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Department of
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Western Australia.*

Regional Price Index 2021



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Summary

The 2021 Regional Price Index (RPI) is the tenth State Government Index contrasting the cost of a common basket of goods and services at a number of regional locations to the Perth metropolitan region. The RPI is used as the basis for the construction of the public sector district allowance, and by the private sector when considering remuneration packages for remotely located staff.

The RPI provides an insight into differences in regional consumer costs. The 2021 RPI basket of more than 220 goods and services was priced in 37 regional centres around Western Australia.

In keeping with previous index results, the 2021 RPI results reflect the increased prices of goods and services relative to Perth for regional locations and locations considerably distant from Perth. The middle and southern regions of the state tended to be closer to metropolitan prices.

Overall, prices were highest in the Pilbara region, followed by the Kimberley and Goldfields-Esperance regions. In the Pilbara, housing was particularly high, with health and personal care and transportation also

high.

In the Kimberley, housing was also high, as were education and recreation and food. The Gascoyne region showed prices above Perth in housing, as well as cigarettes, tobacco and alcohol. In the Goldfields-Esperance region, health and personal care together with education and recreation were all significantly above Perth prices.

Health and personal care was high in the Great Southern, Mid West and South West regions, while the Wheatbelt showed high cigarette, alcohol and tobacco costs. The Peel region was generally slightly lower than prices in the Perth area.

A more detailed breakdown, contrasting the eight commodity groups across regions, is available in the maps.

Introduction

The RPI is conducted by the Western Australian Department of Primary Industries and Regional Development, funded through the State Government's Royalties for Regions program.

The aim of the project is to create a spatial index, a comparison of location-based prices for a common basket of goods, with Perth as the basis for comparison with each regional location.

The basket of more than 220 goods and services allows for a reasonable estimate of the difference in retail prices across a wide range of household costs. The basket permits the construction of a comparative index of costs, which are indicative of the differences of the cost of living at different locations around the state.

In 2021, 37 locations were surveyed capturing the majority of the population in each of the nine non-metropolitan regions within Western Australia. In the Perth basket of goods, eight supermarkets across four suburbs (two in each locality) were priced for each commodity within the grocery components of the basket. These prices were then averaged to create a representative total for Perth. The representative total for each regional location was then contrasted, using index numbers, to indicate whether prices were more or less expensive than Perth.



Background

The State Government produced the first RPI in 1998, with a common basket of approximately 500 goods and services across 21 regional locations, capturing the majority of Western Australia's regional population. The project was followed by a second Price Index in 1999 and a third at the end of 2000, printed in 2002. These projects not only contrasted prices between locations (spatial index), but the movement of prices across years (temporal index). This was possible because there were minimal changes to the commodities and services that comprised the basket of goods that was priced over consecutive years.

Due to stakeholder demand, a fourth index was undertaken in 2006, which was released in 2007. The 2007 RPI used a smaller basket than in previous projects, but was substantial enough to provide a respectable comparison of prices.

A fifth index was commissioned in 2011. The basket size was increased to approximately 500 goods and services (similar to the baskets used from 1998 to 2000). The number of regional locations was increased to 27, incorporating some remote and smaller locations. This was the first index to be formally used in setting the district allowance, an allowance paid to Western Australian public servants who work in regional and remote areas. It was also the first price collection to use the Community Resource Centre Network (CRCs) to collect prices.

The 2013, 2015, 2017, 2019 and 2021 indexes were also collated with the assistance of the CRCs. Prices were collected from 37 regional locations for the 2021 index, and more than 220 goods and services were priced.

Locations

In 2021, regional prices were collected from the following regional locations:

Gascoyne:

Carnarvon and Exmouth.

Goldfields-Esperance:

Esperance, Kalgoorlie, Leonora and Norseman.

Great Southern:

Albany, Denmark, Gnowangerup and Katanning.

Kimberley:

Broome, Derby, Fitzroy Crossing, Halls Creek, Kununurra and Wyndham.

Mid West:

Geraldton, Kalbarri, Meekatharra and Mt Magnet.

Peel:

Byford and Mandurah.

Pilbara:

Karratha, Newman, Port Hedland and Tom Price.

South West:

Bridgetown-Greenbushes, Bunbury, Busselton and Margaret River.

Wheatbelt:

Beverley, Dalwallinu, Gingin, Narrogin, Northam, Southern Cross and Toodyay.

Perth was represented by average prices collected in **Armadale, Innaloo, Joondalup** and **Midland**. Where possible, prices were collected from two retail outlets for each of the eight categories of commodities. For example, eight supermarkets were priced in Perth, two in each locality.

The 2021 RPI process made broad use of the information available via the internet. If a specified item was not available in a regional location and a different product specified, that exact item was then priced by major supermarkets across the Perth metropolitan area. This means that while the nominal number of goods and services is less compared to previous years' baskets, the actual accuracy of the index is improved as a result of being able to price identical items across the eight categories.

Basket of goods

The basket of goods consisted of items which are grouped into eight broad categories. The eight categories are derived from the Australian Bureau of Statistics' Consumer Price Index and include:

Food:

Dairy, cereals, meat and seafood, fruit and vegetables, drinks, snacks and confectionery, other foods, meals out and takeaway foods.

Alcohol and tobacco:

Tobacco, beer, wine and spirits.

Clothing:

Male and female clothing (adult and children).

Housing:

Rates and charges, rents, cost of utilities, credit charges and home insurance.

Household equipment and operation:

Kitchen and household utensils, household supplies, household appliances, bedroom furniture and accessories, household services and communication services.

Health:

Hospital, dental, optical and pharmaceutical services.

Transportation:

Motor vehicles, fuel, parts and charges.

Recreation and education:

Newspapers and magazines, audio, visual and computing equipment, sporting goods and services, toys, pets, and primary and secondary education costs.



Weights

The RPI is a weighted index. Weighting is a technique used to give priority to those items considered of greater importance. Not all of the items in the basket of goods are consumed at the same rate. For example, milk may be purchased on a daily or weekly rate depending on the size of the family, where as a car may be purchased every three to five, or ten years depending on circumstances. Some goods may not be essential (e.g. biscuits) and others play an important part of our daily existence (e.g. electricity).

The weights used in this project are based on those used for the Consumer Price Index (CPI) for Perth, produced by the Australian Bureau of Statistics (ABS). The value of the weight, for each category/commodity in the CPI basket is set using a household expenditure survey, also conducted by the ABS for the CPI.

As a result, the consumption patterns are based on the average consumption patterns

for Perth. This is an essential limitation as it is important to use the same weights and the same basket of goods if the resulting indices are to be comparable. The guiding principle of this project is 'to compare the cost of a common basket of goods at different locations around Western Australia'.

Weights were also used to compile the regional index numbers. Regional index numbers are the aggregate of location numbers for a region. A price index should reflect the purchasing patterns of the majority of a population, ensuring the greatest coverage and capturing the most indicative prices from where market forces operate most effectively. As a result, population centres were weighted reflecting their share of the region's population. This allowed prices in larger population centres to be given prominence, reflecting their greater representative share of the population and hence purchasing power.

Regional results – a comparison between 2019 and 2021

Index numbers 2021

	Kimberley	Pilbara	Gascoyne	Mid West	Goldfields-Esperance	Wheatbelt	Peel	South West	Great Southern
Overall	110.8	114.9	102.3	100.7	103.7	100.5	98.2	99.7	100.8
Basket									
Food	109.2	105.1	100.8	103.8	104.3	102.6	99.9	99.5	100.8
Cigarettes, tobacco, alcohol	103.7	108.8	106.6	108.2	109.0	107.5	98.9	104.5	102.8
Clothing	100	100	100	96.8	100.6	100.4	99.7	102.6	103.1
Housing	118.1	134.6	104.8	95.7	98.5	95.7	96.0	100.0	98.3
Household equipment and operation	106.1	105.4	100.5	101.3	105.4	102.0	96.1	99.5	100.4
Health and personal care	107.2	112.2	104.0	107.1	113.9	102.6	97.3	110.1	110.7
Transport	107.7	111.6	103.7	98	104.1	102.2	102.5	95.1	100.8
Recreation	109.7	103.8	102.4	105.3	111.6	102.4	98.8	98.7	103.2

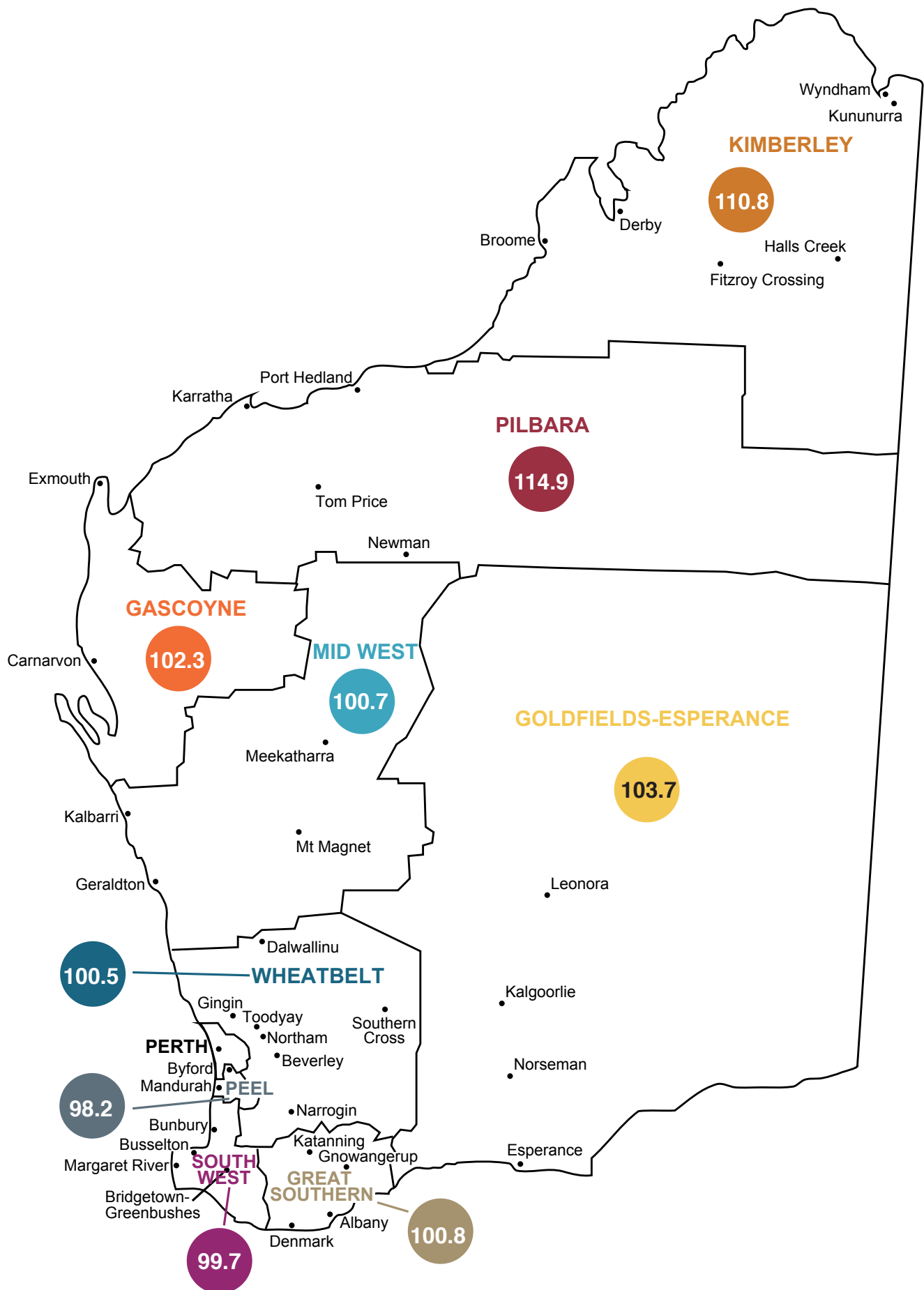
Index numbers 2019

	Kimberley	Pilbara	Gascoyne	Mid West	Goldfields-Esperance	Wheatbelt	Peel	South West	Great Southern
Overall	115.6	115.7	107.0	104.6	102.7	99.2	101.4	102.1	101.2
Basket									
Food	112.1	106.1	104.9	104.7	105.1	99.5	101.1	100.6	97.0
Cigarettes, tobacco, alcohol	117.5	107.8	106.5	109.3	107.7	100.9	99.4	100.8	100.1
Clothing	129.0	108.5	119.5	96.1	100.5	96.0	100	102.5	99.0
Housing	118.9	132.7	105.8	103.0	101.7	99.3	100.3	102.4	103.8
Household equipment and operation	109.8	108.4	108.4	107.1	101.6	101.7	102.1	102.5	98.7
Health and personal care	110.2	121.4	100.3	102.2	104.0	98.0	100.1	101.4	105.1
Transport	116.0	107.2	102.0	106.5	104.0	99.7	99.3	101.2	100.6
Recreation	120.9	108.6	114.9	103.9	101.2	102.1	106.5	104.0	103.8

Region and town price indices

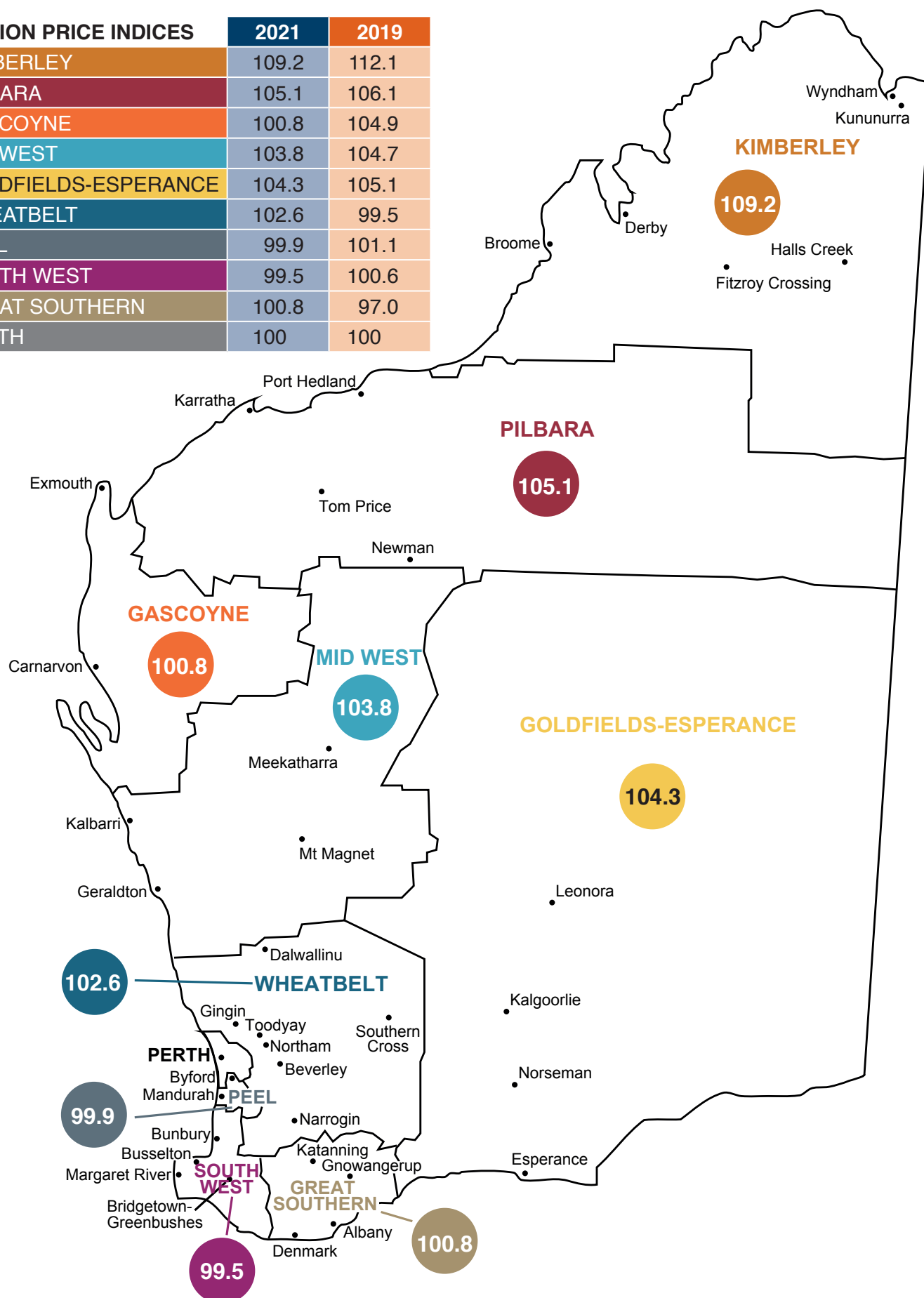
	2021	2019
KIMBERLEY	110.8	115.6
Broome	111.1	113.6
Derby	106.4	111.2
Fitzroy Crossing	113.4	121.8
Halls Creek	112.3	126.9
Kununurra	107.9	110.6
Wyndham	107.0	118.5
PILBARA	114.9	115.7
Karratha	115.9	112.6
Newman	107.0	111.5
Port Hedland	125.3	118.7
Tom Price	107.7	120.9
GASCOYNE	102.3	107.0
Carnarvon	99.9	104.3
Exmouth	106.8	112.2
MID WEST	100.7	104.6
Geraldton	100.5	104.3
Kalbarri	101.1	105.4
Meekatharra	104.2	111.2
Mt Magnet	104.2	102.8
GOLDFIELDS-ESPERANCE	103.7	102.7
Esperance	100	101.7
Kalgoorlie	104.3	102.9
Leonora	106.7	103.3
Norseman	102.9	107.1
WHEATBELT	100.5	99.2
Beverley	100.2	101.2
Dalwallinu	101.0	101.6
Gingin	99.9	98.0
Narrogin	99.4	98.7
Northam	101.0	98.8
Southern Cross	103.1	101.7
Toodyay	100.4	100
PEEL	98.2	101.4
Byford	99.5	103.7
Mandurah	97.7	100.5
SOUTH WEST	99.7	102.1
Bridgetown-Greenbushes	103.0	103.1
Bunbury	99.5	101.9
Busselton	99.1	101.6
Margaret River	101.0	104.2
GREAT SOUTHERN	100.8	101.2
Albany	100.5	101.4
Denmark	100.9	102.0
Gnowangerup	N/A	102.3
Katanning	N/A	97.8
PERTH	100	100

Map 1: Region and town price indices



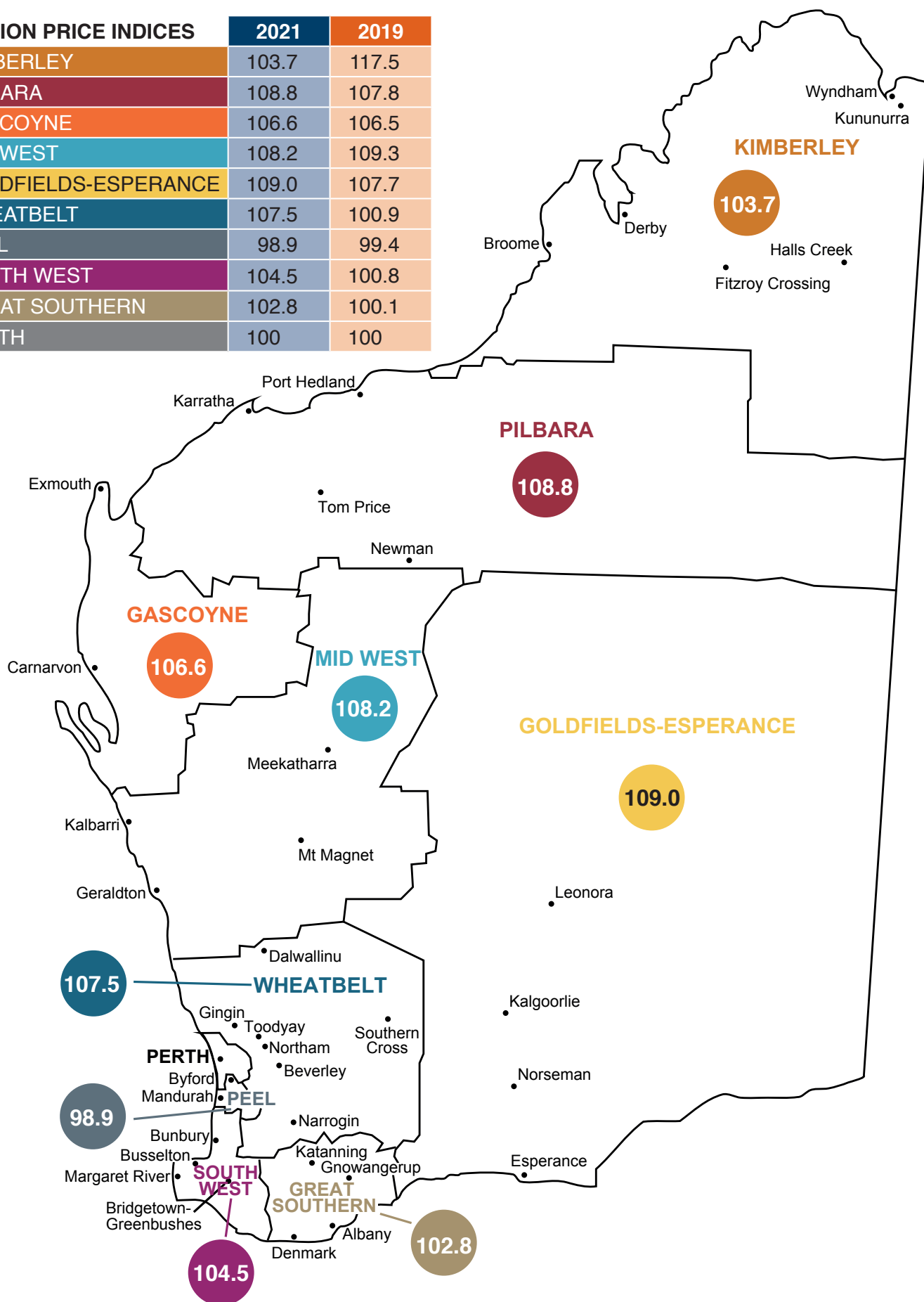
Map 2: Food commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	109.2	112.1
PILBARA	105.1	106.1
GASCOYNE	100.8	104.9
MID WEST	103.8	104.7
GOLDFIELDS-ESPERANCE	104.3	105.1
WHEATBELT	102.6	99.5
PEEL	99.9	101.1
SOUTH WEST	99.5	100.6
GREAT SOUTHERN	100.8	97.0
PERTH	100	100



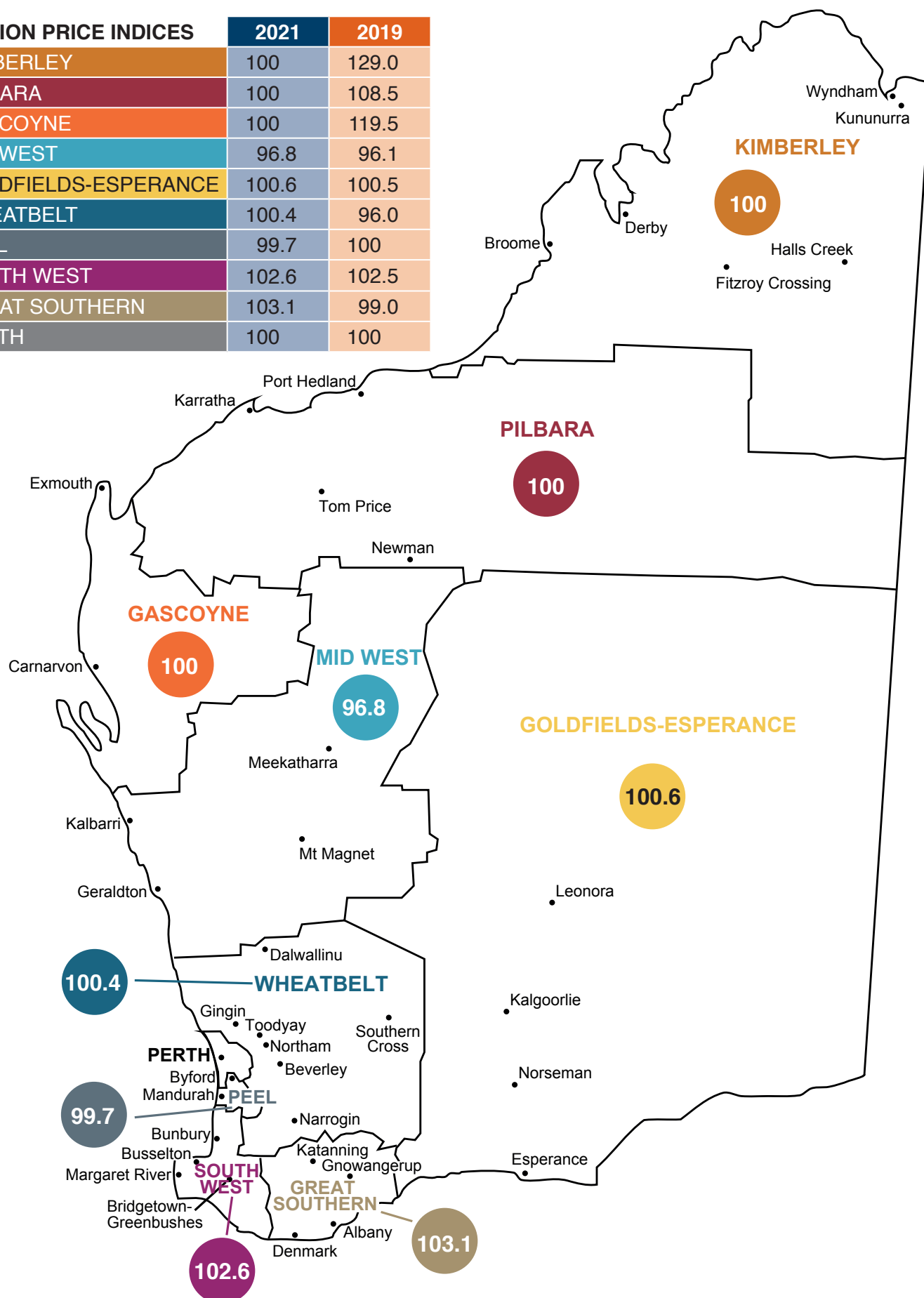
Map 3: Cigarettes, alcohol and tobacco commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	103.7	117.5
PILBARA	108.8	107.8
GASCOYNE	106.6	106.5
MID WEST	108.2	109.3
GOLDFIELDS-ESPERANCE	109.0	107.7
WHEATBELT	107.5	100.9
PEEL	98.9	99.4
SOUTH WEST	104.5	100.8
GREAT SOUTHERN	102.8	100.1
PERTH	100	100



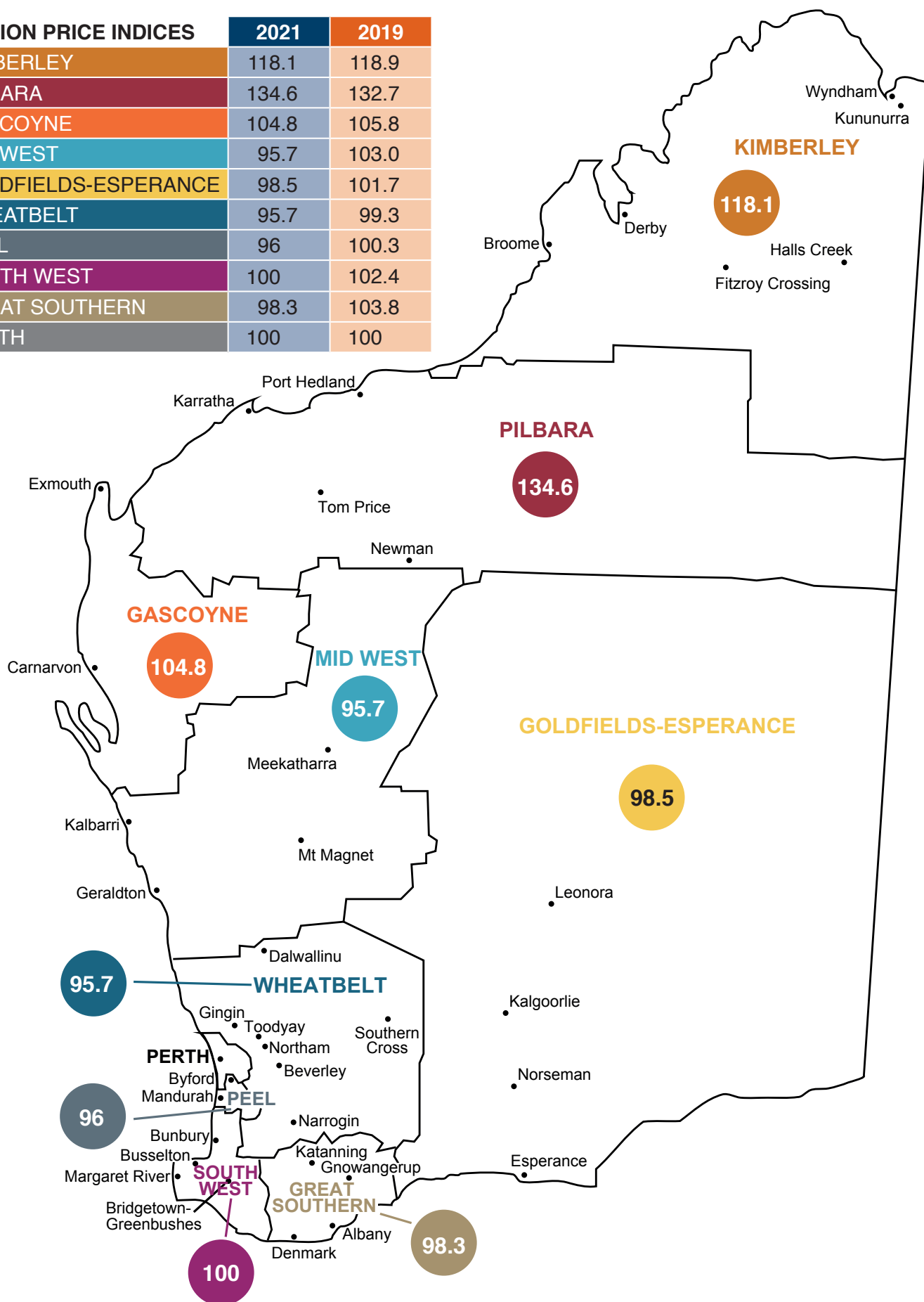
Map 4: Clothing commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	100	129.0
PILBARA	100	108.5
GASCOYNE	100	119.5
MID WEST	96.8	96.1
GOLDFIELDS-ESPERANCE	100.6	100.5
WHEATBELT	100.4	96.0
PEEL	99.7	100
SOUTH WEST	102.6	102.5
GREAT SOUTHERN	103.1	99.0
PERTH	100	100



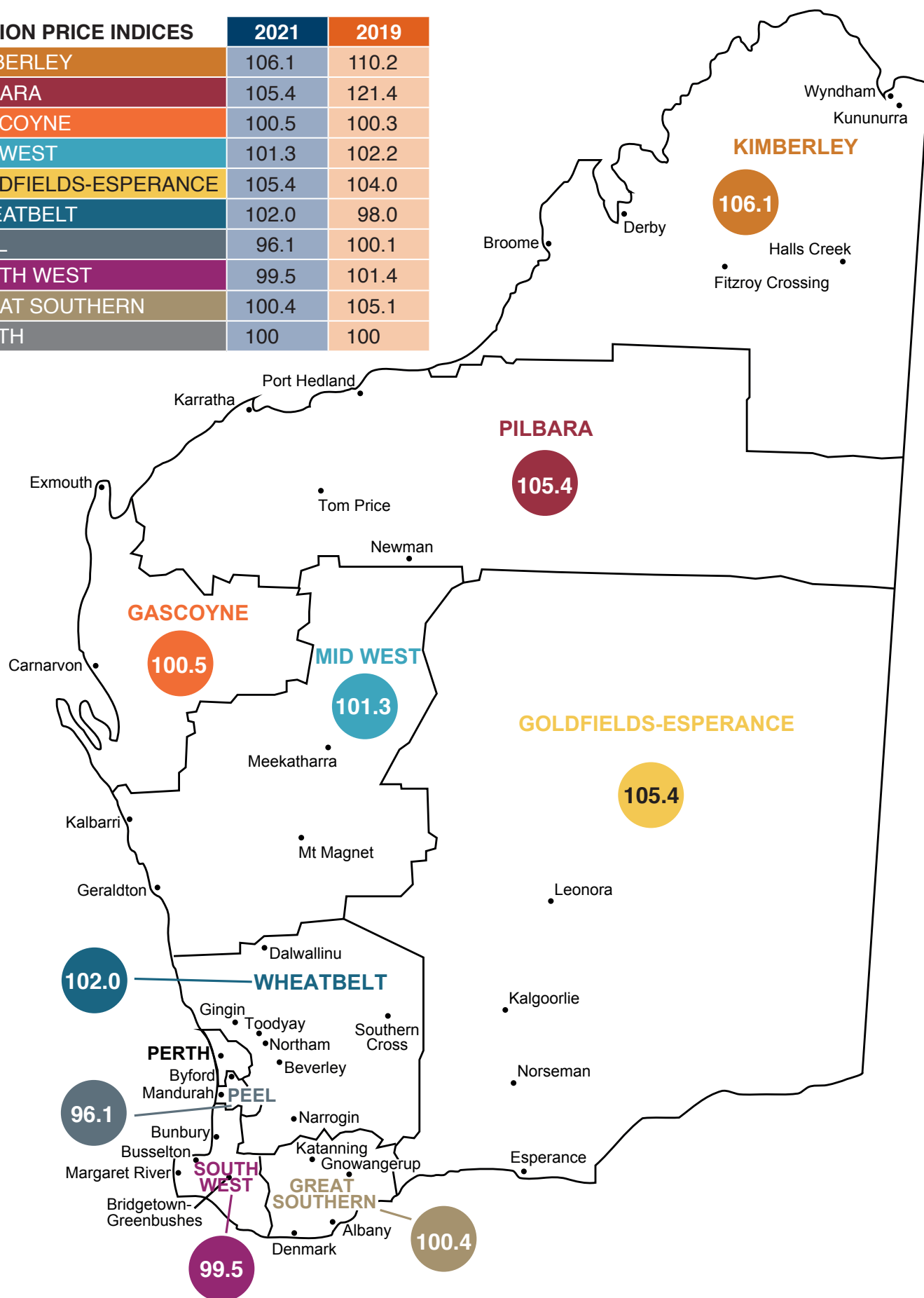
Map 5: Housing commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	118.1	118.9
PILBARA	134.6	132.7
GASCOYNE	104.8	105.8
MID WEST	95.7	103.0
GOLDFIELDS-ESPERANCE	98.5	101.7
WHEATBELT	95.7	99.3
PEEL	96	100.3
SOUTH WEST	100	102.4
GREAT SOUTHERN	98.3	103.8
PERTH	100	100



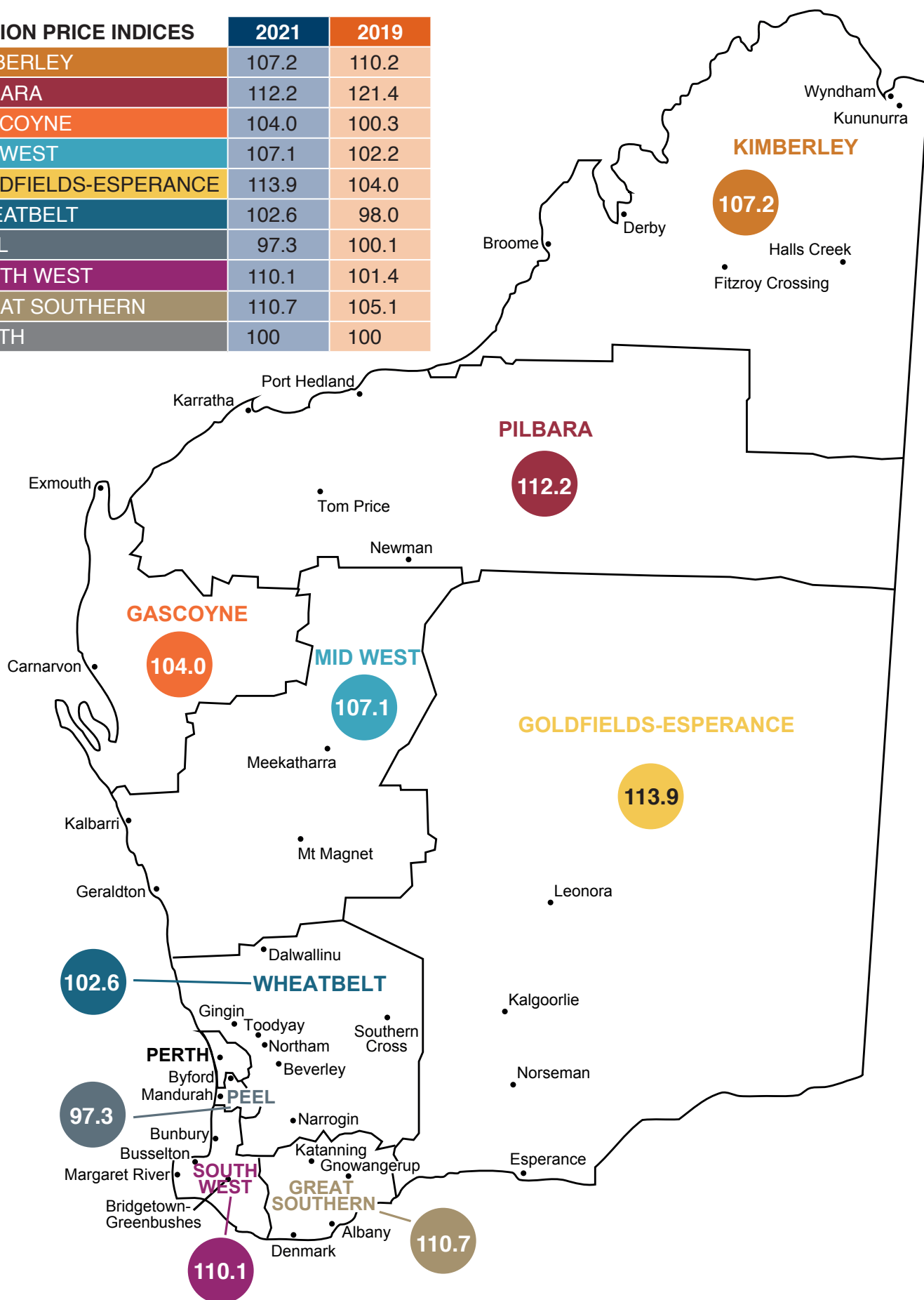
Map 6: Household equipment and operation commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	106.1	110.2
PILBARA	105.4	121.4
GASCOYNE	100.5	100.3
MID WEST	101.3	102.2
GOLDFIELDS-ESPERANCE	105.4	104.0
WHEATBELT	102.0	98.0
PEEL	96.1	100.1
SOUTH WEST	99.5	101.4
GREAT SOUTHERN	100.4	105.1
PERTH	100	100



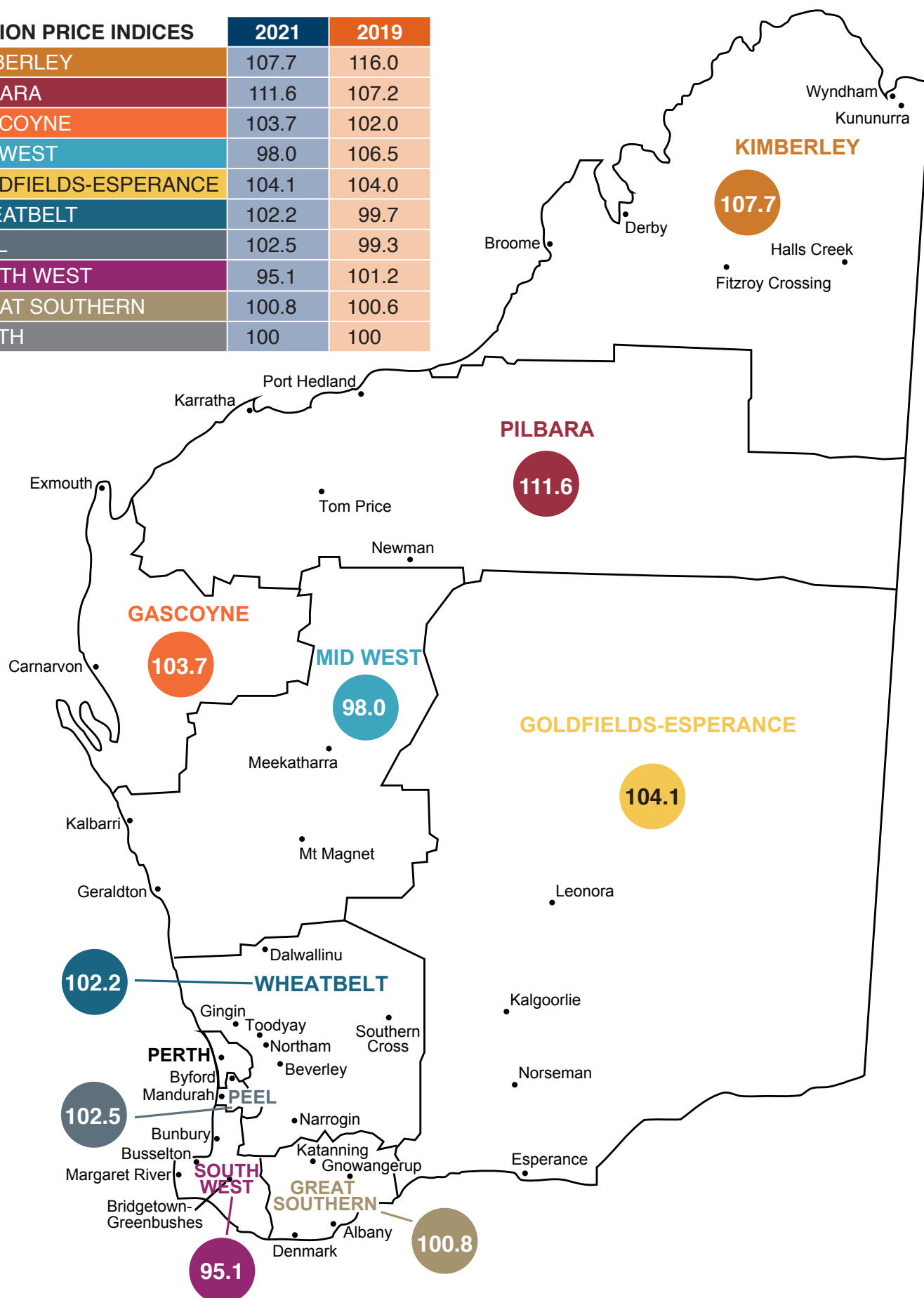
Map 7: Health and personal care commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	107.2	110.2
PILBARA	112.2	121.4
GASCOYNE	104.0	100.3
MID WEST	107.1	102.2
GOLDFIELDS-ESPERANCE	113.9	104.0
WHEATBELT	102.6	98.0
PEEL	97.3	100.1
SOUTH WEST	110.1	101.4
GREAT SOUTHERN	110.7	105.1
PERTH	100	100



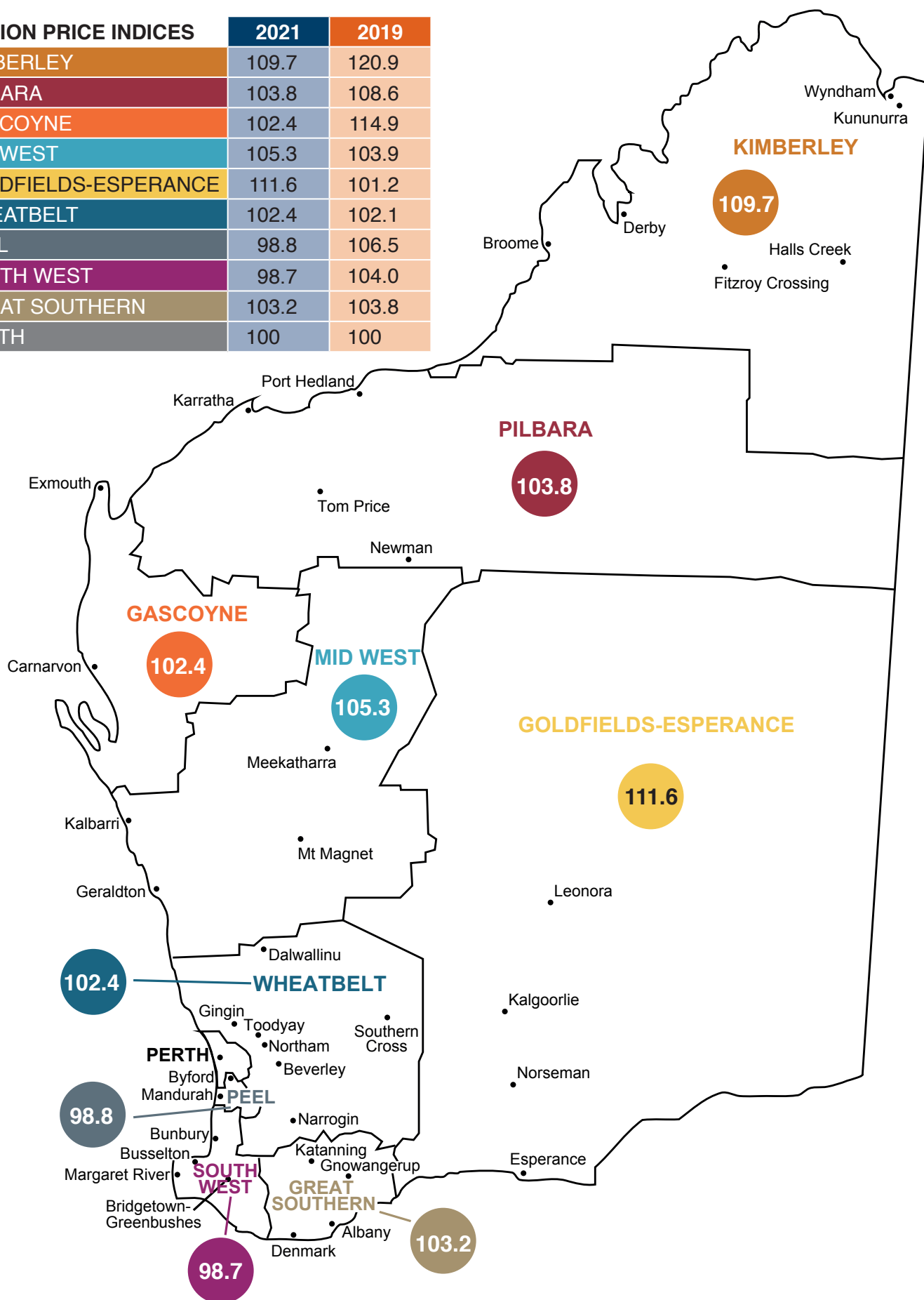
Map 8: Transport commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	107.7	116.0
PILBARA	111.6	107.2
GASCOYNE	103.7	102.0
MID WEST	98.0	106.5
GOLDFIELDS-ESPERANCE	104.1	104.0
WHEATBELT	102.2	99.7
PEEL	102.5	99.3
SOUTH WEST	95.1	101.2
GREAT SOUTHERN	100.8	100.6
PERTH	100	100



Map 9: Recreation and education commodity group

REGION PRICE INDICES	2021	2019
KIMBERLEY	109.7	120.9
PILBARA	103.8	108.6
GASCOYNE	102.4	114.9
MID WEST	105.3	103.9
GOLDFIELDS-ESPERANCE	111.6	101.2
WHEATBELT	102.4	102.1
PEEL	98.8	106.5
SOUTH WEST	98.7	104.0
GREAT SOUTHERN	103.2	103.8
PERTH	100	100





The Department of Primary Industries and Regional Development
wishes to acknowledge the contribution of the
Goomalling Community Resource Centre
in preparation of the 2021 Regional Price Index.

