, the Australian Prospectors and Miners Hall of Fame, opened in October 2001. This \$21 million facility is located at the Hannan's North Historic Mining Reserve and celebrates Australia's mining industry. The development is recognised as one of the largest single investments in Western Australian tourism, and draws visitors from all around Australia and overseas.

Work has commenced on the \$1.5 million "Great Beyond – Australia's Inland Explorers Centre" project in Laverton. The Centre will incorporate an interpretative and visitor centre, showcasing the pioneering achievements and human endeavour associated with Australia's early explorers and Aboriginal guides. The centre will be completed during 2006.

Six Local Government Authorities (Leonora, Menzies, Laverton, Ngaanyatjarraku, Wiluna and Sandstone) have joined to form the North Eastern Goldfields Tourism Working Group. The aim of the Group is to encourage sustainable tourism development that delivers maximum return on assets and investment and contributes to the social and economic growth of the Region. Investment in the tourism development plan for the north-eastern sub-region amounted to \$36,000.

Tourists are able to appreciate the 50 abstract steel figures that were crafted by the internationally acclaimed British artist, Antony Gormley, as part of the Perth International Arts Festival 2003. The figures are located at Lake Ballard in the Shire of Menzies and there are plans underway to spend \$90,000 on upgrading road access, installing toilets and barbeques and providing overnight camping facilities.

In January 2003, the National Trust of Western Australia, in partnership with the Western Australian Water Corporation, launched the Golden Pipeline Project. This Heritage Trail tourist attraction, follows the path of CY O'Connor's famous water pipeline and involved the construction of a multi-use trail between Mundaring Weir and Northam, conservation works at the pump stations and a series of walking trails along the 600 km route. The original pipeline, completed in 1903, was an extraordinary engineering achievement, bringing potable water from Mundaring Weir (Perth) to Kalgoorlie-Boulder.

In March 2003, the Golden Quest Discovery Trail was launched. The Golden Quest Discovery Trail is a two-to-three day drive using the existing road network, and is suitable for both self-drive and guided tour visitors. Some 965 km in length, the Trail connects the communities of Coolgardie, Menzies, Kookynie, Leonora, Laverton and Kalgoorlie-Boulder. It passes through numerous historic mining settlements and ghost towns giving visitors an insight into the lives of our earliest pioneers (see www.goldenquesttrail.com).

The Esperance Tourism Area

Annual average visitor numbers to the Esperance area fluctuates. Across 2001 and 2002, visitors averaged 188,000, which increased to 199,300 in 2003 and 2004, dropping in 2004 and 2005 to 188,000.

Total visitor expenditure was estimated at \$83.7 million per year (2004 and 2005), while average daily domestic expenditure was estimated at \$96. The most common reasons for visiting the Esperance area were for the purpose of holiday/leisure and/or to visit friends/relatives, with 69 per cent visiting for these reasons in 2004 and 2005.

The majority of domestic visitors travelled to the Esperance area between the months of July to March. When staying overnight in Esperance, 29 per cent stayed at a hotel, resort or motel.

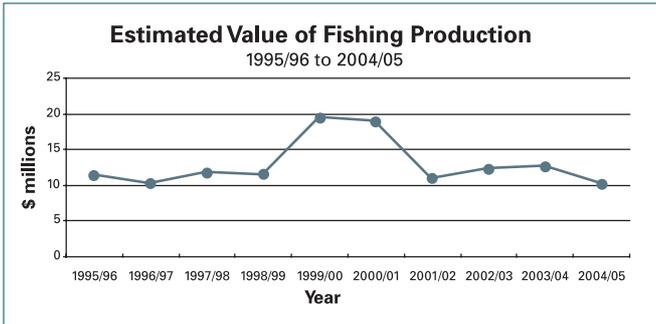
The Esperance area also attracts a significant number of international visitors. An average of 16,500 overseas visitors arrived in the sub-region between 2004 and 2005, accounting for 9 per cent of total visitors. These visitors stayed a total of 126,000 nights in the Region and the average length of stay was 7.6 nights.

In 2003, the \$3.0 million second stage of the Esperance Jetty Resort was completed bringing the number of apartments in the four star resort to 35, with additional facilities such as a solar heated pool, giant chess set, shaded barbeque area and large children's playground available.

In terms of new tourism attractions, Esperance Diving & Fishing's impressive \$1.5 million diving and fishing charter boat - 'Southern Spirit' arrived during August 2005.

FISHING AND AQUACULTURE

The Region's commercial fishing fleet principally operates out of Esperance, with the catch including finfish, crabs, lobsters and molluscs. In 2004/05, the value of the catch was estimated at \$10.1 million compared to the 2003/04 catch of \$12.6 million. The live weight catch for 2004/05 was estimated at 888 tonnes.



Source: Department of Fisheries.

Mollusc

The total mollusc catch in 2004/05 (principally scallop and abalone), was 167 tonnes, valued at an estimated \$6.7 million. This was the most valuable catch in the Region, accounting for 66 per cent of the regional total.

Finfish

The most common fish species caught include gummy, whiskery and bronze whaler sharks, pilchard, snapper and mackerel. The live weight catch for 2004/05 totalled 679 tonnes, worth an estimated \$2.3 million. This was down from the 837 tonnes caught in 2003/04, when the value of the catch was estimated at \$2.6 million.

Shark fisheries (a controlled fishing area) have been strictly managed to reduce the exploitation rate and to rebuild stocks.

A significant part of the south coast fishing industry is providing bait products (pilchard) for both recreational fishers and for commercial fishing.

Southern Rock Lobster

Southern rock lobster and various deep-sea crab species are found in the Esperance Rock Lobster Managed Fishery. A favourable rock lobster habitat supports a small, but significant and relatively secure rock lobster fishery. In 2004/05, the lobster catch was 34 tonnes and valued at an estimated \$0.9 million. This was down from the \$1.1 million in 2003/04 and the \$1.7 million in 2002/03.

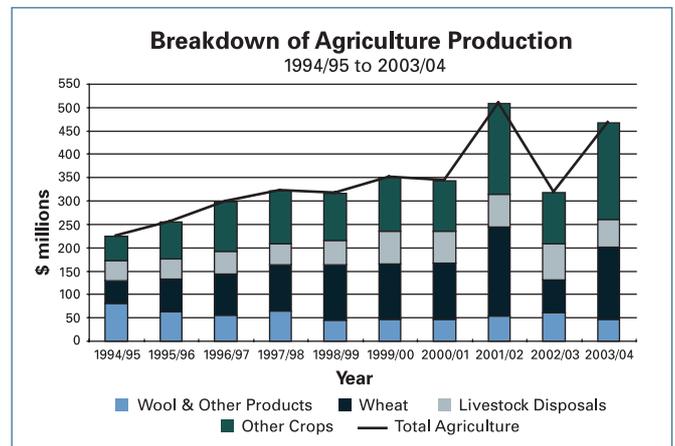
Aquaculture

Aquaculture in Goldfields-Esperance is an embryonic industry with potential. The Esperance Marine Institute, incorporated in August 2001, is a marine training, discovery, education, research and development facility, with a focus on creating employment and industry opportunities in marine-related activities, such as aquaculture. In addition, Curtin University has established (early 2003) the Bandy Creek aquaculture training facility, complete with hatchery, nursery, laboratories and training rooms.

The Esperance area offers the potential for both inland and ocean-based aquaculture. Interest in yabbies, marron, silver perch and black bream is strong and a number of pilot trials are underway to assess the viability of on-farm aquaculture projects, some in salt-affected wetlands. There have been a number of proposals for the establishment of land-based hatcheries and growout facilities for abalone.

AGRICULTURE

Agricultural activities vary across the Region. There is a significantly higher annual rainfall in the Esperance-Ravensthorpe area than in the arid Goldfields. Cropping, cattle and sheep farming dominate in the southern sub-region, and sheep are run on pastoral properties in the north (although mining companies now own many pastoral properties). In 2003/04, there were 611 agricultural holdings in the Region, covering an area of 14 million hectares. Agricultural production was valued at \$466.5 million in 2003/04, a 47.5 per cent increase on the \$317.3 million in 2002/03.



Source: Australian Bureau of Statistics.

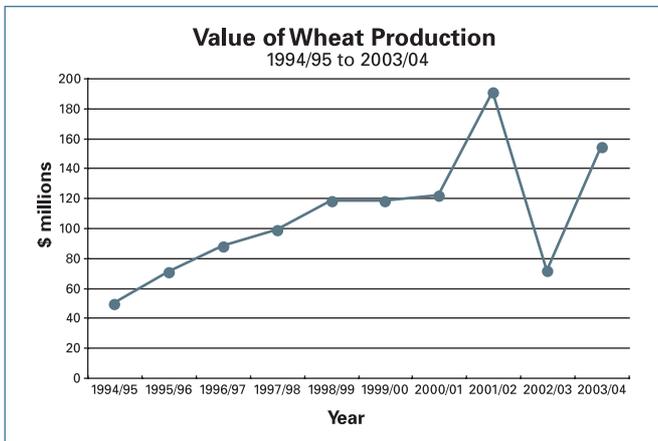
The main agricultural production in the Region is broadacre crops, which include wheat, barley, oats and triticale, lupins and canola. Meat production (principally lamb and beef) and wool are also important.

Crops

The value of crops was \$360.6 million in 2003/04, which was 8.1 per cent of State's total production. The major crops were wheat (\$154.0 million), barley (\$113.8 million) and canola (\$46.5 million), which accounted for 6.3 per cent, 21 per cent and 20 per cent of the State's production respectively.

Wheat

Since 1994/95, there has been an upward trend in the value of wheat production reaching \$191.0 million in 2001/02. After a subsequent fall in value to \$71.3 million in 2002/03, the Region more than doubled its value of wheat production, to reach \$154.0 million in 2003/04. In terms of quantity, production in 2001/02 amounted to 475,916 tonnes, decreasing to 271,486 tonnes in 2002/03 and increasing to 696,058 in 2003/04. The large fall in production occurred during a period of drought as the subsequent higher production is due to improved rainfall. The fluctuations in value are more influenced by the movement of the exchange rates and fluctuating international supply and demand on top of the climatic changes.



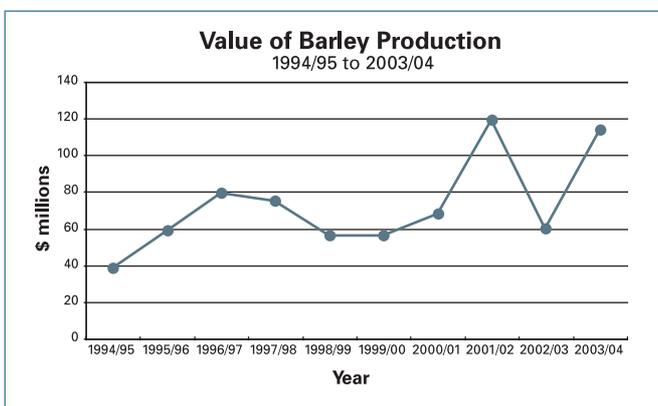
Source: Australian Bureau of Statistics.

ABARE suggests that the international production of wheat will decline by around four per cent in 2005/06 due to demands for alternative grains, or because of adverse climatic conditions in some of the larger wheat producing countries. Wheat stocks are also expected to decline over the same period, as imports are reduced because of higher world prices. By contrast, Western Australia, the largest wheat producing state in Australia, with favourable climatic conditions is expected to increase its production output by 20 per cent in 2005/06.

Barley

The value of barley production in 1994/95 was \$38.2 million, which increased reaching a peak of \$118.7 million in 2001/02. After dropping to \$59.9 million (2002/03) the value of barley production rose to \$113.8 million in 2003/04. In terms of quantity, 359,426 tonnes of barley were produced in 2001/02, falling to 261,693 tonnes in 2002/03 before rising to 666,159 tonnes in 2003/04.

The pattern of barley production is similar to that for wheat with fluctuations in production (in tonnes) reflecting the climatic conditions and the value being influenced by international forces. ABARE forecasts that Australia's production of coarse grains in general (includes barley and corn) will decline in 2005/06. However, because of the better seasonal conditions in Western Australia, production is expected to increase.



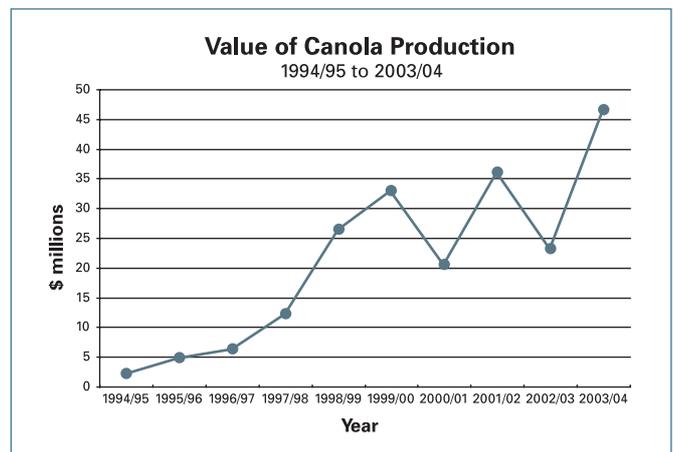
Source: Australian Bureau of Statistics.

Legumes

In 2001/02, legumes were valued at \$21.9 million, which like other broadacre crops, dropped in value due to adverse climatic conditions to \$9.4 million, before increasing to \$21.5 million in 2003/04. Legume production in 2003/04 consisted of lupins (\$7.7 million), field peas (\$12.2 million), and faba beans (\$1.5 million) being grown in smaller quantities. Legumes grown in the Goldfields-Esperance Region accounted for 8.7 per cent of Western Australia's production in 2003/04.

Canola

Canola production has grown in value steadily, from \$2.1 million in 1994/95, reaching \$12.1 million in 1997/98 and increasing to \$46.5 million by 2003/04. In 1997/98, 30,971 tonnes of canola was cultivated and by 2003/04, this increased to 108,738 tonnes.



Source: Australian Bureau of Statistics.

ABARE forecast that world oil seed price will decline from the 2003/04 value of US\$321 per tonne, over the following two years, reflecting a decline in world production and a fall in international demand. Approximately two thirds of oil seed consumption is as feed for chicken and pigs and with the threat of "bird flu" in Asia, the demand for poultry is expected to fall. This will be offset to a degree with the increased demand for canola vegetable oil in Asia.

In Australia, with the less than satisfactory climatic conditions experienced in the eastern states, canola planting has decreased. This in turn is being partially offset by increased planting in Western Australia, where the rainfall is more suitable. Thus ABARE is forecasting increased canola yields in Western Australia, with WA producing over half of Australia's total production in 2005/06.

Livestock Disposals and Products

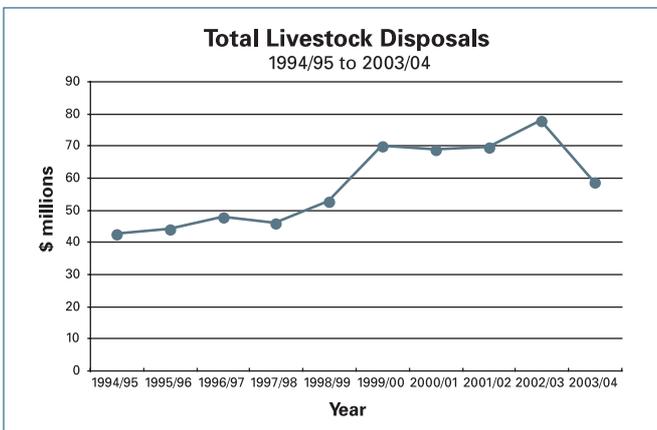
Livestock disposals include the slaughter of sheep and lambs, cattle and calves, pigs and poultry and goats, as the major commercial species. Wool production, eggs, honey and milk are the major livestock products.

Meat

Livestock production takes place on improved pastures in the south of the Region, as well as on pastoral leases in the north. The rangelands in the Goldfields-Esperance Region cover an area of approximately 125,932 square kilometres, which is 16 per cent of the Region. Cattle (for meat) numbers rose from 137,435 in 1997/98 to 141,855 in 2003/04. In addition, the number of sheep and lambs rose from 930,649 in 1997/98 to 2,039,956 in 2003/04.

Livestock disposals for 1994/95 were valued at \$42.4 million, which increased to \$77.5 million in 2002/03, before dropping to \$59 million in 2003/04. Livestock disposals in 2003/04 accounted for 12.6 per cent of the Region's total agricultural production and consisted of calves and cattle valued at \$26.3 million, sheep and lambs (\$30.6 million), pigs and poultry (1.3 million) and goats valued at \$421,254.

The industry in the Goldfields-Esperance Region is serviced by the Shark Lake Meat Works, located just north of Esperance.



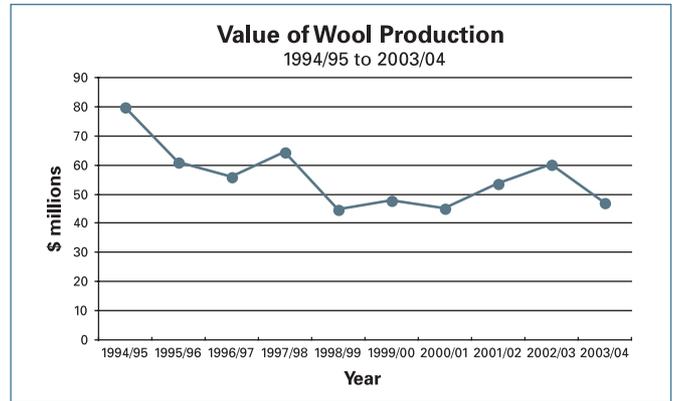
Source: Australian Bureau of Statistics.

Wool

Good autumn rains in Western Australia have led to restocking the State's flock and will result in higher sheep and lamb slaughtering in 2005/06. Thus, Western Australia's share of the national flock could rise above the current level of 25 per cent. The fortunes of the overseas beef market will largely be determined by the resumption of beef exports from the USA to Japan. If this trade is resumed in 2005/06 then Australian exports to Japan will have to be diverted to other markets and the price of beef will fall.

Live cattle exports are forecast to increase following the signing of agreements with Eritrea, Saudi Arabia and Jordan. Cattle exports to Indonesia are also expected to continue. By contrast live sheep exports dropped in 2004/05, but with new agreements signed with governments in the Middle East, exports are expected to increase in 2005/06.

As stated, the number of sheep and lambs rose from 930,649 in 1997/98 to 2,039,956 in 2003/04. Wool production in 1994/95 was valued at \$79.5 million. Subsequently, the value of wool production fluctuated over the decade and in 2003/04 amounted to \$46.9 million.



Source: Australian Bureau of Statistics.

Similar to the other regions across Western Australia, there has been a decrease in the value of wool production. This downward trend was largely due to the fall in wool prices. The greatest competition to wool is from synthetic fibres. The price for fibre is largely determined by the world price for oil. If oil prices drop slightly in the short term, synthetic fabrics will be cheaper and increase the competition with wool. Wool exports to China have offset this trend to some extent.

The ABARE outlook for wool production in Western Australia is for a moderate increase in quantity in 2005/06. Better climatic conditions have allowed restocking to take place in the State.

FORESTRY

Landcare with potential commercial returns has been the catalyst for an evolving forestry industry in the south-east sub-region. Bluegums, pines and oil mallees are some of the varieties that present potential controls for water table imbalance and effective means for managing salinity. Eucalyptus oil, woodchips, sawlogs, biomass for renewable energy, carbon sequestration and the extraction of activated carbon from wood offer commercial returns that are attracting significant tree plantings both on farms (alongside traditional crops) and in plantations.

Bluegums and pines are being grown for sawlogs, while a review of possible alternative species is being undertaken. The oil mallee industry is looking at integrating plantings in alley format with traditional agriculture, be it cropping or grazing operations, for eucalyptus oil, biomass energy or activated carbon.

The most valuable timber harvested in the Goldfields-Esperance Region is sandalwood. All sandalwood produced in Western Australia comes from the Goldfields-Esperance Region and is harvested from natural stands on private and Crown lands through contractors. Wescorp International is responsible for processing and marketing all Crown land sandalwood.

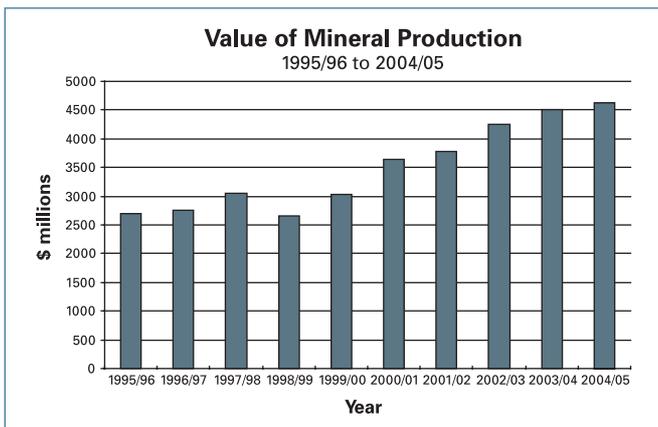
In 2003/04, 2,170 tonnes of sandalwood were harvested with an export value of \$10.1 million. The average return is estimated at \$4,654 per tonne. Sandalwood is exported to Asian markets where it is used in the production of joss sticks and other aromatic products.

The Goldfields-Esperance Region also has about 15 million hectares of acacia woodland and eight million hectares of eucalypt woodland. Various species are cut from the Region for the production of firewood, fence posts, high-value feature logs and mining timber. The timber produced in the Region is prized for its density and attractive grain, which makes it suitable for woodturning and in the manufacture of parquet flooring and musical instruments.

MINING

The Goldfields-Esperance Region's economic strength is due largely to the extraction and processing of its mineral resources. Mining has been central to the development of the Region's economy and in particular, to the establishment of the towns of Coolgardie, Kalgoorlie, Boulder and Norseman following the discovery of gold in 1892. Menzies, Leonora and Laverton also developed following gold discoveries, and Leinster was established in the 1970s to service the new Leinster nickel mine. Kambalda was originally a gold town between 1897 and 1906, but is now associated with nickel since the commencement of mining in the mid-1960s.

In 2004/05, the Region's mining sector continued its strong trend, setting another record year in mineral production. Total production was valued at \$4.6 billion, which is equivalent to 14 per cent of the State's mineral and petroleum total. Growth is facilitated by the buoyant nickel market, where the value of nickel had increased by more than 7 per cent in the past year. Over all, the total value of mineral production has nearly doubled since 1995/96 when production was valued at \$2.7 billion.



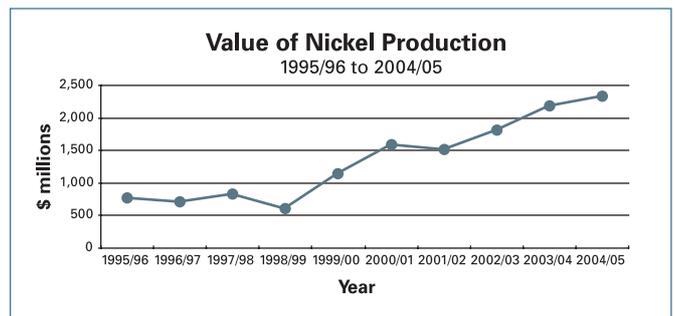
Source: Department of Industry and Resources.

Nickel and Nickel Concentrates

Western Australia currently accounts for all Australia's nickel production, which is equivalent to 15 per cent of world production. In the Goldfields-Esperance Region, nickel is mined in the Shires of Leonora, Laverton, Coolgardie, Dundas, and Ravensthorpe and mined and smelted in Kalgoorlie-Boulder. The metal is primarily used to produce stainless steel. Other uses are in nickel alloys, electroplating, chemicals, catalysts and batteries. Two commercially exploitable ore types, sulphide and laterite, are mined in the Region. A significant greenstone belt hosting nickel deposits stretches from the north-eastern Goldfields to Ravensthorpe in the south-east.

The Goldfields-Esperance Region is rapidly establishing itself as one of the world's principal nickel provinces. The processing skills being developed (especially in relation to laterite nickel) are in themselves a valuable export commodity.

In 2004/05, total value of nickel production in the Region reached a record \$2.3 billion (66 per cent of the total value of nickel for WA), a seven per cent increase compared to the previous year and a 29 per cent increase compared to 2002/03. In 2004/05, the value of nickel production consisted of nickel concentrates (\$1,720.6 million), cobalt by-product (\$21.6 million), cobalt metal (\$139.8 million), cobalt sulphide (\$16.0 million), palladium by-product (\$6.3 million), platinum by-product (\$2.9 million) and nickel metal (\$420.2 million).



Source: Department of Industry and Resources.

The record value resulted from a higher international nickel price, which increased by 30 per cent in Australian dollar terms in 2003/04 and further increased by 17 per cent in 2004/05. These increases were of sufficient magnitude to offset the appreciation of the Australian dollar.

Western Australia's nickel export value continues to rise. In 2003/04, nickel exports amounted to \$589.7 million, which increased to \$641.7 million in 2004/05. The major markets are Canada, Finland and the rapidly growing China market.

There are a number of significant nickel projects in the Region. Minara Resources' Murrin Murrin project, located 60 km east of Leonora, is the largest of the new lateritic nickel operations. The project consists of a mine and a processing plant, which has a design capacity of 45,000 tonnes of nickel and 3,000 tonnes of cobalt per annum. The \$1 billion plus project is largely fly-in/fly-out, with an airport on site. It has a proposed mine life of 30 years, and an estimated permanent mine workforce of 600.

The Cosmos Nickel Project operated by Jubilee Mines, 30 kms north of Leinster, commenced production in April 2000 and in 2003/04 produced 14,420 tonnes of nickel. Production was lower than the previous year due to the conversion from open-pit to underground mining.

BHP Billiton, Nickel West (formerly Western Mining Corporation (WMC) Ltd) has nickel operations at Kambalda and Leinster as well as Mount Keith in the Shire of Wiluna, which is immediately north of the Goldfields-Esperance Region. These mines produced more than 91,000 tonnes of nickel in 2003/04. Nickel West operates a nickel smelter at Kalgoorlie-Boulder and a refinery at Kwinana.

Another major producer is LionOre Australia (Nickel) Ltd's Emily Ann nickel sulphide project, west of Norseman, in the Shire of Dundas. The underground mine is serviced by a nickel sulphide concentrate plant with an annual capacity of 500,000 tonnes per annum, producing an average of 7,000 tonnes of nickel. Future upgrading of the mine and plant could increase production capacity to 750,000 tonnes of ore producing 11,000 tonnes of nickel.

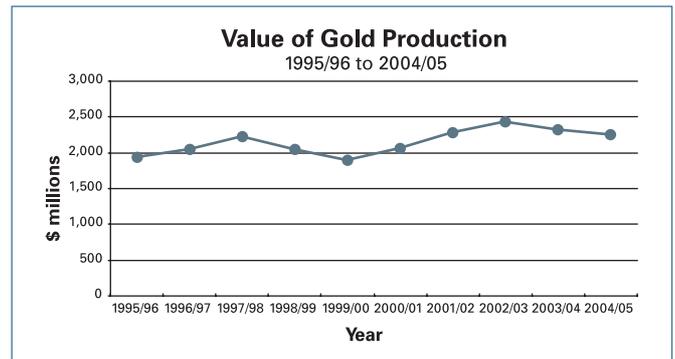
A significant project in recent years is BHP Billiton's \$1.8 billion Ravensthorpe nickel laterite mine and hydrometallurgical facility. The development will establish the Shire of Ravensthorpe as an important nickel production zone, while facilitating social and economic developments in surrounding communities. The State Government committed \$45 million towards the economic and community infrastructure to support the Ravensthorpe Nickel Operation and assist BHP Billiton establish a locally based workforce in the Shires of Ravensthorpe and Esperance. The Commonwealth and BHP Billiton committed \$9.8 million and \$9.5 million respectively. In addition, BHP Billiton has committed to provide permanent local accommodation. The Ravensthorpe Nickel Operation will create 1,400 jobs during construction, up to 360 operational jobs and about 900 indirect jobs in WA.

The Ravensthorpe Nickel Operation is expected to produce 180,000 tonnes of nickel/cobalt hydroxide per annum, which will be shipped from the Port of Esperance for processing at the company's Yabulu refinery in Queensland. With the completion of construction in late 2006, the first shipment is planned to occur in mid 2007 with full production capacity reached by the second half of 2008. The mine life is expected to be 25 years. Upon completion, the Ravensthorpe Nickel Operation will rival Murrin Murrin as one of Western Australia's principal nickel mines.

Gold

Goldfields-Esperance is one of the world's richest gold mining areas. Gold production occurs in the Shires of Coolgardie, Dundas, Laverton, Leonora, Menzies and the City of Kalgoorlie-Boulder. In 2004/05, the Region's gold production was valued at \$2.2 billion, equivalent to 74 per cent of the State's total gold production by value.

Gold production is determined by the international gold price and the exchange rate. In 2003/04, international gold prices averaged \$US389 per ounce. However, the value of the Australian dollar appreciated against the US dollar by more than 22 per cent in 2003/04. In addition gold production also fell by 6 per cent in volume. As a result, the Region's value of gold production fell by 5 percent in 2003/04 and a further 3 per cent in 2004/05. In more recent times (2005/06) the price of gold has risen to over \$US560 per ounce, resulting in renewed exploration and production.



Source: Department of Industry and Resources.

The gold industry has rationalised over the years in Kalgoorlie-Boulder, leaving only one company, Kalgoorlie Consolidated Gold Mines, operating the Super Pit, one of Australia's largest gold mines. Located at the southeast corner of the City of Kalgoorlie-Boulder, the project has a plant capacity of 13 million tonnes per annum.

Other major gold mining projects in the Region include: the Saint Ives mine, an open-cut underground operation situated 75 kilometres south-east of Kalgoorlie; Sunrise Dam mine, located 55 kilometres south of Laverton; the Plutonic mine, located 180 kilometres from Meekatharra; the Kalgoorlie West project; and the Granny Smith mine, 23 kilometres from Laverton. Other key projects in the Region consist of Kanowna Belle, Agnew and Hill 50. Ownerships of the above projects were split amongst the world's six top gold companies and subsidiaries.

New gold projects continue to emerge in the Region, with the Sunrise Dam expansion, Mungari East (Frog's Leg) underground gold prospect and the Chatterbox project currently being developed. Other anticipated gold developments in the Region include the Kundip, Rosemont, Keith Kilkenny, Aldiss Tenements, Mt Ida, Sand George and Laverton projects.

Other Minerals and Projects

Lynas Corporation's Mt Weld Rare Metals Project, near Laverton, received project approval in the December quarter, 2003. A feasibility study was completed in 2004. The operation at Mt Weld can process up to 121,000 tonnes per annum of rare earth concentrates, containing 40 per cent rare earth oxides. Lynas has agreed to toll-treat the rare earth concentrates in China, through the Gansu Rare Earths Group.

Other metals and minerals produced in the Region in 2003/04 include limestone/limes (\$18.7 million) and copper by-product (\$8.8 million).

MANUFACTURING

The manufacturing industry makes a valuable contribution to the Region's economy, with the majority of establishments located in the City of Kalgoorlie-Boulder and Shire of Esperance.

Manufacturing activity in Kalgoorlie-Boulder principally supports the local mining, exploration and pastoral industries, producing commodities such as explosives, drilling equipment and machinery. In Esperance, manufacturing is oriented towards servicing the local fishing industry or agricultural industries, which include seafood processing, abattoir activities, metal fabrication and light engineering.

In 2001/02 (most recent data), the number of manufacturing locations in the Region totalled 320. Metal product and machinery and equipment together accounted for over 54 per cent of the total locations. Sales and service income from manufacturing activities were estimated at \$968.7 million. Total wages and salaries were estimated at \$78.1 million.

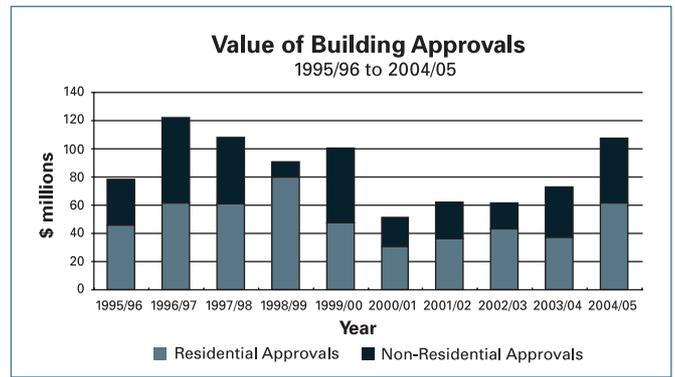
In 2001, the manufacturing sector employed 6.0 per cent of the Goldfields-Esperance's labour force (ABS Census 2001 – Usual Residence).



Source: Australian Bureau of Statistics, Revised Manufacturing Census Data.

CONSTRUCTION

The value of building approvals for 2004/05 was estimated at \$107.4 million. This was a 46.5 per cent increase on the 2003/04 total of \$72.9 million. The value of building approvals in the Region has returned to its pre-Goods and Service Tax (GST) level for the first time since the tax was introduced. The prospect of the change to the tax system in 2000/01 resulted in many construction approvals being brought forward, and as a result, building approvals contracted sharply after the introduction of the GST from 100.6 million in 1999/00 to just 51.4 million in 2000/01.

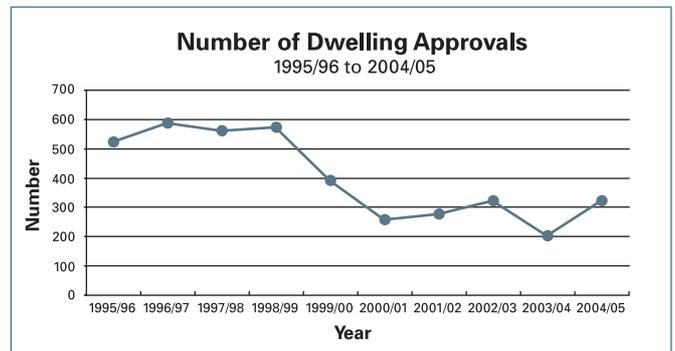


Source: Australian Bureau of Statistics – Building Approvals.

Residential Construction

The number of new residential dwelling approvals in the Region fluctuated in recent years. Dwelling approvals increased from 274 in 2001/02 to 319 in 2002/03 before falling back to 201 in 2003/04. In 2004/05, there were 319 new dwellings approved in the Region, with an estimated value of \$61.4 million (averaging \$192,476 each) compared to \$37.5 million in 2002/03 (averaging \$186,567 each).

Of the 319 dwelling approvals in the Region, 186 approvals worth \$33.3 million were granted for the City of Kalgoorlie-Boulder and a further 80, with a value of \$15.7 million were for the Shire of Esperance.



Source: Australian Bureau of Statistics – Building Approvals.

Non-Residential Construction

Non-residential building activity varies considerably each year. The value of non-residential approvals in 2002/03 was \$18.5 million, which increased to \$35.5 million in 2003/04. By 2004/05, non-residential approvals have increased to \$46 million, 42.8 per cent of total approvals.

In the 2006/07 State Budget, funds were committed towards the improvements of the Esperance Port Authority (\$3.2 million); new primary school in Hopetoun (\$3 million); upgrade of the Kalgoorlie Court (\$1.8 million); and Kalgoorlie Health Regional Resource Centre (\$1.5 million).

The \$3 million Leonora Aquatic Facility was officially opened in December 2005. The facility was funded by the Shire of Leonora and the Department of Sport and Recreation and includes a 25-metre pool, shade and viewing areas.

As of the end of 2005, \$5 million in funding had been accumulated, through both corporate and State Government sponsorship, to develop the Kambalda Community and Recreation Centre, which is planned to open in 2007.

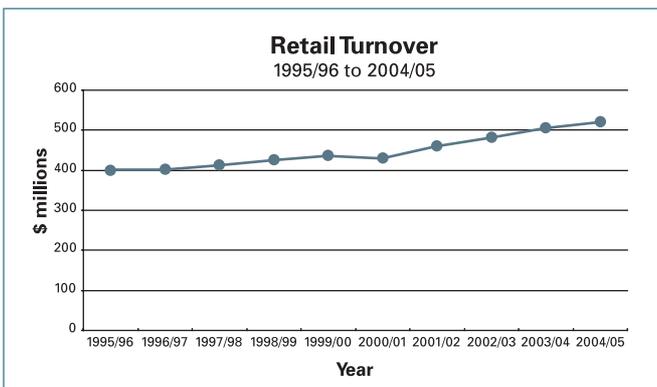
COMMERCE

The strength of the mining and rural industries in the Goldfields-Esperance Region continues to support a wide variety of general commerce, including enterprises in the fields of transport, engineering, equipment and labour hire, consultancy services, laboratories, drilling and contracting, communications and waste disposal. As the mining sector is highly computerised, a number of specialist companies have established in Kalgoorlie-Boulder to service this market. Internet Service Providers are also located in Kalgoorlie-Boulder and Esperance.

Esperance is the regional centre for the south-east agricultural area, which extends from Ravensthorpe eastwards to Condingup and north to Salmon Gums. Many businesses in Esperance have been established to service the needs of the agricultural and fishing industries.

Kalgoorlie-Boulder and Esperance offer a range of banking and financial services, industrial, building and home maintenance supplies, real estate, retail, hospitality and accommodation facilities. Kalgoorlie-Boulder is the Region's principal administrative centre, with State and Commonwealth government agencies located there.

The last retail census in 1991 indicated a retail turnover for the Region of approximately \$289.6 million. Estimates have since been derived by the Department of Local Government and Regional Development, based on annual changes in the State and the Region's population and State retail turnover figures. For 2004/05, retail turnover was estimated at \$518.9 million.



Source: 1991/92 Australian Bureau of Statistics, 1995/96 to 2004/05 Department of Local Government and Regional Development.

PROJECT INVESTMENT

Investment plays a vital role in regional economic growth and development. The Goldfields-Esperance Region offers many exciting business and investment opportunities. Investment in the Region remains buoyant since December quarter 2002, with total values ranging from \$5.1 billion to \$5.9 billion in June 2005 quarter.

Projects under consideration have always been the largest component of project investment and in June 2005 this amounted to \$3.9 billion. Of the remainder, there were 7 projects worth a total of \$1.7 billion currently under construction and an additional 6 projects worth \$0.4 billion that have been approved and committed to.



Source: Access Economics- Investment Monitor.

INDIGENOUS ECONOMIC DEVELOPMENT

The Goldfields-Esperance Region has a significant Aboriginal population, particularly in the northern shires of Ngaanyatjarraku, Laverton, Leonora and Menzies. The main employment for Aboriginal people in these shires has been through Community Development Employment Programs (CDEP), which aim to meet community needs, develop the participant's skills and provide pathways into mainstream employment. However, the Commonwealth and State governments are focusing on ways to increase and support the development of community and individual employment and enterprise across a number of industry sectors.

In the southern half of the Region, agriculture, aquaculture, retail, tourism and art are currently the main industries attracting Indigenous economic participation, with a likely increase in the mining sector from the development of the BHP Billiton Ravensthorpe Nickel Operation.

Mining

Mining companies across the Goldfields sub-region have recognised the value of working closely with Aboriginal organisations and communities to increase the numbers of Aboriginal people directly employed in the mining workforce. They are also assisting Aboriginal-owned enterprises to become more competitive in tendering for work contracts, as a proactive means of addressing the skills shortages facing the industry, and reducing the need for fly-in/fly-out workers.

A number of the participating mining companies have been involved in the Indigenous People in Mining project, which has been coordinated by the Goldfields-Esperance Development Commission since 2000 when it commenced promotions of Indigenous businesses at the annual Goldfields Mining Expo. The first Indigenous People in Mining Business Directory produced in 2000 contained profiles of 21 Indigenous businesses. By contrast the fifth edition produced for 2004/05 contained 40 profiles with the majority of the original businesses still operating, and several companies, working on a number of sites across the State.

Arts and Culture

Aboriginal people living in remote communities have extremely limited employment opportunities. Art centres are among the only long-term, community based enterprises that provide crucial employment and training opportunities by offering a local solution, based on a culturally appropriate model. The art centres operate as cooperatives offering sustainable employment, both in arts practice and in management/support roles, while becoming significant contributors to the social and cultural wellbeing of the community, supporting and preserving land and culture.

Since the opening of the Tjulyuru Cultural and Civic Centre (incorporating the Tjulyuru Art Gallery) in Warburton in October 2000, the development and promotion of Indigenous art in the Shire of Ngaanyatjarraku, the most northern shire in the Goldfields-Esperance Region has increased exponentially. Art Centres are now operating in Blackstone (Papulankutja), Irrunytju (Wingellina), Patjarr and most recently in Warakurna.

These centres have been developed as high-performance, best practice enterprises, established to return maximum benefits to artists and their communities. The success of these centres in recent times is a testament to their commitment to capacity building in their home communities. All centres are actively marketing nationally and internationally.

The communities of Tjuntjuntjarra and Ilkurlka to the east of Kalgoorlie-Boulder have also been strengthening their arts practices and promotions with successful exhibitions in London, Zurich and Amsterdam. Smaller groups based in Laverton Leonora, Menzies, Norseman, Coolgardie, Kalgoorlie-Boulder and Esperance are working to increase the production and marketing of their arts to visitors and to wider audiences via websites, touring exhibitions and agreements with city-based arts dealers.

Tourism, Retail and other business ventures

Tourism is a developing industry in the Goldfields-Esperance Region. Based in Esperance, Kepa Kurl is the major Indigenous tourism operator, offering an extensive range of traditional and contemporary art, artefacts, decorative items, and cultural tours in and around the coast and national parks of the area. Kepa Kurl and its operators have won several tourism awards in recent years.

To the north, a number of Indigenous communities own and operate roadhouses (often incorporating a gallery or showroom to sell paintings, baskets and artefacts). These enterprises have been providing visitor accommodation, meals and services in the more remote areas of the Region catering to travellers seeking an Outback tourism experience.

Interest in establishing new tourism and retail operations is gaining momentum, with the expectation that several will be underway in early 2007.

INFRASTRUCTURE

Electricity

Electricity is provided to commercial, industrial and residential consumers across the Goldfields-Esperance Region through a variety of arrangements.

Western Power's large South West Interconnected Grid System (the SWIS) services Coolgardie, Kalgoorlie-Boulder, Kambalda and Ravensthorpe. The privately owned TransAlta Power Station at Parkeston (just east of Kalgoorlie-Boulder) augments the SWIS, supplying several major mining operations in the Goldfields, as well as other major customers.

Western Power separated into four new stand-alone energy businesses in April 2006. They are responsible for maintaining, improving and expanding the South West Interconnected System (SWIS).

The town of Laverton is currently supplied with electricity from Western Power using diesel generators. This will be replaced by a station operated by Statewest Power (a subsidiary of Wesfarmers Western Power diesel stations). Statewest Power already supplies power in Leonora using gas generators. Menzies has a new power station owned by Energy Generation P/L. In Norseman and Leinster, local mining companies use diesel to generate electricity on behalf of Horizon Power for the towns as well as the mines.

Esperance and surrounding areas are supplied electricity by a combination of gas-fired and wind-generator. Horizon Power purchases the energy under a power purchase agreement with Burns Roe Worley (BRW). The Port of Esperance also purchases electricity directly from Burns Roe Worley for its operations.

BRW is providing electricity supply to Esperance from an automated but manned, dual fuel, gas turbine power station located at the Esperance Port. Power is provided using six Solar Taurus T60, 5.5 MW, dual fuel (liquid and gas) turbine generators and two 300 kW black start Detroit diesel generators. Wind power is generated at Nine-Mile Beach and Ten-Mile Lagoon wind farms, just west of Esperance, which together supply up to 5.6 MW of renewable energy.

Hopetoun and its adjoining hinterland are supplied on a local network, generated through a combination of diesel and wind generation by Horizon Power.

The Ravensthorpe Nickel Operations has elected to generate its own supplies. BHP Billiton presently uses diesel technology and will also utilise waste heat from the processing plant, when it commences operation in 2007.

To strengthen the SWIS in the Ravensthorpe area, an upgrade of the supply capacity is currently being examined. While this is undertaken, Western Power will install additional temporary generation capacity to cope with any upswing in local demand, created from normal load growth.

Gas

The Goldfields-Esperance Region is serviced by a natural gas pipeline system that originates on the Western Australian Pilbara coast, and runs through the northern and eastern Goldfields to Esperance. This pipeline system is owned and managed by various organisations.

The Goldfields Gas Pipeline (GGP) is a joint venture owned by Goldfields Gas Transmission and Alinta Gas and operated by Agility Management Pty Ltd. This 1,380 km long pipeline services communities and mines from the Pilbara to Kalgoorlie-Boulder at Paraburdoo, Turee Creek, Newman, Plutonic, Wiluna, Jundee, Mt Keith, Leinster, Murrin Murrin, Leonora, Cawse and Kalgoorlie-Boulder.

The Goldfields Gas Pipeline has a current output of around 102 tetra joules per day (TJ/d), but is capable of delivering up to 168 TJ/d with additional compression. Four compression stations are now online and there is indication of increasing demand from mining and commercial centres in the near future. There are significant private sector commitments to power generation along the length of the pipeline that will see increased usage.

National Power Services maintain and operate the gas reticulation in Kalgoorlie-Boulder for Alinta Gas. Gas reticulation to the domestic, business and industrial customers in the City commenced in early 1998 and since then over 97 per cent of Kalgoorlie-Boulder has been provided with reticulated gas. Approximately 5,000 customers are connected to natural gas at this stage.

A 40 km extension to the Goldfields Gas Pipeline from Kalgoorlie-Boulder to Kambalda is owned by Southern Cross Pipelines Australia Pty Ltd and operated by Agility.

In 2004, the pipeline system was continued a further 341 kms from Kambalda to Esperance by the Esperance Pipeline Company (EPC). National Power Services maintain and operate the Esperance gas service for the EPC. The towns of Esperance and Nulsen have recently had their gas reticulation completed and work is continuing to extend the service in the area.

Water Supply

Potable water for the Goldfields sub-region is piped 600 kilometres from Mundaring Weir near Perth to Kalgoorlie-Boulder. The pipeline, which was opened in 1903, underwent significant upgrading in 1998. Sections of the pipeline were replaced and the storage capacity in Kalgoorlie-Boulder was significantly increased. The Goldfields and Agricultural Water Supply (GAWS), as the pipeline is known, also services Kambalda and Norseman via a lateral line.

The water requirements of the Shires of Menzies, Laverton and Leonora are supplied by combining surface catchment dams and bore field methods.

Esperance obtains its water from an underground aquifer to the west of the town, which is tapped by bores. Ravensthorpe depends primarily on underground bores producing saline

water, which is desalinated prior to mixing with limited catchment water collected during the winter months. Another desalinator will be added in the near future to give greater capacity to the town's growing population.

Hopetoun has relied to this time on potable underground bores, but with the increase in population occurring a source of underground saline water will be accessed and a desalinator installed.

The Water Corporation has an ongoing capital investment program to upgrade pump stations, pipelines, storage reservoirs and water treatment along the GAWS. The program of upgrades will continue to meet the projected growth in domestic and commercial usage in the eastern Goldfields and improve the security of supply to the Region.

Included in the Water Corporation's capital investment program in 2006/07 is a \$36.4 million upgrade to Kalgoorlie-Boulder water storage and treatment facilities. The first stage of the project is scheduled for completion by the end of 2008. The \$70 million project includes construction of a 200 ML roofed storage reservoir, a new water treatment plant and a pump station just west of Kalgoorlie-Boulder. A new pipeline will also be constructed to take water from the new storage reservoirs to Mt Percy and Mt Charlotte high-level storages. The second stage will be the construction of another 200 ML roofed storage reservoir scheduled for completion in 2011. The new reservoirs will nearly double the amount of potable water currently stored in Kalgoorlie-Boulder.

A \$4 million upgrade of the Kambalda water supply and wastewater infrastructure to improve water pressure, water quality and system reliability is scheduled for completion by 2008. The upgrade works will include the provision of roofs on the Kambalda water storage tanks to improve water quality and safety, and upgrading of chlorination equipment at several sites. Improvements will also be made to the wastewater treatment plant.

In addition to the above, a number of projects are progressing throughout the Goldfields-Esperance Region to improve water quality at existing Water Corporation water supply facilities. A \$3 million water treatment plant at Laverton is being constructed and commenced operation in 2005. A \$4 million desalination plant was recently completed at Leonora and desalination plants are scheduled for completion at Hopetoun and Menzies by 2007/08.

In 2005, United Utilities Australia proposed a strategic desalinated water source. This \$400 million project would provide up to 35 gigalitres of water a year, independent of rainfall and climate change. The desalination plant would be built on Esperance Port Authority land and powered by the nearby BRW Power Generation gas fired power station. The water supply would be available to all towns and industry along the 400 km pipeline. Potentially localities to the north, west and east of the Kalgoorlie-Boulder area will access supply including the Mungari Industrial Estate.

Roads

The Goldfields-Esperance Region has excellent road infrastructure. The Great Eastern Highway links Kalgoorlie-Boulder with Perth. The Eyre Highway links the Region and the State with the rest of Australia across the Nullarbor Plain. Its western terminus is at Norseman. In 2005/06 the Caiguna-East to Balladonia section of the Eyre Highway will receive a \$19.4 million upgrade via the State Government's capital works program.

The Goldfields Highway runs north from Kalgoorlie-Boulder through Menzies, Leonora and Leinster, on to Mount Keith, Wiluna and Meekatharra in the Mid-West Region. The road is sealed to Wiluna and sealing of the road to Meekatharra commenced in 2005/06. The Goldfields Highway connects with the Great Northern Highway at Meekatharra, and thus provides a link from the Goldfields to the Pilbara. The completion of this sealed link will further enhance Kalgoorlie-Boulder's position as a major transport hub and supply centre. A \$10 million upgrade of the Goldfields Highway, at Lake Raeside south of Leonora, is designed to improve the serviceability of the route and is scheduled for completion by 2007.

In addition, the Mount Magnet-Sandstone-Agnew Road creates a westerly link to the Mid West Region. The Coolgardie-Esperance Highway links the Goldfields with Esperance, and the South Coast Highway links the south-east with the Great Southern Region.

The Outback Way runs from Laverton in Western Australia to Winton in Queensland. This link (the West Australian section of which is known as the Great Central Road), when upgraded will encourage tourism and heavy haulage traffic to and from the Northern Territory and will benefit remote Indigenous communities, such as Warburton. The Great Central Road between Laverton and Docker River will undergo improvements costing \$0.55 million provided by the Federal Government in 2005/06.

Road coach services link Kalgoorlie-Boulder with Perth, the northern Goldfields and Esperance. Coach services also link the south-east centres of Esperance and Ravensthorpe with Perth and Albany. Tourist and charter bus services operate in Kalgoorlie-Boulder, Esperance and Hopetoun.

Rail

Kalgoorlie-Boulder is the junction of the Trans-Australian east-west rail artery and the rail line from Leonora in the north-eastern Goldfields area to Esperance on the south coast. Both of these lines are standard gauge, whereas lines in the south-west and mid-west of WA are narrow gauge.

In 2000, the Australian Railroad Group (ARG) purchased the rail freight business previously operated by Westrail (State Government owned). An ARG subsidiary, WestNet Rail, took control of the track and other rail infrastructure. ARG secured a 49-year lease on the State Government-owned rail corridor land, track and infrastructure, and is required to provide 'open access' to other rail freight operators under a legislated regime.

The West Kalgoorlie Freight facility operated by ARG, provides spur access for several industries including fuel, road haulage and cement, and is presently undergoing a \$2.5 million upgrade. The gantry has been removed and a forklift is now used for loading and unloading containers. The facility provides approximately 25 shunts per week for Pacific National, which has 60 trains a week passing through from Eastern Australia to Perth.

Another ARG subsidiary, Australian Western Railroad, purchased Westrail's freight assets including rolling stock, terminals and customer contracts and provides the delivery services to clients in the mining industry in the Region. Loongana Lime and Transfield are presently using ARG's Parkeston facility located to the north-east of Kalgoorlie. The line from Koolyanobbing to Kalgoorlie-Boulder was improved with concrete sleepers being introduced on about 100 km of the standard gauge line. From Kalgoorlie-Boulder the line extends to the Port of Esperance and facilitates iron ore shipments from Portman Mining's Koolyanobbing operations. The company has committed to using the Port of Esperance for iron ore exports for a minimum 20-year period. Shipments of nickel concentrate and lead carbonate are also railed from the northern Goldfields to the port via rail networks.

To assist the Koolyanobbing iron ore operations WestNet Rail has built crossing loops to accommodate 1,400 metre long trains. In addition, siding works were completed at Koolyanobbing and the Esperance Port. These changes were aimed at creating efficiencies via longer trains rather than additional trains.

The Prospector passenger train, which is operated by TransWA (a State Government entity), travels between Kalgoorlie-Boulder and Perth. A new high speed Prospector commenced service in 2004. This new service completes the 653 km trip in approximately 5 hours 40 minutes every day. This is around two hours quicker than the previous service. Stops are made at up to 16 stations along the way. In addition to this the Indian Pacific, operated by Great Southern Railway Ltd, stops at Kalgoorlie-Boulder on its 'coast to coast' journeys four times a week.

In early 2006 Babcock & Brown and Queensland Rail sought to acquire the Western Australian rail asset of ARG. The operators of the rail asset will continue as usual in the immediate future as ownership transactions are finalized.

A study into the establishment of a major multiple-user intermodal terminal hub in Kalgoorlie-Boulder is being undertaken. The key difference between the proposed facility and the one currently in place is that the current freight facility is designed predominantly for private use. The proposed intermodal hub would allow common user access with independent management. It would also be custom designed to suit today's changing industry environments.

Port

Esperance is the Region's only port and offers three land-backed berths and cargo handling facilities for iron ore, nickel concentrates, fuel, bulk grains and fertiliser.

The Esperance Port Authority is a self-funded agency of the Government of Western Australia, operating under the Port Authorities Act 1999. The Port has grown significantly in the last decade and is the largest nickel concentrate handling port in the southern hemisphere. With the completion of a \$54 million Port upgrade Esperance became the deepest port in southern Australia, capable of handling Cape Class vessels up to 180,000 tonnes, as well as fully loaded Panamax class vessels up to 75,000 tonnes. As a result, iron ore exports through the Port are expected to total more than 8 million tonnes in 2006. The Port is also a major grain-exporting hub and handles bulk imports such as fuel and fertilisers. It employs over 80 people with major flow-on effects to the regional economy.

Product moving through the Esperance Port has increased significantly from approximately 750,000 tonnes in 1991 to more than 7,200,000 tonnes in 2004. The projected tonnage for 2010 exceeds 11,200,000 tonnes.

The Esperance Port Authority's Capital Works Program for 2005/06 involves expenditure of \$36.8 million, consisting of the following key projects:

- A new common user multi-purpose bulk storage facility (\$9.6 million) to accommodate the needs of new mines and address environmental issues associated with the existing sheds. This new facility will be connected to the Port's existing private railway siding with a new 300 metre long railway spur;
- Sulphur storage and handing facilities (\$19 million) for the Ravensthorpe Nickel Operation; and
- A shore based gantry crane (\$12 million) for the Ravensthorpe Nickel Operation and third party users. This crane will be able to handle bulk and containerised cargo.

Aviation

Scheduled air services operate from Perth to Leinster, Leonora, Laverton, Kalgoorlie-Boulder and Esperance. Kalgoorlie-Boulder is the busiest regional airport in Western Australia (WA), with services provided by Skywest and Qantaslink. Skywest also services the Esperance airport. In 2004/05, Kalgoorlie Airport had a total of 178,257 inbound and outbound passengers.

Many mine employees, especially in the northern Goldfields, operate on fly-in/fly-out rosters from a Perth base. The larger mining companies, such as Minara Resource's Murrin Murrin mine, have their own sealed airstrips. A number of charter operators are based at Kalgoorlie-Boulder and service the smaller, remote mining operations and exploration camps.

The new Ravensthorpe Airport was formally opened in March 2005. National Jet Systems (NJS) BAe146 operate the Perth-Ravensthorpe route five times per week.

Other recent developments include the sealing of the airstrips at Warburton and Warakurna, located in the Ngaanyatjarra Lands, providing regular access to many Indigenous communities. The Esperance runway is also being extended to enable use of jet aircraft.

Education

Across the Goldfields-Esperance Region there are pre-primary and primary schools located in most centres, with district secondary facilities in Leonora, Kambalda, Norseman and Ravensthorpe. There is a Senior High School in Esperance and two in Kalgoorlie-Boulder. There are also private schooling options in these centres.

In 2005, the Eastern Goldfields Senior High School was officially split to become two separate schools – a middle school located on Boomerang Crescent (Kalgoorlie-Boulder Community High School) and Eastern Goldfields College located on the campus of Curtin University – Kalgoorlie. A new \$3.1 million post-compulsory learning centre was recently opened on the Esperance Education Precinct.

The State Government has allocated funding for the building of a new primary school at Hopetoun and \$7.2 million towards improvements and additions to Esperance Senior High School. \$500,000 has been allocated for new vocation, education and training facilities in Ravensthorpe.

The Kalgoorlie-Boulder based School of the Air broadcasts to students on pastoral stations and to Eyre Highway roadhouse communities. The Goldfields Camp School in Kalgoorlie-Boulder introduces students from all over the State to the history and environment of the Region.

Adult Community Education and TAFE level courses are available though the Esperance Community College and Curtin Kalgoorlie. The latter incorporates the West Australian School of Mines, Curtin Vocation Training and Education Centre, and the Centre for the Management of Arid Environments. The Centre for Regional Education (CRE) at Curtin facilitates student access to degree-level courses through the Esperance and Kalgoorlie campuses.

Health

Health Services in the Region consist of the Kalgoorlie Regional Hospital, which is the busiest and largest hospital in regional Western Australia and district hospitals in Esperance, Laverton, Leonora, Norseman and Ravensthorpe. There are also two nursing homes in Kalgoorlie-Boulder and one in Esperance.

In the 2005/06 State Budget over \$33 million was allocated to upgrading the health facilities in the Region including \$3.1 million to complete the construction of the health clinic at the remote Warburton Aboriginal community. The State Government will also invest \$30 million, over the next five years, to upgrade the Kalgoorlie Regional Hospital into a Regional Resource Centre, in order to provide more locally accessible care within the Region.

In 2003/04, the Department of Health and Ageing budgeted, over two years, for Broadband for Health program. This initiative enabled a selection of health services to be delivered by broadband thus providing specialist advice and health care to remote localities across the Internet.

General Practitioners are available in all towns, with a number of medical specialists resident in Kalgoorlie-Boulder. Other specialists make regular visits to Kalgoorlie-Boulder and Esperance from Perth. Ancillary health services such as opticians, dentists, chiropractors and child health clinics are also available in the larger centres, and in many cases are provided on a regular basis in smaller centres. Bega Garnbirringu Health Services, based in Kalgoorlie-Boulder, is the major health care provider dedicated to Indigenous people living in the Goldfields area.

In addition, the Royal Flying Doctor Service has a major base in Kalgoorlie-Boulder, servicing the local and outback communities.

Communications

Telstra provides standard telephony services throughout the Region, with Optus providing competition in the major centres. Mobile telephony is of major importance to the Region and critical to regional industries. GSM coverage is available in Menzies, Leinster, Laverton, Leonora, Kalgoorlie-Boulder, Norseman and Esperance, with CDMA coverage in many centres. There are plans to expand the CDMA network. Satellite mobile coverage is also available.

Broadband ADSL is available in Kalgoorlie-Boulder, Esperance, Hopetoun, Leonora, Kambalda West and Norseman. Currently Leinster, Laverton and Coolgardie have access to ISDN, which is a more expensive option. All other areas within the Region have access to dial-up Internet or satellite services. There is a need for ADSL coverage in Ravensthorpe and Hopetoun due to the growth of the communities from recent mining developments.

The Broadband for Health program has provided broadband access to remote communities. Even though this is only to General Practitioners, it could be used as a service point for the community.

Local communities in partnership with the Western Australian Telecentre Network and Department of Local Government and Regional Development establish Telecentres throughout the Region.

Both Kalgoorlie-Boulder and Esperance have commercial AM band radio stations (RadioWest), with a commercial FM station (HOT) broadcast on relay to Kalgoorlie-Boulder and Esperance. In October 2005, Tjuma Pulka Aboriginal Radio station commenced broadcasting on a part-time basis. A satellite service (REDFM) covers remote areas of the Region.

ABC Radio has a strong presence in the Region, with studios in Kalgoorlie-Boulder and Esperance. Both receive ABC FM, Radio National and Triple J. ABC Local Radio broadcasts, from Kalgoorlie-Boulder, are now heard in the northern Goldfields and Ravensthorpe, replacing a satellite service from Karratha. ABC TV is broadcast throughout the Region, and programs from commercial TV broadcasters GWN and WIN can be received in the major centres. SBS Television is broadcast in Kalgoorlie-Boulder, Kambalda, Esperance, Coolgardie, Laverton, Leonora and Menzies.

The Kalgoorlie Miner (six days per week) and the Esperance Express (twice weekly) are the Region's two principal local newspapers, with The Golden Mail published weekly in Kalgoorlie-Boulder. There are also numerous free community publications issued throughout the year.

Land

The Kalgoorlie-Boulder Land Release Task Force exists to ensure that an appropriate amount of domestic, commercial and industrial land is available for development.

There are three main industrial estates available in the Goldfields-Esperance Region:

- Anzac Drive Industrial Estate is a 37.5 hectare area located between Great Eastern Highway and Anzac Drive in West Kalgoorlie. The site is close to the Kalgoorlie rail freight yards, Kalgoorlie Business Park and Kalgoorlie-Boulder Airport. The estate has been designed to accommodate the increasing needs of large lot users, in particular transport and transport-related industries operating in the Kalgoorlie-Boulder area.
- Mungari Industrial Estate, located in the Shire of Coolgardie, is a heavy industry site. It has been located to meet the processing needs of the Region's raw materials, chemical production and other heavy industry. The 700 hectare estate is surrounded by a 1 km industrial buffer zone and is 25 km west of Kalgoorlie and 13 km east of Coolgardie.
- Shark Lake Industrial Park is located 14 km north of the Esperance Port. This site was selected as a collection point for road freight, prior to transfer to rail, on route to the Port. This collection point reduces freight traffic through the Esperance townsite and addresses associated amenity and safety issues.

Land is being released at Ravensthorpe and Hopetoun to meet the needs of the Ravensthorpe Nickel Operation. Twenty-four lots were released in Hopetoun, with more lots scheduled to be released for Ravensthorpe.

Over the next 20 years the 'North West Sector' of Kalgoorlie-Boulder will be developed to include a number of new suburbs and a fully grassed golf course. A project manager has been appointed to undertake the co-ordination of the final document for the design, construction and operation of a grass golf course and resort complex.

MORE INFORMATION

Publications

Goldfields Esperance Development Commission (GEDC) – Goldfields-Esperance Bulletin (Newsletter) – published quarterly

To be placed on the mailing list, please call (08) 9080 5000

The newsletter is also available at www.gedc.wa.gov.au/newsletter.php

Goldfields-Esperance Development Commission – Strategic Plan (listing the projects being undertaken by GEDC) is available at www.gedc.wa.gov.au/downloads/Strategic%20Plan.pdf

Goldfields-Esperance Development Commission – 2005 Annual Report is available at

www.gedc.wa.gov.au/downloads/2005%20Annual%20Report%20-%20Final.pdf

Other Relevant Publications

Available at www.dlgrd.wa.gov.au/statisticInfo/overview.asp

Department of Local Government and Regional Development (2005) – Statistical Snapshot

Department of Local Government and Regional Development (2003) – Indicators of Regional Development

Department of Local Government and Regional Development (2002) – Regional Prices Index

Department of Local Government and Regional Development (1999) – Living in the Region

Department of Local Government and Regional Development (2003) – Regional Development Policy 2003

Department of Local Government and Regional Development (2003) – Regional Western Australia - A Better Place To Live

Notes

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Main Photo: Mining, photo courtesy of Kalgoorlie Consolidated Gold Mines (KCGM).

Photo 1: Agriculture, photo courtesy of Reynolds Graphics.

Photo 2: Photo by Goldfields-Esperance Development Commission.

Photo 3: Photo by Goldfields-Esperance Development Commission.

Photo 4: Ravensthorpe Hospital - photo courtesy of Reynolds Graphics.