



Western Australia's resource industry

ECONOMY

Western Australia's resources industry is vital to both our state's and the nation's economic development and prosperity.

It is the largest contributor to the Western Australian economy, representing around 30 per cent of Gross State Product and is a key driver of economic growth in Australia.

Underpinned by strong demand from Asia, in 2010–11 the industry was worth \$101.2 billion and accounted for a substantial 95 per cent of the state's total merchandise exports.

Western Australia was Australia's largest exporter in 2010–11 contributing 46 per cent (\$112.5 billion) to Australia's total Merchandise Exports.

In Western Australia royalties are collected from the mining companies in exchange for use of the State's resources. The amount payable is calculated based on the rates outlined in the *Mining Act 1978* and Regulations.

Royalties collect in 2010–11 were a significant \$4.9 billion, with further growth forecast for 2011–12.

EXPLORATION

Western Australia leads the rest of the country in mineral and petroleum exploration expenditure.

In 2010–11 minerals exploration reached \$1.59 billion which accounted for 54 per cent of the nation's total mineral exploration expenditure.

The top three commodities explored in 2009–10 were:

Iron ore – \$585 million (14 per cent)

Gold – \$452.5 million (26 per cent)

Nickel – \$261.1 million (30 per cent)

Petroleum exploration, which reached \$2402 million, accounted for an impressive 73 per cent of the nation's total.

EMPLOYMENT

At the end of 2010–11, the mining and petroleum industry directly employed 92,564 people, with the iron ore sector being the largest employing sector.

In 2003 Western Australia's economy began to expand strongly and mining employment has grown on average by around 8 ½ per cent each year.

Generally it is calculated that every job created in the mining and petroleum industry will create three more in other sectors.

As a result, in 2010–11 the industry was responsible for employing an estimated total of 278,000 people in Western Australia.

These extra jobs are created in retail (clothing, supermarkets), hospitality (hotels, restaurants), support services (IT, administration) and manufacturing (machinery, parts).

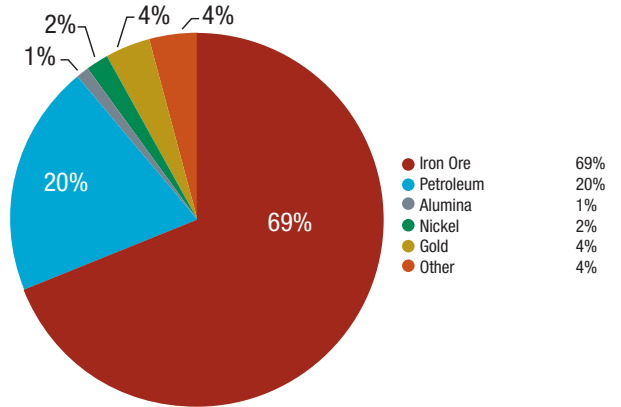


Figure 1. Royalty receipts by commodity 2010–11

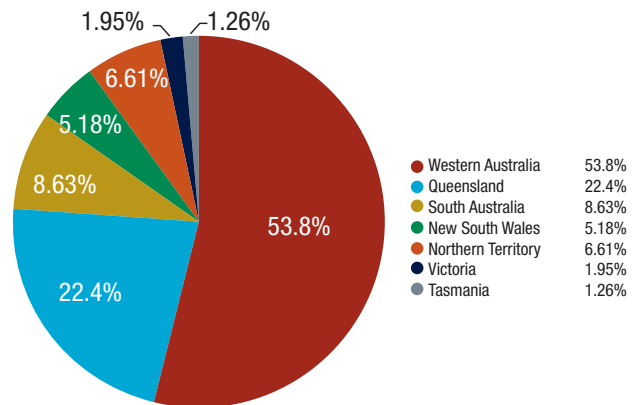


Figure 2. National minerals exploration expenditure 2010–11

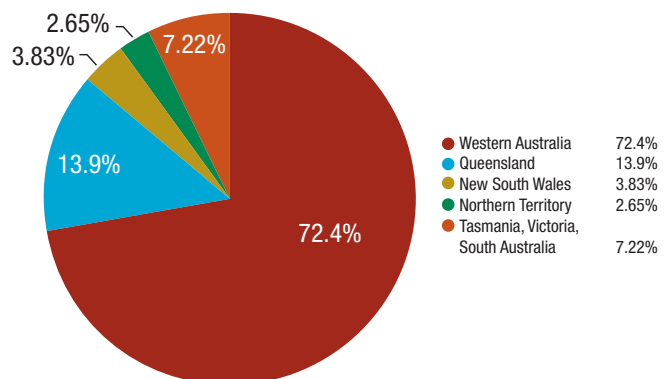


Figure 3. National petroleum exploration expenditure 2010–11

STATE INFRASTRUCTURE

The magnitude of Western Australia's mining developments can be seen in the number of projects currently operating.

Western Australia is one of the great mineral provinces of the world and hosts an impressive 540 commercial mineral projects with 968 operating mine sites that produce over 50 different minerals.

Mining companies often provide supporting infrastructure when carrying out operations.

The companies provide funding for creating and developing roads, accommodation villages, pipelines, power stations and ports, or port extensions.

Companies often also contribute to community projects with the local shire councils. This infrastructure development directly affects the future growth and development of our regional and remote communities.

The Royalties for Regions program ensures that 25 per cent of the State's royalties revenue is reinvested back into regional projects. This program focuses on helping local governments to build and maintain community infrastructure such as buildings, roads, bridges, parks and airports.

WHAT DOES THE DEPARTMENT OF MINES AND PETROLEUM DO?

The Department of Mines and Petroleum helps to encourage growth of the mining and petroleum industries through exploration and utilisation of resources.

The department has many roles and is responsible for:

- promoting safety within the industry and has the authority to regulate, investigate and, if necessary, prosecute;
- accepting and maintaining exploration and mining licenses;
- gathering and publishing information for public use about the State's geology and mineral and petroleum resources; and
- ensuring a sustainable resources future by making the protection of the environment a top priority.

Longevity of the resources industry is vital to the State. The department promotes responsible development to help sustain our world-class resources sector so it continues to benefit Western Australia.

