

Economic Development Plan



1.0 Introduction

The Shire of Wyndham East Kimberley is experiencing many issues that affect other regional/remote areas in Australia i.e. static/declining population, challenges in attracting and retaining skilled labour, challenges in attracting investment, higher cost of living compared to the major centres and transport costs.

The Shire has limited resources to self-fund important infrastructure works. Where we can, we take advantage of Federal and State Government regional development policies, programs and grants. However, sometimes this is not enough. We also seek out private investment in support of our economic development.

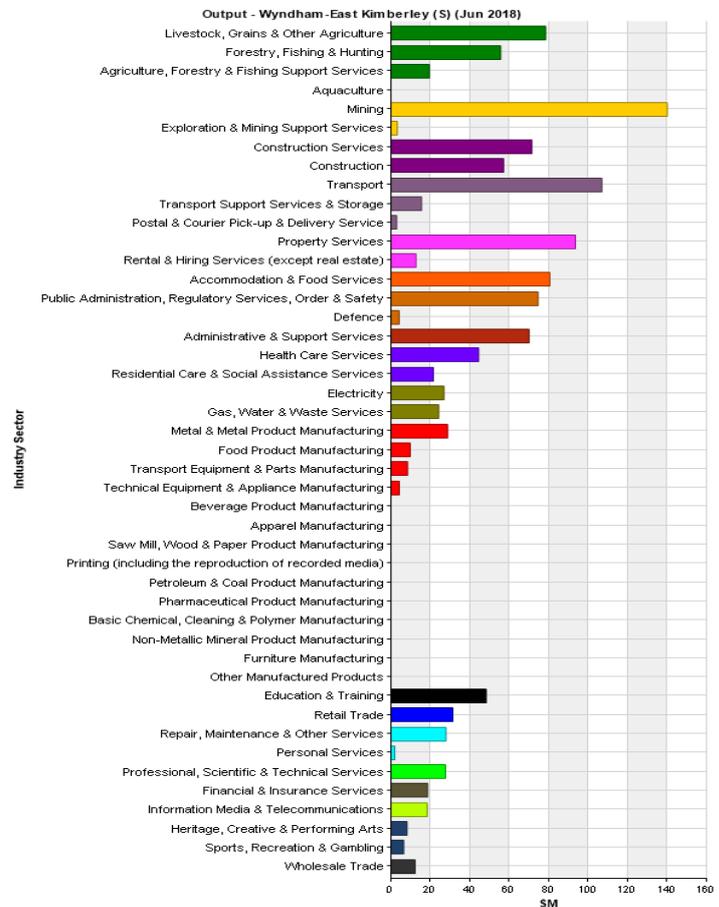
It is important to develop a coordinated and coherent Economic Development Plan (EDP) that outlines how we intend to increase the prosperity and liveability of our region, hence the Shire's desire to prepare the EDP.

Extensive consultations have been undertaken with the business community and key Traditional Owner organisations in the region. We have also met with key stakeholder groups including the agricultural, mining, tourism and services sectors to identify priority projects for the region.

Our region has a number of positive economic indicators that we need to grasp. One of these is the proximity of the region to the fast expanding markets in Asia – the region is closer to Southern Asia than Perth. This provides the region with a tremendous competitive advantage to exploit such markets. However, we lack critical infrastructure to get produce such as perishables to market quickly. While we do not have the funding necessary to undertake a lot of work ourselves, we do have the power of advocacy to challenge Federal and State governments to provide the infrastructure required to build our economic resilience.

Rather than develop a number of targets for growth (e.g. employment/business start-ups/increase in GRP/etc), which we may have limited influence over, we intend to drive economic development through ensuring we have strong advocacy for critical projects in our region. These projects will, in turn, drive “off-shoot” developments and create jobs and increase our prosperity. An example of such a development could be Project Sea Dragon. The development of this project could drive the development of clusters (based on transport/freight/logistics) at the Kununurra Airport and at the Wyndham Port. This project could also fast-track the Kununurra Heavy Vehicle By-pass Road construction. The Shire will collaborate with stakeholders to maximise such development opportunities.

We are now at the stage where we believe a discussion paper for public comment would be beneficial before the EDP is finalised.



REMPPLAN

Output across 45 industry sectors (Source: Remplan)

2.0 Purpose

The purpose of this Discussion Paper is to seek the community's input into the finalisation of the Economic Development Plan.

Recently the Shire released its Strategic Community Plan (SCP) and the Corporate Business Plan (CBP). These documents were prepared with extensive community input. What you told us during those consultations are reflected in both documents, but more particularly, the SCP states:

Strategic Community Plan 2017-2027

3 Economic prosperity

- 3.1 To deliver the critical infrastructure that will create the conditions for economic growth across the Shire
- 3.2 To be business friendly and the Shire of choice for inward investment in the Kimberley
- 3.3 Develop and retain skilled people that business need to succeed



PROSPERITY

We have not been waiting for the Economic Development Plan to be finalised to take action on a number of fronts. We have met with the business community to get an understanding of the



critical infrastructure required in our region. We have embarked on a very strong advocacy role – writing to Federal and State Ministers and to Federal Opposition Shadow Ministers. The Shire President and CEO have met with a number of visiting Ministers as well as travelled to Canberra to hold face-to-face meetings with Federal politicians. In the near future we will also travel to Perth to meet face-to-face with State Ministers. We have also committed to undertaking a review of our approval processes, to ensure we respond in a timely manner to development applications.

We want to be a Shire that is “business friendly” and a place of choice for investments.

3.0 Key Economic Drivers

Our key economic drivers are tourism, agriculture, mining, pastoral, forestry and soon to be aquaculture. Backing these we have an abundance of water, long crop growing season, world class attractions, national highway running through the centre of the region, and port and air infrastructure (albeit somewhat restricted). Add to this the strong leadership that exists in the Shire Council and the business sector, and we have the makings of a solid foundation to develop and expand our economic base, hence improve our prosperity.

4.0 Impediments to Growth

As is normal, there can be many impediments to growth, particularly in remote regions like ours. The table provided illustrates these impediments. While we have outlined some solutions to these impediments, these are by no means the complete set. You may wish to add to or comment on their relevancy.

5.0 Strategic Levers

While we do not have the funds that a large rates base can provide, we have a number of strategic levers we can activate and pursue. These include:

- Advocacy and leadership
- Positioning the region
- Enabling infrastructure
- Industry development and attraction
- Workforce development
- Cluster development, and
- Innovation

You might have some more levers or don’t think some are relevant – let us know. The above strategic levers are discussed in some detail below.

IMPEDIMENTS/SOLUTIONS TO ECONOMIC GROWTH	
Impediment	Possible Solution
<i>Small market</i>	<i>Targeted Marketing, niche products, advocacy, value-add industries</i>
<i>Approval processes lengthy and expensive</i>	<i>Streamline approval processes</i>
<i>Lack of skilled workforce</i>	<i>Develop workforce plan in conjunction with industry and State agencies</i>
<i>Lack of access to finance</i>	<i>Financial management, better economic growth data, corporate governance, market research, grants, EFIC, Austrade, consortia formation</i>
<i>Lack of fast broadband</i>	<i>Advocacy at various levels of government</i>
<i>Lack of supporting infrastructure (e.g. retic sewerage)</i>	<i>Advocacy, industry support, community support, business cases for funding for improvements</i>
<i>Industry structure</i>	<i>Collaboration, clusters, working smarter</i>
<i>Leadership</i>	<i>Collaboration, defining leadership roles</i>
<i>Social issues</i>	<i>Address anti-social behaviour – particularly youth crime. Manage perceptions</i>
<i>Marketing/promotion</i>	<i>Better coordinated marketing and promotion activities</i>
<i>Drainage/flooding</i>	<i>Better planning/coordination of agencies</i>
<i>Liveability infrastructure</i>	<i>Clear picture of what is required. Advocacy. Grant funding.</i>



5.1 Advocacy and Leadership

Our achievements will be enhanced greatly through a strong partnership between SWEK, our business community, our Indigenous corporations and our community organisations. We will also need to leverage as much support as we can from Federal and State Governments – this means building strong relationships with both these governments’ political and administrative arms.

To be successful, we will need to get our own house in order and all our regional leaders advocating for the region coherently and with consistency – i.e. delivering the same message. Fracturing of our messaging will lead to failure or at best a less than ideal outcome.

Following are some of the projects in the pipeline for our region that we are/have been strongly advocating for. We have written a number of letters to Federal and State Ministers on these projects. Further, recently the Shire President and CEO met with senior Federal government and Federal opposition politicians to put our case for economic and social infrastructure requirements in our region.

5.1.1 East Kimberley Regional Airport Runway Extension

The East Kimberley Regional Airport (EKRA) masterplan provides for the extension of the runway at the airport. A business case and cost benefit analysis have been completed by consultants. The cost of the new works (extension of the runway by 601 metres, strengthening of taxiways and aprons and associated infrastructure including upgrade of lighting/navigation systems) is around \$20M.

The extended runway will give the airport increased capacity to handle larger, more fuel efficient passenger jets such as the B737/ A320 and service direct flights to all destinations in Australia and some Asian distribution points. This will give the region the capability to airfreight high value products (e.g. fresh seafoods, mangoes, etc) and perishables to the quickly expanding Asian markets.

Runway extension should also trigger the development of a transport/freight/logistics precinct/cluster around the airport. Planning will need to accommodate such development.

5.1.2 Wyndham Port Upgrade

Wyndham Port is able to cater for ships of up to 190 metres. Its current major outbound cargo includes live cattle and crude oil (10,000 tonnes at a time), and inwards cargo of diesel. CGL has converted the larger of its two storage tanks to accommodate crude oil shipments.

Kimberley Agricultural Investments (KAI) is currently developing Stage 2 of the Ord River Irrigation Area. It is trialling cotton growing in the region. All indications are that the trials have been successful and a cotton gin is expected to be built in Kununurra at a cost of around \$30M. This will then lead to significant value-add industries being developed – the main one being production of cattle feed. This will enable Carlton Hill Station to support around 70,000 head of cattle by the mid-2030s.

Wyndham Port will become crucial to KAI’s business plans in that the Port will be utilised to ship cattle, cotton and other products. KAI has also indicated if its production targets are met, it will build its own outward and inward cargo warehouses at Wyndham Port. Further, should Project Sea Dragon become a reality, processed products will be shipped out of the Port.

The Government has shown confidence in the Port in that the upgrade of roadworks into Wyndham is almost complete. Once it becomes clear the level of traffic this road will carry (particularly heavy vehicles), further upgrades may be necessary. It is suggested that a study of the port usage over the next 2-3 years be undertaken to ensure necessary upgrades to the Port and its facilities are undertaken in a timely manner. The other major constraint to development will be the lack of a reticulated sewerage system at the Port. Port development may also require a by-pass road to be built around the town.



Wyndham Port

5.1.3 Broadband access

While we have NBN in Kununurra, its reach is not ideal e.g. the airport does not have access to NBN. For the region to prosper and do business in “real time”, fast affordable broadband access is critical. For us to advocate for industry development and attraction, lack of adequate broadband access is a real constraint. We need to utilise all the tools at our disposal to address this issue.

Some of the things we can do also for Wyndham, as part of our advocacy role, is to partner with business and the East Kimberley Chamber of Commerce and Industry to lobby the NBN, Federal Minister for Communications, Federal Member for Durack (local member), Federal Senators, etc for a better service. We are effectively undertaking this task.

5.1.4 Town Centre Development

The Kununurra Town Centre includes the Leisure and Aquatic Centre, the old Council administration building and Tourism House. The existing Kununurra Leisure Centre is over 30 years old. It no longer meets modern design and building code standards; nor does it meet the expectations of today’s leisure centre

user groups. The aquatic facilities have reached the end of their serviceable life and require replacement. The old Council Administration building within this site is also past its “use by” date and consideration should be given to demolishing most of the building for the redevelopment of the area. The Leisure and Aquatic Centre redevelopment is critical for addressing liveability issues in the region. A concept plan for the Leisure and Aquatic Centre development has recently been released for public consultation.

In the medium-term, there are considerable opportunities to develop the remainder of the site into a better utilised development. The development of the site will be dependent on our economic development outcomes over the next few years. However, there is an opportunity to better link the Visitor Centre to the precinct and construct a purpose-built building next to Tourism House to expand its attraction such as for an interpretive centre, other museums and tourism facilities. Strong advocacy will be required to get some of these projects over the line for grant funding.

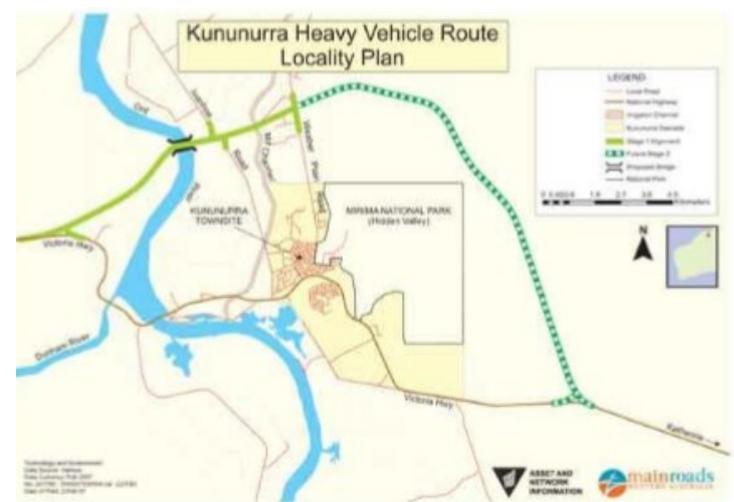
need to advocate strongly now for the by-pass to be built as soon as possible to ensure the integrity of the Diversion Dam is not compromised. It should be noted the Diversion Dam was not designed to carry the load nor volume of traffic that it is carrying now. Failure of the Dam will have a catastrophic impact on the region as the agricultural sector will be decimated.

The current by-pass proposal, which is significantly advanced, involves the construction of around 28 km of roadworks and a new bridge over the Ord River. This project is scheduled for completion in two stages. Considerable work has been undertaken by the State Government on this proposal.

Current Status: Development activities for the project are understood to be completed. Preliminary design work, Aboriginal heritage assessments and public consultation have been finalised. Environmental assessments and formal referral to the EPA has been completed. It should be noted that no construction funding has been identified for the project. Timing for the construction will be subject to future Federal and State Budget processes.



Proposed Kununurra Leisure and Aquatic Centre Redevelopment
Legend: 1: Existing Sports Centre; 2: Proposed new aquatic centre; 3: Proposed new service areas; 4: Proposed new aquatic amenities; 5: Existing unused Shire offices; 6: Existing car parking; 7: Proposed development site



Kununurra Heavy Vehicle By-pass Route

In Wyndham Three Mile Town Centre there are a number of key future development opportunities that the Shire will work with residents to develop including community safety such as CCTV.

5.1.5 Kununurra Heavy Vehicle By-pass Road

Victoria Highway is the National Highway One freight link between Darwin and Perth. This highway runs over the Kununurra Diversion Dam. The Diversion Dam has height and width restrictions on vehicles. Hence, heavy vehicles such as heavy haulage defence vehicles have difficulty negotiating the bridge. Community consultations have highlighted the need for a by-pass that would remove such restrictions.

Should the cotton industry develop and Project Sea Dragon goes ahead, there will be a considerable increase in the number of heavy vehicles on the road between Kununurra and Wyndham. We

5.1.6 Update East Kimberley @ 25K Report

East Kimberley @25K was completed in 2013. Since then there have been considerable changes to the data set used to develop the report. It is suggested that this report should be updated so we have a set of valid and up-to-date data to assist in our planning, infrastructure development and economic development endeavors. Further, improved data would also assist current businesses in the region and potential new businesses in their business planning and securing funding for business activities e.g. business expansion, etc. We are also discussing the sourcing of a forecasting model that will provide us with up-to-date data for our planning purposes.

5.1.7 Other Projects

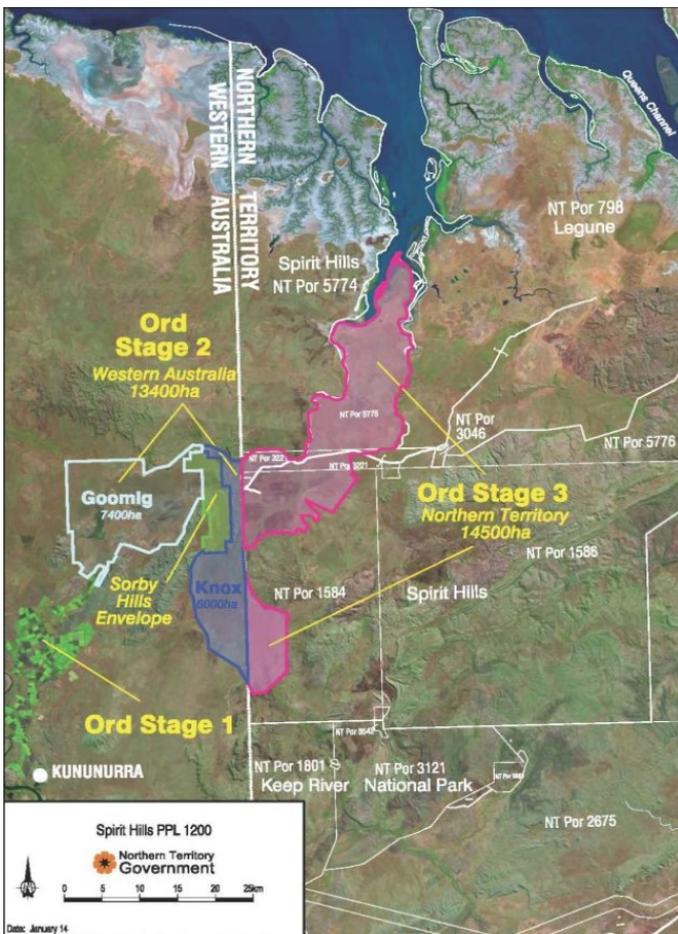
Other projects, or parts of projects, in the region that we can take a leadership role in facilitating include Project Sea Dragon aquaculture project (more of a facilitation role) and Stage 3 Expansion of the ORD Irrigation area (liaison/facilitation/coordination).

Sea Farms’ **Project Sea Dragon** is currently at Final Investment



Decision (FID) stage. Sea Farms has indicated if the project proceeds, it will build a processing plant in Kununurra and ship the products out of Wyndham Port. It is expected the processing plant will employ around 100 people. From our point of view, we need to ensure we are agile enough to provide approvals in a timely manner (while ensuring all regulatory requirements are met). If the project goes ahead, there will be considerable benefit to the region i.e. a sealed road will cross the Ord Stage 3 project area (Moonamang Rd), thereby making the Ord expansion more plausible in the medium term.

ORD Irrigation Project (Stage 3) is currently undergoing a feasibility Study, managed by the NT Government (with funding from the Federal Government). Should the project go ahead, our role can be significant in ensuring we provide the services necessary that benefits our economy. However, our region will need to be better prepared to leverage from this project, more so than we were with Ord Stage 2 construction.



Proposed ORD Stage 3 Development

Argyle Diamond Mine, is expected to close in 2020/21. It is understood Traditional Owner groups and organisations have been working with Rio Tinto to manage the closure and remediation phase of the project. The Shire stands ready to assist the Aboriginal organisations.

5.2 Positioning the Region

We need to capitalise on our comparative advantages – i.e. our geographic location, natural beauty and water resources. The region’s location and natural resources which contribute to its strengths include:

- Proximity to the fast growing Asian markets - we are closer to South Asia than we are to Perth. The rise of the quickly

expanding “middle class” in countries such as India and China are accepting of Australia’s clean, green image. Therefore, we need to grasp this opportunity and cater for this market. Further, fresh fruit produced in Australia has an added advantage in that it is produced during the northern hemisphere off season, thereby commanding premium prices;

- We have a world renowned landscape with its rugged beauty, and many attractions. In partnership with our Aboriginal custodians of the land in the region, we need to develop business enterprises such as walking trails. There will be jobs outcomes for Aboriginal people through such ventures;
- The ORD Irrigation scheme provides certainty to large irrigation farming lands. The development of crops such as cotton should provide opportunities for leveraging other developments such as the Wyndham Port upgrade, road upgrades, etc. Commercial cotton growing in the region will also lead to value-add industries such as cattle feed that could support a large cattle herd leveraging directly off the Ord Stage 2 development; and
- The large cattle stations in the Kimberley provide the opportunity to increase live cattle exports from the Wyndham Port to South East Asia.

Kununurra has been identified as one of the top strategic regional centres by the WA Government. This involves the preparation of a growth plan for the town. We need to get clarity around the current State Government’s commitment to continue with this program. If supported by Government, we need to prepare this growth plan quickly. The Australian Government also has an *Industry Growth Centres* program. Food and Agribusiness Growth Centre, known as FIAL (Food Innovation Australia Ltd) is building capability and encouraging collaboration and innovation in the Australian food and agribusiness sector. In view of the value of agribusiness to the East Kimberley economy, we need to ensure our agribusiness sector is engaged with FIAL.

5.3 Enabling Infrastructure

Infrastructure is the cornerstone of productivity and growth. Improvements to existing infrastructure such as the East Kimberley Regional Airport, Wyndham Port and broadband access will be key to driving our future economic growth. It matters little if we produce enormous quantities of products – our challenge is to get such products to markets effectively and efficiently. Similarly, improved broadband access is vital to businesses being able to conduct their businesses in real time – this is critical. The current potential development of Project Sea Dragon and expansion of the ORD irrigation project are prime examples of the need to improve our infrastructure. Infrastructure upgrades should also lead to increased investment in existing businesses, thereby increasing jobs outcomes.

The East Kimberley Regional Airport runway extension would not only increase our tourism but also enhance export potential. This will also lead to an airport business precinct becoming a reality where clusters around freight/logistics/transport can be developed.

It should also be noted that the lack of adequate sewerage infrastructure in Kununurra and Wyndham has the potential to restrict commercial development activities. Wyndham is in dire need of a modern sewerage system. Currently a number of commercial projects are on hold due to the lack of such infrastructure. Future development around the Wyndham Port



may also be affected due to the lack of modern sewerage services.

5.4 Industry Development and Attraction

The majority of our existing businesses are small. We need to ensure we support these businesses to grow and prosper and to drive job creation through greater investment. In conjunction with supporting small businesses we need to ensure we have the right settings to attract new businesses to our region. Such new businesses could include value-adding industries.

One of the pressing issues now is for us to identify suitable land for an industrial precinct. This precinct will need to have easy access to other infrastructure, such as highway, airport, port, etc.

5.5 Workforce Development

For any region to succeed, it needs a skilled workforce that industry can rely on to grow their business and hence the economy. Skills attraction and retention is a challenge for all remote areas. The challenge for us will be our ability to work closely with our businesses and potential new businesses to identify skills gaps early and address such gaps. Issues such as housing quality, sport and recreation facilities, quality of education, community and personal safety, cost of air transport and jobs for partners are critical in the decision-making of families to pursue job opportunities in our region. These are also major issues for people already in the region and will have an effect on our ability to retain skilled people. It is therefore vital we prepare a workforce development plan for our region as quickly as possible.

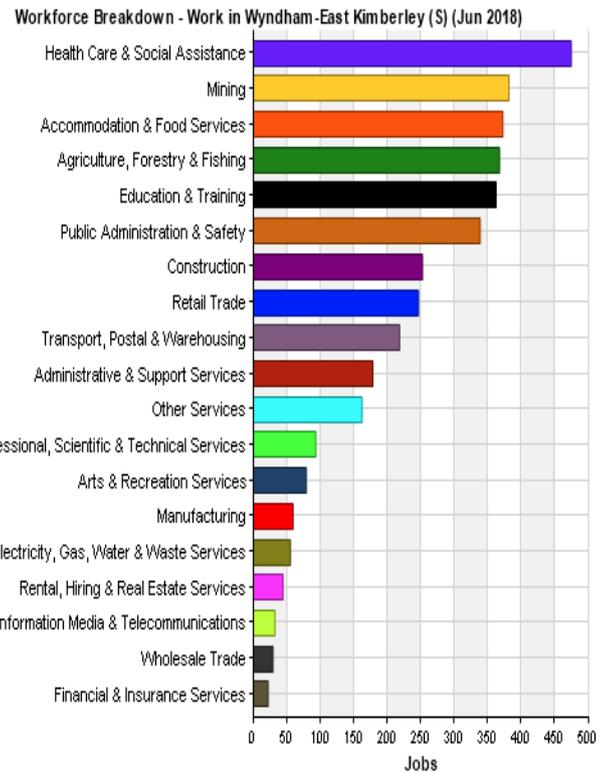
Another area where we could show leadership is working with local groups such as the East Kimberley Jobs Pathways (EKJP), Kununurra Region Economic Aboriginal Corporation (KREAC) and the Small Business Development Corporation (SBDC) to develop small local enterprises for local Aboriginal people. This can be achieved through the Shire contracting out management of things like tip, upkeep of cemetery, parks and gardens, etc. Not only will this alleviate some of the chronic Aboriginal unemployment, but will provide a vehicle for Aboriginal participation in the economy. It could also assist in addressing some of our social issues in the region.

5.6 Cluster development

There are at least three cluster development opportunities in the East Kimberley:

- Transport/freight/logistics cluster around the Kununurra Airport and Wyndham Port;
- Cluster around food and agribusiness; and
- Tourism cluster.

However, the development of these clusters will require considerable buy-in from businesses within the relevant sectors. The Shire is willing to facilitate cluster development, but industry will need to make it happen. Considerable leveraging and business development opportunities could arise from such collaborations.



Workforce Data (Source: Remplan)

5.7 Innovation

Innovation is key to gaining a competitive advantage for any business. Innovation is about creating more effective processes, products or ideas or changing processes. Innovation does not necessarily mean inventing, but changing business models to adapt to new marketing challenges and markets. Business innovation leads to more efficient work processes that leads to greater productivity and performance.

Through partnerships with organisations such as the East Kimberley Chamber of Commerce and Industry, our role would be to encourage and facilitate innovation.



Where to from here?

The above is just an outline of what our economic development plan might look like. This document outlines a number of critical infrastructure projects that have been identified through our stakeholder engagement processes to date. However, you may have a different take on issues and would like to propose alternate or additional solutions. Your views will be taken into consideration in the preparation of our final East Kimberley Economic Development Plan.

How can you Provide Feedback?

The closing date for submissions/comments/suggestions is 4.30pm Friday, 8th March 2019. We don't need formal responses, email responses will suffice.

All submissions/responses should be sent to email: Alfred.nagaiya@swek.wa.gov.au by the closing date.