

3. Significant Issues Impacting the Agency

- The Pilbara is currently in a transition period with the resources industry moving from a construction to production phase. Large resource projects that were under construction and underpinned population and local employment growth are now completed or near completion in 2016-2017.
- The high living costs that were a feature of the construction boom have largely dissipated with the region returning to some sense of normality. The Pilbara Cities Initiative has delivered considerable dividends to the region in terms of affordable living and amenity. The Commission's focus now turns to ensuring the remaining Pilbara Cities projects are delivered on time and on budget, which includes the Karratha Health Campus, and the East Pilbara Innovation Centre.
- The Pilbara Blueprint was released in October 2015 and guides the next phase of the Pilbara's development. The Pilbara Blueprint outlines the following Vision for the Pilbara which is that by 2050, the Pilbara will have 200,000 people living in vibrant, modern and inclusive cities and communities which offer quality services, career choice, affordable living and strong local communities.
- The Pilbara Blueprint identifies the need for ongoing investment to achieve the vision of 200,000 people in the region by 2050. This investment will include servicing opportunities for the existing world class and new infrastructure, value adding opportunities for resources and new emerging industries possible in a normalising economy transitioning from a predominantly construction to production phase.
- Population growth and economic diversification are critical to the sustainable future of the Pilbara and its capacity to overcome fluctuations in the mining industry. Key areas of diversification include agriculture, aquaculture, renewable energies and tourism. This will require a significant shift in the thinking of the Commission and the region's stakeholders. It will mean a stronger focus on projects that deliver transformational change to the region. The Commission will actively engage with its partners in the region to deliver the greatest benefit to the Pilbara.
- The impact of falling commodity prices on the world and Australia's economy will have consequential impacts on the Pilbara's economic activities. In 2011, the annual average price of iron ore was \$162.59 per tonne, compared to \$72.03 per tonne in 2015. Resource companies are cutting their production costs to ensure profitability. With no major increases on the price of resources expected during 2016-2017 it may impact the Commission's ability to deliver the objectives set out in the Pilbara Blueprint.
- In July 2016, the State Government announced the Regional Services Reform Roadmap, which sets out ten actions the State will undertake in partnership with Aboriginal people to strengthen families, improve living conditions, increase job prospects and accelerate education outcomes. One of the ten priority actions is ensuring residents of Aboriginal town-based reserves receive the same services and have the same responsibilities as other residents of nearby towns, starting with a \$20 million project in the Pilbara. There are eight Town Based Reserves in the Pilbara and the Commission will lead the delivery of the Pilbara Town Based Reserves project in partnership with key stakeholders.