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Regional Price Index 2023

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Regional Price Index 2023



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Summary

The 2023 Regional Price Index (RPI) is the eleventh 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 2023 RPI basket of 185 goods and services was priced in 39 regional centres around Western Australia.

The 2023 RPI results show that, overall, prices are more expensive than Perth in all regions except for the Mid West and South West. Prices were highest in the Pilbara region, followed by the Kimberley and Gascoyne.

Consistent with the 2021 RPI, the region with the highest food category index for the 2023 RPI was the Kimberley, and the two regions with prices lower than Perth were the South West and Peel. The cost of food items compared to 2021 increased in Perth and in all regions, largely due to rising inflation. The 2023 RPI, compared to 2021, showed a reduction in this category across all regions.

In the Pilbara, housing was particularly high, with health and personal care also high, and all other categories higher than Perth prices.

In the Kimberley and Gascoyne regions, housing was high, with prices also higher than Perth in all other categories. In the Goldfields-Esperance region, health and personal care, transport and education and recreation were above Perth prices but lower than the regional index for these categories in 2021.

The Mid West and the South West regions were both lower overall than Perth, with all categories only slightly higher or slightly lower costs than Perth. The Peel region was also very close to Perth prices across all categories.

The Wheatbelt had lower housing prices than Perth, with the highest category being cigarettes, alcohol and tobacco, though this was lower than the regional index in 2021. In the Great Southern region, housing was the highest category, with transport and education and recreation also higher than Perth.

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 185 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 2023, 39 locations were surveyed capturing the majority of the population in each of the nine non-metropolitan regions within Western Australia. This is an additional two towns compared to 2021, now including Onslow in the Pilbara and Mukinbudin in the Wheatbelt.

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, 2021 and 2023 indexes were also collated with the assistance of the CRCs. Prices were collected from 39 regional locations for the 2023 index, and 185 goods and services were priced.



Locations

In 2023, 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, Onslow, Port Hedland and Tom Price.

South West: Bridgetown, Bunbury, Busselton and Margaret River.

Wheatbelt: Beverley, Dalwallinu, Gingin, Mukinbudin, 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, for food items, eight supermarkets were priced in Perth, two in each locality.

The 2023 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.

Cigarettes, alcohol and tobacco: Cigarettes/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.

Transport: Motor vehicles, fuel, parts and charges.

Education and recreation: Newspapers, 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, whereas 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 2021 and 2023

Index numbers 2023

	Kimberley	Pilbara	Gascoyne	Mid West	Goldfields-Esperance	Wheatbelt	Peel	South West	Great Southern
Overall	108.9	115.0	105.5	99.3	102.0	101.1	100.1	99.3	102.6
Basket									
Food	107.3	102.0	100.7	100.5	100.3	102.2	98.7	97.4	100.2
Cigarettes, alcohol and tobacco	107.0	106.7	106.7	98.1	100.9	104.5	101.9	100.1	100.5
Clothing	104.8	102.4	106.8	100.3	101.9	101.5	101.6	100.5	101.7
Housing	113.0	140.6	110.7	97.1	101.9	99.1	99.6	100.4	104.8
Household equipment and operation	106.7	103.5	102.7	101.0	101.4	101.8	101.4	99.3	100.6
Health and personal care	105.2	110.0	102.4	102.9	105.3	101.0	101.9	100.8	101.5
Transport	109.4	108.7	105.7	100.2	103.9	102.1	101.6	98.6	103.6
Education and recreation	106.6	101.1	103.6	98.5	102.1	101.7	98.8	99.1	103.6

Index numbers 2021

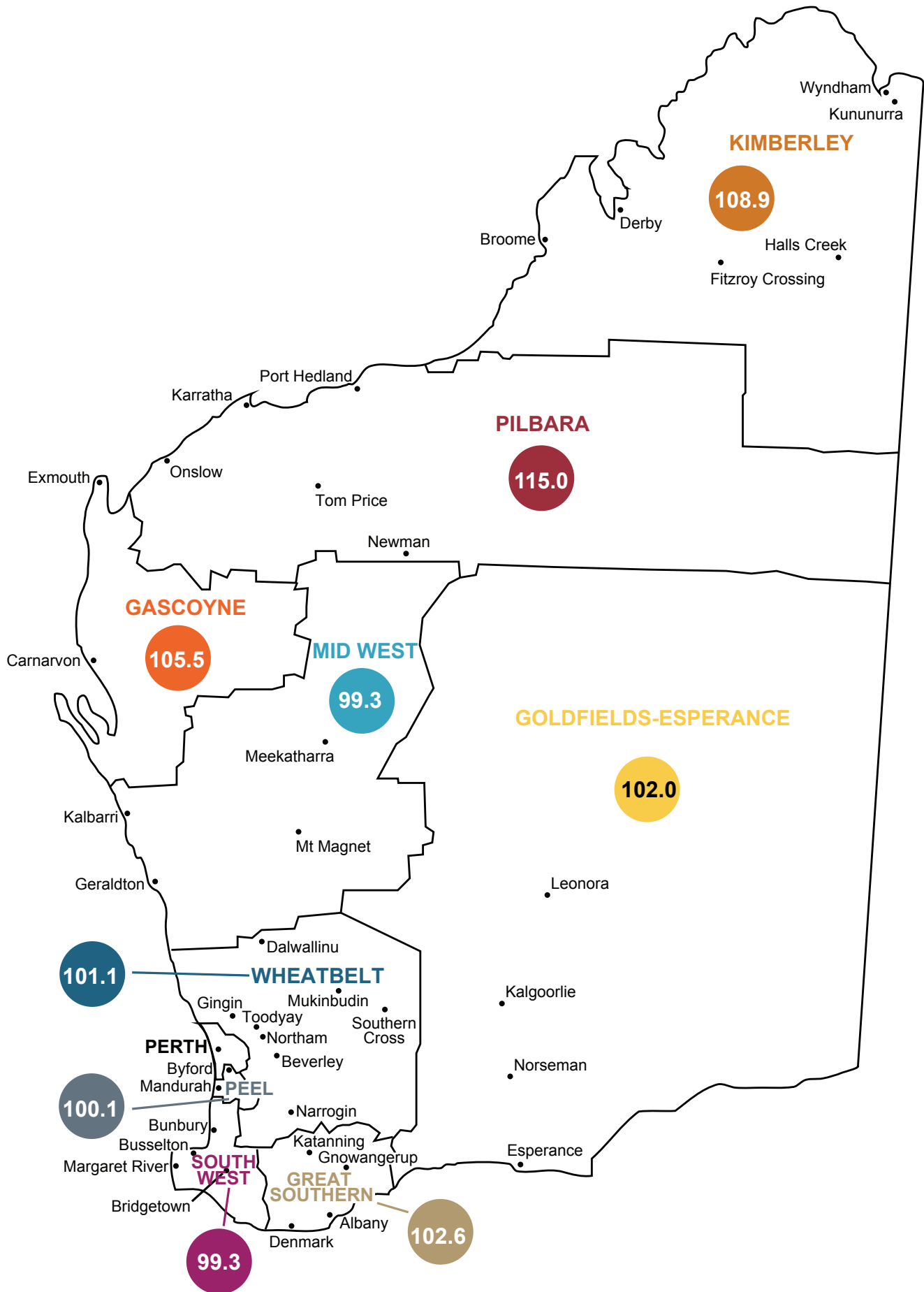
	Kimberley	Pilbara	Gascoyne	Mid West	Goldfields-Esperance	Wheatbelt	Peel	South West	Great Southern
Overall	110.8	114.9	102.3	100.7	103.7	100.5	98.2	99.7	100.8
Basket									
Food	109.2	105.1	100.8	103.8	104.3	102.6	99.9	99.5	100.8
Cigarettes, alcohol and tobacco	103.7	108.8	106.6	108.2	109.0	107.5	98.9	104.5	102.8
Clothing	100.0	100.0	100.0	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	98.0	104.1	102.2	102.5	95.1	100.8
Education and recreation	109.7	103.8	102.4	105.3	103.0*	102.4	98.8	98.7	103.2

* Note: In the Regional Price Index 2021, the reported index figure for Education and Recreation in Goldfields-Esperance was 111.6. This was incorrectly transcribed and should have been reported as 103.0.

Regional and town price indices

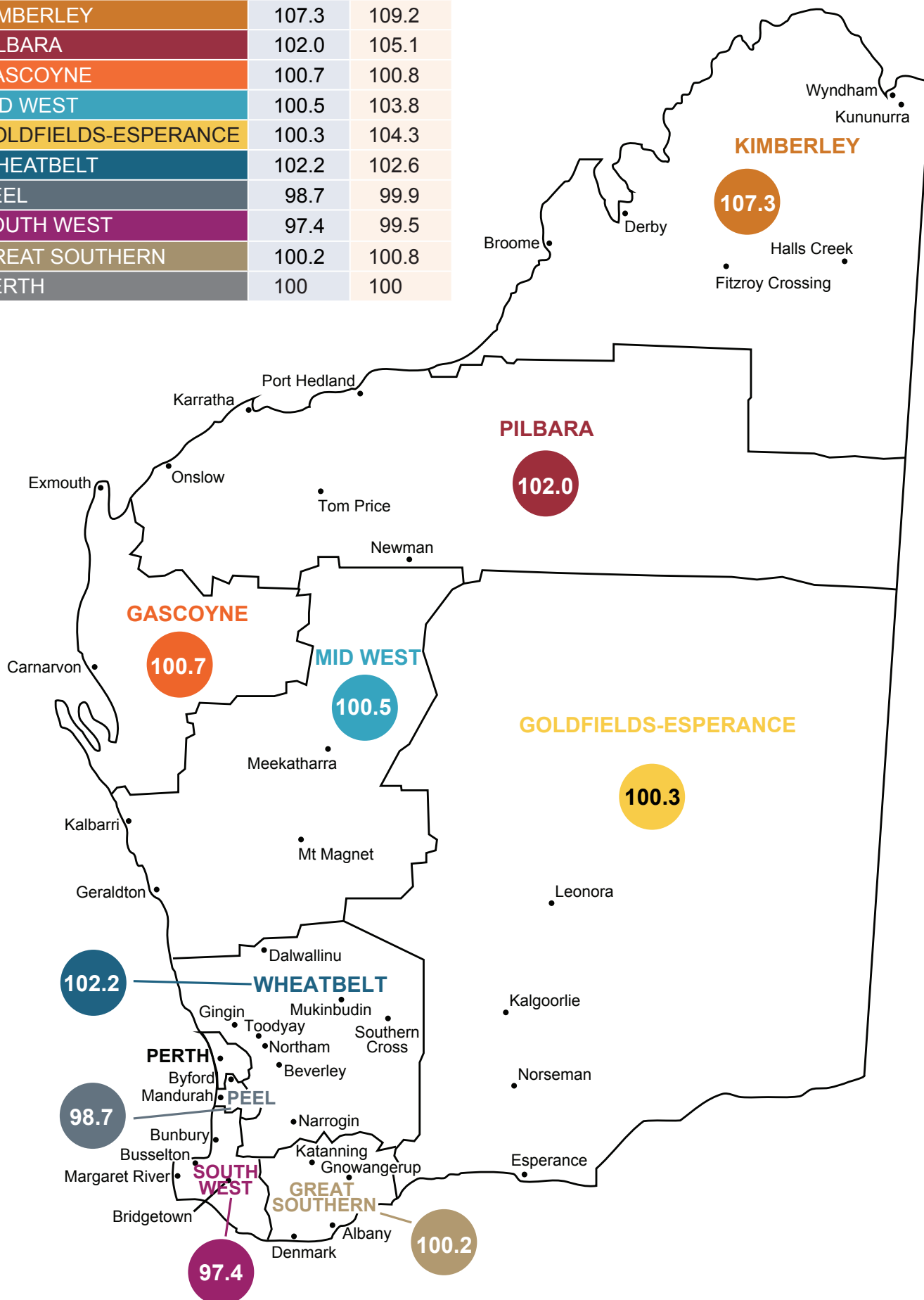
	2023	2021
KIMBERLEY	108.9	110.8
Broome	108.5	111.1
Derby	105.5	106.4
Fitzroy Crossing	111.8	113.4
Halls Creek	112.5	112.3
Kununurra	107.7	107.9
Wyndham	108.8	107.0
PILBARA	115.0	114.9
Karratha	111.1	115.9
Newman	106.2	107.0
Onslow	117.6	N/A
Port Hedland	119.7	125.3
Tom Price	129.7	107.7
GASCOYNE	105.5	102.3
Carnarvon	104.7	99.9
Exmouth	106.9	106.8
MID WEST	99.3	100.7
Geraldton	98.8	100.5
Kalbarri	102.1	101.1
Meekatharra	104.1	104.2
Mt Magnet	105.1	104.2
GOLDFIELDS-ESPERANCE	102.0	103.7
Esperance	102.0	100.0
Kalgoorlie	101.7	104.3
Leonora	104.4	106.7
Norseman	105.6	102.9
WHEATBELT	101.1	100.5
Beverley	101.4	100.2
Dalwallinu	103.6	101.0
Gingin	100.8	99.9
Mukinbudin	102.5	N/A
Narrogin	101.3	99.4
Northam	100.2	101.0
Southern Cross	103.3	103.1
Toodyay	102.2	100.4
PEEL	100.1	98.2
Byford	100.0	99.5
Mandurah	100.2	97.7
SOUTH WEST	99.3	99.7
Bridgetown	102.0	103.0
Bunbury	99.2	99.5
Busselton	98.9	99.1
Margaret River	100.3	101.0
GREAT SOUTHERN	102.6	100.8
Albany	102.9	100.5
Denmark	102.3	100.9
Gnowangerup	102.3	N/A
Katanning	101.3	N/A
PERTH	100	100

Map 1: Region and town price indices



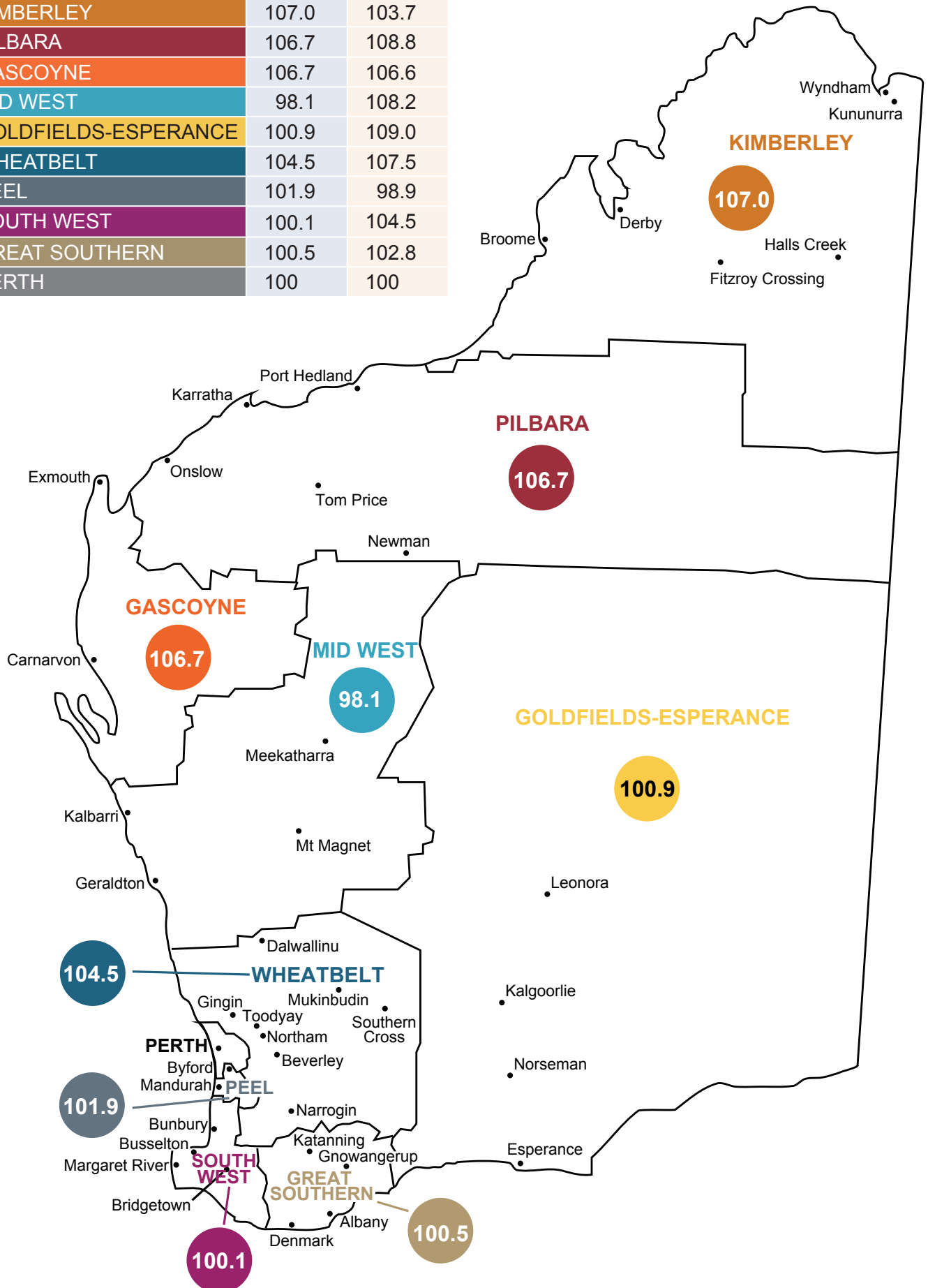
Map 2: Food commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	107.3	109.2
PILBARA	102.0	105.1
GASCOYNE	100.7	100.8
MID WEST	100.5	103.8
GOLDFIELDS-ESPERANCE	100.3	104.3
WHEATBELT	102.2	102.6
PEEL	98.7	99.9
SOUTH WEST	97.4	99.5
GREAT SOUTHERN	100.2	100.8
PERTH	100	100



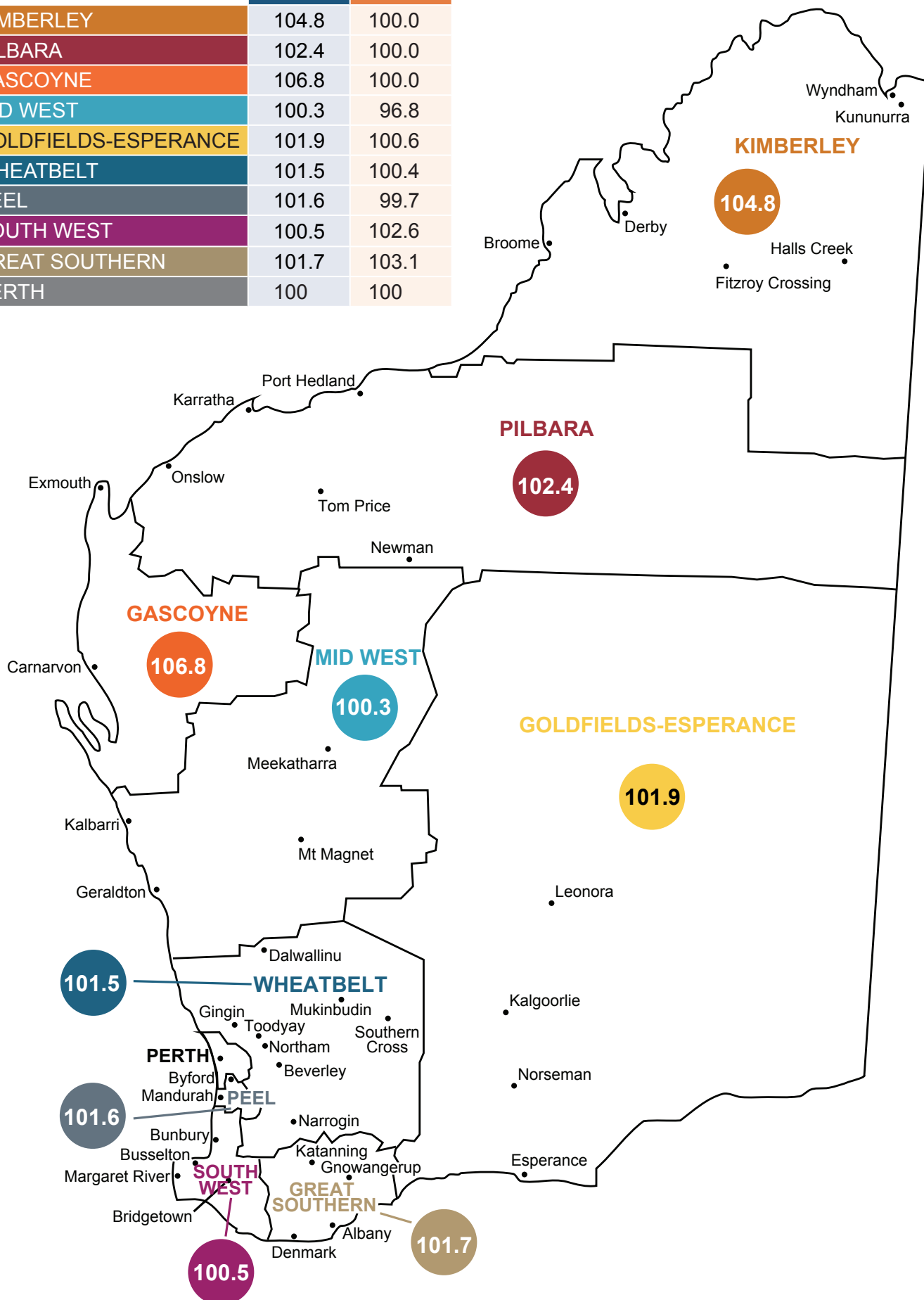
Map 3: Cigarettes, alcohol and tobacco commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	107.0	103.7
PILBARA	106.7	108.8
GASCOYNE	106.7	106.6
MID WEST	98.1	108.2
GOLDFIELDS-ESPERANCE	100.9	109.0
WHEATBELT	104.5	107.5
PEEL	101.9	98.9
SOUTH WEST	100.1	104.5
GREAT SOUTHERN	100.5	102.8
PERTH	100	100



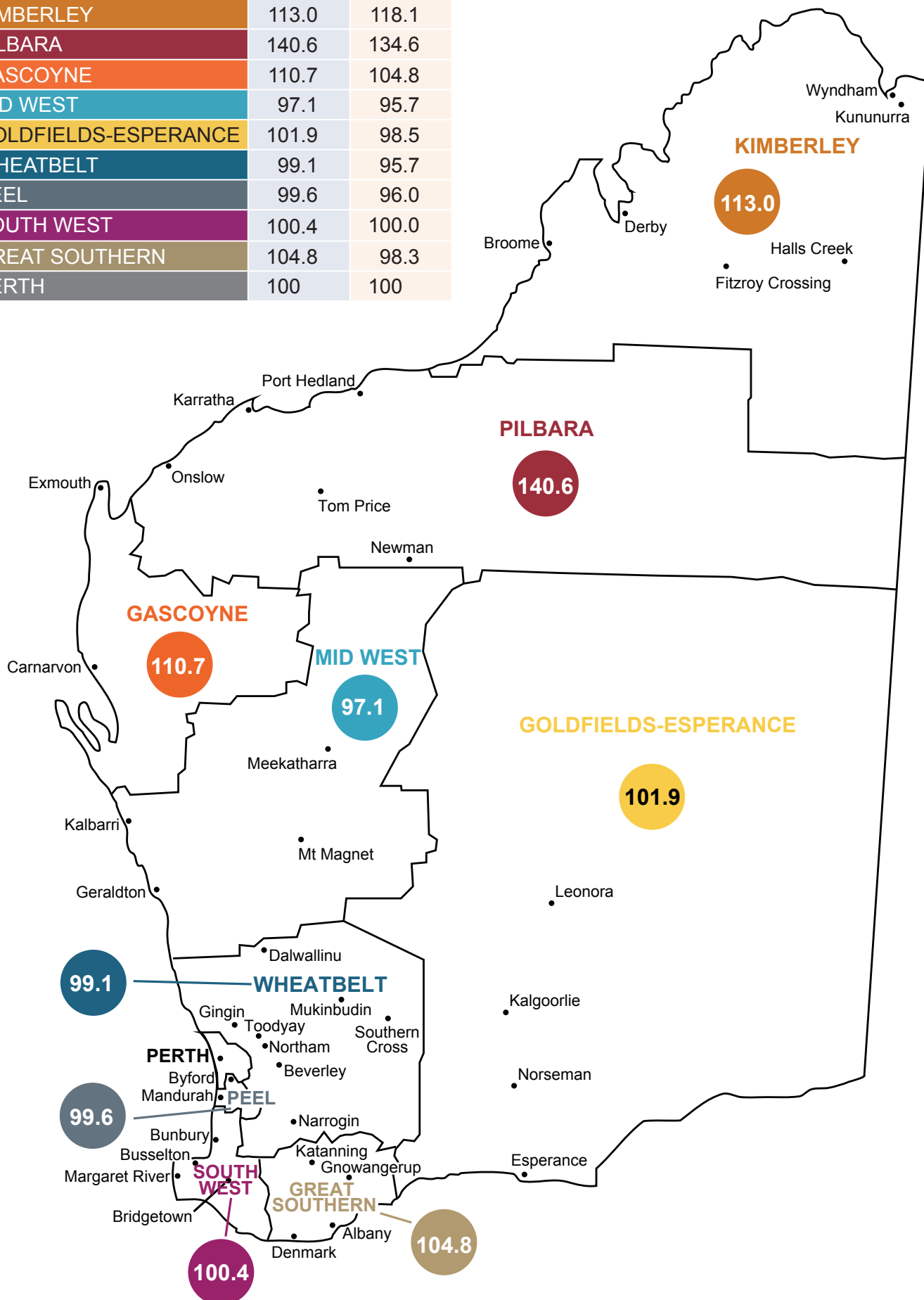
Map 4: Clothing commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	104.8	100.0
PILBARA	102.4	100.0
GASCOYNE	106.8	100.0
MID WEST	100.3	96.8
GOLDFIELDS-ESPERANCE	101.9	100.6
WHEATBELT	101.5	100.4
PEEL	101.6	99.7
SOUTH WEST	100.5	102.6
GREAT SOUTHERN	101.7	103.1
PERTH	100	100



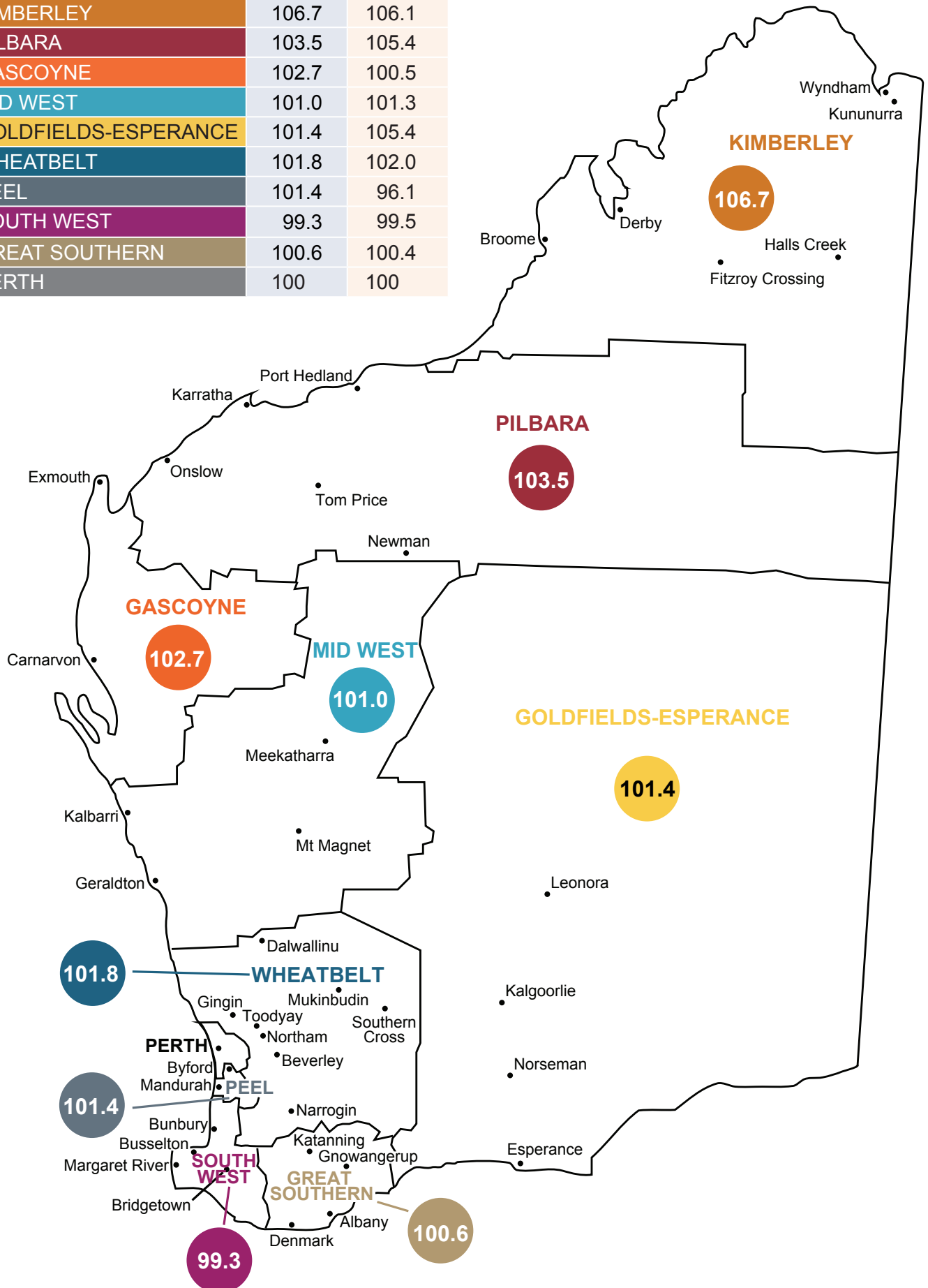
Map 5: Housing commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	113.0	118.1
PILBARA	140.6	134.6
GASCOYNE	110.7	104.8
MID WEST	97.1	95.7
GOLDFIELDS-ESPERANCE	101.9	98.5
WHEATBELT	99.1	95.7
PEEL	99.6	96.0
SOUTH WEST	100.4	100.0
GREAT SOUTHERN	104.8	98.3
PERTH	100	100



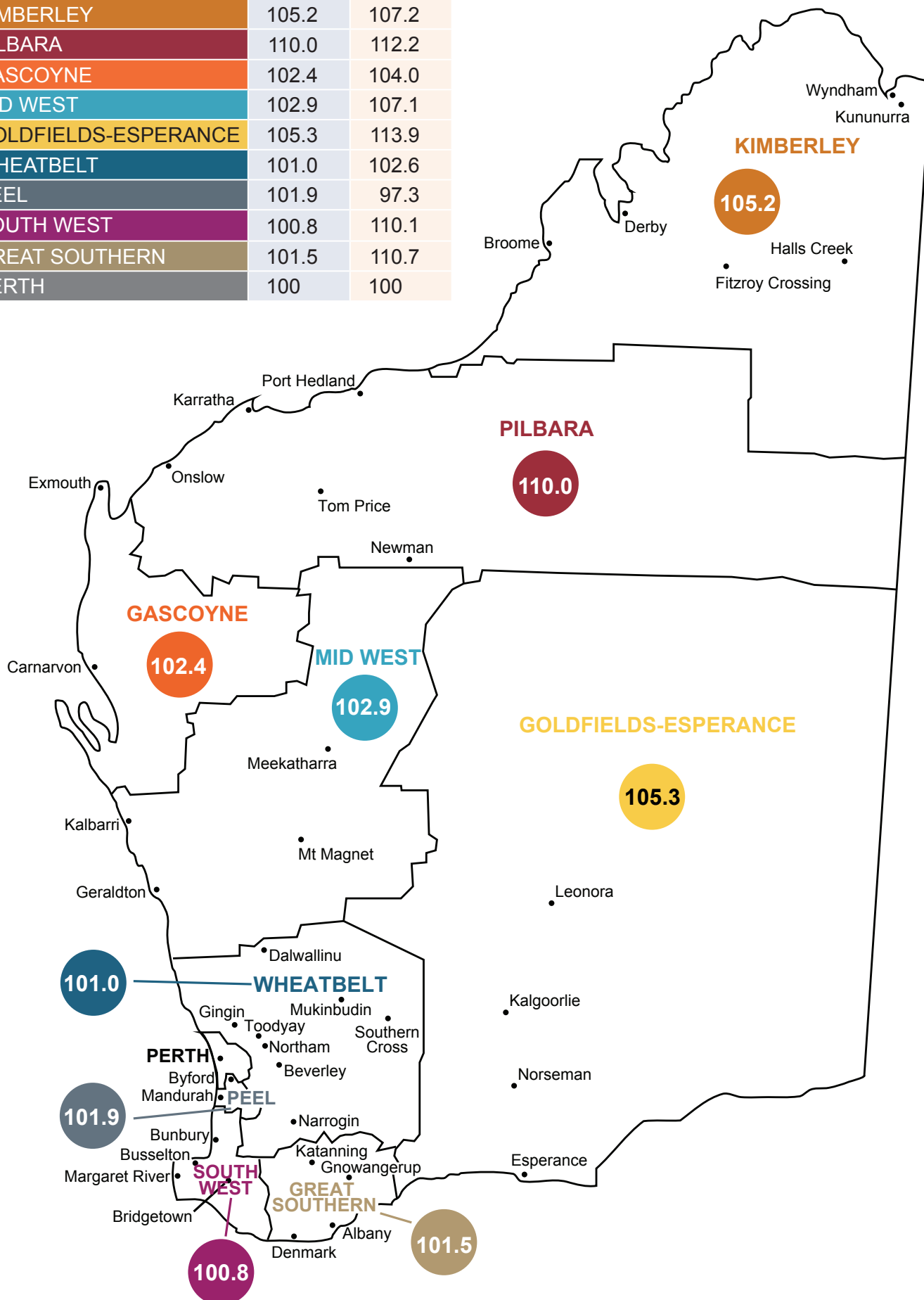
Map 6: Household equipment and operation commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	106.7	106.1
PILBARA	103.5	105.4
GASCOYNE	102.7	100.5
MID WEST	101.0	101.3
GOLDFIELDS-ESPERANCE	101.4	105.4
WHEATBELT	101.8	102.0
PEEL	101.4	96.1
SOUTH WEST	99.3	99.5
GREAT SOUTHERN	100.6	100.4
PERTH	100	100



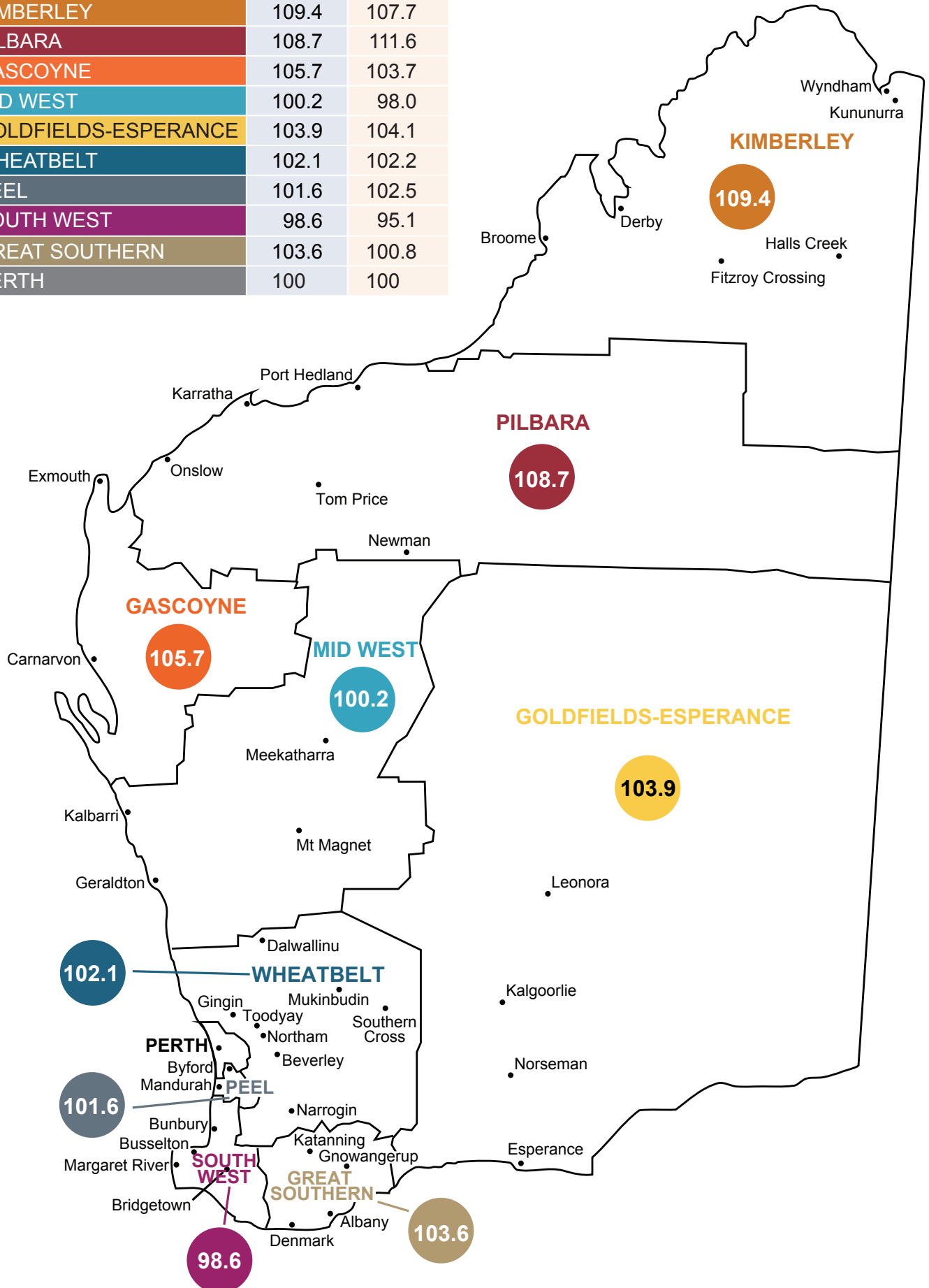
Map 7: Health and personal care commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	105.2	107.2
PILBARA	110.0	112.2
GASCOYNE	102.4	104.0
MID WEST	102.9	107.1
GOLDFIELDS-ESPERANCE	105.3	113.9
WHEATBELT	101.0	102.6
PEEL	101.9	97.3
SOUTH WEST	100.8	110.1
GREAT SOUTHERN	101.5	110.7
PERTH	100	100



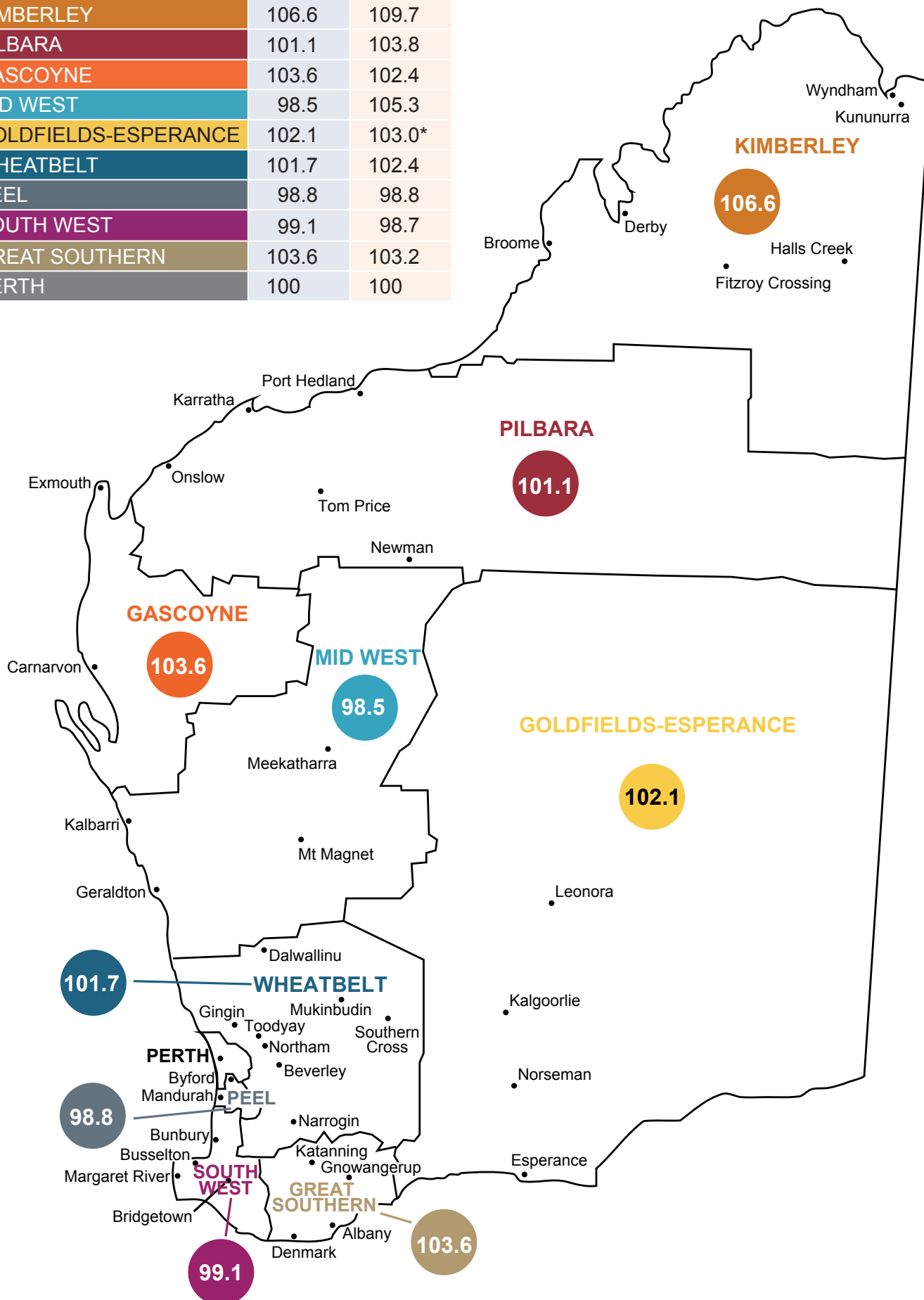
Map 8: Transport commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	109.4	107.7
PILBARA	108.7	111.6
GASCOYNE	105.7	103.7
MID WEST	100.2	98.0
GOLDFIELDS-ESPERANCE	103.9	104.1
WHEATBELT	102.1	102.2
PEEL	101.6	102.5
SOUTH WEST	98.6	95.1
GREAT SOUTHERN	103.6	100.8
PERTH	100	100



Map 9: Education and recreation commodity group

REGION PRICE INDICES	2023	2021
KIMBERLEY	106.6	109.7
PILBARA	101.1	103.8
GASCOYNE	103.6	102.4
MID WEST	98.5	105.3
GOLDFIELDS-ESPERANCE	102.1	103.0*
WHEATBELT	101.7	102.4
PEEL	98.8	98.8
SOUTH WEST	99.1	98.7
GREAT SOUTHERN	103.6	103.2
PERTH	100	100



* Note: In the Regional Price Index 2021, the reported index figure for Education and Recreation in Goldfields-Esperance was 111.6. This was incorrectly transcribed and should have been reported as 103.0.



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