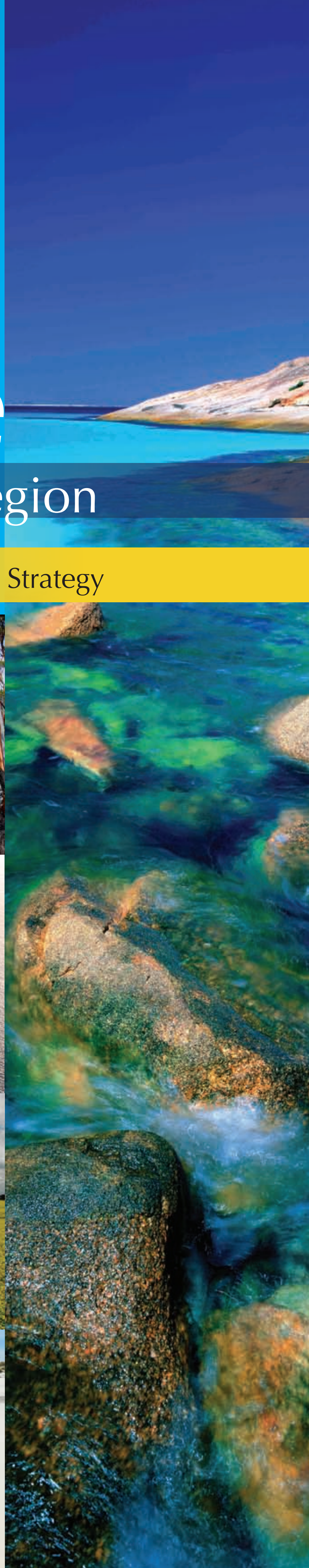
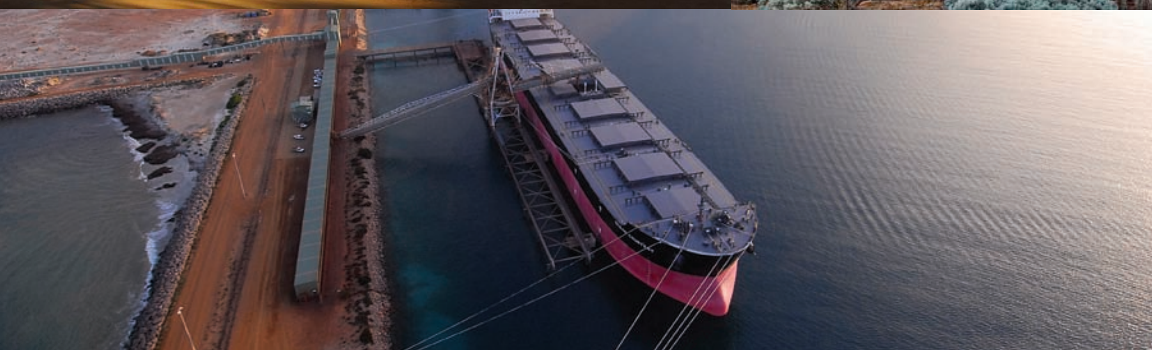
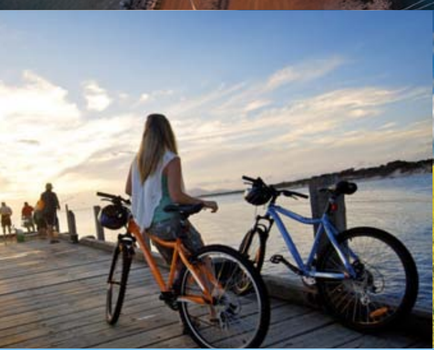
Esperance

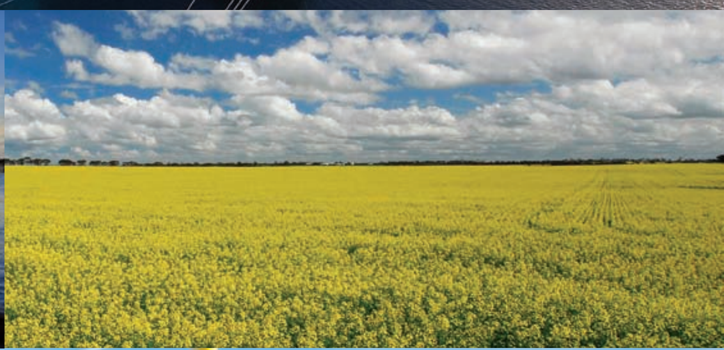
Region

Economic Development Strategy









Foreword

The Esperance Region Economic Development Strategy will guide the future growth and development of the Esperance Region. It will ensure future steps taken by the Goldfields-Esperance Development Commission (GEDC), Esperance Shire Council, Dundas Shire Council, Ravensthorpe Shire Council, Regional Chambers and the business community are practical, cost-effective and well-coordinated. Importantly, the Esperance Region Economic Development Strategy is also supported by the Investment Attraction Program, designed to proactively target business and investment attraction in the region.

The Esperance Region Economic Development Strategy has been structured around five critical components to inform intelligent and conscious decision making. Starting with an overview of the region, the report presents the competitive edge for the Esperance Region, the factors that will influence the development and expansion of local business and industry, as well as an honest presentation of the challenges needing to be overcome to realise the region's potential.

With the platform set, the document then explores the range of development initiatives required to grow our economy. The Grow Our Economy sections then presents the 1%'ers, which are the four strategic directions identified to support the simple day-to-day actions required to encourage an environment conducive for business and industry investment and jobs growth. The last three chapters focus on the regional and local focus initiatives and actions requirement of key stakeholders to deliver the priority regional and local economic development initiatives. The report concludes by explaining how the success of these initiatives can and should be measured over time.

This report is downloadable as one complete and comprehensive reference tool as well as individual stand-alone chapters that may be used for a range of different marketing and business attraction purposes.

Report prepared by:
AEC Group Pty Ltd
Level 2, 580 Hay Street
Perth WA 6000
Australia

T: +61 8 6555 4940
W: www.aecgroupltd.com
ABN: 84 087 828 902

Contributing Agencies
The Esperance Region Economic Development Strategy is a key research paper prepared on behalf of the Goldfields Esperance Development Commission, Shire of Esperance, Shire of Ravensthorpe, Shire of Dundas and Esperance Chamber of Commerce and Industry funding from the Western Australian Government and the Royalties for Regions Program.

Contents

Executive Summary

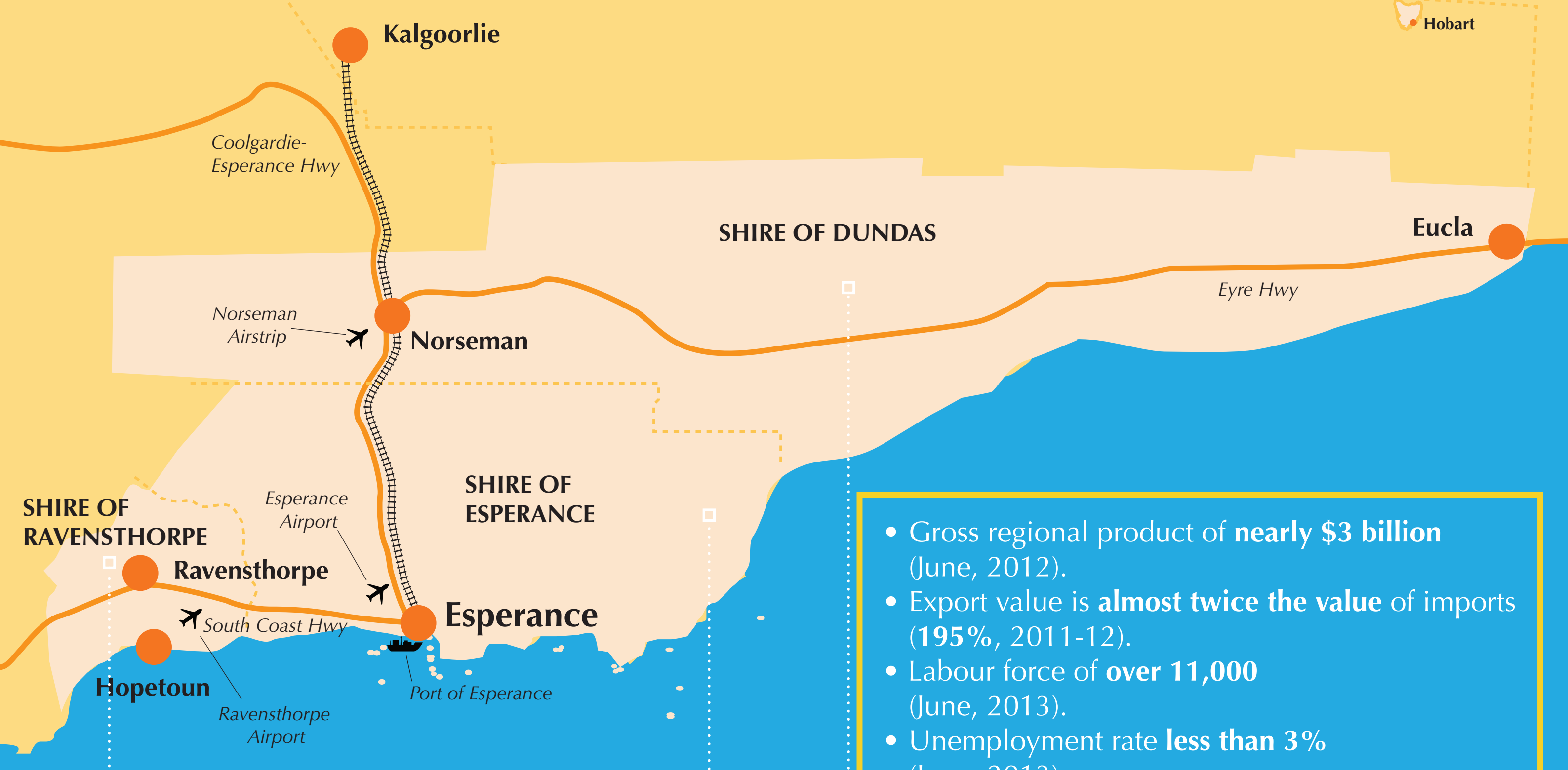
The Esperance Region Economic Development Strategy (the Strategy) has emerged from extensive research, analysis and consultation with stakeholders to understand the region's requirements, impediments and immediate priorities for action.

The Strategy has leveraged the extensive economic development research and planning undertaken throughout the region for many years.

It is now time to implement and action the immediate priorities for economic development. The Strategy has a particular emphasis on presenting clarity around the day-to-day tasks needed to create an investment conducive environment and those immediate focus initiatives local stakeholders wish to see delivered first.

Map of the Esperance Region Study Area

The Esperance Region (Shires of Dundas, Ravensthorpe and Esperance) stretches from the township of Ravensthorpe in the West to Eucla on the Nullarbor Plain in the far East; from Norseman and its surrounding mining operations in the north to the southern coastline with Hopetoun and Esperance straddling the Great Australian Bight and islands of the Recherche Archipelago.



- Gross regional product of **nearly $3 billion** (June, 2012).
- Export value is **almost twice the value** of imports (**195%**, 2011-12).
- Labour force of **over 11,000** (June, 2013).
- Unemployment rate **less than 3%** (June, 2013).
- Over **230,000 tourist visitor arrivals** annually (June, 2013).

The Shire of Ravensthorpe: The towns of Ravensthorpe and Hopetoun are the major population and activity centres within the Shire and farming, mining and tourism are the main industries.

- Area: 13,553 square Kilometres
- Population: 2,258
- GRP: $952 Million
- Main Employment Sectors:
  - Mining
  - Agriculture, forestry and fishing
  - Construction

The Shire of Esperance: The township of Esperance is the main population hub and service center for the surrounding region and is located on the coastline with an attractive beach adjacent to the CBD. It holds the only port in the south-east of Western Australia that is serviced by road and rail freight.

- Area: 44,366 square Kilometers
- Population: 14,099
- GRP: $1.281 Billion
- Main Employment Sectors:
  - Agriculture, forestry and fishing
  - Retail trade
  - Health care and social assistance

The Shire of Dundas: The main township of Norseman is characterised as a major stopping point for travellers to and from the eastern states. The other township in the Shire is Eucla, situated 717 kilometres east of Norseman.

- Area: 93,179 square Kilometres
- Population: 1,194
- GRP: $545 Million
- Main Employment Sectors:
  - Mining
  - Retail trade
  - Construction

Key Socio-Economic Indicators, Esperance Region

Indicator	Period	Measure	5 Year Growth
Population	June 2012	17,551	4.4%
Gross Regional Product	2011-12	$2.78 billion	16.2%
Economic Value of Key Sectors (Mining and Agriculture)	2011-12	$1.75 billion	49.8%
Labour Force	June 2013	11,366	15.7%
Unemployment Rate	June 2013	2.9%	+0.3ppts
Number of Residential Building Approvals	2012-13	75	-41.4%
Value of Residential Building Approvals	2012-13	$22.2 million	-61.0%
Value of Non-Residential Building Approvals	2012-13	$3.6 million	-75.8%
Median House Price – Esperance	YE Sept 2013	$355,000	5.2%
Median House Price – Norseman*	YE Sept 2013	$31,000	-51.2%
Median House Price – Ravensthorpe*	YE Sept 2013	$150,000	-40.8%
Annual Visitors (Day Trip, Domestic & International)**	YE Dec 2013	231,356	-4.9%

Notes: YE = Year ended. *: Figures can be influenced by data paucity. **: Visitor estimates based on the sum of Esperance and Esperance Region statistical area level 2.
Source: AEC (2013a), ABS (2013a), ABS (2013b), DEEWR (2013), REIWA (2013), TRA (2014)

A range of key strategic assets further support the Esperance Region economy:

- **Port of Esperance:** The Port of Esperance is the major export terminal for the region, exporting over 13 million tonnes (2012-13).
- **Surrounding Agriculture and Climate:** The area is rich in agriculture driven by a combination of productive lands, a favourable climate and reliable annual rainfall. The primary crops in the region are grains and broadacre cropping.
- **Road and Rail:** The road connections within the region between Esperance, Ravensthorpe, Norseman and the greater goldfields region are generally sound. A $120 million Port Access Corridor has recently been completed in Esperance.
- **Mining Deposits:** Mining has been a mainstay of the Esperance Region throughout its history. The region retains excellent prospectivity, with large known and potential nickel, gold, copper, and coal deposits present.
- **Natural Assets:** The region is blessed with a variety of natural assets (including pristine beaches and national parks), providing a significant attraction for tourism and adding value to the local quality of life.
- **Quality of Life:** The region provides a high quality of life and a relaxed lifestyle.
- **Airports:** Regional airports provide a critical air link and access to Perth and beyond. The Esperance Airport operates multiple flights each day with Virgin Australia Regional Airlines. The Ravensthorpe Airport operates three flights per week with connections to Esperance and Perth. Significant scope exists to expand Norseman Airstrip in order to allow for commercial flights.
- **Southern Ocean:** The Southern Ocean provides the Esperance Region with significant economic opportunity through commercial fishing, aquaculture, tourism and recreational fishing.

The Esperance Region possesses a number of competitive strengths, including productive agricultural land, extensive known and prospective mineral deposits, established supply chain infrastructure, and extensive and pristine natural assets.

Key challenges to be overcome in the region include the cost of operating in a remote area and attracting a critical population and business mass in order to establish viable operations in a number of industry sectors.

Regional Vision

'The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy' – Esperance Growth Plan (2012)

This regional vision is supported by six guiding principles within the *Regional Growth Plan*. 'Guiding Principle 1: Grow Our Economy' has four strategic directions and is the focus of the *Esperance Region Economic Development Strategy* (this document) and these strategic directions form the basis of the Grow Our Economy Framework (overleaf) and include:

- Supportive business environments.
- Attraction and retention of knowledge and investment.
- Sustainable growth supported by innovative industry.
- A wealth of diverse and quality employment opportunities.

Grow Our Economy Framework

It is critical local and regional economic development leaders undertake a systematic, applied and pragmatic approach to economic development on a day–to-day basis.

Economic development will not ‘simply happen’ without direct, deliberate and prescribed action to create a constructive and attractive environment for business and industries to operate and invest in. The Grow Our Economy Framework is borne out of the *Planning for our Future: A Growth Plan for Esperance and the South-East Region* (2012) and ensures time and resources are allocated to the areas with the highest potential value for the regional community and economy. It includes four key components:

- **Vision:** Clear statement, taken from the Esperance Growth Plan (2012), to set the future vision for the region.
- **1%’ers:** The day-to-day actions of all economic development stakeholders to chip away and ensure an environment conducive to investment and industry/ business growth is created locally. The four strategic directions in the 1%’ers are taken from ‘Guiding Principle 1: Grow Our Economy’.
- **Focus Initiatives:** The key initiatives that have been identified to drive economic development forward and become catalysts for future growth. There are seven ‘regional’ focus initiatives and 11 ‘local’ focus initiatives.
- **Outcomes:** Monitoring changes in the outcomes is how the ultimate success of the strategy will be measured. Success is not about measuring the process, which is important, but also the material change delivered on-ground.

Achieving the economic development vision requires both a sustained commitment to day-to-day development activities (the 1%’ers) and ongoing pursuit of the specific projects selected as local and regional focus initiatives.

Key outcomes of the strategy will be measured via a suite of macro-economic indicators designed to capture the intent of the four desired outcomes:

- More jobs, higher income (employment levels, average wages levels).
- Greater economic diversity (employment diversity, diversity of economic activity).
- Stronger population growth (population growth).
- Enhanced regional competitiveness (gross regional product, building approval levels, visitor nights).

Targets for day-to-day economic activities undertaken by responsible stakeholders will be monitored on an ongoing basis as part of the *Economic Development Strategy*, and *Investment Attraction Program Implementation*.

Esperance Grow Our Economy Framework Stages

VISION

The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy

1%'ers

1. Supportive business environments
- Engage proactively and often with local businesses
- Encourage existing businesses to flourish

2. Attraction and retention of knowledge and investment
- Develop the tools to market the region
- Create a welcoming environment for outside business capital
- Draw attention with a clear message

3. Sustainable growth supported by innovative industry
- Connect local needs with local solutions
- Activating public spaces to encourage market-based activity

4. A wealth of diverse and quality employment opportunities
- Facilitate discussions between businesses and schools
- Fill specialised positions through talent attraction

Focus Initiatives

Regional Initiatives
- Business Incubator & Business Service Centre
- Esperance Port Expansion
- Regional Investment Fund
- Regional Energy Supply
- Agricultural Lands Release - Investigation
- Regional Mobile Communications and National Broadband Network
- Regional Tourism Expansion

Local Initiatives
- Dundas: Bakery, Café and Art Gallery; Attraction of Additional Tradespersons; Norseman Airport Expansion
- Ravensthorpe: Improved Local Banking Facilities; Hopetoun and Ravensthorpe Accommodation; Recreational Tourism; Hopetoun and Ravensthorpe Town Centre Urban Revitalisation
- Esperance: Produce Branding and Collaboration; Implement Esperance Town Centre Revitalisation Master Plan, Esperance Tourism Development; Seafood Hub

Outcomes
- More jobs, higher income
- Greater economic diversity
- Stronger population growth
- Enhanced regional competitiveness

Source: AEC

1. Regional Overview & Competitive Edge

'The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy' - Esperance Growth Plan (2012)

Strategic Assets

The region's strategic assets demonstrate the unique capacity of the local economy and provide a platform for significant growth, particularly when combined with the region's depth of existing competitive advantages.

- **Port of Esperance:** The Port of Esperance is the major export terminal for the region, exporting over 13 million tonnes (2012-13), a new record (Esperance Ports, 2013). The major export commodity is iron ore as well as significant volumes of barley, wheat and canola. The port provides export opportunities for local mineral and agricultural products, but currently imports very little.

- **Surrounding Agriculture and Climate:** The area is rich in agriculture, primarily grains and broadacre cropping. Agriculture forms the historical basis for the economy, together with fishing. There are significant volumes of grains and other agricultural products that are produced and exported from the region.

- **Road and Rail:** A $120m Port Access Corridor has recently been completed in Esperance. The region's rail connection between the Port of Esperance and inner goldfields (which goes through Dundas Shire on the way to Kalgoorlie) acts as an important economic enabler for the mining industry for the state of WA. Whilst separated by large distances, the road connections within the region between Esperance, Ravensthorpe, Norseman and the greater goldfields region are generally sound.

- **Mining Deposits:** Mining has been a mainstay of the Esperance Region throughout its history. The region retains excellent prospectivity with large known and potential nickel, gold, copper, and coal deposits.

- **Natural Tourism Assets:** The region is blessed with a variety of natural assets (i.e. beaches, islands of the Recherche Archipelago, national parks, etc.) that provide a significant attraction for tourism and adds to the local quality of life. Some of the beaches are among the best in Australia.

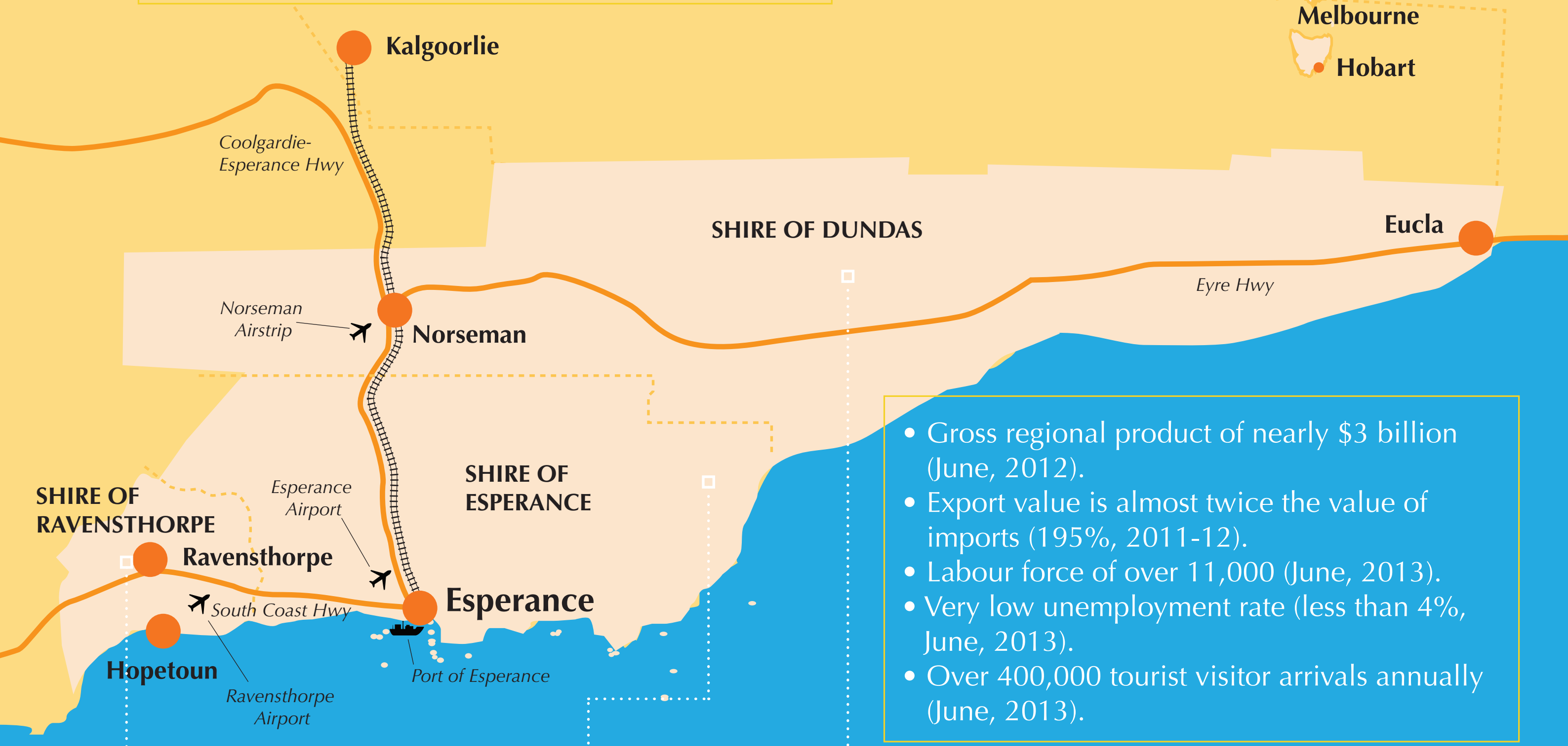
- **Quality of Life:** The region provides a high quality and relaxed lifestyle, which can be attractive for new residents and helpful when recruiting new employees.

- **Airports:** The Airports provide critical air links and access to Perth and beyond. The Esperance Airport operates 18 flights per week with Virgin Australia Regional Airlines. The Ravensthorpe Airport operates three flights per week with connections to Esperance and Perth. Significant scope exists to expand Norseman Airstrip in order to allow for commercial flights.

- **Southern Ocean:** The Southern Ocean provides the Esperance Region with significant economic opportunity through commercial fishing, aquaculture, tourism and recreational fishing

The Esperance Region (Shires of Dundas, Ravensthorpe and Esperance) stretches from the township of Ravensthorpe in the West to Eucla on the Nullarbor Plain in the far East; from Norseman and its surrounding mining operations in the north to the southern coastline with Hopetoun and Esperance straddling the Great Australian Bight and islands of the Recherche Archipelago.

Daily flights between Perth and Esperance are operated by Virgin Australia Regional Airlines with a greater frequency during the working week. Ravensthorpe currently receives three flights per week from Perth. Commercial services are also available between Esperance and Ravensthorpe.



- Gross regional product of nearly $3 billion (June, 2012).
- Export value is almost twice the value of imports (195%, 2011-12).
- Labour force of over 11,000 (June, 2013).
- Very low unemployment rate (less than 4%, June, 2013).
- Over 400,000 tourist visitor arrivals annually (June, 2013).

The Shire of Ravensthorpe: The towns of Ravensthorpe and Hopetoun are the major population and activity centres within the Shire and farming, mining and tourism are the main industries.

- Area: 13,553 square Kilometres
- Population: 2,258
- GRP: $952 Million
- Main Employment Sectors:
  - Mining
  - Agriculture, forestry and fishing
  - Construction

The Shire of Esperance: The township of Esperance is the main population hub and service center for the surrounding region and is located on the coastline with an attractive beach adjacent to the CBD. It holds the only port in the south-east of Western Australia that is serviced by road and rail freight.

- Area: 44,366 square Kilometres
- Population: 14,099
- GRP: $1.281 Billion
- Main Employment Sectors:
  - Agriculture, forestry and fishing
  - Retail trade
  - Health care and social assistance

The Shire of Dundas: The main township of Norseman is characterised as a major stopping point for travellers to and from the eastern states. The other township in the Shire is Eucla, situated 717 kilometres east of Norseman.

- Area: 93,179 square Kilometres
- Population: 1,194
- GRP: $545 Million
- Main Employment Sectors:
  - Mining
  - Retail trade
  - Construction

Local Socio-Economics

Key Socio-Economic Indicators, Esperance Region

Indicator	Period	Measure	5 Year Growth
Population	June 2012	17,551	4.4%
Gross Regional Product	2011-12	$2.78 billion	16.2.4%
Economic Value of Key Sectors (Mining and Agriculture)	2011-12	$1.73 billion	49.8%
Labour Force	June 2013	11,366	15.7%
Unemployment Rate	June 2013	2.9%	+0.3ppts
Number of Residential Building Approvals	2012-13	75	-41.4%
Value of Residential Building Approvals	2012-13	$22.2 million	-61.0%
Value of Non-Residential Building Approvals	2012-13	$3.6 million	-75.8%
Median House Price – Esperance	YE Sept 2013	$355,000	5.2%
Median House Price – Norseman*	YE Sept 2013	$31,000	-51.2%
Median House Price – Ravensthorpe*	YE Sept 2013	$150,000	-40.8%
Annual Visitors (Day Trip, Domestic & International)**	YE Dec 2013	231,356	-4.9%

Notes: YE = Year ended. *: Figures can be influenced by data paucity. **: Visitor estimates based on the sum of Esperance and Esperance Region statistical area level 2.
Source: AEC (2013a), ABS (2013a), ABS (2013b), DEEWR (2013), REIWA (2013), TRA (2014)

Key socio-economic and demographic characteristics for the Esperance Region include:

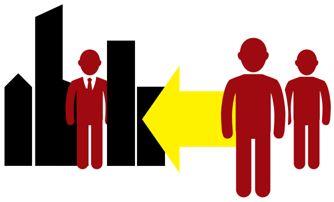
Steady Population Growth: The current population of the region as at June 2012 was 17,551, with the majority (over 80%) of the population living in Esperance. The regional population has demonstrated 0.8% average annual growth since 2001. Very strong growth has been recorded in Ravensthorpe in recent years. The Ravensthorpe population has grown by almost 50% since 2006, from a very low base.

Overall ***steady population increases*** *with areas of growth.*

Growth in the Number of Families: Strong representation of families, presenting positives for the retail sector given the purchasing power of this segment.

The higher proportion of youths presents an opportunity for the region to retain these youths as they reach higher levels of education and employment. Developing strategies to assist in retaining this component of the population will assist in supporting the local population into the future.

Strong representation of 0-14 year olds *(21.4% versus 18.8% in Metropolitan Perth and 19.1% in WA).*

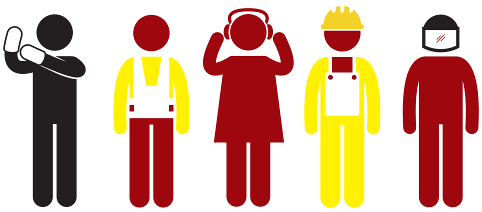


Loss of Younger Adults in the Workforce: The loss of people aged 20-34 out of the area translates to a loss of a very productive part of the workforce and results in a loss of local retail expenditure from a relatively high spending demographic. This characteristic is typical of many regional areas as young people leave to pursue education or work opportunities.

Lower representation of young working ages of 20-34 years
(17.6% versus 24.5% in Metropolitan Perth and 23.4% in WA).

Economy Dominated by Agriculture and Mining: Over 60% of regional economic activity is sourced from these two sectors. Given the structure of the economy, with a strong transport, postal and warehousing sector, it is likely these two sectors support an even greater portion of the broader local economy. Diversification of the economy could assist in smoothing the local business cycle whilst retaining the economic benefit of these two sectors.

Mining and agriculture, forestry and fishing: Contributes over ***60% of local activity*** *and is* ***growing more rapidly than the majority of agricultural regions in Western Australia.***



High Labour Force Participation: With 78.7% of the local working-age population participating, compared to 67.5% in WA. Strong participation rates reflect the very low unemployment rate in the region.

In the ***Esperance Region 78.7% of the local working-age population participate in the workforce.***

Expanding Tourism Sector: While tourism currently does not provide the same economic contribution as mining or agriculture, the region is a recognised destination and receives a considerable number of visitors every year. Scope exists to build on Norseman's status as a key gateway destination for visitors travalling to and from eastern states. Enhancements to tourism products, experiences, packaging and infrastructure would help to grow the visitor market and increase visitor expenditure, providing an additional economic stimulus to the region.

There were over 230,000 total visitors *(year ending Dec 2013), which is in line with the amount of visitors to Margaret River and more than the number of visitors to Broome.*[1]

An extended socio-demographic analysis of the Esperance Region is provided as Appendix A. Identification of the previous works reviewed and an overview of the regional consultation undertaken in developing the Esperance Region Economic Development Strategy are provided as Appendix B and Appendix C respectively.

[1]Norseman in particular acts as a gateway stopover for travellers to and from eastern states. This means that while the region experiences a high level of visitation, expenditure and flow on benefit capture can tend to be more modest.

Global, National and State Influencing Factors

Global, National and State Influencing Factors

Key Macroeconomic Trend	Implications for the Esperance Region
The World is Changing: Global economic growth is now being increasingly attributed to the rise of Asian economies (particularly China, India and many South-East Asian states). Substantial growth in household incomes and rural-urban shift patterns are creating strong demand for goods and services (particularly agricultural and food products).	• Strong longer term demand for Esperance's key agricultural crops • Potential for new niche crop and value added product markets • Ongoing strong demand for the broader region's mineral resources • Potential new sources of investment capital
High Australian Dollar: The high currency puts pressure on a variety of sectors and reduces the global competitiveness of goods and services (versus goods and services from other countries), which are lower cost based on the value of the Australian dollar (affecting tourism and trade exposed price taking sectors such as agriculture).	• Decreased international competitiveness of the region's agricultural and mineral exports • Reduced demand for tourist visitation from both domestic and international sources • Reduced import costs for businesses and households • Should the dollar fall back towards longer term trend levels (as is widely expected by market commentators) over the medium term, this would provide a boost to the Esperance Region's trade exposed sectors
Mining a Cornerstone of the WA Economy: Until recently, Western Australia has remained a standout economic performer due to strong international demand for the State's natural resources and the subsequent investment boom in resource projects (yet in the Esperance Region, the fortunes of the mining sector have been more variable).	• WA's mining boom shifting from aggressive expansion to operations and cost control will have numerous influences on the Esperance Region: - Easing demand for resource worker housing and reduced associated price pressures - Reduced incomes and associated expenditure as a result of high paying mine construction employment - Decreased costs of construction and trade services as these skills become more readily available - Increased reliance on the non-mining sector for employment and economic growth
Transition of WA Economy: Since the beginning of 2013 circumstances surrounding the structure and reliable performance of the WA economy have changed. Unemployment has increased and the WA government has lost its AAA credit rating. A transition is now occurring as the mining and resource sector focus on finalising large scale, on-going investment projects and driving production efficiencies. With the end of the expansion/ investment boom, prices and availability of labour across the State are expected to normalise.	• Increased potential funding access • Potentially greater population growth and development • Increased political importance and role of regions in State policy
State Government Initiatives: In recent years the WA government has undertaken initiatives designed to ensure growth in regional areas of the state is supported with investment in strategic infrastructure and potential economic development opportunities. The rollout of the $6.5 billion Royalties for Regions (Department of Regional Development, 2013) program (which incorporates the SuperTowns initiative) illustrates this agenda by tackling issues ranging from economic diversification opportunities in the Pilbara and Esperance, to sectoral opportunities for indigenous communities across the state.	• Increased potential funding access • Potentially greater population growth and development • Increased political importance and role of regions in State policy
Climate Change: The world's climate is becoming increasingly variable, with extreme weather events more common and generally hotter temperatures.	• Increased risk for agricultural production and associated value adding processes of local produce • Increased risk of extreme weather events
Ageing Population: Australia's population is ageing, primarily as a result of increased life expectancy. The population aged 75 or more years is expected to rise by 4 million from 2012 to 2060, increasing from about 6.4% to 14.4% of the total population (Productivity Commission, 2013). The ageing population will mean significant additional spending on health and aged care, while creating significant market niches servicing an older demographic.	• Additional need and market for aged and health care and re-skilling older workers • Older persons to form a much larger proportion of the demographic and labour force • Increasing propensity for consumption of health care and associated allied services
Digital Economy: The internet is transforming many aspects of business operations and consumer behaviour. This shift driven by increased mobility, competition and new business models will continue to be a major factor influencing business level success and regional prosperity.	• Increased opportunity for local businesses to expand through online business models • Potential for greater access to services (health care, professional, financial) through online delivery • Increased competition from businesses servicing the region remotely

Source: AEC

Economic Development Case Study Learnings

A series of case studies of other regions were examined to identify what learnings could be drawn to inform growth and development in the Esperance Region. The adjacent comparable data for the Esperance Region has been used to compare the case studies found in Appendix D.

Case Study Data Comparisons

Location	Population	Median Income	Largest Employing Sectors
Esperance	Population (City): 14,099 Population (Region): 17,551	$1,738pw	• Agriculture, Forestry and Fishing • Retail Trade • Mining
Townsville	Population (City): 8,606 Population (Region): 171,191	$1,482pw	• Public Administration and Safety • Professional, Scientific and Technical Services • Accommodation and Food Services
Port Lincoln	Population (Region): 15,221	$950pw	• Retail and Trade • Education and Training • Health Care and Social Assistance
Wagga Wagga	Population (City): 13,987 Population (Region): 61,746	$1,030pw	• Agriculture, Forestry and Fishing • Public Administration and Safety • Education and Training
Geraldton	Population (City): 12,339 Population (Region): 38,030	$938pw	• Retail Trade • Health Care and Social Assistance • Education and Training
Geelong	Population (City): 12,066 Population (Region): 179,042	$1,077pw	• Health care and Social Assistance • Retail Trade • Public Administration and Safety

Source: ABS (2012), ABS (2013b)

From these case studies, a number of learnings were identified for the Esperance Region. The most prominent of these include:

- **Leverage existing natural and built asset**s – Natural and built assets act as blueprints for major economic strategy choices to come. Waterfronts, surrounding hills/ lookout, recreation/ parkland reserves and dense CBD urban areas form the basis of initial economic development choices.

- **Establish sense of 'place'** – Creating higher pedestrian frequency in central corridors of key urban centres leads to efficiencies for nearby businesses and a 'buzz of activity'; these kinds of attributes act as greater drawcards to residents, businesses and out-of-region visitors alike, which contributes to and builds economic activity.

- **Create strong partnerships** – Securing and most-effectively utilising available funding from all levels of government, in addition to striving for effective outcomes from the private sector (including investment into residential, retail and industrial property) contributes to local economic success. Effectively supporting local business and investment is key to driving a local economy that takes pride in its growth.

- **Work with neighbouring regions** – Understanding and leveraging the interconnectedness of regional (and subregional) economies in terms of consumer behaviour is important to leverage growth opportunities.

- **Identify and plan for systemic economic change** – Diversification and anticipating/ managing future risks to the economy (such as those experienced in Geelong and Port Lincoln) are important to provide economic sustainability and vitality.

- **Focus on productivity** – Encouraging innovation and the pursuit of ongoing productivity gains through capital intensification, a higher-skilled workforce and the effective utilisation of information technology are important to encourage economic growth.

- **Recognise and leverage strengths** – Understanding latent competitive advantages and ensuring they are exploited to the benefit of the surrounding community ensures maximum economic growth. This must be weighed against the need to keep local economies diverse in the event of potential sectoral decline or volatility over time.

- **Recognise, accept and address weaknesses** – Economic weaknesses, whether it is a lack of particular infrastructure assets or another structural issue are real and must be identified and addressed appropriately.

Competitive Strengths

The Esperance Region possesses a number of competitive strengths which can be further leveraged for economic development. A thorough desktop analysis of the region's economic and demographic position, natural and man built strategic assets and consultation with key regional stakeholders identifies the following key competitive strengths for the Esperance Region:

- Productive and potential new additional agricultural land, which is suitable for a wide variety of cropping and livestock enterprises and an innovative farming community.
- Established and expanding export supply chain infrastructure with good road and rail links to the port and strong links to both the WA mining and agriculture industries and infrastructure for which capacity can be expanded.
- Esperance is serviced by daily flights to/ from Perth, and Ravensthorpe three times a week.
- Extensive and pristine natural assets including beaches, national parks and the Recherche Archipelago, which have established the region as a desirable tourist destination.
- The main centres of Esperance, Norseman and Ravensthorpe are on key tourist routes.
- A largely self-sufficient economy, driven by isolation from major Australian population centres. The isolation presents further strong incentive and advantage for new ventures to establish operations in the region, with servicing through larger centres difficult/ expensive.
- Relaxed rural/ beach lifestyle and social infrastructure making the region an attractive and desirable place to live and do business.

These competitive advantages make the Esperance Region an attractive location to live, visit and invest, and form a solid base to leverage economic development over the coming years.

Regional Limitations

While the Esperance Region has strong competitive advantages, there are a range of current limitations, which must be overcome in order to enable broad-based economic development:

- High energy, building, operating, and living costs relative to alternative investment destinations.
- Limited critical mass of activity to attract capital investment and labour in population driven sectors such as trades, retail trade, financial, professional, education and health services (particularly in Norseman and Ravensthorpe).
- Considerable distance from Perth and other major population centres, which adds a significant time and direct transport cost to many activities and limits the ability of the region to attract and retain skilled labour.
- The distance factor can also limit the potential for downstream processing of agricultural produce in the region.
- Limited accommodation availability (depending on the time of year) and diversity (both permanent residential and short-stay) creating further cost pressures and limiting the visitor appeal of the region and the ability of businesses to attract and retain staff.
- Poor access to communications infrastructure outside of major transport routes limits resident and visitor amenity, and business productivity and technical innovation (especially in the region's agricultural industry).
- The economy is heavily concentrated in mining and agriculture. A concentrated economy is a typical trait of regions with modest populations. Concentration leaves the economy potentially more exposed to volatility and commodity cycles and generally less sustainable over time.
- Population projections indicate some regions expect growth and others decline within the Esperance Region.

These key regional limitations need to be considered in the development and implementation of the Esperance Region Economic Development Strategy. While not all of these can be instantly remedied, it is important to consider and mitigate these limitations in the implementation plans for each of the economic development initiatives.

Competitive Assessment

The following table provides a summary of the regions competitive strengths and limiting factors, based on a five forces assessment framework (NCC, 2010).

Overarching Competitive Assessment of the Esperance Region

Consideration	Competitive Edge	Limiting Factors
Factor Conditions	• Abundance of natural assets ranging from national parks and coastal features through to significant mineral deposits and fertile, dependable farming land • Solid specialisation of labour across agriculture, mining and related support industries • Strong presence of infrastructure assets including the Port of Esperance, inland rail connections and road connections out of the region • Generally available land for development (however, some identified and productive agricultural land is currently unallocated crown land) • Southern Ocean a key asset for commercial seafood production and tourism/ lifestyle amenity • Innovative mechanisms to access capital (e.g. Future Fund)	• Educational attainment (at both schooling and post-schooling levels) in the catchment underperforms broader WA • Low unemployment indicative of a skills shortage in the region • Some evidence of a lack of pedestrian and infrastructure connectivity between CBD and future waterfront growth areas in Esperance • Ravensthorpe and Dundas shire townships are very small and lack 'critical mass' of economic activity • IT and Internet connectivity is at risk of leaving the local economy behind if high speed broadband is not available. There is a risk of the community and various businesses being left significantly disadvantaged for the future
Strategy and Rivalry	• Collaborative grain and other agricultural production practices (in terms of sale price negotiations, shared silo storage practices and research & development) • Mining is a particularly strong driver of activity in Ravensthorpe and Dundas Shires due to the natural occurrence of mineral deposits across the area • Esperance Township acts as a major supplier of professional, retail, social services and wider supply-chain needs for the region. The concentration of people into urban areas generally allows for greater exploitation of value-chain synergies	• The isolation of Esperance Region from more densely populated parts of WA, combined with wide spread nature of production centres (particularly agriculture and mining) outside of urban centres, creates logistical challenges and adds to cost and business retention pressures • A lack of population size or 'critical mass' in townships (including Esperance) likely leads to less price competition for a range of goods and services, which affects both consumer spending and business-to-business transactions • Housing in the region (particularly Esperance Shire) can be expensive
Demand Conditions	• A high-degree of economic self-dependence and sufficiency due to distance from other major markets and strong transport connectivity within the region • Attitude of support local procurement wherever possible • Esperance Region's isolation means that travellers (both for leisure or business) will be 'captured' in the area and won't have options to spend elsewhere during their stay in the region • Population growth and enhanced agricultural production will drive demand locally for goods and services • High growth of Asian populations creates potential demand for agricultural and mining products from Esperance region	• Relatively low population growth rates create an environment unlikely to be conducive to risk-taking and generally lacking in new economic activity over the long-term • Volatility across many aspects of the economy, including housing prices, accommodation rates, tourism visitation, variability or key production sectors (e.g. agriculture and mining) • High dependence on mining in inland areas means townships such as Ravensthorpe and Norseman are at risk of economic and population decline should a sustained period of slow mining activity occur
Supporting and Related Industries	• Primary sectors of Agriculture and Mining are serviced by long-established value-chains • Agriculture, in particular, has an innovative and collaborative approach to research and development and IP development • Port of Esperance is a well-managed and growing asset, essential to the function of the wider economy • Government support for agriculture development practices (through the WA Department of Agriculture) • Mining is a major source of income for the government; will often be supported through appropriate regulation • SuperTowns program and infrastructure priorities of the WA government bode well for fulfilling public spending needs in the future	• General demand volatility across the economy and lack of critical mass affect ability of business and industry to form larger value-chains and collectively organise comprehensive value-chain efficiencies on an ongoing basis • Some high-end services associated with medical, legal and financial services appear to be provided on a less-frequent basis, meaning some portions of the household, business and industry supply chain are forced to be serviced from outside of the region
Innovation	• Recognised area of technological innovation in agriculture sector due to market and demographic challenges and progressive attitudes of local growers • Abundance of natural assets, available land and proximity to infrastructure provide opportunity for alternate energy generation research (e.g. solar, wind, wave, geothermal). The region is also one of the few areas not connected to the national electricity network (highly desirable for energy research and development) • Consistent, comprehensive and endorsed vision for research support in the region • Collaborative and engaged local/ regional stakeholders	• Lack of major technology firms in region puts companies across many areas of the economy at risk of slow take-up of new practices • Distances involved for innovators to come together physically or virtually, due to limited high speed and mobile connectivity • Lack of formal local innovation or R&D activity (i.e. University or research centres)

Source: AEC

2. Grow Our Economy - 1%'ers

The Esperance Grow Our Economy Framework outlines the structure and requirements for delivering economic development outcomes to the Esperance Region and includes four key components:

- **Vision:** Clear statement, taken from the Esperance Growth Plan (2012), to set the future vision for the region.
- **1%'ers:** The day-to-day actions of all economic development stakeholders to chip away and ensure an environment conducive to investment and industry/ business growth is created locally. The four strategic directions in the 1%'ers are taken from 'Guiding Principle 1: Grow Our Economy'.
- **Focus Initiatives:** The key initiatives that have been identified to drive economic development forward and become catalysts for future growth. There are seven 'regional' focus initiatives and 11 'local' focus initiatives.
- **Outcomes:** Monitoring changes in the outcomes is how the ultimate success of the strategy will be measured. Success is not about measuring the process, which is important, but also the material change delivered on-ground.

The following section outlines the 1%'ers which have been developed to assist in responding to the broader strategic directions of the Esperance Regional Economic Development Strategy and the needs of regional stakeholders.

It is critical that local and regional economic development leaders undertake a systematic, applied and pragmatic approach to economic development on a day–to-day basis. Economic development will not 'simply happen' without direct, deliberate and prescribed action to create a constructive and attractive environment for business and industry to operate and invest in. The Grow Our Economy Framework is borne out of the Planning for our Future: A Growth Plan for Esperance and the South-East Region (2012) and ensures time and resources are allocated to the areas with the highest potential value for the regional community and economy.

Esperance Grow Our Economy Framework Stages

VISION

The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy

1%'ers

1. Supportive business environments
- Engage proactively and often with local businesses
- Encourage existing businesses to flourish

2. Attraction and retention of knowledge and investment
- Develop the tools to market the region
- Create a welcoming environment for outside business capital
- Draw attention with a clear message

3. Sustainable growth supported by innovative industry
- Connect local needs with local solutions
- Activating public spaces to encourage market-based activity

4. A wealth of diverse and quality employment opportunities
- Facilitate discussions between businesses and schools
- Fill specialised positions through talent attraction

Focus Initiatives

Regional Initiatives
- Business Incubator & Business Service Centre
- Esperance Port Expansion
- Regional Investment Fund
- Regional Energy Supply
- Agricultural Lands Release - Investigation
- Regional Mobile Communications and National Broadband Network
- Regional Tourism Expansion

Local Initiatives
- Dundas: Bakery, Café and Art Gallery; Attraction of Additional Tradespersons; Norseman Airport Expansion
- Ravensthorpe: Improved Local Banking Facilities; Hopetoun and Ravensthorpe Accommodation; Recreational Tourism; Hopetoun and Ravensthorpe Town Centre Urban Revitalisation
- Esperance: Produce Branding and Collaboration; Implement Esperance Town Centre Revitalisation Master Plan, Esperance Tourism Development; Seafood Hub

Outcomes
- More jobs, higher income
- Greater economic diversity
- Stronger population growth
- Enhanced regional competitiveness

Source: AEC

Actions and annual targets for each of the 1%'ers are provided in the table below.

The actions and Key Performance Indicator (KPI) targets listed below have been allocated to the respective responsible stakeholders across the Esperance Region. Each stakeholder will record their individual progress towards 1% activity targets, "and quarterly reviews will be undertaken by each agency".

The 1%'ers Implementation Plan

Strategic Themes / Strategies / Actions	Units	ECCI	GEDC	SoE	SoR	SoDun	Other	Regional Annual Target
Strategic Direction 1: Supportive business environments								
Engage proactively and often with local businesses								
Contact with local businesses (specifically targeted meetings)	Meeting	260	-	-	2	12	-	274
Meet with research and peak organisations	Meeting	4	12	4	-	-	-	20
Meet regularly with industry representatives	Meeting	4	20	4	12	2	-	42
Reward and recognise long serving business operators through annual business appreciation/awards event	Event	1	-	-	-	-	-	1
Hold business networking events	Event	12	-	-	-	-	-	12
Encourage existing businesses to flourish								
Facilitate skills development seminars and workshops for businesses in conjunction with partners	Training Seminars	4	0	0	0	0	6	10
Assist local businesses to connect with State and Commonwealth assistance programs	Applications for Funding	4	6	0	0	0	4	10
Facilitate local business to business supply chain development	Business Introductions	10	3	-	0	1	-	14
Strategic Direction 2: Attraction and retention of knowledge and investment								
Develop the tools to market the region								
Identify & develop appropriate marketing collateral	Marketing Material	-	-	-	-	-	-	below
• Regional socio-demographic/ economic profile	Marketing Material	1	1	1	1	1	-	5
• Industry specific marketing brochures	Marketing Material	1	1	1	1	1	-	5
Maintain materials and update annually	Marketing Material	1	1	1	1	1	-	5
Develop investment attraction website (part of existing website) and maintain with current information	Marketing Material	1	0	0	0	0	-	1
Create a welcoming environment for outside business capital								
Review existing planning tools to ensure that regulations are not restrictive to development	Review	-	-	1	1	1	-	3
Create a 'fast track' permitting process for strategically significant investments	Create Program	-	-	1	1	1	-	3
Designate individuals responsible for being a single point of contact for investors	Identify Resource	-	1	1	1	1	-	4
Provide customised packages of information for prospective investors	Packages	4	4	4	5	5	-	22
Provide assistance to businesses in finding suitable sites	Projects	4	4	4	2	5	-	19
Facilitate pre-lodgement meetings between businesses and planning departments	Meetings	2	2	5	5	5	-	19
Promote business friendly environment through advocacy with government	Press Releases	5	0	5	4	4	-	18
Draw attention with a clear message								
Present at relevant trade shows and conferences (inter and intrastate)	Events Attended	2	0	3	-	-	-	5
Attend key business events in Perth (i.e. PCA, CEDA, CCI, etc.)	Events Attended	4	4	4	-	-	-	12
Network with local developers and real estate professionals	Meetings	4	2	4	4	4	-	18

Strategic Themes / Strategies / Actions	Units	ECCI	GEDC	SoE	SoR	SoDun	Other	Regional Annual Target
Identify prospective investors (leads) through:								
• Follow up leads from events and networking efforts	Companies Contacted	As required	As required	As required	As required	As required	-	As required
• Conduct business development trips to engage with prospective investors	Trips	As required	As required	As required	As required	As required	-	As required
Strategic Direction 3: Sustainable growth supported by innovative industry								
Connect local needs with local solutions								
Actively engage businesses and identify key products and services that are missing locally	Meeting	0	0	0	0	0	1	1
Develop a business register detailing available goods and services in the region to encourage firms and government to buy local	Business Register	1	0	0	0	0	-	1
Run a buy local campaign	Campaign	1	0	0	0	0	-	1
Activate public spaces to encourage market-based activity								
Maintain and focus investment in the Town Centre Revitalisation and Foreshore precinct	Maintain Strategic Projects	-	-	2	-	-	-	4
Make strategic community infrastructure investments	Investments	-	-	1	1	1	-	3
Strategic Direction 4: A wealth of diverse and quality employment opportunities								
Facilitate discussions between businesses and schools								
Hold annual workforce development forum between businesses, staffing agencies, education providers	Event	0	0	0	0	0	1	1
Engage with businesses regarding relevant skills required	Meetings	40	0	0	0	0	1	41
Engage with and connect businesses with existing training providers and skills development programs	Meetings	10	5	10	0	0	-	25
Fill specialised positions through talent attraction								
Engage with local business community to identify specific skills gaps	Meetings	-	-	1	1	1	-	3
Network with other businesses to identify opportunities for additional utilisation of existing local skills	Meetings and Networking Events	2	2	0	0	0	-	4
Provide tours for prospective relocators	Tours	2	2	2	2	2	-	10

Notes: ECCI: Esperance Chamber of Commerce and Industry, GEDC: Goldfields-Esperance Development Commission, SoE: Shire of Esperance, SoR: Shire of Ravensthorpe, SoDun: Shire of Dundas
Source AEC

Strategic Direction 1: Supportive Business Environments

GOAL

Create a regional business environment that encourages local businesses to thrive and expand. This will be achieved through increasing communication, access to funding, regional awareness and understanding of the contribution and importance of local businesses, coupled with opportunities for expansion and new investment.

Implementation Plan

The following table highlights the implementation requirements for this strategic direction and the purpose for such actions being undertaken.

Strategic Direction 1: Key Actions

Strategies	Actions	Reasons for Undertaking
Engage proactively and often with local businesses	• Contact with local businesses (specifically targeted meetings) • Meet with research and peak organisations • Meet regularly with industry representatives • Reward and recognise long serving business operators through annual business appreciation/awards event • Hold business networking events	Local operators are the current employers and provide existing economic activity. Local operators possess a unique understanding of potential opportunities for investment attraction across the supply chain. By enhancing the constructive relationship with local business and industry, opportunities for growth can be leveraged and key constraints can be identified and overcome.
Encourage existing businesses to flourish	• Facilitate skills development seminars and workshops for businesses in conjunction with partners • Assist local businesses to connect with State and Commonwealth assistance programs • Facilitate local business to business supply chain development	In most modern economies, existing businesses are responsible for 60%-80% of new employment creation and investment. This strategic direction seeks to maximise the potential for existing businesses to invest further and generate additional employment opportunities in the region.

Source: AEC

Strategic Direction 2: Attraction and Retention of Knowledge and Investment

GOAL

Attract new knowledge, skills and capital investment to build the capacity of the Esperance Region through the development and implementation of a targeted marketing and investment attraction campaign. Retain and support existing skills.

Implementation Plan

The following table highlights the implementation requirements for this strategic direction and the purpose for such actions being undertaken.

Strategic Direction 2: Key Actions

Strategies	Actions	Reasons for Undertaking
Develop the tools to market the region	• Identify & develop appropriate marketing collateral: - Regional socio-demographic/ economic profile - Industry-specific marketing brochures • Maintain materials and update annually • Develop investment attraction website (part of existing website) and maintain with current information	To ensure the region can be marketed. To ensure the region is prepared to capitalise on investment attraction opportunities as they arise.
Create a welcoming environment for outside business capital	• Review existing planning tools to ensure that regulations are not restrictive to development • Create a 'fast track' permitting process for strategically significant investments • Designate an individual project manager responsible for being a single point of contact for investors • Provide customised packages of information for prospective investors • Provide assistance to businesses in finding suitable sites • Facilitate pre-lodgement meetings between businesses and planning departments • Promote a business friendly environment through press releases of economic successes • Assist and facilitate local business networking (existing and new)	To create a reputation as an investment friendly destination which will enhance the region's competitive position.
Draw attention with a clear message	• Present at relevant trade shows and conferences (inter and intrastate) • Attend key business events in Perth (i.e. PCA, CEDA, CCI, etc.) • Network with local developers and real estate professionals • Identify prospective investors (leads) through: - Lead generation - Follow up leads from events and networking efforts - Conduct business development trips to engage with prospective investors	To increase the awareness of the Esperance Region as a competitive investment destination and to generate targeted leads for investment attraction activities. Industry specific trade shows and conferences in particular are a good way to engage with many potential investors in a short amount of time and build an effective network.

Source: AEC

Strategic Direction 3: Sustainable Growth Supported by Innovative Industry

GOAL

Enable ongoing regional business, industry and employment growth by facilitating funding and industry capacity for regional innovation, research and development. Sustainable growth will be further supported through increased awareness and utilisation of the region's local supply chains.

Implementation Plan

The following table highlights the implementation requirements for this strategic direction and the purpose for such actions being undertaken.

Strategic Direction 3: Key Actions

Strategies	Actions	Reasons for Undertaking
Connect local needs with local solutions	• Actively engage businesses and identify key products and services that are missing locally • Develop a business register detailing available goods and services in the region to encourage firms and government to buy local • Run a buy local campaign	Exploiting existing local supply chain gaps presents a strong opportunity for import replacement and additional local economic activity. Identifying potential suppliers that local operators would prefer to have in close proximity provides significant leverage in the investment attraction process. However care should be taken as not to introduce direct competitors.
Activating public spaces to encourage market-based activity	• Maintain and focus investment in Town Centre Revitalisation and Foreshore precinct • Make strategic community infrastructure investments	To provide attractive location options for key strategic investments and maximise the appeal of local businesses.

Source: AEC

Strategic Direction 4: A Wealth of Diverse and Quality Employment Opportunities

GOAL

Generate a range of additional and fulfilling employment opportunities in new and expanded industry and occupational areas. Fill these new positions through up-skilling and establishing job pathways for local residents and attracting additional skilled labour to the region.

Implementation Plan

The following table highlights the implementation requirements for this strategic direction and the purpose for such actions being undertaken.

Strategic Direction 4: Implementation Plan

Strategies	Actions	Reasons for Undertaking
Facilitate discussions between businesses and schools	• Hold annual workforce development forum between businesses, staffing agencies, education providers • Engage with businesses regarding relevant skills required • Engage with and connect businesses with existing training providers and skills development programs	To ensure the region can be marketed. To ensure the region is prepared to capitalise on investment attraction opportunities as they arise.
Fill specialised positions through talent attraction	• Engage with communities to identify specific skills gaps • Network with other businesses to identify opportunities for additional utilisation of existing local skills • Provide tours for prospective relocators	To fill critical gaps in the region's skills and capacity and improve the region's attractiveness as a lifestyle and investment destination.

Source: AEC

3. Grow Our Economy - Regional Focus Initiatives

The Esperance Grow Our Economy Framework outlines the structure and requirements for delivering economic development outcomes to the Esperance Region and includes four key components:

- **Vision:** Clear statement, taken from the Esperance Growth Plan (2012), to set the future vision for the region.
- **1%'ers:** The day-to-day actions of all economic development stakeholders to chip away and ensure an environment conducive to investment and industry/ business growth is created locally. The four strategic directions in the 1%'ers are taken from 'Guiding Principle 1: Grow Our Economy'.
- **Focus Initiatives:** The key initiatives that have been identified to drive economic development forward and become catalysts for future growth. There are seven 'regional' focus initiatives and 11 'local' focus initiatives.
- **Outcomes:** Monitoring changes in the outcomes is how the ultimate success of the strategy will be measured. Success is not about measuring the process, which is important, but also the material change delivered on-ground.

The following section outlines the regional focus initiatives which have been developed in consultation with key regional stakeholders to drive regional growth over the coming years.

There are a range of key projects required for critical enabling infrastructure (water, waste, ICT, power). These projects exist alongside the underlying focus initiatives and will ensure there is sufficient capacity in local infrastructure and services to facilitate population and business growth.

The Department of Training and Workforce Development (DTWD) has established plans for a new Goldfields Institute of Technology Esperance campus to service regional tertiary training in the areas of business, engineering and mining, construction, primary industry and automotive.

The existing Goldfields Institute of Technology facilities are identified as not having sufficient service capability to deliver the growing levels of training demand anticipated for trade and technical skills in the Esperance Region.

Esperance Regional Development Framework Stages

VISION

The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy

1%'ers

1. Supportive business environments
- Engage proactively and often with local businesses
- Encourage existing businesses to flourish

2. Attraction and retention of knowledge and investment
- Develop the tools to market the region
- Create a welcoming environment for outside business capital
- Draw attention with a clear message

3. Sustainable growth supported by innovative industry
- Connect local needs with local solutions
- Activating public spaces to encourage market-based activity

4. A wealth of diverse and quality employment opportunities
- Facilitate discussions between businesses and schools
- Fill specialised positions through talent attraction

Focus Initiatives

Regional Initiatives
- Business Incubator & Business Service Centre
- Esperance Port Expansion
- Regional Investment Fund
- Regional Energy Supply
- Agricultural Lands Release - Investigation
- Regional Mobile Communications and National Broadband Network
- Regional Tourism Expansion

Local Initiatives
- Dundas: Bakery, Café and Art Gallery; Attraction of Additional Tradespersons; Norseman Airport Expansion
- Ravensthorpe: Improved Local Banking Facilities; Hopetoun and Ravensthorpe Accommodation; Recreational Tourism; Hopetoun and Ravensthorpe Town Centre Urban Revitalisation
- Esperance: Produce Branding and Collaboration; Implement Esperance Town Centre Revitalisation Master Plan, Esperance Tourism Development; Seafood Hub

Outcomes
- More jobs, higher income
- Greater economic diversity
- Stronger population growth
- Enhanced regional competitiveness

Source: AEC

The individual initiatives to be pursued are detailed in the table below. These initiatives have been prioritised based on their capacity to generate desired social and economic outcomes for the region:

- Employment.
- Economic growth.
- Enhanced regional branding and awareness.
- Local/ regional business/ community confidence.
- Beneficial and flow on social outcomes.

Regional Focus Initiatives

Strategies	Description	Rationale/ Intended Outcome
Business Incubator and Business Service Centre	Develop a business incubator and business service centre in Esperance with regional nodes in Norseman and Ravensthorpe	• Indirect support for economic development • Network of local skilled mentors to assist start-up businesses • More local businesses, more employment • Higher levels of innovation and entrepreneurialism
Esperance Port Expansion	Continue supporting the upgrade and expansion of the port	• Key regional enabling infrastructure to support regional economic activity • Potential for broader port activity to support local business/ tourism • Increased export capacity • Increased levels of investment to enable economic growth and exports
Regional Investment Fund	Local investment fund to support/ facilitate high priority local/ regional programs	• Source of competitive advantage for the region • Avenue to realise marginal projects with high levels of community benefits/ outcomes • More local investment, job growth • Mechanism to leverage/ maximise local capital
Regional Energy Supply	Support the investigation and establishment of cost effective energy generation and distribution across the Esperance Region	• Potential to improve energy cost and reliability for local households and commercial energy users • Market for electricity generation currently highly uncertain with significant up-front capital expenditure required • Potential for significant long term regional economic development benefits • Stimulate investment and job growth
Agricultural Lands Release - Investigation	A scoping study to consider any environmental, soci-cultural and land use planning constraints will be undertaken before making a decision on wether it is feasible to pursue the initiative.	• Significant additional land available which may be suited to agriculture • Potential for additional economies of scale and significant local employment and investment • This initiative has the potential to support increased scale of operations and export of food to Asia
Regional Mobile Communications and National Broadband Network	Establishing greater access to mobile networks to improve industry productivity, lifestyle and tourist amenity. Lobbying for timely National Broadband Network access for the Esperance Region to enable greater business opportunity	• Significant industry and community benefits • Potential productivity enhancement
Regional Tourism Expansion	Development of additional tourism product, high profile events attraction, and regional marketing and collaboration	• Increased levels of visitation and expenditure • Increased investment and employment growth

Source: AEC

The following sections detail the implementation steps to progress these key regional initiatives as part of the E*sperance Region Economic Development Strategy*. Detailed analysis of individual focus initiatives and the prioritisation process are provided in Appendix E and Appendix F respectively.

Grow Our Economy - Regional Focus Initiatives

Business Incubator and Business Service Centre

A key regional initiative to assist in driving economic development is the establishment of a business incubator and business service centre in Esperance. It is envisioned the incubator will also feature regional nodes in Norseman and Ravensthorpe, leveraging the mentoring and business advice of stakeholders from all around the region.

Incubators are a market entry platform designed to assist businesses in an early stage of development to establish operations. Key services business incubators typically provide include:

- Shared premises.
- Business services (i.e. administrative support and professional business services – accounting, marketing, business planning, etc.).
- Access to investor and market networks.
- Mentoring.
- A full-time management team.

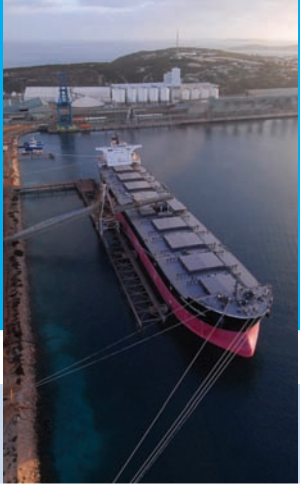
An incubator allows new businesses to establish a physical presence in a market with a low risk and resource commitment. The incubation period for an individual business is typically around 12-18 months.

The business incubator and service centre will enable economic development through assisting new start-up businesses to establish and grow in the Esperance Region. It should not simply present subsidised rent (which has been a criticism of many other facilities), it should focus on developing an overall level of support leveraging local advice (e.g. lawyers, accountants, graphic designers, etc.) as well as tapping into other programs (e.g. Austrade programs and networking events such as those facilitated by the ECCI). The key for the Incubator to be successful is for it to be self-sustaining.

Business Incubator and Business Service Centre Implementation Plan

Factor	Description	
Local Government Area/s	Esperance, Ravensthorpe, Dundas	
Key Actions	Timing*	Responsibility
Confirm incubator scale, operating model, services provided, timeframes, fees and access charges, and target sectors	0 – 6 months	**SBC**, ECCI, GEDC, Local Councils
Confirm funding sources and levels	+3 months	**SBC**, ECCI, GEDC, Local Councils
Confirm and secure incubator site	+3 months	**SBC**, ECCI, GEDC, Local Councils
Advertise incubator management position/s and short list applicant/s	+1 month	**SBC**, ECCI, Ravensthorpe Regional Chamber of Commerce
Advertise and advocate for business mentors and advisors		
Interview potential candidates	+1 month	**SBC**
Engage successful candidate/s and agree start date/s	+3 months	**SBC**
Allocate one or two business mentors/ advisors	–	**SBC**
Incubator services marketing and advertising	+3 months – ongoing	**SBC**
Ongoing operational support	+1 year – ongoing	**SBC**
Review performance against agreed KPIs	Ongoing every 6 months	**SBC**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC



Grow Our Economy - Regional Focus Initiatives

Esperance Port Expansion

One of the major development initiatives for the region is to continue the support and advocacy for the expansion of Esperance Port. Esperance Port is the major export terminal for the region, exporting over 13 million tonnes in 2012-13. Major commodities currently exported through the port include:

- Iron ore.
- Barley.
- Wheat.
- Canola.

Port expansion is currently planned over the next few years due to ongoing robust demand from the resources sector. Planned upgrades include a port access corridor and an upgraded multi-user iron ore facility upgrade. Increased port activity is a major driver of the regional economy, both through construction phase employment and ongoing operational activities, despite direct operational increases only increasing local employment modestly.

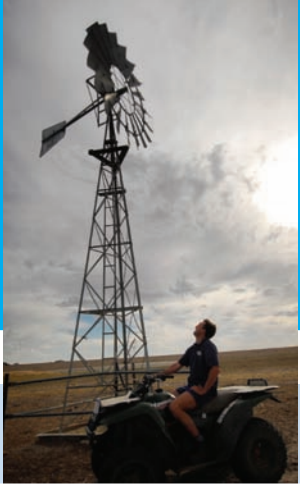
Outside of current operational and flow-on activity generated by the port, further port upgrades could bring substantial economic and community benefits. For example the development of the new AQIS facilities provides an opportunity to increase the freight brought into and exported out of the Esperance Port.

One such expansion would be allowing for greater import of goods by utilising container handling facilities and back loading into Esperance for other areas. Obtaining critical mass for such facilities to be viable may prove challenging in the immediate term given current demand levels.

Esperance Port Expansion Implementation Plan

Factor	Description	
Local Government Area/s	Esperance, Ravensthorpe, Dundas	
Key Actions	Timing*	Responsibility
Provide ongoing support and lobbying for currently planned port expansions	0 – 3 months – ongoing as required	**ECCI,** Local Councils, GEDC
Undertake pre-feasibility study into potential port expansions: (Enhanced goods imports)	+6 months	**EPSL**
Develop business case for proposed port expansions	+3 months	**EPSL**
Research potential investors and funding sources	+6 months	**EPSL**
Applications to potential funding sources / approach potential investors, including maintenance of up-to-date data on the business case	+1 year - ongoing	**EPSL**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC



Grow Our Economy - Regional Focus Initiatives

Regional Investment Fund

Access to capital investment is a major hurdle for a number of regional investment opportunities. Establishing a regional investment fund to assist enabling high-priority local and regional projects has the potential to generate significant economic development and local community benefits, and ensure that local capital is leveraged for local projects.

Specific benefits flowing from this project include:

- Greater access to finance to enable new business investments.
- Greater access to finance and seed funding for lower absolute return investments (i.e. those that may have an economic, environmental or social outcome).
- Employment opportunities with associated ventures.
- Utility derived from investment by investors, at lower cost.
- Greater regional appeal as an investment destination.
- Higher levels of self-sufficiency and self-determination.

Regional Investment Fund Implementation Plan

Factor	Description	
Local Government Area/s	Esperance, Ravensthorpe, Dundas	
Key Actions	Timing*	Responsibility
Review and define the regional investment fund purpose, goals and operating structure in a detailed business plan	0 – 3 months	ECCI, Local Councils, GEDC
Confirm participants and establish corporate identity for the Regional Investment Fund	+3-6 months	ECCI, Local Councils, GEDC
Generate marketing collateral	+1 months	ECCI, Local Councils, GEDC
Identify potential investment fund sources: • Large local businesses • High net worth individuals • Local Councils	+6 months	ECCI, Local Councils, GEDC
Identify and approach investment board members and set up steering committee	+6 months	ECCI, Local Councils, GEDC
Secure board position and minimum seed funding required and implement as legal entity	+6 months	Steering Committee
Approach potential investors to contribute to the regional investment fund	+6 months – ongoing as required	**Board of the Investment Fund**
Confirm the regional investment funds criteria for investment: • Local employment • Community amenity • Strategic economic benefits • Rate of return required • Level and timing of investments	+6 months	**Board of the Investment Fund**
Advertise regional investment fund	+6 months – ongoing as required	**Board of the Investment Fund**
Review potential investment opportunities	Quarterly once established	**Board of the Investment Fund**
Allocate funding to priority projects and initiatives	Quarterly once established	**Board of the Investment Fund**
Review and report on the investment performance, economic and community outcomes	Quarterly once established	**Board of the Investment Fund**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Grow Our Economy - Regional Focus Initiatives

Regional Energy Supply

Energy cost and access is currently a critical barrier to economic development for a significant proportion of the Esperance Region (particularly the Esperance Shire). Enabling reliable access to cost effective energy will greatly enhance the viability of new and existing operations and make the region more competitive with alternative residential and investment destinations.

Specific benefits flowing from this initiative include:

- Improved business viability.
- Reduced cost of living and cost of doing business.
- Potential for significant direct local employment and investment.
- Enhanced local amenity with reduced brown outs.

Esperance has a strong history of embracing renewable technology with the Ten Mile Lagoon wind farm one of the State's first commercial-scale renewable projects. A strong pattern of renewable generation opportunities exist for the region across wind, solar, and tidal generation and potentially geothermal. Potential tidal technology improvements may enable the region to generate baseload power from renewable sources.

The absence of a State grid connection currently precludes large scale energy generation and export for a significant portion of the region. However, the isolation of the region may make it attractive as a trial area for new renewable technologies given appropriate marketing, incentive and inducement. The isolation also makes the region ideal for localised, distributed generation.

Regional Energy Supply Implementation Plan

Factor	Description	
Local Government Area/s	Esperance, Ravensthorpe, Dundas	
Key Actions	Timing*	Responsibility
Review and confirm the current energy generation and transmission potential of the Esperance Region	0 – 6 months	GEDC, Energy Providers, Local Councils
Undertake studies into potential long term generation and transmission options: • Tidal • Wind • Solar • Expanded state grid connection	+12 months	**Energy Providers, Department of Energy,** GEDC, Local Councils
Confirm potential inducements and incentives for attracting new energy investment	+6 months	**Energy Providers, Department of Energy,** GEDC, Local Councils
Develop business case for investment in new generation and transmission (including as a trial and/ or research site for new technologies)	+6 months	**Energy Providers, Department of Energy,** GEDC, Local Councils
Research and identify potential investors, operators and funding sources	+3 months	**Energy Providers, Department of Energy,** GEDC, Local Councils
Approach potential investors and general marketing of the region as a destination for energy investment	+6 months – ongoing	**Energy Providers, Department of Energy,** GEDC, Local Councils
Ongoing investment facilitation and support	+1 year – ongoing as required	**Energy Providers, Department of Energy,** GEDC, Local Councils

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Grow Our Economy - Regional Focus Initiatives

Agricultural Lands Release - Investigation

This initiative involves investigation into the potential for release of additional (Crown and freehold) land for agricultural production within the Esperance Region.

A scoping study to consider any environmental, socio-cultural and land use planning constraints will be undertaken before making a decision on whether it is feasible to pursue the initiative.

Should potential exist for release and development of additional lands, expanding the land available for productive agricultural use would provide a number of benefits to the region:

- Improved agricultural business viability and economies of scale.
- Additional regional employment.
- Increased regional production and exports.

Agricultural Lands Release - Investigation Implementation Plan

Factor	Description	
Local Government Area/s	Esperance, Ravensthorpe	
Key Actions	Timing*	Responsibility
Undertake scoping study to establish any environmental, socio-cultural and land planning constraints which would need to be considered before making a decision on any future agricultural land release including unallocated crown land and free hold land	TBC	**Shire of Esperance**
The methodology would include a desktop assessment including but not limited to: • Land Use • Land Tenure • State Planning Policy • Reserves and Conservation Areas • Environmentally sensitive areas • Geology • Topography and Soils • Hydrogeology • Contaminated sites • Flora and fauna assessment • Heritage assessment • Die back assessment • Community Consultation	TBC	**Shire of Esperance**
Subject to the scoping study being completed a decision on whether it is feasible to pursue the initiative will be considered	TBC	**Shire of Esperance**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Regional Mobile Communications and National Broadband Network

Poor mobile network coverage and limited access to high speed broadband has been identified as a key constraint to agricultural productivity, minerals exploration and tourist amenity.

These factors make enabling greater digital access a key regional initiative for a broad section of local industry and the community generally, including:

- Agriculture.
- Mining.
- Retail trade.
- Accommodation and food services.

Regional Mobile Communications and National Broadband Network Implementation Plan

Factor	**Description**	
Local Government Area/s	Esperance, Ravensthorpe, Dundas	
Key Actions	Timing*	Responsibility
Review current mobile network capacity and constraints	0 – 6 months	**Department of Commerce,** GEDC, Local Councils, ECCI
Ongoing lobbying and advocacy for allocation of additional mobile coverage	+6 months – ongoing as required	**Department of Commerce,** GEDC, Local Councils, ECCI
Continued support for regional access to the National Broadband Network	+1 year – ongoing as required	**Department of Commerce,** GEDC, Local Councils, ECCI

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Grow Our Economy - Regional Focus Initiatives

Regional Tourism Expansion

Further leveraging the region's strength in tourism remains a key avenue for economic development across the Esperance Region.

Regional-level initiatives include:

- Increased brand awareness and penetration into new tourism markets.
- Developing enhanced facilities and infrastructure.
- Additional tourism product.
- Additional event attraction and marketing.

Regional Tourism Expansion

Factor	Description	
Local Government Area/s	Esperance, Ravensthorpe, Dundas	
Key Actions	Timing*	Responsibility
Review current tourism profile, products and event offerings and list opportunities	0 – 6 months	GEDC, DPAW, Local Councils, Tourism Associations, AGO, TWA, Chambers of Commerce
Identify and prioritise regional tourism opportunities	+1 year – ongoing	GEDC, DPAW, Local Councils, Tourism Associations, AGO, TWA, Chambers of Commerce
Ongoing lobbying and advocacy for attraction of priority regional tourism opportunities	+6 months – ongoing as required	GEDC, DPAW, Local Councils, Tourism Associations, AGO, TWA, Chambers of Commerce

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

4. Grow Our Economy - Local Focus Initiatives

The Esperance Grow Our Economy Framework outlines the structure and requirements for delivering economic development outcomes to the Esperance Region and includes four key components:

- **Vision:** Clear statement, taken from the Esperance Growth Plan (2012), to set the future vision for the region.
- **1%'ers:** The day-to-day actions of all economic development stakeholders to chip away and ensure an environment conducive to investment and industry/ business growth is created locally. The four strategic directions in the 1%'ers are taken from 'Guiding Principle 1: Grow Our Economy'.
- **Focus Initiatives:** The key initiatives that have been identified to drive economic development forward and become catalysts for future growth. There are seven 'regional' focus initiatives and 11 'local' focus initiatives.
- **Outcomes:** Monitoring changes in the outcomes is how the ultimate success of the strategy will be measured. Success is not about measuring the process, which is important, but also the material change delivered on-ground.

The following section outlines the local focus initiatives which have been developed to deliver significant local benefits and outcomes, aligning with the core strengths and needs of the local communities within the Esperance Region.

There are a range of key projects required for critical enabling infrastructure (water, waste, ICT, power). These projects exist alongside the underlying focus initiatives and will ensure there is sufficient capacity in local infrastructure and services to facilitate population and business growth.

Local focus intitiatives are desgined to deliver specific community outcomes and benefits, leveraging the core strengths and addressing the key needs of local communities.

Esperance Regional Development Framework Stages

VISION

The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy

1%'ers

1. Supportive business environments
- Engage proactively and often with local businesses
- Encourage existing businesses to flourish

2. Attraction and retention of knowledge and investment
- Develop the tools to market the region
- Create a welcoming environment for outside business capital
- Draw attention with a clear message

3. Sustainable growth supported by innovative industry
- Connect local needs with local solutions
- Activating public spaces to encourage market-based activity

4. A wealth of diverse and quality employment opportunities
- Facilitate discussions between businesses and schools
- Fill specialised positions through talent attraction

Focus Initiatives

Regional Initiatives
- Business Incubator & Business Service Centre
- Esperance Port Expansion
- Regional Investment Fund
- Regional Energy Supply
- Agricultural Lands Release - Investigation
- Regional Mobile Communications and National Broadband Network
- Regional Tourism Expansion

Local Initiatives
- Dundas: Bakery, Café and Art Gallery; Attraction of Additional Tradespersons; Norseman Airport Expansion
- Ravensthorpe: Improved Local Banking Facilities; Hopetoun and Ravensthorpe Accommodation; Recreational Tourism; Hopetoun and Ravensthorpe Town Centre Urban Revitalisation
- Esperance: Produce Branding and Collaboration; Implement Esperance Town Centre Revitalisation Master Plan, Esperance Tourism Development; Seafood Hub

Outcomes
- More jobs, higher income
- Greater economic diversity
- Stronger population growth
- Enhanced regional competitiveness

Source: AEC

The individual initiatives to be pursued are detailed in the table below. These local initiatives have been prioritised from a large pool of potential projects based on their capacity to generate desired social and economic outcomes for the region, including:

- Employment.
- Economic growth.
- Enhanced regional branding and awareness.
- Local/ regional business/ community confidence.
- Beneficial and flow on social outcomes.

Local Focus Initiatives

Strategies	Description	Rationale/ Intended Outcome
Dundas Shire		
Bakery, Café and Art Gallery	Development of a bakery, café and art gallery as part of the Norseman Visitor Gateway Centre	• Key local initiative based on tourism and local amenity outcomes • More visitation and localised expenditure
Attraction of Additional Tradespersons	Attraction of additional tradespersons to service Norseman	• Improved local service levels, amenity and business efficiency
Norseman Airport Expansion	Upgrade Norseman Airport to allow commercial aircraft	• Significant economic and social benefits if achieved
Ravensthorpe Shire		
Improved Local Banking Facilities	Provision of ATM facilities in Ravensthorpe and improved local banking facilities	• Significant industry and community benefits • Potential productivity enhancement
Hopetoun and Ravensthorpe Accommodation	Enhanced accommodation offerings at Hopetoun & Ravensthorpe to cater for overnight stays for tourist buses	• Increased levels of visitation and expenditure • Increased investment and employment growth
Recreational Tourism	Enhance and develop walking and hiking trails in parks and reserves around Ravensthorpe and Hopetoun	• Potential to enhance regional tourism profile and community amenity
Hopetoun and Ravensthorpe Town Centre Urban Revitalisation	Re-vitalisation of the Hopetoun and Ravensthorpe town centres	• Potential for additional tourism and local resident amenity • Increased investment and employment • Supports local business viability
Esperance Shire		
Produce Branding and Collaboration	Local fresh food collaborative branding and (national and international) export market identification and accessing	• Opportunity to leverage local produce and collaborative branding campaign • Increase in exports, prices, economic activity, investment and jobs
Implement Esperance Town Centre Revitalisation Master Plan	The Master Plan has identified a range of initiatives and planning requirements to facilitate the growth and development of the Esperance Town Centre as well as its integration with the foreshore area. These need to be implemented to ensure the realisation of the goals and targeted outcomes of the Master Plan.	• Increased activity in the town centre • Enhanced connectivity • Increased tourist and local resident amenity • Enhanced economic activity • Cultivation of a day and night economy • Higher density housing development
Esperance Tourism Development	Further leveraging the established tourism industry through developing additional tourism products, infrastructure, high profile regional events and enhanced short-stay accommodation.	• Employment opportunities in the hospitality sector • Increased local spending through attracting more visitors to the region with higher discretionary spending • Increased private sector investment in tourism
Seafood Hub	To establish the Esperance Region as a hub for seafood production, retail and wholesale trading, warehousing, processing, distribution/export of chilled and frozen or value added seafood products.	• Opportunities for sea cage farming of a number of high value species • Strong seasonal employment prospects • Value adding and associated tourism opportunities • Increased investment and jobs

Source: AEC

Dundas

Grow Our Economy - Local Focus Initiatives

Bakery, Café and Art Gallery

A key local initiative aimed at improving tourism product and resident amenity is the establishment of a bakery, café and art gallery as part of the Norseman Visitor Gateway Centre. The facility would provide a range of benefits to the Norseman community, including:

- Supporting local tourism by providing an incentive for tourists to stop in Norseman and learn about other attractions in the region.
- Capitalising on through traffic to Esperance or Kalgoorlie and the eastern states by making Norseman more of a tourist destination rather than a service centre.
- Increasing visitor spending in Norseman.
- Increasing the level of job opportunities in local businesses catering for tourists.
- Creating a tourism hub in Norseman within close proximity to the hotel and shopping centre.
- Providing a catalyst for the development of other tourist attractions (e.g. walking/ hiking trails and the Western Woodlands).
- Providing a learning facility for Norseman residents and visitors (e.g. resident artist/ photographer).

Bakery, Café and Art Gallery Implementation Plans

Key Actions	Timing*	Responsibility
Review potential operating models for the bakery, café and art gallery	0 – 3 months	**Shire of Dundas**
Establish and review business case for preferred model option	+3 months	**Shire of Dundas**
Consider and confirm potential subsidies/ inducements	+1 month	**Shire of Dundas**
Identify site (existing building or vacant site for development)	+1 month	**Shire of Dundas**
Tender business proposal and short list applicants (including their infrastructure/ equipment requirements)	+3 months	**Shire of Dundas**
Interview potential business operation candidates	+1 month	**Shire of Dundas**
Advertise construction tender and short list contractors (if and as required)	+1 month	**Shire of Dundas**
Interview potential construction candidates	+1 month	**Shire of Dundas**
Engage service providers and agree construction start date	+3 months	**Shire of Dundas**
Construction of additional facilities completed	+6 months	Construction contractor
Marketing / advertising of additional services/ facilities	Nearing construction completion	**Café operator,** Shire of Dundas
Ongoing operational monitoring and support	Quarterly for the first year Ongoing 6 months	**Shire of Dundas**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Dundas

Grow Our Economy - Local Focus Initiatives

Attraction of Additional Tradespersons

A key local initiative aimed at improving local service levels, amenity and business efficiency is the attraction of additional tradespersons to service Dundas Shire. It is envisioned Shire of Dundas, and potentially other local governments, would guarantee a minimum level of work on a take or pay basis, on the provision that certain local/ regional service and availability levels are delivered.

Specific benefits flowing from this initiative include:

- Improved services and amenity for local households.
- Increased efficiency and viability for existing and prospective businesses (including Council).
- Demonstrated commitment and collaborative community support and development by local government.

Attraction of Additional Tradespersons Implementation Plan

Key Actions	Timing*	Responsibility
Confirm the desired working arrangement based on demand levels and available funding	0 – 3 months	**Shire of Dundas**
Detailed tender specifications are drafted and agreed, incorporating relative service commitment and commitment from Dundas Shire regarding committed work	0 – 3 months	**Shire of Dundas**
Secure commitment to either funding or service agreements from Shire of Dundas	+1 month	**Shire of Dundas**
Advertise tender/s and short list applicants	+2 months	**Shire of Dundas**
Interview potential candidates	+1 month	**Shire of Dundas**
Employ service providers and agree start dates	+2 – 4 months	**Shire of Dundas**
Advertise to the local community and businesses the day's times of service availability	On contract signature	**Shire of Dundas**
Review outcomes and service levels	Quarterly for the first year	**Shire of Dundas**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Dundas

Grow Our Economy - Local Focus Initiatives

Norseman Airport Expansion

Expansion of Norseman Airstrip to allow commercial aircraft would enable Dundas Shire to be a more competitive investment destination and increase the liveability and lifestyle attraction of the area.

Norseman Airport Expansion Implementation Plan

Key Actions	Timing*	Responsibility
Confirm the potential scale and timeframes for expansion of Norseman Airstrip	0 – 3 months	**Shire of Dundas**
Develop business case for airstrip expansion	+6 months	**Shire of Dundas**
Identify and apply to potential funding sources	+6 months – ongoing as required	**Shire of Dundas**
Advertise construction tender and short list contractors (if and as required)	+3 months	**Shire of Dundas**
Interview potential construction candidates	+1 month	**Shire of Dundas**
Engage service providers and agree construction start date	+3 months	**Shire of Dundas**
Construction of airstrip upgrade completed	+6 months	Construction contractor
Marketing/ advertising of upgraded facilities	Nearing construction completion	**Shire of Dundas**
Ongoing operations and maintenance	+1 year – ongoing as required	**Shire of Dundas**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Ravensthorpe

Grow Our Economy - Local Focus Initiatives

Improved Local Banking Facilities

A key local initiative for Ravensthorpe Shire is the provision of improved local banking and Automated Teller Machine (ATM) facilities in Ravensthorpe.

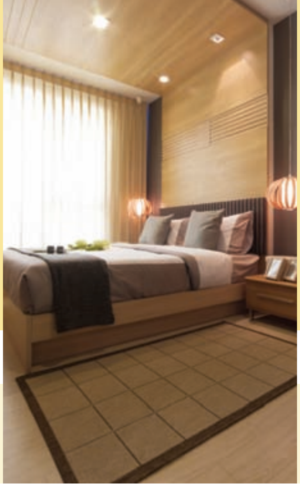
Ravensthorpe is currently serviced via a Westpac branch based in Council offices, which provides the sole ATM facilities for the town. The branch facility runs at a commercial loss and is heavily subsidised by Council. An alternate community based banking model may prove more sustainable and accessible for the area.

Provision of an additional ATM facility in town could be pursued outside of the alternative banking facilities.

Improved Local Banking Facilities Implementation Plan

Key Actions	Timing*	Responsibility
Review and confirm potential alternative banking model opportunities (including a community based bank) and potential site locations	0 – 3 months	**Shire of Ravensthorpe**
Consider and confirm potential inducements and incentives for attracting alternative banking and/ or ATM facilities	+1 month	**Shire of Ravensthorpe**
Identify and approach potential investors	+6 months – ongoing as required	**Shire of Ravensthorpe**
Ongoing investment facilitation and support	+1 year – ongoing as required	**Shire of Ravensthorpe**
Assist proponent negotiate development approvals and construction processes (if required)	Ongoing as required	**Shire of Ravensthorpe**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC



Ravensthorpe

Grow Our Economy - Local Focus Initiatives

Hopetoun and Ravensthorpe Accommodation

A key local initiative for Ravensthorpe Shire is the provision of enhanced accommodation at Hopetoun and Ravensthorpe. Regional stakeholders have identified current accommodation offerings as being inadequate to cater for overnight stays for tourist buses. It is envisioned a higher standard of accommodation would also better leverage the Shire's key natural assets such as Fitzgerald River National Park.

The specific benefits flowing from this initiative revolve around improved tourist amenity, which in turn improves the likelihood of:

- Higher visitation levels.
- Increased visitor length of stay.
- Increased visitor expenditure.

In combination these factors may significantly increase the viability and profitability of a range of local businesses.

Hopetoun and Ravensthorpe Accommodation Implementation Plan

Key Actions	Timing*	Responsibility
Review and confirm potential enhanced accommodation options (site locations, accommodation types, ownership models) through detailed business case	0 – 3 months	**Shire of Ravensthorpe**, TWA
Confirm potential inducements and incentives for attracting enhanced accommodation	+1 month	**Shire of Ravensthorpe**, TWA
Produce appropriate investment/ marketing materials	+3 months	**Shire of Ravensthorpe**, TWA
Identify and approach potential investors	+6 months – ongoing	**Shire of Ravensthorpe**, TWA
Ongoing investment facilitation and support	+1 year – ongoing as required	**Shire of Ravensthorpe**, TWA
Assist proponent negotiate development approvals and construction processes	Ongoing as required	**Shire of Ravensthorpe**, TWA

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Ravensthorpe

Grow Our Economy - Local Focus Initiatives

Recreational Tourism

A major local initiative for Ravensthorpe Shire is the enhancement and development of walking and hiking trails in parks and reserves around Ravensthorpe and Hopetoun. Development of iconic (international class) hiking trails have the potential to greatly lift the tourism profile of a region, with benefits extending well beyond the number of visitors directly utilising the trail.

Enhanced recreational tourism forms part of a broader suite of opportunities for tourism in the Ravensthorpe Shire. Opportunites for tourism development which leverage this initiative include expanded flight arrivals through Ravenshorpe Airport, enhanced short stay accommodation (potentially through a joint venture utilising Council land), expanded marketing of Fitzgerald River National Park to the broader Esperance Region, and business opportunities for additional bed and breakfast accommodation.

Examples of successful iconic nature-based trails include the Great Ocean Road (Victoria and South Australia, Australia), Kanavan Trail (Queensland, Australia), Overland Track (Tasmania, Australia), and The Narrows (Utah, USA). Quality hiking trails help to draw visitors and overcome distance and remoteness, which is one of the major barriers to tourism development in both Ravensthorpe Shire and the broader Esperance Region.

Specific benefits flowing from this initiative include:

- Enhancement of activity-based tourism in the region.
- Encouragement for tourists to spend more time in Ravensthorpe and the Esperance Region generally.
- Increased visitor spending.
- Increased job opportunities in local businesses catering for tourists.

Recreational Tourism Implementation Plan

Key Actions	Timing*	Responsibility
Develop business case/s for recreational tourism based on Ravensthorpe Shire Trail Master Plan	0 – 3 months	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association, TWA
Identify potential funding sources	+1 month	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association,, TWA
Tailor applications and pursue identified funding sources	+6 months – ongoing	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association, TWA
Advertise trail construction tender and short list applicants	+3 months	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association, TWA
Interview potential applicants	+1 month	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association, TWA
Engage successful tenderer and agree construction start date	+3 months	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association, TWA
Trail upgrades / development completed	+1–3 years	Construction contractor
Advertising and marketing of recreational tourism experiences	Throughout trail construction – ongoing as required	**Shire of Ravensthorpe**, Fitzgerald Coast Tourism Association, TWA
Ongoing trail monitoring and maintenance	as required	**Ravensthorpe**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Ravensthorpe

Grow Our Economy - Local Focus Initiatives

Hopetoun and Ravensthorpe Town Centre Urban Revitalisation

A key local initiative for Ravensthorpe Shire is pursuing the planned town centre revitalisations of Hopetoun and Ravensthorpe.

The specific benefits flowing from this initiative include the potential for improved business amenity and presentation supporting commercial viability, local amenity and visitor expenditure.

Hopetoun and Ravensthorpe Town Centre Urban Revitalisation Implementation Plan

Key Actions	Timing*	Responsibility
Review and confirm scale and timing for town centre revitalisation projects (including scope and appropriate plans)	0 – 3 months	**Shire of Ravensthorpe**
Identify and apply to potential funding sources	+ 6 months – ongoing as required	**Shire of Ravensthorpe**
Advertise construction tender and short list contractors	+3 months	**Shire of Ravensthorpe**
Interview potential construction candidates	+1 month	**Shire of Ravensthorpe**
Engage service providers and agree construction start date	+3 months	**Shire of Ravensthorpe**
Town centre upgrades completed	+6 months	Construction contractor
Marketing / advertising of upgraded facilities	Nearing construction completion	**Shire of Ravensthorpe**

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Esperance

Grow Our Economy - Local Focus Initiatives

Produce Branding and Collaboration

Esperance Shire has long been established as a region which produces high quality agricultural outputs. Significant opportunities exist to further leverage local produce though a collaborative branding campaign.

Specific benefits flowing from this initiative potentially include Esperance product differentiation and potential for a price premium, which in turn would drive local production, export, investment and employment.

Produce Branding and Collaboration Implementation Plan

Key Actions	Timing*	Responsibility
Review potential models for produce branding and collaboration	0 – 6 months	DAFWA, South East Premium Wheat Association (SEPWA), SC Fishing Association, Esperance Regional Forum, ECCI, Shire of Esperance
Confirm scale, scope and timing of produce branding and collaboration program	+6 months	DAFWA, SEPWA, SC Fishing Association, Esperance Regional Forum, ECCI, Shire of Esperance
Undertake agreed marketing and collaborative initiatives: • Local, regional, national, international marketing initiatives • Advocacy and support for Esperance produce	+9 months	Shire of Esperance, DAFWA, SEPWA, SC Fishing Association, Esperance Regional Forum, ECCI
Identify and approach potential retailers, wholesalers and restaurants	+6 months – ongoing	Shire of Esperance, DAFWA, SEPWA, SC Fishing Association, Esperance Regional Forum, ECCI
Review program performance against agreed KPIs	+1 year – ongoing annually	Shire of Esperance, DAFWA, SEPWA, SC Fishing Association, Esperance Regional Forum, ECCI
Ongoing investment facilitation and support	Ongoing as required	Shire of Esperance, DAFWA, SEPWA, SC Fishing Association, Esperance Regional Forum, ECCI

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Esperance

Grow Our Economy - Local Focus Initiatives

Implement Esperance Town Centre Revitalisation Master Plan

A major local economic development initiative for the Esperance Shire is investment attraction associated with the planned town centre revitalisation. The master plan is in the process of being developed, and the final scope of the project is still evolving.

Once finalised, the planned revitalisation is likely to present a broad range of opportunities for the Esperance Shire, potentially including:

- Increased activity in the town centre.
- Enhanced connectivity.
- Increased tourist and local resident amenity.
- Enhanced economic activity.
- Cultivation of a day and night economy.
- Higher density housing development.

Capitalising on these opportunities requires significant marketing and investment attraction activities.

Esperance Town Centre Revitalisation Master Plan Implementation Plan

Key Actions	Timing*	Responsibility
Finalise the Town Centre Revitalisation Master Plan	Current	**Shire of Esperance**, ECCI
Identify funding sources to enable implementation of the key recommendations of the Town Centre Revitalisation Master Plan	Current & Ongoing as required	**Shire of Esperance**, other stakeholders as appropriate

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Esperance

Grow Our Economy - Local Focus Initiatives

Esperance Tourism Development

A key local initiative for Esperance is further development of the established tourism industry through developing additional tourism products, infrastructure, high profile regional events and enhanced short-stay accommodation.

Specific benefits flowing from this initiative revolve around increased tourist amenity appealing to a broader selection of visitors. This amenity improves the possibility of:

- Higher visitation levels.
- Increased visitor length of stay.
- Increased visitor expenditure.

In combination these factors may significantly increase the viability and profitability of a range of local businesses.

Esperance Tourism Development Implementation Plan

Key Actions	Timing*	Responsibility
Identify best governance structure for tourism development in Esperance	0 – 6 months	**Tourism Esperance**, Shire of Esperance
Review potential enhanced accommodation options (site locations, accommodation types, ownership models)	+6 months – ongoing	As per the outcomes of the governance review
Develop additional tourism product, infrastructure and high profile regional events.	+12 months – ongoing as required	As per the outcomes of the governance review
Review and produce appropriate investment attraction/ marketing strategy and associated materials	+3 months	As per the outcomes of the governance review
Identify and approach potential investors	+6 months – ongoing	To be determined based on specific opportunity
Ongoing investment facilitation and support	+1 year – ongoing as required	As per the outcomes of the governance review
Assist proponent/s negotiate development approvals and construction processes	Ongoing as required	Shire of Esperance, others as required and deemed appropriate

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

Esperance

Grow Our Economy - Local Focus Initiatives

Seafood Hub

A key local initiative for the Esperance Shire involves capitalising on the region's industry potential across the seafood value chain. Significant potential may exist to expand Esperance's seafood industry presence across:

- Expanded production through aquaculture initiatives.
- Retail and wholesale trading.
- Warehousing.
- Processing/ value adding.
- Distribution and export.

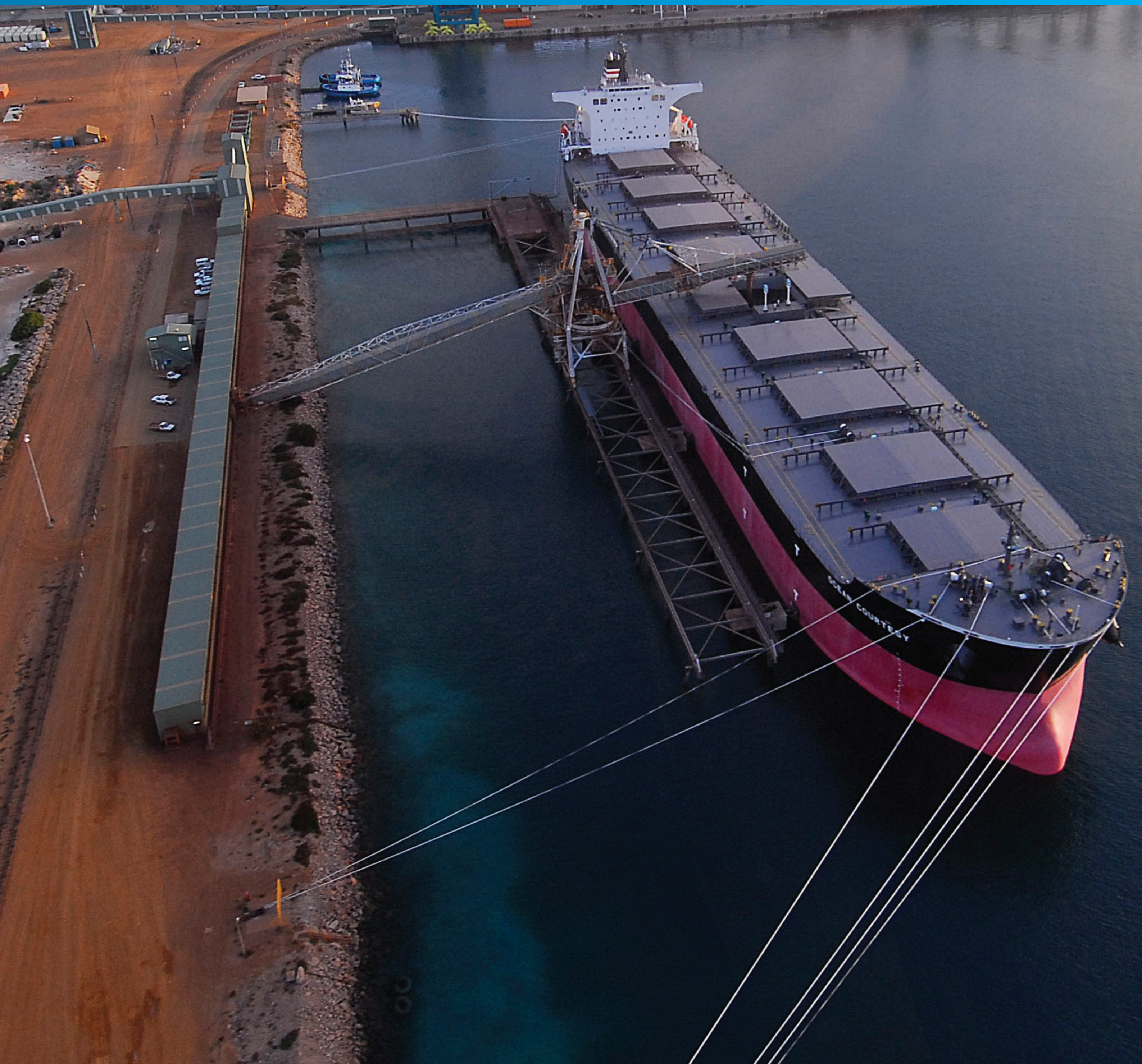
This opportunity may be further leveraged into areas such as education and research and development.

Seafood Hub Implementation Plan

Key Actions	Timing*	Responsibility
Review opportunities within the broader seafood industry, including: • Expanded production (aquaculture) • Wholesale/ distribution • Processing • Retail • Processing/ value adding	0 – 6 months	WAFIC, SC Fishing Association, GEDC, Department of Transport, DPAW, Department of Fisheries
Undertake feasibility study to determine: • Industry limitations, needs and wants • Identification of available facilities and gaps • Cost benefit analysis • Potential investment returns • Community expectations • Identify stakeholders prepared to collaborate and invest in the project	+8 months	WAFIC, SC Fishing Association, GEDC DOT, DPAW, Department of Fisheries
Confirm potential inducements and incentives for establishing an intensive aquaculture industry	+1 month	WAFIC, SC Fishing Association, GEDC DOT, DPAW, Department of Fisheries
Identify and approach potential investors and funding sources	+6 months – ongoing	WAFIC, SC Fishing Association, GEDC DOT, DPAW, Department of Fisheries
Ongoing investment facilitation and support	Ongoing as required	WAFIC, SC Fishing Association, GEDC DOT, DPAW, Department of Fisheries, Shire of Esperance

Note: * from commencement of the initiative and the preceding task rather than release of the Esperance Region Economic Development Strategy.
Bold text has been utilised where a clear leading agency has been identified, where no leading agency has been identified roles will be determined at a later stage.
Each **lead agency** will be responsible for developing a detailed timeline for implementation of their initiatives.
Source: AEC

The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy



5. Grow Our Economy - Measuring Outcomes

The Esperance Grow Our Economy Framework outlines the structure and requirements for delivering economic development outcomes to the Esperance Region and includes four key components:

- **Vision:** Clear statement, taken from the Esperance Growth Plan (2012), to set the future vision for the region.
- **1%'ers:** The day-to-day actions of all economic development stakeholders to chip away and ensure an environment conducive to investment and industry/ business growth is created locally. The four strategic directions in the 1%'ers are taken from 'Guiding Principle 1: Grow Our Economy'.
- **Focus Initiatives:** The key initiatives that have been identified to drive economic development forward and become catalysts for future growth. There are seven 'regional' focus initiatives and 11 'local' focus initiatives.
- **Outcomes:** Monitoring changes in the outcomes is how the ultimate success of the strategy will be measured. Success is not about measuring the process, which is important, but also the material change delivered on-ground.

The following section outlines the macroeconomic outcome measurements which have been developed to assist in tracking the progress of the Esperance Regional Economic Development Strategy.

Tracking both the implementation and broad macroeconomic outcomes of the Esperance Region Economic Development Strategy will ensure its continued relevance and enable the strategy and underlying initiatives to be updated and refined in response to new opportunities, and changes in economic circumstances and underlying community needs.

Esperance Regional Development Framework Stages

VISION

The South-East is Western Australia's most desirable regional destination for lifestyle, work, unique experiences and investment. It is recognised for its vibrant, welcoming communities, pristine environment and diverse economy

1%'ers

1. Supportive business environments
- Engage proactively and often with local businesses
- Encourage existing businesses to flourish

2. Attraction and retention of knowledge and investment
- Develop the tools to market the region
- Create a welcoming environment for outside business capital
- Draw attention with a clear message

3. Sustainable growth supported by innovative industry
- Connect local needs with local solutions
- Activating public spaces to encourage market-based activity

4. A wealth of diverse and quality employment opportunities
- Facilitate discussions between businesses and schools
- Fill specialised positions through talent attraction

Focus Initiatives

Regional Initiatives
- Business Incubator & Business Service Centre
- Esperance Port Expansion
- Regional Investment Fund
- Regional Energy Supply
- Agricultural Lands Release - Investigation
- Regional Mobile Communications and National Broadband Network
- Regional Tourism Expansion

Local Initiatives
- Dundas: Bakery, Café and Art Gallery; Attraction of Additional Tradespersons; Norseman Airport Expansion
- Ravensthorpe: Improved Local Banking Facilities; Hopetoun and Ravensthorpe Accommodation; Recreational Tourism; Hopetoun and Ravensthorpe Town Centre Urban Revitalisation
- Esperance: Produce Branding and Collaboration; Implement Esperance Town Centre Revitalisation Master Plan, Esperance Tourism Development; Seafood Hub

Outcomes
- More jobs, higher income
- Greater economic diversity
- Stronger population growth
- Enhanced regional competitiveness

Source: AEC

The macroeconomic measurements against which the success of the Esperance Region Economic Development Strategy will be monitored are presented in the table below.

Each of these macroeconomic data points will be captured at a regional level and entered into the GEDC database as new data becomes available. This will enable key stakeholders to track the outcomes of the Esperance Region Economic Development Strategy at a maroeconomic level. Each of these indicators are available from established online public and private sector databases.

These measurements provide the closest indication of the desired outcomes of the strategy in terms of results for the Esperance Regional economy. It is important to consider the broad macroeconomic factors influencing each of these key indicators when evaluating the success of strategy initiatives. Additionally, it is important to note that the stakeholders have limited control and influence over these factors and while these goals represent the overall desired achievement of the Economic Development Strategy, the attainment of these goals needs to be viewed in conjunction with the achievement of the KPIs set out in the implementation plan (which the stakeholders can control).

Outcome Measurements

Outcome	Measure	Target	Current Benchmark	Source Agency	Indicator	New Data Released	Web Link
More jobs, higher income	Average wage	↑	2011 average weekly household income $1,738.26	ABS (Census)	Median household income	5 yearly*	http://www.abs.gov.au/websitedbs/censushome.nsf/home/Census?opendocument#from-banner=GT ABS (2012). Census of Population and Housing, 2011. Cat. No. 2001.0. ABS, Canberra.
	Employment count	↑	11,151 employed persons Dec Quarter 2013	DEEWR (Small Area Labour Markets)	Number of Employed Persons	Quarterly	http://employment.gov.au/small-area-labour-markets-publication
Greater economic diversity	Economic diversity index	↑	2012-13 Index 0.43	AEC to Provide	Economic Diversity Index	Annually	https://www.aecgroupltd.com/
	Employment by occupation concentration index	↓	2011 Index 0.14	ABS (Census)	Employment by Occupation	5 yearly*	http://www.abs.gov.au/websitedbs/censushome.nsf/home/Census?opendocument#from-banner=GT
Stronger population growth	Population growth	↑	1.2% growth over 2012-13	ABS Cat No. 3218.0	Annual Population % Growth	Annually	http://www.abs.gov.au/Ausstats/abs@.nsf/mf/3218.0
Greater regional competitiveness	Gross Regional Product (GRP)	↑	2011-12 $2.78 Billion	AEC to Provide	Annual GRP Growth	Annually	https://www.aecgroupltd.com/
	Building approval levels (residential and non-residential)	↑	2012-13: 75 residential approvals, $3.6 million non-residential approvals	ABS Cat No. 8731.0	Rolling annual residential and non-residential building approval growth	Quarterly	http://www.abs.gov.au/ausstats/abs@.nsf/mf/8731.0
	Visitor arrivals	↑	2013: 212,000 domestic 19,000 international visitors (231,000 total vistors)	TRA (National and International Visitor Surveys)	Rolling annual visitor night growth	Quarterly	http://www.abs.gov.au/ausstats/abs@.nsf/mf/8731.0

Source: AEC

It is envisioned that the progress of the Esperance Region Economic Development Strategy will be monitored annually against the above indicators or as new data becomes available.

The success of individual initiatives and day-to-day economic development activities will also be reviewed and updated at a minimum 12 monthly preriod. This will ensure activities are current and remain in the best interest of the Esperance Region community and economy as economic, demographic, and industry circumstances change.

6. Bibliography

ABS (2012). *Census of Population and Housing*, 2011. Cat. No. 2001.0. ABS, Canberra.

ABS (2013a). *Building Approvals, Australia*. Cat. No. 8731.0. ABS, Canberra.

ABS (2013b). *Regional Population Growth, Australia*. Cat. No. 3218.0. ABS, Canberra.

ABS (2013c). *Counts of Australian Businesses, Including Entries and Exits, Jun 2008 to Jun 2012*. Cat. No. 8165.0. ABS, Canberra.

ABS (2013d). *Tourist Accommodation, Small Area Data, Western Australia*. Cat. No. 8635.5.55.001. ABS, Canberra.

ABS (2014). *Population by Age and Sex, Regions of Australia, 2013*. Cat. No. 3235.0. ABS, Canberra.

AEC (2013a). *Esperance Region Economic and Social Profile.* AEC, Australia.

AEC (2013b). *Esperance Region Economic Development Strategy Literature Review*. AEC, Australia.

DAFF (2013). *The Aquaculture Industry in Australia*. Available from: http://www.daff.gov.au/fisheries/aquaculture/the_aquaculture_industry_in_australia. Last accessed April 10, 2014.

DEEWR (2013). *Small Area Labour Markets*. DEEWR, Canberra

Department for Planning and Infrastructure (2008). *Shire of Ravensthorpe Local Planning Strategy*. DPI, Perth.

Department of Planning (2012). *Draft Goldfields-Esperance Regional Planning & Infrastructure Framework*. Government of Western Australia, Perth.

Department of Transport (n.d.). *A Vision for Western Australia's Ports*. Government of Western Australia, Perth.

Department of Transport (n.d.). *Western Australian Regional Freight Transport Network Plan*. Government of Western Australia, Perth.

Department of Transport (2012). *The Role of Ports in Western Australia*. Government of Western Australia, Perth.

Department of Transport and Department of Regional Development and Lands (n.d.). *PortLink Inland Freight Corridor Development Plan*. Australian Government, Canberra.

DFAT (2013). *Agriculture and the WTO*. Available from: http://www.dfat.gov.au/trade/negotiations/trade_in_agriculture.html. Last accessed April 4, 2014.

FAO (2014). *FAO Food Price Index*. Available from: http://www.fao.org/worldfoodsituation/foodpricesindex/en/. Last accessed April 10, 2014.

Flanagan, S. (2013). *Esperance Ports Sea & Land, Over the Horizon Conference*. Esperance Ports Sea & Land, Esperance.

FRDC (2014). *How Does the Size of the Australian Seafood Industry Compare to Others Around the World?*. Available from: http://frdc.com.au/knowledge/q_and_as/Pages/size-of-Australian-seafood-industry-compare.aspx. Last accessed July 25, 2014.

GEDC (2012a). *Goldfields-Esperance Region Major Projects Summary*. GEDC, Esperance.

GEDC (2012b). *Goldfields-Esperance Strategic Development Plan 2011-2021*. GEDC, Esperance.

GEDC et al. (2012). *Planning for our Future: A Growth Plan for Esperance and the South-East Region.* Developed by the Goldfields Esperance Development Commission, Shire of Esperance, Esperance Chamber of Commerce and Industry and the Department of Regional Development and Lands and the Department of Planning. November, 2012 – Esperance.

Goldfields-Esperance Workforce Development Alliance (2012). *Goldfields-Esperance Workforce Development Plan 2013-2016*. Department of Training and Workforce Development, Osborne Park.

Government of Western Australia (2012). *The Western Australia Regional Development Framework Draft*. Government of Western Australia, Perth.

Howard-Smith, R. (2013). *The Resources Sector in the Goldfields Esperance Region*. Chamber of Minerals and Energy of Western Australia, Perth.

IBISWorld (2013). *Industry Reports*. Available from: http://www.ibisworld.com.au/. Last accessed March 5, 2014.

Ives, A. (2013). *Infrastructure Delivery Directorate, Over the Horizon Presentation, Main Roads WA, Esperance Port Access Corridor Project*. Main Roads, Perth.

Jones, M. (2012). *Aurizon in the Yilgarn: Over the Horizon, Esperance*. Aurizon, Brisbane.

McCaughey, R. (2013). *Cruise Tourism*. Edith Cowan University, Mount Lawley.

NCC. (2010). *The National Competitiveness Centre*. Available from: http://www.saudincc.org.sa/About-National-Competitiveness/Diamond-Framework-of-Competitiveness.aspx. Last accessed March 5, 2014.

Nicolaou, J. (2013). *2013: The Year we Break out from our Confidence Slump?* Chamber of Commerce and Industry of Western Australia, Perth.

Pettit, S. (2013). *Visa & Immigration Update*. Sirva, Perth.

Ports Australia (2013). *Trade Statistics*. Available from: http://www.portsaustralia.com.au/tradestats/?id=1&period=12. Last accessed April 10, 2014.

Productivity Commission (2013). *An Ageing Australia: Preparing for the Future*. Available from: http://www.pc.gov.au/__data/assets/pdf_file/0005/129749/ageing-australia.pdf. Last accessed April 10, 2014.

Real Estate Institute of Western Australia (2013). *Market Info*. REIWA, Perth.

Shire of Dundas (2011). *Shire of Dundas, Dundas Directions Strategic Plan 2011-2015*. Shire of Dundas, Norseman.

Shire of Dundas (2012). *Shire of Dundas Strategic Community Plan 1 July 2012 to 30 June 2022*. Shire of Dundas, Norseman.

Shire of Esperance (2012). *Esperance Supertown Interim Growth and Implementation Plan 6 March 2012*. Shire of Esperance, Esperance.

Shire of Esperance (2013a). *Airport Services*. Available from: http://www.esperance.wa.gov.au/2/251/1/airport.pm. Last accessed April 10, 2014.

Shire of Esperance (2013b). *Esperance Tourism Development Plan 2013-2018*. Shire of Esperance, Esperance.

Shire of Esperance and Department of Planning (2006). *Shire of Esperance Local Planning Strategy*. Shire of Esperance, Esperance and Department of Planning, Perth.

Shire of Ravensthorpe (2014). *Draft Strategic Community Plan July 2014-June 2024*. Available from: http://www.ravensthorpe.wa.gov.au/Assets/Documents/Document-Centre/Agenda/10.4.5_3.pdf. Last accessed June 9, 2014.

Tonts, M. (2013). *Global Dynamics of Migration and Investment*. University of Western Australia, Crawley.

TRA (2014). *TRA Online*. Available from: http://traonline.ret.gov.au/superweb/loadDatabase.do?db=NVS%20daytrip%201998%20onwards. Last accessed March 4, 2014.

Western Australian Fishing Industry Council Inc. (n.d.). *An Introduction to the Western Australian Fishing Industry Council*. WAFIC, Fremantle.

Western Australian Planning Commission (2000). *Goldfields-Esperance Regional Planning Strategy July 2000*. WAPC, Perth.

Western Australian Planning Commission (2004). *2003 Audit of the Goldfields-Esperance Regional Planning Strategy*. WAPC, Perth.

Western Australian Planning Commission (2012). *Western Australia Tomorrow (2012)*. WAPC, Perth.

Western Australian Planning Commission (2013). *State Planning Strategy*. WAPC, Perth.

Yilgarn Iron Producers Association Inc. (2013). *Esperance Port Upgrade Signals Major Boost to WA Economy*. YIPA, Crawley.

Appendix A: Socio-Economic Profile

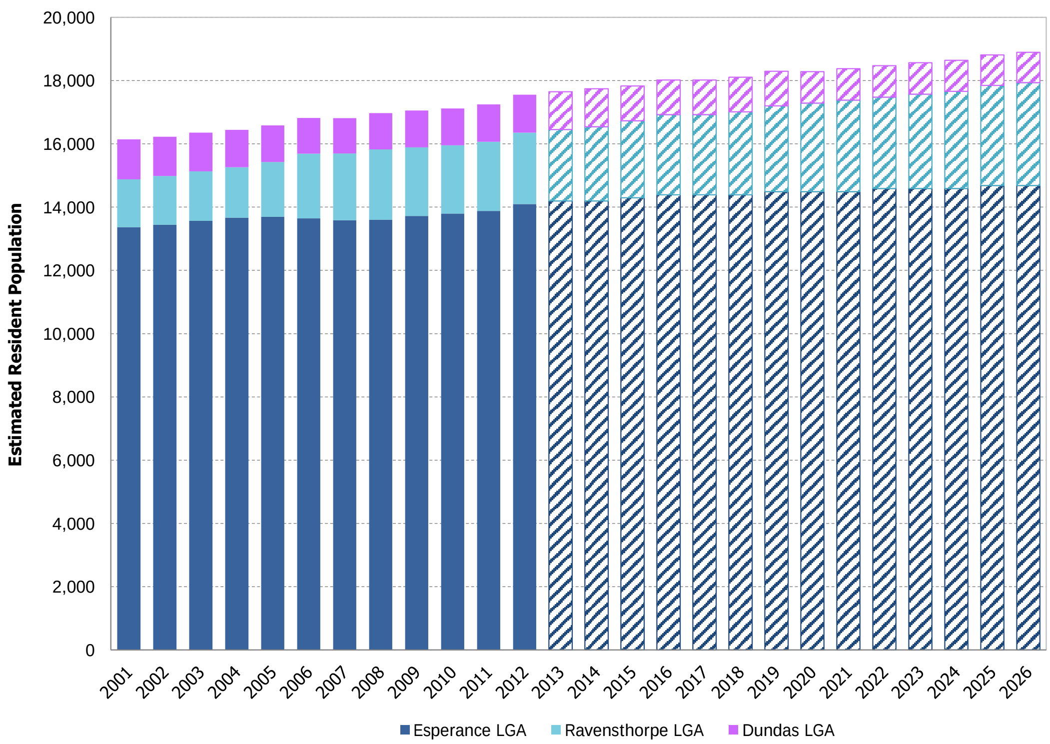
Executive Summary

Current Population and Demographics

Population Growth is Important

The current (June 2012) population of the region is 17,551, with the majority (over 80%) of the population living in Esperance. The regional population has demonstrated 0.8% average annual growth since 2001. This level of growth is below Metropolitan Perth (2.4%) and WA (2.2%), and does not reflect the significant acceleration of growth seen across other parts of Western Australia over the second half of the last decade. There is some variation of growth rates between the shire council areas, with Ravensthorpe LGA's population growing faster than Dundas and Esperance LGAs.

Figure A.1: Estimated Resident Population, by LGA, Esperance Region, 2001-2026



Source: ABS (2013b), WAPC (2012)

A drop-off in the value of building approvals between 2006-2012 for both residential and non-residential dwellings reflects this lower rate of growth, and the population growth rate for the whole region is forecast to stabilise around just 0.5% per annum by 2026 (reaching 18,893), compared to 1.6% in Metropolitan Perth and WA.

Population Growth is Important to the Economy

Population growth is a significant driver for many sectors of the economy, such as retail, education and health. These sectors (and others) are often primarily driven by the residential population, so that future growth is often reliant on a growing population. Strong population growth will spur considerable economic activity and contribute to a vibrant economy. Ensuring that employment opportunities are generated in other (non-population driven) industry sectors can contribute to a growing population through the attraction of new workers.

The ongoing slow rate of population growth is likely symptomatic of many interrelated issues such as the region’s long distance from main WA metropolitan growth centres, the lack of major employment generators outside of mining and agriculture (which both generally exhibit low job intensification) and changing demographic patterns. Additionally, there is also a clear mismatch between anticipated population growth (0.5%) and the SuperTown target rate of 2.4%. Policy intervention and concerted efforts will be required to increase population growth above historic and projected levels.

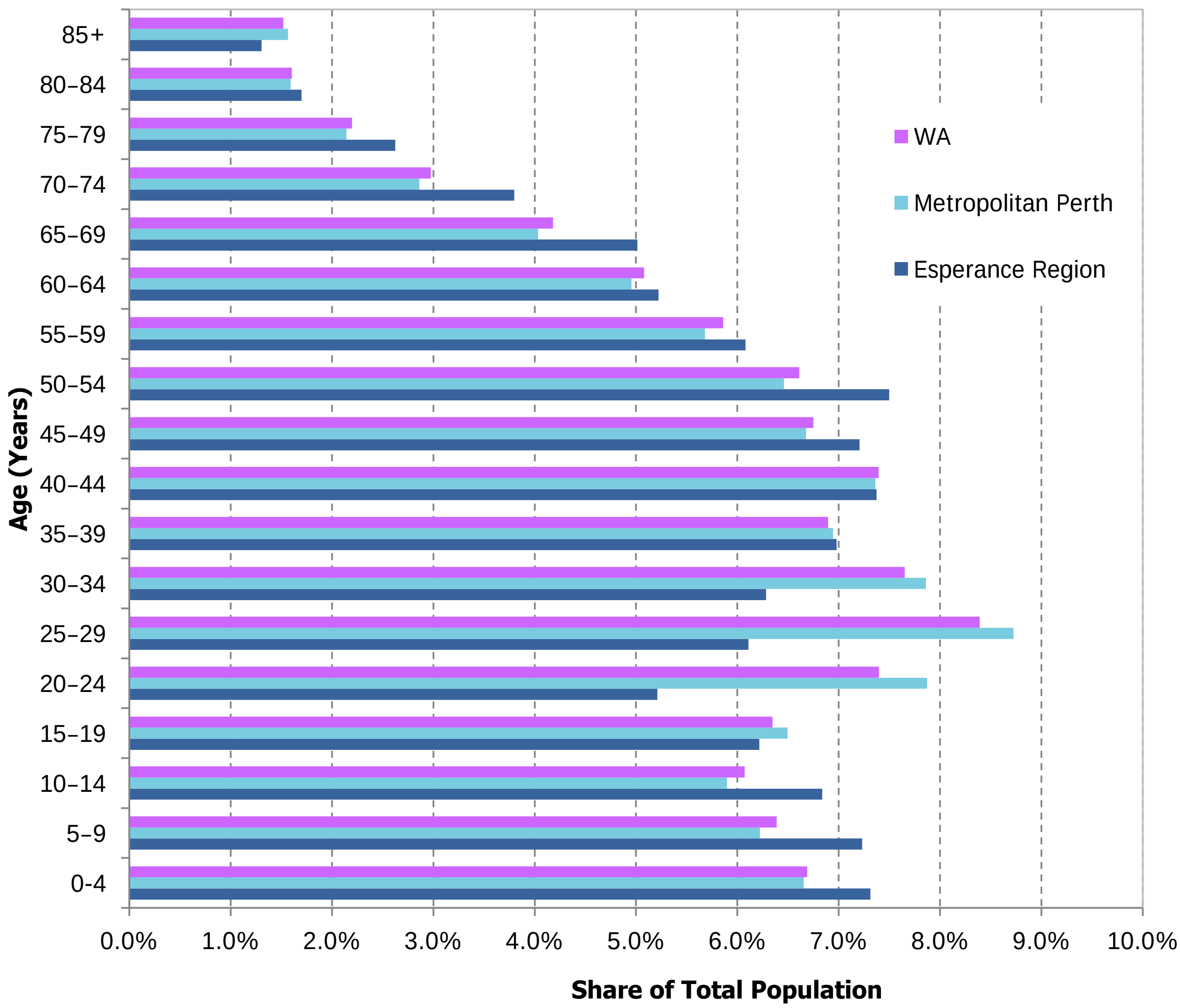
As with many parts of regional Western Australia, the region exhibits a very low population density (0.12 people per sq km) compared to 0.96 across Western Australia and 2.95 across all of Australia. Even with most people residing in proximity to the main centre of Esperance, the vast geographic span of the region creates a challenge both for private companies and public organisations providing goods and services in the region.

Typcial Demographic Traits for a Regional Area

The Esperance Region is very similar to many regions across regional Australia, in that many young people (20-34 years of age) leave the region to explore educational or employment opportunities outside the region. As **Figure A.2** shows, the region has relatively higher proportions of young children (aged 0-14) and middle aged adults (aged 45-59), which shows a stronger concentration of families in the region than in the Perth metropolitan area. Also, similar to other parts of the country, the Esperance Region has a higher proportion of older residents (aged 60+). This age profile will have numerous impacts on the local economy, including:

- **Loss of younger adults** in the workforce, which puts pressure on potential employees in the entry level labour pool and loss of retail expenditure from a relatively high spending group.
- **Strong representation of families**, which can be positive given the purchasing power of this segment.
- **High ratio of older Australians**, which means that a higher proportion of the population is not working and spending less as well as demanding a higher level of public services (i.e. health).

Figure A.2: Age Distribution, Esperance Region versus Metropolitan Perth and WA, 2011/12



Source: ABS (2014)

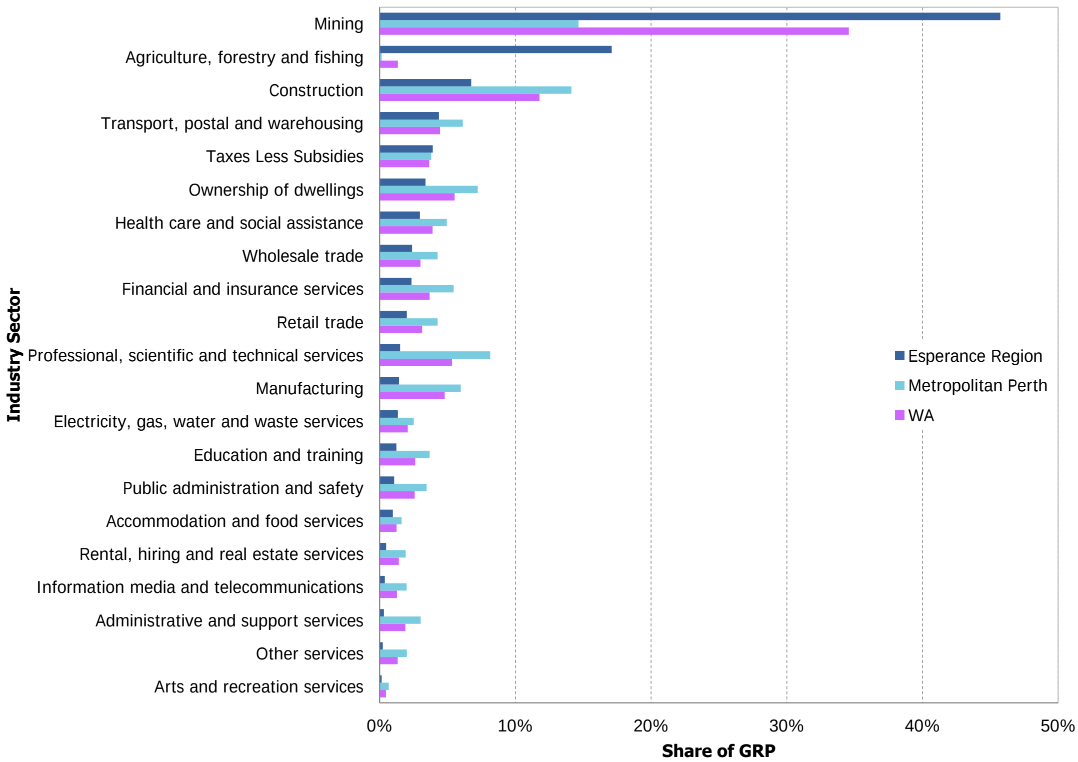
The resident workforce portrays similar characteristics to other parts of regional Australia, with relatively lower levels of degree qualified residents than in the metropolitan centre. The educational attainment levels of the region are consistent with its core economic structure and the focus on mining and agriculture.

Current Economy

Esperance is the regional economic service centre for the region and tied to the adjoining local government areas in a number of ways. For example, the Port of Esperance exports all of the nickel processed in Ravensthorpe.

Mining, agriculture and tourism are key aspects of the economy. The dominance of mining can be seen in the strength of Gross Regional Product (GRP) in mining across the region (**Figure A.3**). Naturally, given the location of the Central Norseman Gold mines (outside of Norseman) and the First Quantum nickel mine in Ravensthorpe, the proportion of mining (as a percent of GRP) in Dundas and Ravensthorpe Shires is higher. Grains, sheep and cattle make up the bulk of the agricultural activity in the region.

Figure A.3: Gross Regional Product, by Industry Sector, Esperance Region versus Metropolitan Perth and WA, 2011/12



Source: AEC

Currently (year ending December 2013) there are over 230,000 total visitors, which is largely in line with the amount of visitors to Margaret River and more than the number of visitors to Broome. Norseman in particular acts as a gateway stopover for travellers to and from eastern states. This means that while the region experiences a high level of visitation, expenditure and flow on benefit capture can tend to be more modest.

Over the last 13 year period, total visitation to the Esperance Region has been volatile and in fact trended marginally downward (compared to the West Australian average which was less volatile and more stable). Tourism impacts the economy mostly through retail, accommodation and food services as well as the transport sector. The benefit to the economy comes from the expenditure that visitors provide to the economy during their travels. Accommodation statistics show the seasonality of the market with occupancy rates reaching a peak around 75% in high season and low of 50%. Average daily rate has increased marginally over time and current sits at $125 per night.

While these three sectors provide some diversity to the economy, there is still a large reliance on mining and agriculture, with a significant reliance on the nickel and gold mining operations. This reliance presents risks to the economy as a downturn in one of these operations would have considerable negative flow-on impacts across the economy (similar to the impact of BHP's closure of their Ravensthorpe mine in 2009).

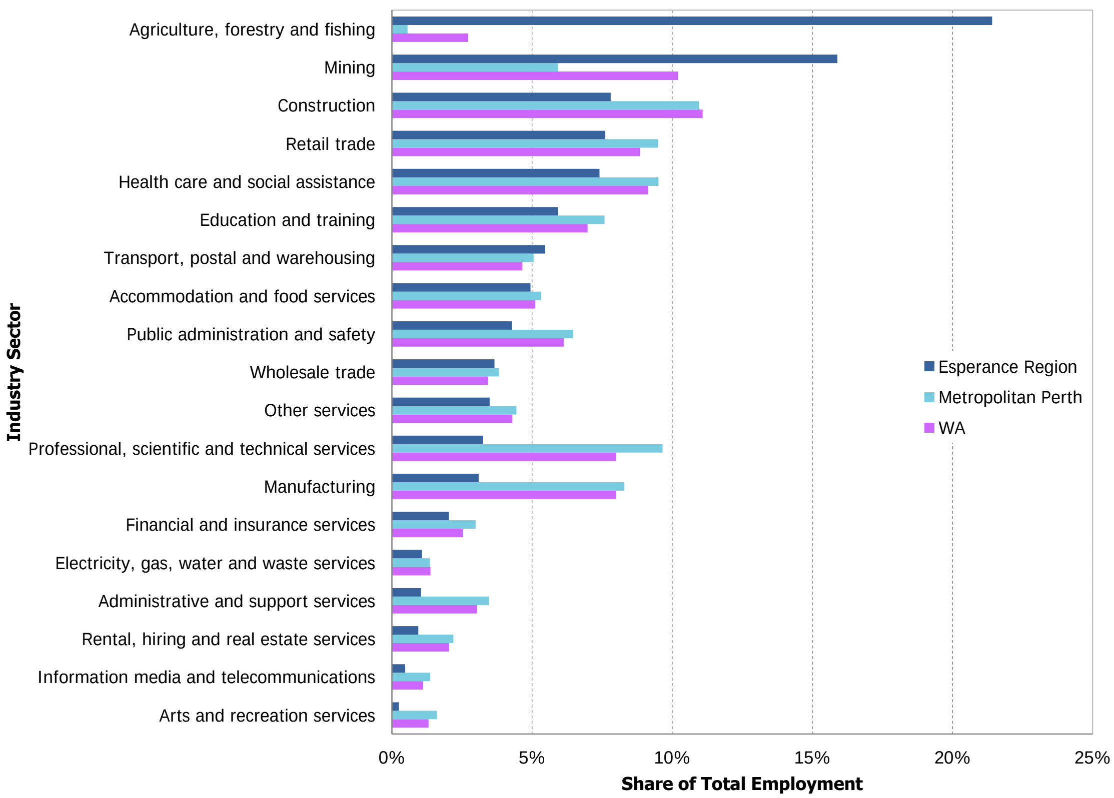
Between 2006 and 2012 the agriculture sector was shown to be growing faster than all other sectors (including mining). A range of other service sectors (i.e. professional and scientific services, finance and insurance, wholesale trade and health care services) also showed significant growth over this period.

From an employment perspective, agriculture and mining remain the dominate industries (with the exception that agriculture employs more people than mining). Employment in retail, accommodation and food services as well as transport benefit from the tourism sector in the region. The greater Esperance Region has experienced very low levels of unemployment (from 4.4% in 2006 to 2.2% in 2013) which is generally lower than across WA and Australia. While a boon for aspiring job seekers, this also puts pressure on the labour market with shortages of workers and skills being reported across an array of staple sectors including construction, trades, engineering, and retail & hospitality. Over the last 12 months, unemployment has risen a small degree since the low point of 1.8% in 2012.

Value of Employment is Important

It is important to understand and appreciate the differing levels of value that jobs in various industries provide to the economy. Not all jobs are created equal. Through the flow-on impacts of economic activity in certain industries (i.e. some industries create considerable flow-on impact across the economy, relative to others), greater economic activity and greater levels of employment can be achieved. Focusing on high value adding, knowledge-based sectors can have greater economic development benefits than others. For example, a job in the finance and insurance sector can be more valuable than a job in retail (based on the value per employee that it generates to the economy).

Figure A.4: Employment, by Industry Sector, Esperance Region versus Metropolitan Perth and WA, 2011/12



Source: AEC

Issues for Consideration in the Future

This analysis highlights the following key issues for future consideration:

- **Diversification of the Economy**: The structure of the current economy currently provides considerable future risk. Diversifying the economy and taking advantage of recent growth in agriculture and professional services would enable the Esperance

Region to reduce the reliance on mining and build more sustainability into the future economy.

- **Growing the Population**: While the population in the region has grown over the recent past, increasing levels of future population growth would assist the economy to grow and provide a stronger and more sustainable basis for the future of the region. Ensuring that high value adding jobs are added to the economy would assist to provide a catalyst for population growth.
- **Expanding the Tourism Sector**: While tourism currently does not provide a similar economic contribution as mining or agriculture, the region is a recognised destination and receives a considerable amount of visitors every year. Enhancements to tourism products, experiences and infrastructure would help to grow the visitor market and increase visitor expenditure, providing additional economic inputs into the region. Tourism should not be the major focus of future economic development but contribute to overall economic development efforts.

Introduction

Background

The Esperance region includes the Shires of Esperance, Ravensthorpe and Dundas.

In 2011, Esperance was selected as one of the nine towns in regional WA to be part of the SuperTowns program. The SuperTowns program was established to promote population and economic growth across regional WA, to ensure that development opportunities are maximised outside the Perth metropolitan area.

As part of the SuperTowns program, each 'SuperTown' developed a Growth Plan to guide economic development and strategic opportunities. The Esperance SuperTowns project team comprising the Goldfields-Esperance Development Commission (GEDC), Shire of Esperance (SoE) and Esperance Chamber of Commerce and Industry (ECCI), has been working with the community to develop an aspirational Growth Plan for the future of the town and the south east region. The Growth Plan (*Planning our Future: A Growth Plan for Esperance and South East Region*) was published in November 2012. Further relevant research and analysis is now required to identify and develop economic development opportunities across the Esperance Region and the strategic implications for the region.

AEC has been engaged to provide the Economic Development Strategy for the Esperance region.

Scope of Works

AEC has developed the following structured process to deliver this project:

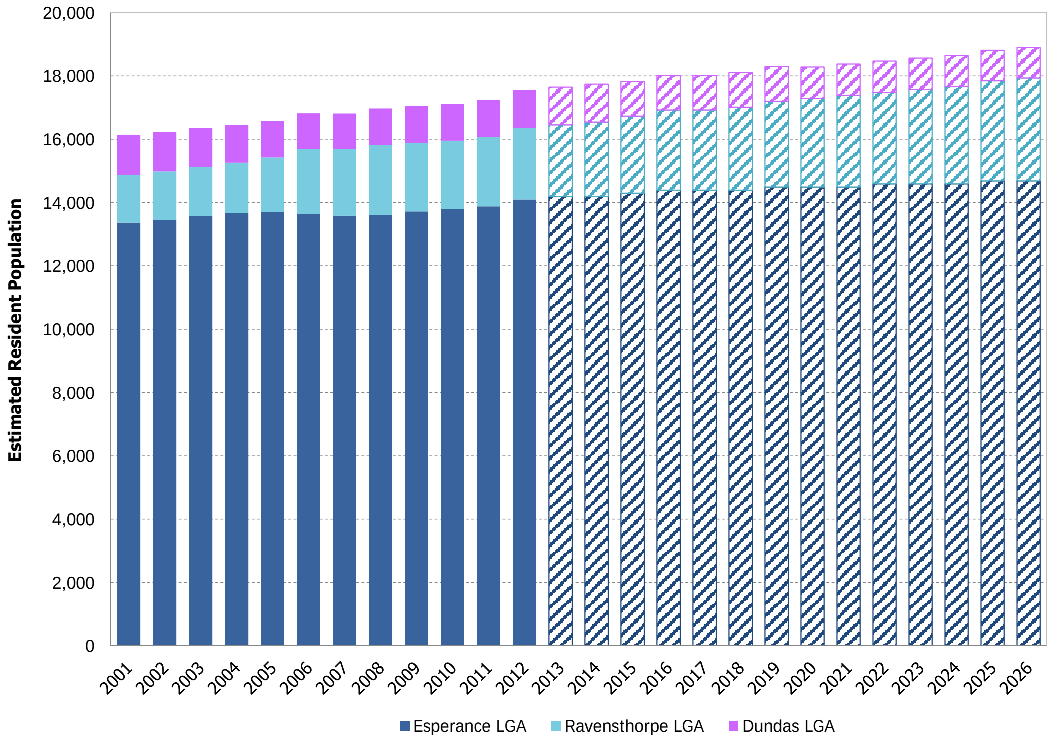
- Background research and the development of a detailed economic and social profile.
- Analysis to identify specific opportunities to growth the regional economy.
- Stakeholder consultation to review and refine research and analysis and incorporate local stakeholder input into the strategy.
- Strategy development including the development of an implementation plan.

This document represents a summary of the background research and analysis.

Data Analysis

Population

Figure A.5: Estimated Resident Population, by LGA, Esperance Region, 2001-2026



Source: ABS (2013b), WAPC (2012)

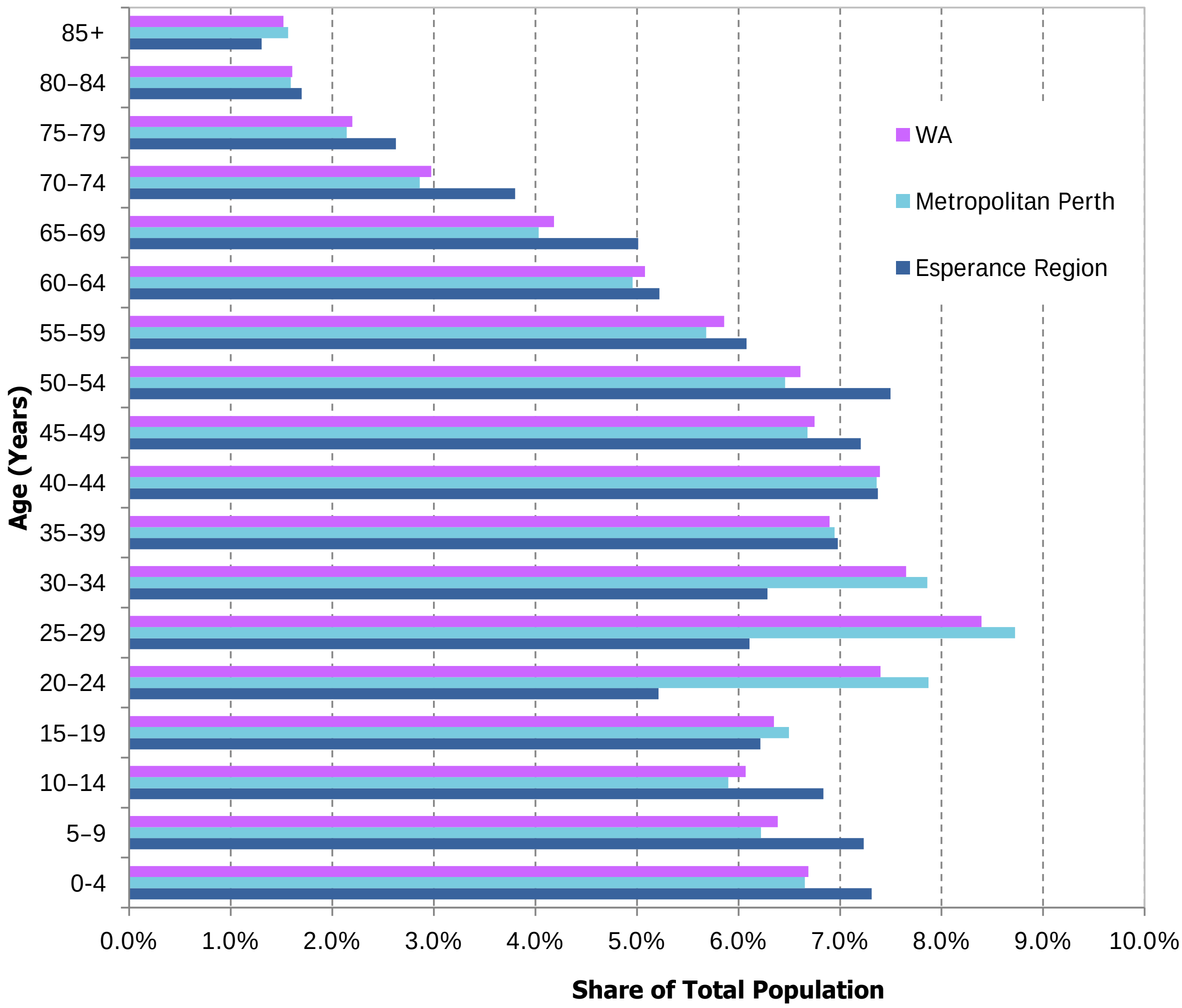
Figure A.6: Estimated Resident Population Annual Growth Rates, Esperance Region versus Metropolitan Perth and WA, 2001-2026

Source: ABS (2013b), WAPC (2012)

- The total population of the Esperance Region increased from 16,141 in 2001 to 17,551 in 2012, representing an average annual growth rate of 0.8%.
- This was significantly lower than Metropolitan Perth (2.4%) and WA (2.2%), and without the significant acceleration of growth in the second half of the decade.
- As such, population growth in the Esperance Region is forecast to stabilise around just 0.5% per annum by 2026 (reaching 18,893), compared to 1.6% in Metropolitan Perth and WA.
- The majority of the Esperance Region population resides in Esperance LGA – 81.5% on average to 2012, compared to 11.5% in Ravensthorpe LGA and 7.0% in Dundas LGA.
- However, Ravensthorpe LGA's share of total population was growing at the expense of the others, and is forecast to reach 17.2% by 2026, compared to 77.7% in Esperance LGA and 5.1% in Dundas LGA.

Age Distribution

Figure A.7: Age Distribution, Esperance Region versus Metropolitan Perth and WA, 2011/12

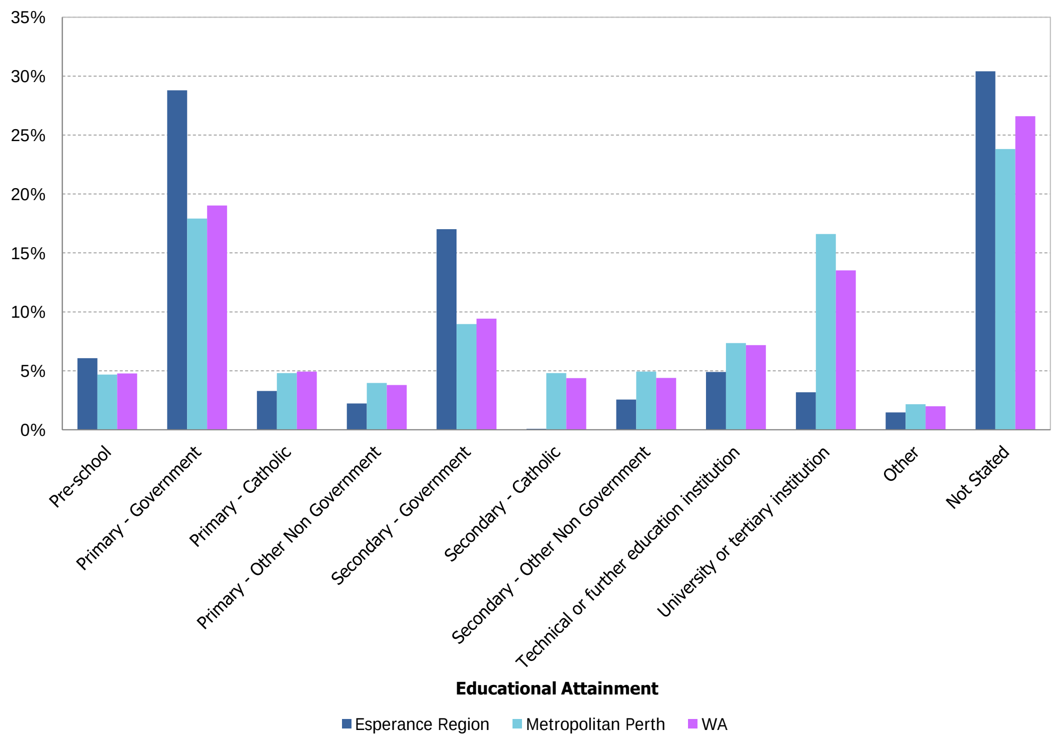


Source: ABS (2012)

- Esperance Region has a strong representation of 0-14 year olds (21.4%, compared to

Educational Attainment

Figure A.8: Educational Attainment, by Qualification, Esperance Region versus Metropolitan Perth and WA, 2011

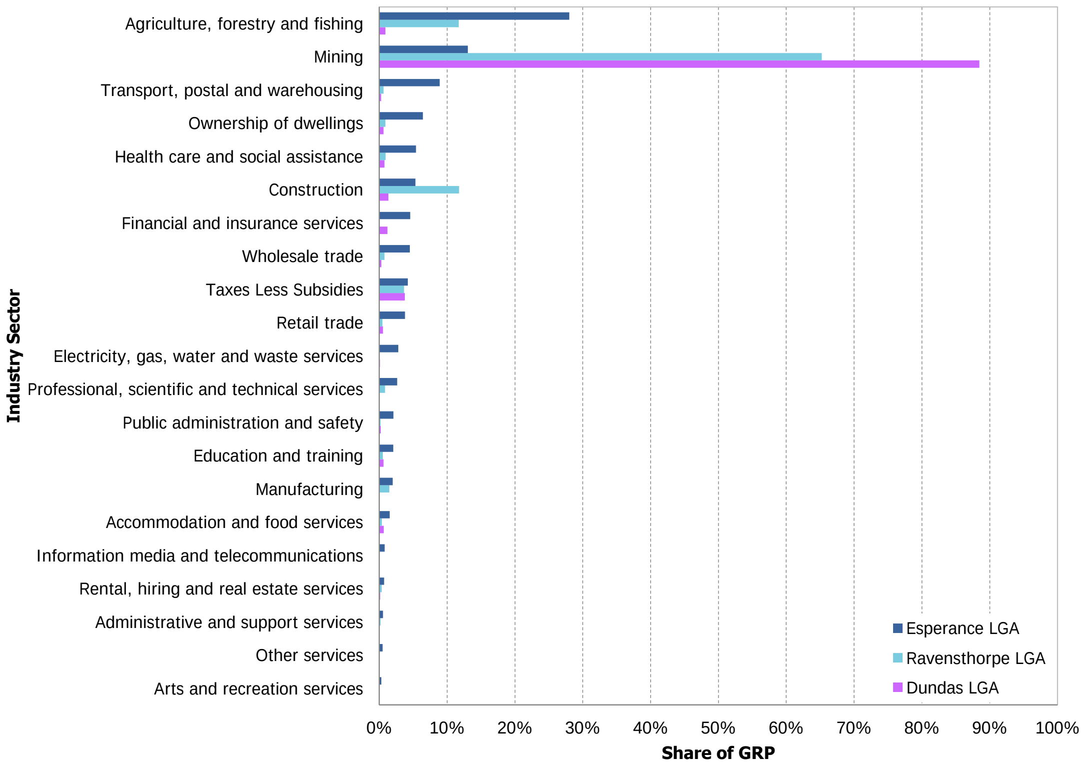


Source: ABS (2012)

- Esperance Region has the highest share of pre-school and government primary and secondary school attainment at 6.1%, 28.8% and 17.0%, compared to 4.7%, 17.9% and 9.0% for Metropolitan Perth, and 4.8%, 19.0% and 9.4% for WA.
- However, Esperance Region is under-represented in the Catholic and non-government primary and secondary school categories, as well as in technical or further education institution and university or tertiary institution.
- This implies a lower level of educational attainment in the Esperance Region, and greater reliance on government provision of education services.
- This will represent a hindrance to economic development, especially in the higher-skilled areas.

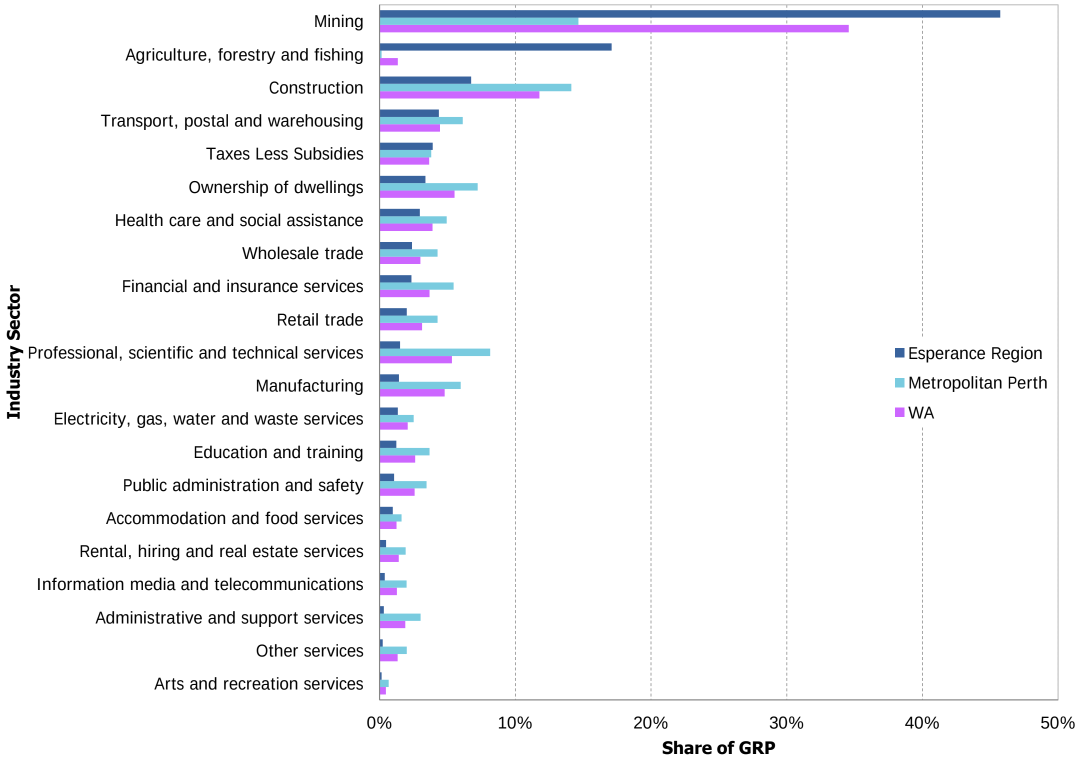
Gross Regional Product

Figure A.9: Gross Regional Product, by Industry Sector, Esperance LGA, Ravensthorpe LGA and Dundas LGA, 2011/12



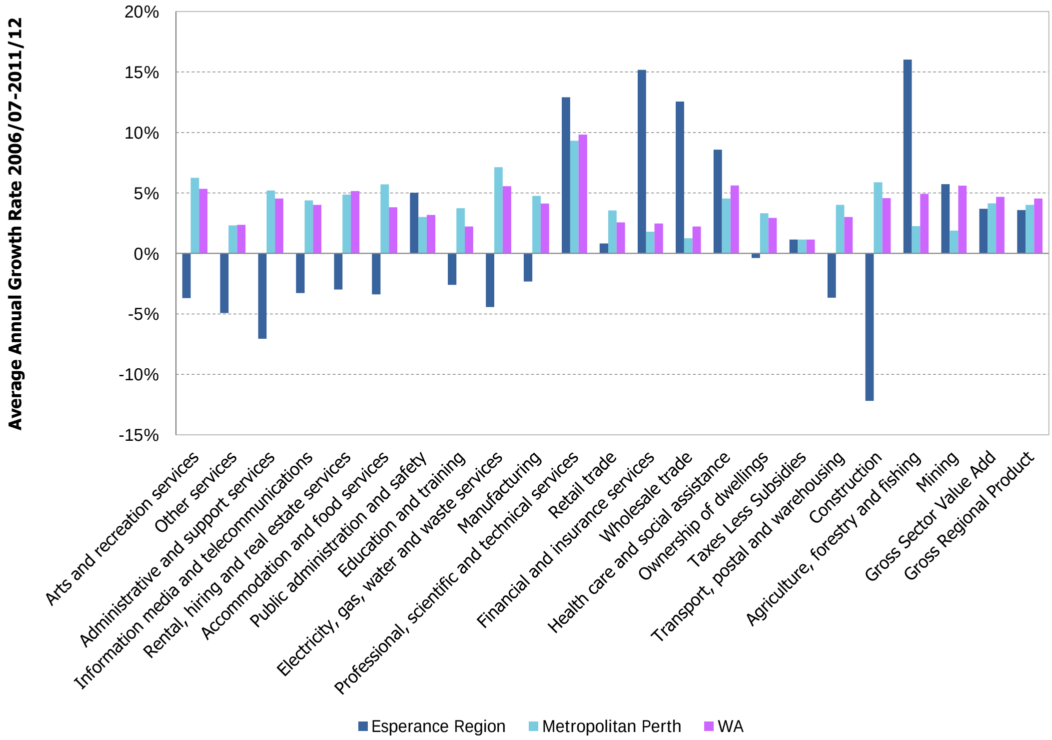
Source: AEC

Figure A.10: Gross Regional Product, by Industry Sector, Esperance Region versus Metropolitan Perth and WA, 2011/12



Source: AEC

Figure A.11: Gross Regional Product Average Annual Growth Rates, by Industry Sector, Esperance Region versus Metropolitan Perth and WA, 2006/07-2011/12



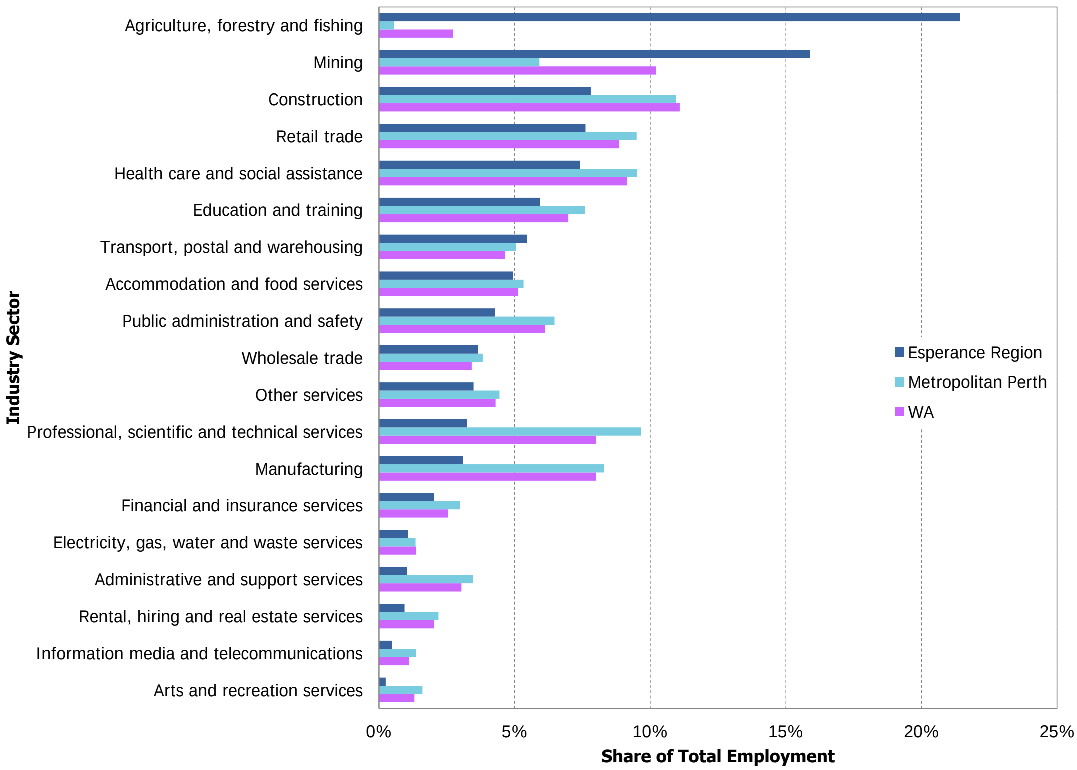
Source: AEC

- Ravensthorpe and Dundas LGAs record 65.2% and 88.5% of their respective GRP's as coming from mining, whereas the largest sector in Esperance LGA, agriculture, forestry and fishing, only accounts for 28.0% of GRP.
- Other than construction in Ravensthorpe LGA (11.8%), all other sectors in Ravensthorpe and Dundas LGAs consequently each account for less than 1.5% of their GRPs, whereas Esperance LGA has six sectors that each account for over 5% of its GRP.
- As such, Esperance LGA is more diversified than Ravensthorpe and Dundas LGAs, putting it a lesser risk of volatility.
- The Esperance Region economy is dominated by:
  - Mining: 45.7% of GRP in 2011/12 – one-third greater than across WA, and over three times greater than Metropolitan Perth. This sector is particularly strong in Dundas LGA (88.5%) and Ravensthorpe (65.2%), but less so in Esperance LGA (13.0%).
  - Agriculture, forestry and fishing: 17.1% - over 12 times more significant than WA, and over 100 times more significant than Metropolitan Perth. This sector is particularly strong in Esperance LGA (28.0%), but less so in Ravensthorpe LGA (11.7%) and Dundas LGA (0.9%).
- This however, means every other sector in the Esperance Region economy is relatively smaller than in WA and Metropolitan Perth, especially:
  - Professional, scientific and technical services.
  - Manufacturing.
  - Education and training.

    - Public administration and safety.
    - Rental, hiring and real estate services.
    - Information, media and telecommunications.
    - Administrative and support services.
    - Other services.
    - Arts and recreation services.
- From 2006/07 to 2011/12, the fastest growing industry sectors in Esperance Region in terms of GRP were:
    - Agriculture, forestry and fishing (16.0% on average per annum).
    - Financial and insurance services (15.2%).
    - Professional, scientific and technical services (12.9%).
    - Wholesale trade (12.6%).
- There appears to be a modest relationship between the size of the industry and its rate of growth. Ignoring the mining and agriculture, forestry and fishing industries (outliers), the smallest and the largest industries (in terms of *share* of GRP) tended to growth the slowest (even negative growth), while the mid-sized industries grew the strongest. This may suggest initial learning curves and/ or diminishing returns to scale for industries in Esperance Region. This modest relationship was the reverse for WA as a whole, and especially Metropolitan Perth, with the mid-sized industries being outperformed by the small and large industries (excluding the mining and construction outliers). Perhaps Esperance industries simply haven't reached the *absolute* scale required to enjoy increasing returns to scale.

Employment

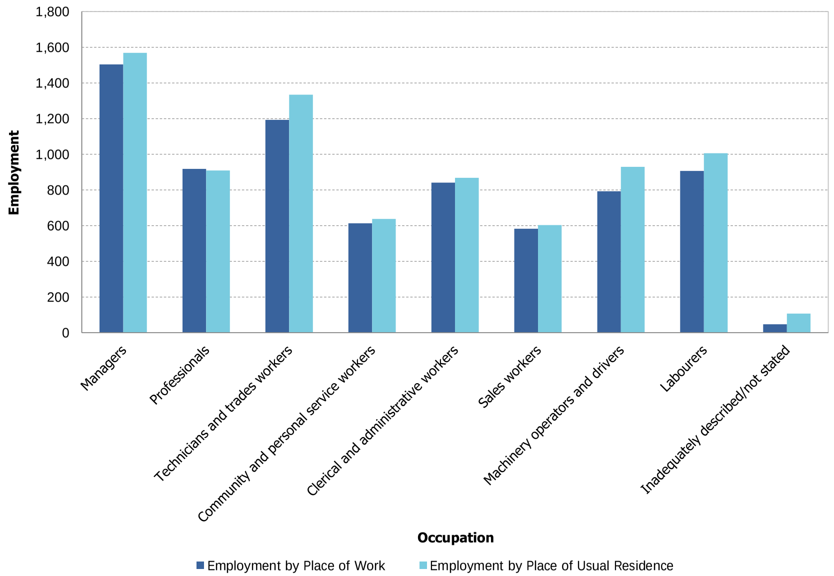
Figure A.12: Employment, by Industry Sector, Esperance Region versus Metropolitan Perth and WA, 2011/12

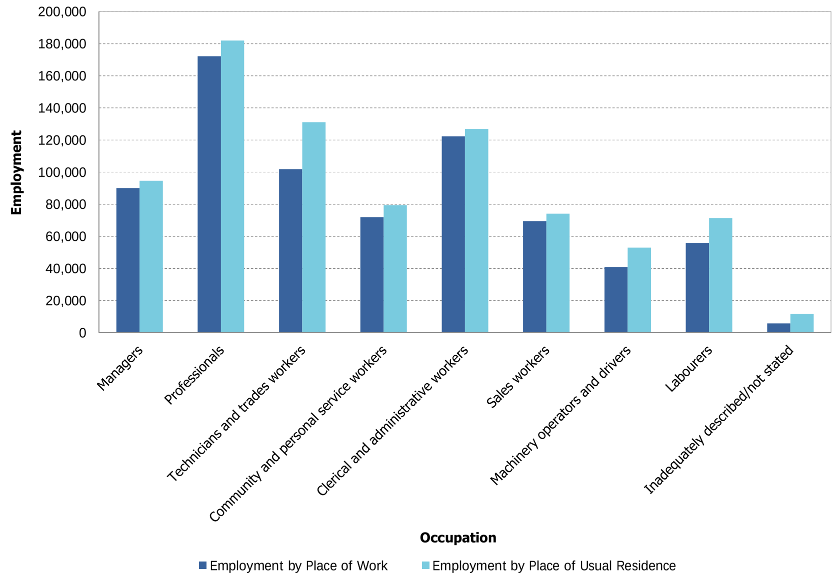


Source: AEC

- Employment is similarly dominated by mining (15.9%) and agriculture, forestry and fishing (21.4%), but in opposite rankings, reflecting the relatively low labour-intensity of mining. Specifically, mining's relative contribution to employment is about one-third that of its contribution to GRP.
- However, a much larger number of the Esperance Region's industries have an employment contribution that is larger than their GRP contribution, indicating high employment intensity, such as:
  - Other services, by a factor of over 15.
  - Accommodation and food services by a factor of over five.
  - Education and training by a factor of almost five.
  - Public administration and safety by a factor of four.
  - Retail trade by a factor of almost four.
  - Administrative and support services by a factor of over three.
  - Health care and social assistance by a factor of two-and-a-half.
  - Manufacturing and professional, scientific and technical services by a factor of over two.

Figure A.13 and Figure A.14: Employment, by Place of Work and Place of Usual Residence, Esperance Region (LHS) versus Metropolitan Perth (RHS), 2011





Source: ABS (2012)

- In total, 7,964 workers live in the Esperance Region, but only 7,399 work there (ratio of 92.9%, compared to 88.6% in Metropolitan Perth.
- This implies slightly greater employment containment in the Esperance Region: people who live locally are more likely to also work locally.
- Esperance Region also has a larger share of:
  - Managers (about 20%) than Metropolitan Perth (12%).
  - Machinery operators and drivers (about 11% versus about 6%).
  - Labourers (about 12% versus about 8%).

- But a smaller share of:
    - Professionals (about 12%) than Metropolitan Perth (about 23%).
    - Clerical and administrative workers (about 11% versus about 16%).

Major Projects

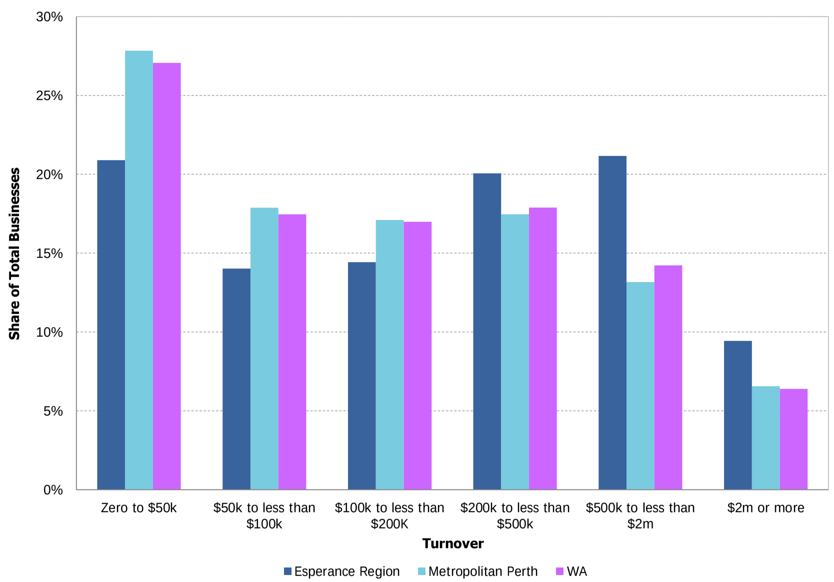
Below is a list of major projects recently completed, in progress and proposed within the Esperance, Ravensthorpe and Dundas Shires.

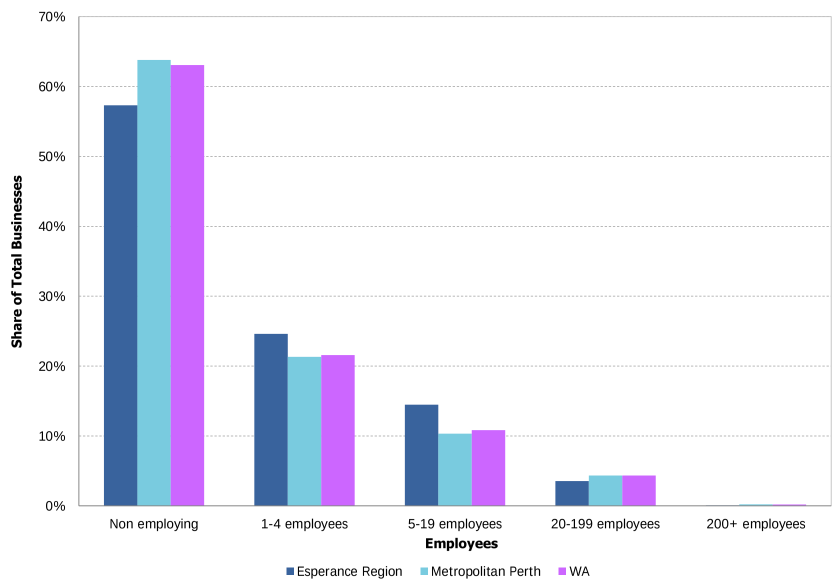
- Road:
    - Ravensthorpe Heavy Vehicle Route.
    - Fitzgerald River National Park Improvement Project ($40m).
- Rail:
    - Esperance Port Access Transport Corridor ($120m).
    - Esperance Line Upgrade ($130m).
    - CBH Shark Lake Receival Point ($10m).
- Water and Waste Water:
    - Water Corporation Infill Sewage Program ($3.8m).
    - Esperance Distribution Main Upgrade, Harbour Road ($1m).
    - SCADA Upgrades to Kalgoorlie and Esperance Town Water Supplies ($9m).
- Sport and Recreation
    - Esperance Greater Sports Ground Redevelopment ($10m)
- Health:
    - Esperance Health Campus Redevelopment ($32m).
    - Esperance Interim Medical Centre ($1.4m).
    - Southern Inland Health Initiative ($565m).
- Education:
    - Esperance Residential College ($13.4m).
    - Esperance Primary School Redevelopment ($10m).
    - Esperance Anglican Community School ($2.5m) Stage 2.
- Transport:
    - Esperance Port Multi User Iron Ore Upgrade (approximately $600m).
- Telecommunications:
    - Regional Mobile Communications Project ($400m).
- Tourism
    - Cape Le Grand National Park – Naturebank Project.
- Land Development:
    - Esperance Waterfront Project ($59m).
    - Town Centre Revitalisation.
    - Bandy Creek Harbour Canal Developments ($50m).
    - Esperance – Flinders Estate – Stage 2 ($10m).

  - Shark Lake Industrial Park ($12m).
- Environment:
  - State Barrier Fence Project ($6m+).
- Mining:
  - First Quantum Minerals ($538m).
  - Blackham Resources – Scaddan and Zanthus Energy Project ($2.5b).
  - Golden West Resources – Wiluna West Project ($203m Esperance).
  - Silverlakes Resources Great Southern Gold.
  - Galaxy Resources Limited – Mt Cattlin.
  - Woodchip Export Facilities.
- Conferences and Forums:
  - Over the Horizon.
  - Town Centre Revitalisation Conference 8, 9 & 10 August 2012.

Count of Businesses

Figure A.15 and Figure A.16: Count of Businesses, by Turnover (LHS) and Employment (RHS), Esperance Region versus Metropolitan Perth, 2009-12



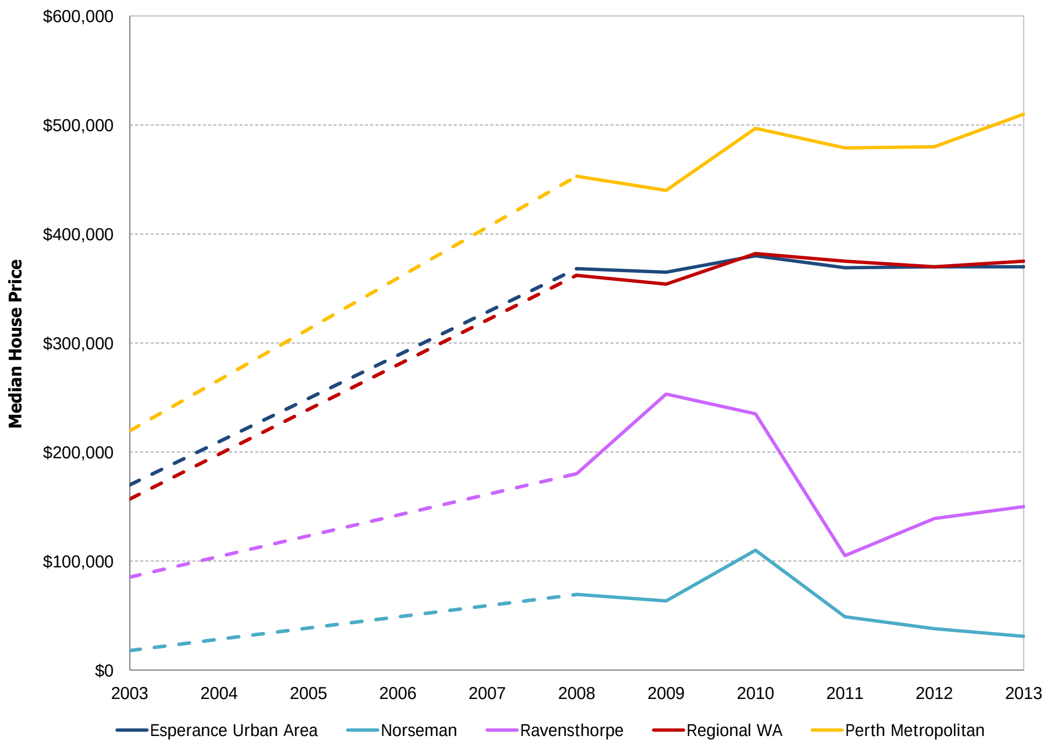


Source: ABS (2013c)

- In terms of business turnover, Esperance Region has a larger share of larger businesses (>$200,000) than in Metropolitan Perth and WA.
- But in terms of employment, Esperance Region has only a marginally larger share of mid-sized businesses (1-19 employees) than Metropolitan Perth and WA.
- This implies Esperance Region is home of some relatively large businesses that operate with relatively low employment intensities, such as mining.

House Prices

Figure A.17: Median House Prices, Esperance Urban Area, Norseman, Ravensthorpe, Regional WA and Metropolitan Perth, Year Ending September 2003-2013

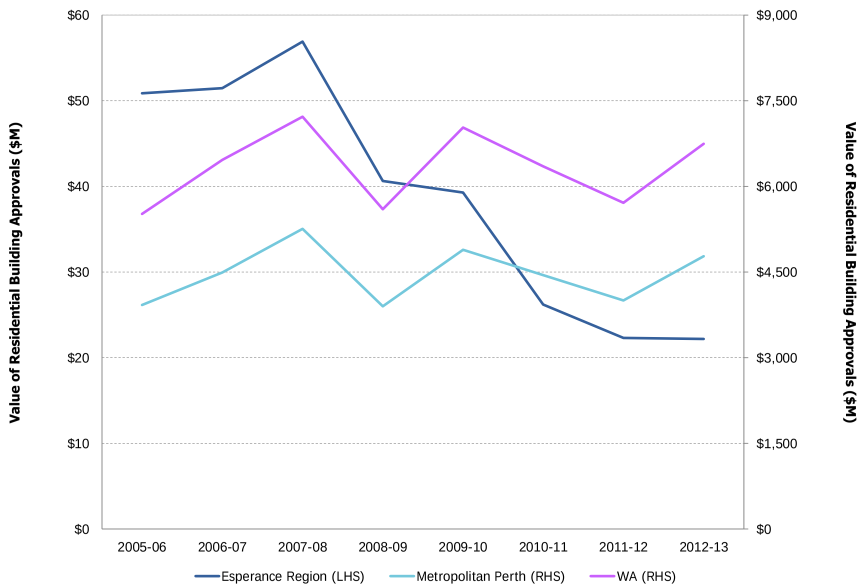


Source: REIWA (2013)

- Median house prices in Esperance Urban Area appear to have been very consistent with Regional WA generally, from $170,000 and $157,000 respectively in 2003, to $368,000 and $362,000 in 2008, subsequently each stabilising between $354,000 and $382,000 to 2013.
- Price growth was far more rapid in the years leading up to the GFC – 16.7% and 18.2% per annum from 2003 to 2008 for Esperance Urban Area and Regional WA respectively, compared to just 0.1% and 0.7% in the subsequent five years.
- Perth Metropolitan prices have consistently been greater than Esperance Urban Area and Regional WA, increasing from $219,000 in 2003 to $453,000 in 2008 at an average annual rate of 15.6%, then to $510,000 in 2013 (just 2.4% per annum).
- Prices in Norseman and Ravensthorpe were significantly lower and more volatile than Esperance Urban Area, increasing from $18,000 and $85,000 respectively in 2003 to $69,000 and $180,000, before trending downwards to $31,000 and $150,000 in 2013.
- Regional WA and Esperance Region house prices appear to have been hurt most by the GFC (relative to Perth Metropolitan).

Building Approvals

Figure A.18 and Figure A.19: Residential (LHS) and Non-Residential (RHS) Building Approvals, Esperance Region versus Metropolitan Perth and WA, 2005/06-2012/13

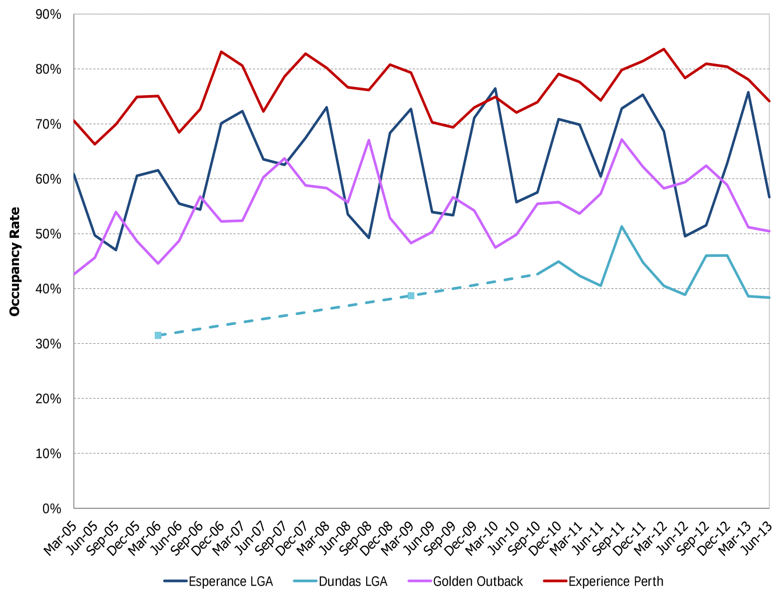


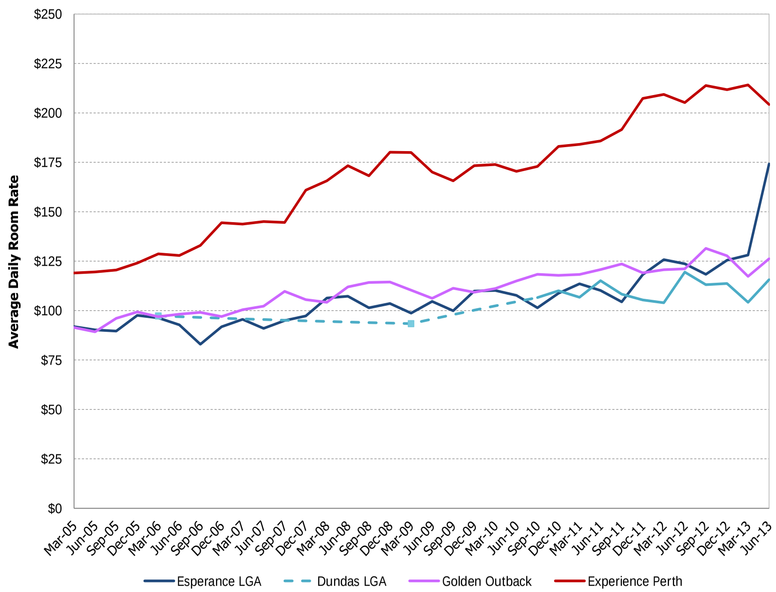
Source: ABS (2013a)

- The value of both residential and non-residential building approvals in the Esperance Region has been trending downwards, albeit with more significant volatility in the non-residential sector.
- Metropolitan Perth and WA however, have fluctuated around more constant levels – even increased.

Accommodation

Figure A.20 and Figure A.21: Occupancy Rates (LHS) and Average Daily Room Rates (RHS), by Quarter and Year, by Hotels, Motels and Serviced Apartments of 15+ Rooms, Esperance LGA versus Golden Outback and Experience Perth Tourism Regions, March 2005 to March 2013





Source: ABS (2013d)

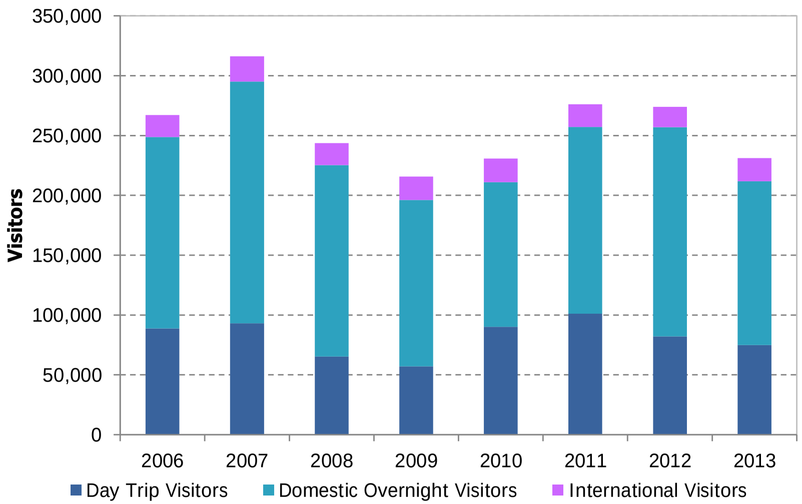
Note: March and June quarters 2013 refer to Esperance Town only, not the entire LGA. And March and June quarters 2013 also refer to the Kambalda-Coolgardie-Norseman SA2 region, not Dundas LGA. Dundas LGA also had significant missing data pre-September 2010.

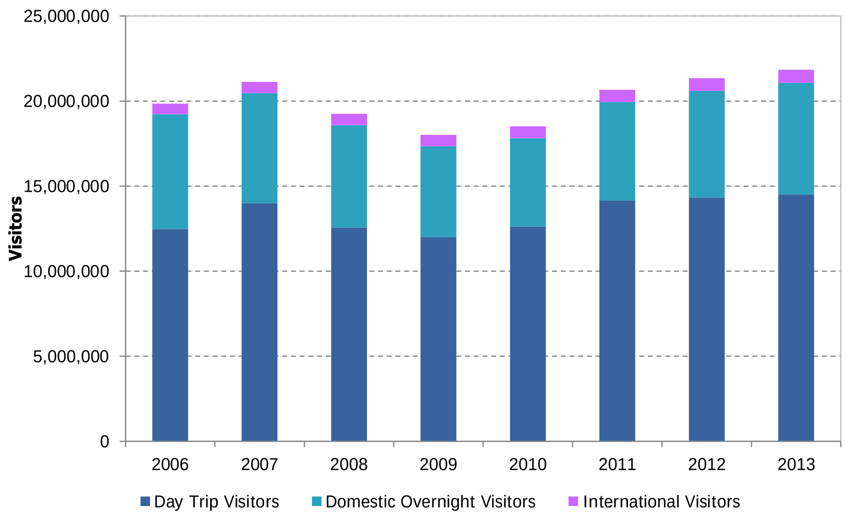
- Room occupancy rates in Esperance LGA were consistently lower than in Experience Perth (except March quarter 2010).
- Though both were relatively flat (albeit with quarterly volatility) over the period, respectively averaging 61.2% and 75.9% from March quarter 2005 to March quarter 2009 and 63.5% and 76.6% from June quarter 2009 to Jun quarter 2013.
- Esperance LGA did however, out-perform the greater Golden Outback Tourism region (53.5% and 55.9% occupancy rates during these halves), especially Dundas LGA (35.1% and 42.2%).

- ADR has been trending upwards in all destinations:
  - Experience Perth was consistently the highest from a low of $119 to a high of $214.
  - Esperance LGA from a low of $83 to a high of $174 (though this high appears to be an outlier and possibly due to the geography change.
  - Golden Outback from a low of $89 to a high of $131, marginally outperforming Esperance LGA for most of the period.
  - Dundas LGA reaching $121 late in the period.
  - Esperance LGA and Dundas LGA were both relatively comparable to (though marginally below) the wider Golden Outback.

Tourism

Figure A.22 and Figure A.23: Visitors, by Type, Esperance Region (LHS) and WA (RHS), 2006-2013



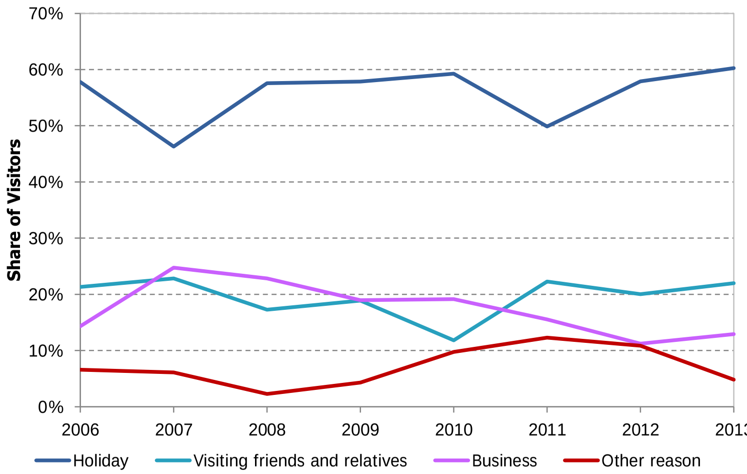


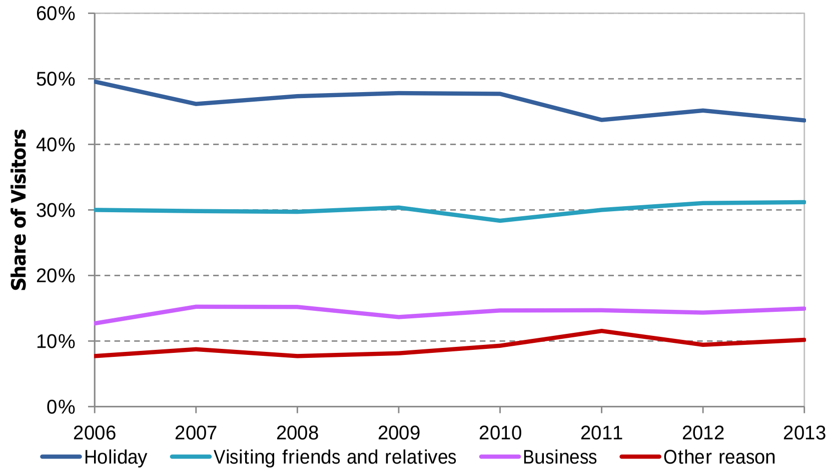
Source: TRA (2014)

- Total visitation to the Esperance Region has been volatile and trended marginally downwards from 270,000 visitors in 2006 to 231,000 in 2013.

- WA visitation has been more stable, with visitation ranging from 18-21 million arrivals over 2006-2013 and growth averaging 1.4% per annum over the period.
- An average of 7.4% of Esperance Region visitors were from overseas; 31.7% were day trip visitors; and 60.8% were domestic overnight visitors over 2006-2013.
- WA had a lower international representation of 3.5%, but a higher day trip representation of 66.4%.

Figure A.24 and Figure A.25: Share of Visitors, by Reason for Visit, Esperance Region (LHS) and WA (RHS), 2006-2013





Source: TRA (2014)

- Holiday/ leisure was the dominant reason for visiting both the Esperance Region and WA. Holiday/ leisure's share of visitation declined in WA while holding steady in the Esperance Region.
- Visiting friends and relatives averaged 19.6% in the Esperance Region from 2006-2013, but a larger 30.1% in WA. This may reflect WA's (specifically, Perth's) much larger population base and thus, much greater potential to attract friends and relatives.
- Business visitation was volatile in the Esperance Region, accounting for between 11.2% and 24.8% of visitation. Business visitation was much more stable for WA as a whole, averaging around 15% of total visitation.

Appendix B: Literature Review

The following literature was reviewed to inform the Esperance Region Economic Development Strategy. For the full literature review refer to the Esperance Region Economic Development Strategy Literature Review (AEC, 2013b).

List of works reviewed:

- Planning Our Future: A Growth Plan for Esperance and the South-East Region.
- Goldfields-Esperance Strategic Development Plan 2011-2021.
- Goldfields-Esperance Regional Planning Strategy, July 2000.
- The Western Australian Regional Development Framework Draft.
- Aurizon in the Yilgarn: Over the Horizon, Esperance.
- The resources sector in the Goldfields Esperance Region.
- Esperance Port Upgrade Signals Major Boost to WA Economy.
- A vision for Western Australia's Ports.
- PortLink Inland Freight Corridor Development Plan.
- Shire of Dundas Strategic Community Plan 1 July 2012 to 30 June 2022.
- Local Planning Strategy.
- Shire of Ravensthorpe Local Planning Strategy.
- The role of ports in Western Australia.
- Western Australian Regional Freight Transport Network Plan.
- 2003 Audit of the Goldfields-Esperance Regional Planning Strategy.
- Cruise Tourism.
- Esperance Ports Sea & Land, Over the Horizon Conference.
- 2013: The year we break out from our confidence slump?.
- Infrastructure Delivery Directorate, Over the Horizon Presentation, Main Roads WA, Esperance Port Access Corridor Project.
- Global Dynamics of Migration and Investment.
- Shire of Esperance.
- Visa & Immigration Update.
- An Introduction to the Western Australian Fishing Industry Council.
- Esperance SuperTown Interim Growth and Implementation Plan 6 March 2012.
- Blueprint for Integrated Regional Growth and Development.
- Esperance Supertown, Planning Our Future, A Growth Plan for Esperance and the South-East Region.
- Draft Goldfields-Esperance Regional Planning & Infrastructure Framework.
- Esperance Tourism Development Plan 2013-2018.

Appendix C: Consultation Outcomes

Consultation Program

Table C.1 lists the stakeholder groups by sectors across the Esperance Region contacted in the consultation through either face-to-face interviews or workshops. In addition, a group workshop (approximately 2 hours) was held with each of the following groups of stakeholders:

- Education and employment.
- Esperance Shire Council.
- Community groups and representatives.
- Chamber of Commerce staff and business members.

Care was taken in developing the consultation program to ensure each group was appropriately represented in the consultation program.

Table C.1 also shows the range of topics tabled for discussion during the consultation process.

The consultations were undertaken from 6-8 November 2013 in Esperance and 11-12 November 2013 in Ravensthorpe and Norseman. Follow-up briefings on the consultation findings were provided to the three Councils (and others) at subsequent meetings on 3-4 December 2013.

Table C.1: Stakeholder Groups and Discussion Topics

Stakeholder Group/Sector	Discussion Topics
Local Government	• Key findings from literature review and data collection • Drivers for economic development in the region, including factors driving growth and hindering development across the Greater Esperance Region • Changing demographics of the region • Planning and infrastructure needs • Trends in regional/national/global markets and the impact these have on investment patterns in the region • Confirmation of findings with regards to regional opportunities and gaps as identified in previous stages • Refining the findings of the previous stages as appropriate • Regional and local opportunity confirmation and advice • Identify other opportunities for economic and employment growth and diversification
State/ Federal Government	• Drivers for economic development in the region, including factors driving growth and hindering development across the Greater Esperance Region • Identify other opportunities for economic and employment growth and diversification • Planning and Infrastructure needs, with focus on effectiveness of current programs (e.g. Royalty for Regions) and expected timing/ scope of future public works • Other public policy issues such as provision of health and educational services across the region • Confirmation of findings with regards to regional opportunities and gaps as identified in previous stages
Business and Industry	• Drivers for economic development in the region, including factors driving growth and hindering development across the Greater Esperance Region • Firm-level issues such as access to skilled labour, cost of variable inputs, growth trends over time, local business achievements • Trends in regional/ national/ global markets and the impact these have on investment patterns in the region • Deep discussion on opportunities for economic and employment growth and diversification • Confirmation of findings with regards to regional opportunities/ gaps • Planning and infrastructure needs

Stakeholder Group/Sector	Discussion Topics
Resources and Farming	• Identifying drivers for economic development in the region and factors hindering development across the Greater Esperance Region • Impact of resource companies/ farming operations onto local communities (particularly in Ravensthorpe and Dundas Shires) such as prices of local goods and services, effect of market price volatility on employment, corporate social responsibility etc. • Firm-level issues such as access to skilled labour, cost of variable inputs, growth trends over time, local business achievements
Tourism	• Current visitor profile and trends • Source markets • Local products or experiences on offer • Current marketing initiatives
Education and Employment	• Key findings from literature review and data collection • Drivers for economic development in the region, including factors driving growth and hindering development across the Greater Esperance Region • Changing demographics of the region • Planning and Infrastructure needs • Trends in regional/ national/ global markets and the impact these have on investment patterns in the region • Confirmation of findings with regards to regional opportunities and gaps as identified in previous stages • Refining the findings of the previous stages as appropriate • Regional and local opportunity confirmation and advice • Identify other opportunities for economic and employment growth and diversification • Particular focus on local workforce, skills and future development
Community Groups and Representatives	• Changing demographics of the region • Planning and infrastructure needs • Other social issues including youth crime, welfare, unemployment

Source: AEC

Consultation Findings

The following is a detailed summary of the issues raised during consultation. Additional issues discussed during the consultation findings briefings have also been included.

Esperance

Issues and specific concerns raised in the consultations in Esperance are listed in **Table C.2** in no order of priority.

Table C.2: Issues Raised in Consultations in Esperance

Issues	Specific Concerns	Response Considerations
Cost of housing and doing business appears high	• Housing prices not affordable for many, virtually 0% vacancy for rental market	• Investment attraction
	• Freight price to bring in good/ services adds a lot to costs for business and consumers	• Regional competitiveness
	• Energy prices a burden for SMEs in Esperance, many cited costs close to 50% higher than other regional locales across WA	• Value adding
	• Lack of specialist GPs and other professionals (such as lawyers)	• Investment attraction (Business & Professional Services)
Low population growth rate	• General agreement that a faster population growth rate could foster greater economic growth into the future	• Economic growth
	• Some comments that as long as there is some growth, then focus should shift to sustainability rather than trying (and hoping) to achieve a faster rate of growth	• Economic growth
Real extent of mining sector impacts	• Adds variability to the yearly income of the whole region ○ Many people disputed how much of an impact mining does actually have ○ View that it isn't the key driver for the Esperance LGA; important, but not what the town is about	• Economic diversification
Lack of value adding in agriculture	• Important to the region's future, must be supported ○ Doesn't seem to be much value adding going on, in which there is an opportunity for new investment and job creation	• Value adding
	• Farmers undertaking innovation consistently	• Developing/ leveraging innovation
	• The variability of seasons will always have an effect on yearly outputs	• Economic growth
Attracting new people to agriculture	• Attracting new people into the sector is a challenge – capital intensification a means to combat this in the long term	• Investment attraction
Lack of opportunities along the agricultural supply chain	• No clear linkages between producers and people in the Esperance township (besides some supply chain provisions and 'middlemen' price negotiators ○ Idea: Pursuing a brewery	• Economic diversification/ Value adding
Weak links between education and local skills/ labour force requirements	• Links between education and local skills/ labour force requirements	• Skills development and local capacity building
	• Lack of clarity around career path: no clear career path from school into local industries including agriculture, mining, port	• Skills development and local capacity building
	• Advanced vocational training facility in Esperance is run-down, needs reinvestment into infrastructure and revised regime	• Skills development and local capacity building

Issues	Specific Concerns	Response Considerations
Softening 'buy local'	• The link between local entrepreneurialism, filling supply-chain gaps, creating new growth opportunities and making the region more attractive o Getting locals (and visitors) to buy local o Creating a space, marketing campaign to get them to buy local produce (such as seafood, agri-goods) ▪ Should tie into any market space developments and the city centre revitalisation o Not much currently happening with regards to local entrepreneurship o Strong adversity to risk taking (combination of no venture capital culture, bank lending tough in local market, current lack of vision for what the Esperance Shire Council and community want to jointly achieve) ▪ SME support through promoting 'incubator' style initiative and identifying/ promoting strategic opportunities for investors into local boutique agriculture/ tourism market (e.g. ecotourism venture, brewery)	• Support local business
A greater role for tourism in the local economy	• Not seen as a bedrock of the town	• Economic diversification
	• Lack of coordination between industry group (which is small and completely voluntary), the council and other public actors	• Effective planning
	• Agreement that it is one of the few sectors in which local stakeholders can coordinate to try and make a difference o Strong potential o Opportunity to get resources for dedicated tourism development officer o Ecotourism a natural outlet given surroundings of the region o Brand creation essential if the area wants to lift its potential as a destination for higher expenditure and longer-stay tourists	• Skills development and local capacity building

Source: AEC

Ravensthorpe

Issues and specific concerns raised in consultation in Ravensthorpe are listed in Table C.3 in no order of priority.

Table C.3: Issues Raised in Consultations in Ravensthorpe

Issues	Specific Concerns	
Uncertainty around mining	• How can local firms take advantage of new mining ventures at low risk? o Proper due diligence	• Support local business
Seasonality of tourism	• Need to be able to attract people over the whole year o How to make Ravensthorpe and Hopetoun better destinations o Take advantage of the high seasons (e.g. wildflowers) o How to get people to stop in Ravensthorpe (e.g. grey nomads) or drive to Hopetoun o Support for activity-based tourism – walking and hiking trails o Biodiversity of the Fitzgerald River National Park is an attraction o Need good signage between Esperance and Ravensthorpe o Strong regional connections – selling other towns o Need for friendliness and consistency in customer service	• Economic diversification

Issues	Specific Concerns	
Inadequate tourist accommodation and facilities	• Lack of suitable accommodation for bus tour groups wishing to stay overnight	• Investment attraction (infrastructure)
	• Lack of facilities for self-drive tourists	• Investment attraction (infrastructure)

Slow-down in productivity growth in agriculture	• Plateau in productivity growth in broadacre farming in the region
	  ○ This is more widespread than Ravensthorpe
	  ○ Farmers are leaving the industry – implications for Ravensthorpe
		• Develop/ leverage innovation

Poor mobile phone reception	• An impediment to the use of telematics in farming operations (e.g. remote diagnostic tests for machinery) ○ Also important in grain marketing	• Support local business
Limited opportunities for value adding	• The cost of power has curbed the expansion of drying and cleaning facilities – cannot compete with Esperance	• Value adding
	• Canola processing plant	• Value adding

Water carting from Hopetoun to Ravensthorpe	• Water carting from Hopetoun to Ravensthorpe by road train
	  ○ Catchment in Ravensthorpe has deteriorated leading to increased water turbidity
	  ○ Water restrictions and impact on amenity with implications for tourist attraction
		• Investment attraction (infrastructure)

Access to the Fitzgerald River National Park	• Need a loop road rather than drive-in/ drive-out and of a standard to carry tourist buses	• Investment attraction (infrastructure)
Funding for housing	• Need to lower the deposit requirements from 30% to increase affordability	• Support local business

Availability of housing in Ravensthorpe	• Availability of building blocks
	  ○ Higher construction costs
	  ○ Sloping sites mean higher site works and building costs
	  ○ Department of Mines and Petroleum (DMP) restrictions on land development due to the mineral prospective potential of the surrounds
		• Investment attraction (infrastructure)

Impact of the proposed heavy haulage by-pass	• Impact of the proposed heavy haulage by-pass on Ravensthorpe.	• Support local business
Completion of the town centre upgrade	• Consolidation of facilities	• Support local business

Source: AEC

Norseman

Issues and specific concerns raised in consultation in Norseman are listed in **Table C.4** in no order of priority.

Table C.4: Issues Raised in Consultations in Norseman

Issues	Specific Concerns	

Uncertainty around mining	• Creates uncertainty around the town
	  ○ How can local firms take advantage of new mining ventures at low risk?
	  ○ Proper due diligence
		• Support local business

Fly-in/ Fly-out	• There would be more stability if miners lived in town	• Support local business
Impact of environmental regulation on development	• Impact of environmental regulation on development	• Effective planning

Issues	Specific Concerns	
Exploiting tourism opportunities	• How to encourage tourists to spend more time in Norseman (overnight stays) o Heritage and bush trails (including walking and 4WD opportunities) o Take advantage of the Great Western Woodlands o Need new tourist attractions ▪ Nature-based opportunities o Managing the expectations and demands of RV owners o Accommodation for backpackers o Norseman Gateway Visitor Centre o Eco-tourism – Aboriginals are keen on this – but it needs coordination o Shire funding is an issue because of a reduced rates base o Road realignments to promote through traffic	• Economic diversification
Lack of a bakery	• Bakeries are very popular with tourists	• Investment attraction
Struggling pastoral industry	• Problems include: o Restrictions on activities on pastoral leases o Question mark over pastoral reforms o Feed is an issue o Wild dog problem o Reliance on off-farm income – mainly from the mining sector	• Economic diversification
Lack of local trade based skills	• Lack of availability of trades people (e.g. electrician and plumber)	• Skills development and local capacity building
Power and gas supply	• Issues include: o Cost of power o Power is supplied by Norseman Gold from its mine operations o Need for a standalone power station if the mine closes ▪ Is a significant impediment to development (e.g. establishment of a bakery) o Potential opportunities using gas from the gas pipeline	• Regional competitiveness
Social problems and lack of sporting opportunities	• Social problems and lack of job opportunities: o alcohol abuse (including young children), breaking and entering, loitering and general nuisance ▪ This is the result of significant disadvantage – lack of job opportunities, poor parenting, lack of organised sport and boredom o Lack of people in the community able to mentor young people and give them experience in the workplace o Need business people to explain to kids how a workplace functions and what is expected of employees – work ethic	• Social development
	• Lack of sporting opportunities: o When mining was strong young miners established and ran sporting clubs o Insufficient numbers to make up a competition in town o Considerable travel to compete in regional sporting competitions (e.g. basketball in Esperance) • Mosquito problem makes night time activities difficult	• Social development
	• Lack of social cohesiveness – need to be able to welcome new people into the community	• Social development
Lack of job opportunities	• Little opportunity for kids to transition from school to the workplace – few jobs and little motivation	• Skills development and local capacity building
Lack of trades training centre	• Lack of trades training centre and very few trades' people to train with. There is no design/ technology teacher at the school	• Skills development and local capacity building

Issues	Specific Concerns	
Lack of a strong community input into planning	• Concern that there is a lack of community input into planning for Norseman o Business and the community need to drive change – not sure how to do it or which way to go o Group of business people have met with the aim of forming a progress association capable of providing input into planning o Norseman's 120th anniversary in 2014 presents an opportunity.	• Effective planning

Source: AEC

Consultation Briefings – Matters Raised

The three Shire Councils and others were provided a briefing on the findings from the consultation. The following are points raised in discussion in each briefing.

Esperance

Discussion Points

The following additional points were raised during the consultation briefing.

Table: C.5: Esperance Discussion Points

Issues	Comments

Mining	• Pushing up wages
	• Some impact on the agriculture sector
	• Young people being attracted to the mines – implications for agriculture
	• Has pushed up the price of housing around Esperance
	• Is drawing skills from Esperance
	• Job creation in the port – logistics
	• New mines opening up south of Norseman – nickel and coal
	  o Will help employment growth
	  o Possible FIFO/DIDO from Esperance
	  o Will put further pressure on an already tight housing market – will provide the impetus for greater investment in housing development
	  o Building for the rental market
	  o Housing situation will determine mining company choice re mine workforce accommodation
	• Engineering services businesses – already catering for the mining sector. Will need to tread carefully in terms of gearing up for new mine developments (cf. Ravensthorpe)

Agriculture	• Need container facilities at port to open up value adding possibilities • Isolation is still an issue • Energy costs are also an issue – even gas. Power prices are subsidised • Impact of power prices on competitiveness compared with companies connected to the SWIS • Water may be an issue. Concern about the capacity of the borefield although it is being upgraded o Referred to the United Utilities desalination proposal • The port has traditionally set up for exporting in bulk • Issue of red tape and cost of doing business • Not a lot of money in brewing beer • Food tourism – value adding linked with tourism – niche opportunities • Market size is an issue – turnover of people • Lack of diversity of product (cf. Margaret River – use of surplus product) • There is a view that the strength is in broadacre agriculture not small farm agriculture • Some scope with fishing in Southern Ocean. However, there is strong environmental opposition • Leading agricultural organisations always exploring new opportunities • Broadacre – segmenting speciality grains – containerise in small shipments • It is often difficult to supply sufficient quantities • Farmers are good at seeking advice • Beef cattle farmers are looking at niche opportunities • Question as to whether processed product can be purchased in Esperance
Farm Labour	• Use of overseas workers for seasonal work – visa issues • People seeking a lifestyle change often good for seasonal work as there are no visa issues • Hard to find skilled people – often demand high salaries • Optimum sized family farm in the region – 8,000–10,000 ha • Corporate farmers tend not to use local professional services

Issues	Comments

Education and Training	• High school farm link is successful and is providing youth with sound skills
	• Industry needs to be more active in looking for skilled youth
	• A problem with apprenticeships is that courses cannot always be undertaken locally – apprentices often need to locate in Perth for a period of time. This is a big step and results in a high drop-out rate
	• Distance and isolation is an issue with many on-farm trainees – they always want to come to town. Farm businesses often find it is not worth the effort
	• There is often insufficient numbers to make the delivery of courses viable
	• Finding suitable lecturers in the trades is often difficult – many are attracted into mining
	• The Goldfields Institute of Technology (the former TAFE)
	  ○ Is a separate statutory body
	  ○ Is run down
	  ○ Limited course offering – hospitality and retailing
	  ○ Online courses in graphic design
	  ○ Could offer traineeships so students don't have to go away
	  ○ Need to develop facilities to attract students into the town
	  ○ Speciality courses
	  ○ Need accommodation
	  ○ Attracting staff and students

Buy Local	• Local support for local traders is softening – but not weak • Impact of online shopping • Small range of products • Esperance has less local leakage – a function of isolation • 30 years ago we were telling people to buy local. Need a brand and identity • Browse online and shop locally • What makes SMEs unique? • The convenience of online shopping – means local businesses need to offer customer service and convenience • Can get some products locally cheaper than online • Town centre development is important • Retailers are doing the job well • Entrepreneurs see gaps in the supply chain • Small business centre • Financing new ventures is difficult. Banks won't look at them – especially for young people • Need to look at other ways of connecting people to capital e.g. business angels and mentors • Business failure – lack of capital is one aspect – need hard work and dedication, expertise, advice and support • Esperance does advice and mentoring reasonably well – but need a business incubator
Tourism	• Most businesses do not see tourism as core to their business • It tends to get more airplay than the value it provides • There are some bed and breakfasts • The tourism potential is significant and it showcases the community • There is a view that tourism should not be the main focus of the economy • The opportunities for growth are significant • How does Esperance deal with the vagaries of tourism • It is not well organised or marketed in Esperance • One of the value adds of tourism is that some people will stay
Housing	• Cost of construction is high – 30% > Perth due mainly to tradesmen's rates • Low return on investment in housing • Housing bubble following the demise of BHP Billiton in Ravensthorpe • House owners are now reluctant to accept a lower value for their house – would prefer to sit rather than sell • A housing needs assessment is currently underway
Short Stay Accommodation	• There is a shortage of quality short stay accommodation in Esperance
Telecommunications	• What's happening with the NBN?

Source: AEC

Ranking of Issues

Stakeholders at the briefing were asked to select and rank the top three issues discussed in the briefing in order of priority. The results of the ranking are shown in Table C.6 with the three top issues shaded.

Table C.6: Ranking of Issues - Esperance

Issue	Ranking	Priority
Cost of housing and doing business appears high	1. 10 2. 4 3. 4	**1**
Low population growth rate	1. 8 2. 5 3. 3	**2**
Real extent of mining sector impacts	1. – 2. – 3. 1	
Lack of value adding in agriculture	1. 1 2. 1 3. 1	
Attracting people to agriculture	1. – 2. – 3. –	
Lack of opportunities along the agricultural supply chain	1. – 2. 1 3. 1	
Weak links between education and local skills/ labour force requirements	1. 1 2. 5 3. 5	**3**
Weak 'buy local'	1. – 2. – 3. 1	
A greater role for tourism in the local economy	1. 2 2. 4 3. 5	**3**

Source: AEC

Ravensthorpe

Discussion Points

The following additional points were raised during the consultation briefing.

Table C.7: Ravensthorpe Discussion Points

Issues	Comments
Tourism	• Discussions being held with APT regarding smaller bus tours. This makes accommodation easier to deal with. Suggested that the motel at Hopetoun would require an additional 8 units • Large buses are often not full, but need sufficient accommodation to cater for a full bus • Wave Rock is a good example of where it has been done well • Another problem is that buses can crowd out motel rooms for the casual traveller seeking accommodation • Can better use be made of the airport? • Need for the Fitzgerald River National Park to be totally open. Importance of the Biosphere concept • Visitors only likely to stay in the Park for a day – unless they are enthusiasts • The Department of Parks and Wildlife is doing some promotion in the form of Podcasts • Keeping tourists in the region is the challenge. Need more activities such as trails, walking tours, kayaking at Hopetoun. Key attractions include the Phillips River, Hamersley River and Inlet, Oldfield and Jerdacuttup • Once the region becomes better known tourism will expand • Drive-in/drive-out along the same route not seen as a problem • Negative flow-on impacts of the shortage of affordable accommodation in Perth on overseas visitation • Landscapes initiative – appears to be a lack of State support
Accommodation	• Extend the motel in Hopetoun and redevelop the Port Hotel in Hopetoun • Accommodation should be pitched at the bus tourists • Ravensthorpe Motel is sub-standard and people are travelling to Hopetoun
Agriculture	• Agriculture is still moving forward although farmers' terms of trade are declining • Any slowdown in productivity can be attributed mainly to poor seasons • The industry continues to rationalise with farms getting bigger • Servicing of farmers in the Ravensthorpe area is from Esperance and/or Gnowangerup • Farmers don't rely on local businesses for support • This is in contrast to mining companies which are becoming more self-sufficient
Mobile Phone Coverage	• Mobile phone coverage focuses on the road network o Coverage deteriorates as you move away from the main roads • There is currently investigations being undertaken to improve coverage through the 'black spots' initiative through the Department of Commerce
Value Adding	• Canola processing for farm fuels was shown to be non-viable – especially when the price of canola increases
Water Carting	• There is concern about the longevity of the Hopetoun groundwater system • Ravensthorpe is on perpetual water restrictions. Household gardens have become native gardens • It is a lifestyle issue • The existing water supply catchment is seriously degraded • Water Corporation keep shifting responsibility for the Shire between the Great Southern and Goldfields • It appears to be an issue of cost for the Water Corporation to remedy the situation
Funding for Housing	• There are around 100 houses for sale across the Shire • Banks won't lend for the purchase of units in the Wavecrest development because the units are not attached to the land • A 30-40% deposit is required to borrow for housing in the Ravensthorpe/ Hopetoun area • People are not keen to put roots down because of the uncertain mining history – except for retirees moving to Hopetoun

Issues	Comments
Availability of Housing Blocks	• Ravensthorpe is unlikely to become a dormitory town • Could try and entice farmers to retire in town • There is a question mark over the demand for housing blocks – possibly 20-30 houses • There is still a reasonable number of blocks in Ravensthorpe • The topography of available blocks in Ravensthorpe adds to the cost of housing. Block value is around $40K but costs $70K to develop • A significant constraint on the development of a new housing estate is the mineralisation status of the surrounding area. DMP is reluctant to lift the restrictions on development • Need prospect of housing in the town to encourage business growth • Need planning for a small development
Heavy Haulage By-Pass	• Planning is continuing – aim is to try and ensure tourist traffic goes through the town • Need to structure the turn-off

Source: AEC

Ranking of Issues

Because of the small number of stakeholders at the briefing the issues were not ranked.

Norseman

Discussion Points

The following additional points were raised during the consultation briefing.

Table C.8: Norseman Discussion Points

Issues	Specific Concerns

Mining	• Native title issues are slowing development
	  ○ Not only mining
	• Shire is developing an industrial estate that is experiencing delays
	• The process is uncertain and lacks transparency
	• The process of environmental approvals is also an impediment
	  ○ Managed out of Albany – lack of understanding of mining
	  ○ E.g. banning of the burning of the tip for fly control
	  ○ Issues around groundwater contamination even though it is hypersaline
	  ○ Conditions of approval tend to be global
	  ○ Example of Sirius wanting to dispose of sewage in Norseman instead of the minesite
	  ○ Classification of waste
	• FIFO is affecting business
	  ○ Sirius plans to build a sealed 2,000m runway at the minesite
	  ○ Panoramic is also planning to build a runway
	• Shire needs to promote itself to the Sirius staff
	• Shire has no say on what Sirius does on its minesite
	• There is a reluctance in the community to accept mining is not the backbone of the economy

Visitor Centre	• RV friendly site to be located in close proximity to the visitor centre • Still purchasing land as the owner died recently
Bakery	• Needs to produce quality product • Cost of power may be an issue • Establish the bakery as a Shire asset/community asset • Locate next to the visitor centre • Consider also a café and gallery at the same location as part of the complex
Pastoral Industry	• Severely impacted by wild dogs and drought • Kalgoorlie and South Australia supply the industry – mainly a food service • Freight issue – nobody coming from the east stops in Norseman • Establish freight hubs in the regions rather than Perth only • Freight bills for local businesses are high (e.g. Norseman Concrete)
Infrastructure and Energy	• Horizon Power purchase power from Norseman Gold • There is no outlet from the gas pipe for industry although there is a take-off point for future gas-fired power supply • Sporting facilities – a lack of people to commit to organising sport • There appears to be little desire for locals to get involved in planning
Training	• Talk between school and business regarding work experience • Trades people to go to the school to explain their jobs • Need people to support a trades training centre

Source: AEC

Ranking of Issues

Stakeholders at the briefing were asked to select and rank the top three issues discussed in the briefing in order of priority. The results of the ranking are shown in the table below with the three top issues shaded.

Table C.9: Ranking of Issues - Norseman

Issue	Ranking	Priority
Uncertainty around mining	1. – 2. – 3. 1	
Fly-in/ fly-out	1. – 2. – 3. –	
Impact of environmental regulation on development	1. – 2. – 3. –	
Exploiting tourism opportunities	1. 2 2. 1 3. 1	**1**
Lack of a bakery	1. 1 2. 1 3. –	**2**
Struggling pastoral industry	1. – 2. – 3. –	
Lack of an electrician (and plumber)	1. – 2. 1 3. –	
Social problems	1. – 2. 1 3. 1	**3**
Lack of job opportunities for youth	1. – 2. 1 3. 1	**3**
Lack of a properly resourced trades training centre	1. – 2. – 3. –	
Lack of strong community input into planning	1. – 2. – 3. –	

Source: AEC

Appendix D: Comparison Case Studies

A series of case studies have been examined to identify what learnings the Esperance Region can take from growth and development in other similar regions. The adjacent comparable data for the Esperance Region has been used to compare the case studies on the following pages.

Esperance

Key Facts:

Population: 14,099 (Region: 17,551)

Median Age: 38 years

Median Household Income: $1,738pw

Labour Force: 11,366

Local Jobs: 8,490

Key Employment Sectors:

- Agriculture, forestry and fishing
- Retail and trade
- Health care and social assistance

Townsville CBD

Key Facts:

Population: 8,606 (Region: 171,191)

Median Age: 35 years

Median Household Income: $1,482pw

Labour Force: 5,067

Local Jobs: 9,425

Key Employment Sectors:

- Public administration and safety
- Professional, scientific and technical services
- Accommodation and food services

Rationale for Inclusion:

Example of a growing region which is isolated from major population centres. The Townsville CBD provides a comparable scale to the Esperance Region excluding the broader Townsville LGA area.

Background:

Townsville's distance from Brisbane and fast-growing population base has allowed it to uniquely position itself as the unofficial 'Capital of North Queensland'. Townsville is linked to the Mount Isa mineral province and provides export of metals and minerals through its substantial port infrastructure located in close proximity to the CBD.

Significant redevelopment of the CBD, The Strand and the surrounding areas became necessary after the area fell into decline with a substantial amount of retail and services relocating to growing regions and more modern premises in the west of the City.

Enhancements to Location

The Strand foreshore conversion of nearby beachfront land into a public recreational zone was a $35million project in 1999 – it was shown to generate an economic impact of $500 million within a decade of its official opening.

The redevelopment of Flinders Street, at a cost of $56 million, has revitalised Townsville's oldest shopping street and provided a catalyst for the sustained growth of Northern Australia's most significant central business district. The project aims to regenerate commercial and community interaction in Townsville's city centre by constructing a distinctive, accessible high street that draws its vitality from the heritage and environment values of the precinct.

Key Success Factors and Lessons Applicable for the Esperance Region

- Diverse economy that adds jobs and drives population growth.
- Leverage natural assets to create catalytic infrastructure (i.e. The Strand and associated natural outlook).
- Activating public spaces drives ancillary capital investment.
- Encourage local residents and businesses to purchase locally.
- Broad service centre facilitating business, public services and activity across North Queensland (isolation providing an advantage).

Port Lincoln

Key Facts:

Population: 15,221 (Region: 20,137)

Median Age: 38

Median Household Income: $950pw

Labour force: 7,347

Local Jobs: 6,165

Key Employment Sectors:

- Retail and trade
- Education and training
- Health care and social assistance

Rationale for Inclusion:

Port Lincoln possesses a comparable size economy (in terms of population mass) to the Esperance Region in addition to significant industry crossover.

Background:

Port Lincoln is well known as a major centre for South Australian primary industry exports including grain-handling, fish and tuna canning, lamb and beef processing, and wool exports. However, as with many regional locales across Australia, the majority of people in the township are actually employed in fields related to public service provision (mostly education and health) and local retailing. This is reflected in the city's lower than average median household income level of $950pw, which is 32% below the Australian average.

Enhancements to Location

The potential for shipping iron ore through the region's existing bulk-handling infrastructure (which has recently received SA Government approval) is one means by which the region can raise income levels and develop new industry growth outlets (both within the mining sector and up the associated upstream/ downstream opportunities). This has led to property price speculation in recent times and contributed to a substantial rise of local house prices.

Key Success Factors and Lessons Applicable for the Esperance Region

- Supporting mineral exports will diversify the functions of Port and provide a means for the economy to move away from its singular reliance on the agricultural sector.
- Tapping into and leveraging surrounding regional assets (i.e. mining resources) to generate localised economic outcomes (through potential port diversification).
- Investment in critical transport infrastructure to drive jobs growth and activity.

Wagga Wagga

Key Facts:

Population: 13,987 (Region: 61,746)

Median Age: 39

Median Household Income: $1,030pw

Labour force: 7,165

No. of Local Jobs: 4,815

Key Employment Sectors:

- Agriculture, forestry and fishing
- Public administration and safety
- Education and training

Rationale for Inclusion:

Wagga Wagga possesses a comparable size economy (in terms of population mass) to what the Esperance Region may be able to achieve over the medium-longer term given sufficient growth and development.

Background:

The City of Wagga Wagga is an inland centre for the Murrumbidgee and Riverina regions. The City of Wagga Wagga acts as one of the more significant service centres for broadacre agricultural production across NSW, which is reflected in its position as the primary employment sector for the locale. Its strategic location on main transport routes between Sydney and Melbourne (via both road and rail) provides competitive advantages and delivers additional employment outlets in sectors such as transport and accommodation services. Wagga Wagga also has an active airport.

The structure of the local economy is diversified and includes a major hospital, university, Australian Defence Force (ADF) base, large scale manufacturing, major transport operations and a centralised retail and commercial hub. Wagga Wagga has enjoyed population increases and a vibrant economy recently, due to the diversity of its local economy.

Enhancements to Location

The area has been able to recently attract a large bio-energy company, a pilot training school, an aircraft maintenance company, a new hotel, a dental school (at the University) as well as the redevelopment of a former industrial complex adjacent to the CBD. The City of Wagga Wagga also has an active economic development and investment attraction program and engages with existing businesses and potential investors on a regular basis. The City has a proactive and supportive attitude toward investment and jobs growth.

Key Success Factors and Lessons Applicable for the Esperance Region

- Diversified economy creates a variety of opportunities to expand.
- Leveraging key infrastructure (airport, road, rail) to generate investment and local employment outcomes.
- Wagga Wagga leverages surrounding areas to source product for processing in Wagga Wagga (i.e. bio energy plant will utilise crops from surrounding areas).
- The local Council plays an active role in supporting local business and attracting investment.

Geraldton

Key Facts:

Population: 12,339 (Region: 38,030)

Median Age: 40 years

Median Household Income: $938pw

Labour Force: 5,635

Local Jobs: 10,333

Key Employment Sectors:

- Retail trade
- Health care
- Education and training

Rationale for Inclusion:

Geraldton possesses a similar economic structure to the Esperance Region in terms of mining and agricultural links and faces some similar broad economic factors operating in Western Australia.

Background:

From its history as a mining and agricultural centre, Geraldton has increasingly emerged as a central point between the resource-rich Pilbara and the greater Perth area, which has provided the city with a variety of new economic opportunities in construction, transport and tourism. Geraldton is located 430 kilometres north of Perth.

The CBD provides for almost double the number of jobs as there are resident workers within the CBD boundary, indicating that the city is the employment hub for the region and provides a core driver to support population growth. It also highlights the region's reliance on fly-in/ fly-out workers. The city centre draws recreation, shopping, professional/ public services and other business activities, due to its size and role as a regional hub, but also the results of the City of Greater Geraldton's economic development and urban master planning practices of the last five year period.

The City of Greater Geraldton embarked on a program to redevelop the foreshore, the coastal strip linking the CBD to the Port in the south and the Beresford Foreshore to the north. Most of the foreshore in the past has been ultilised or impacted from industrial uses and therefore was not seen as a location to encourage locals or tourists. A mix of public amenities and commercial use has been proposed across the entire revitalisation project.

Enhancements to Location

Redevelopment of Geraldton's foreshore will encourage increased interaction between Geraldton's city centre and Champion Bay to result in a revitalised and dynamic CBD. Due to the considerable synergies and cost savings involved, the foreshore was redeveloped following the removal of the railway from the foreshore.

The first stage of the project came in at a cost of $30 million and was completed over a five year timeframe, with the state government providing funding of $20 million. The State Government also established a Foreshore Redevelopment Advisory Committee to facilitate State Government agency coordination.

In 2012, it was announced that a $13.8 million investment partnership between the Federal, State and Local governments had been formed to deliver the next stage of the project involving the revitalisation of the West End that will include the development of the Eastern Breakwater, original railway station restoration, a multipurpose centre including a regional stage and sound shell and a youth precinct.

Key Success Factors and Lessons Applicable for the Esperance Region

- Community engagement has been a feature of designing the foreshore. Community submissions, public meetings, focus group discussions and intercept surveys and polls have all been used at different times to encourage community input.
- The city centre attracts business and tourism due to activation by council and private-sector funded infrastructure (particularly the Marina and Foreshore areas).
- Has taken advantage of strategic proximity advantages and effectively marketed as part of tourism, events/ exhibition, investment attraction and population growth agenda.
- Leverages all available funding opportunities through the prioritisation of key regional initiatives and regional partnerships.

Geelong

Key Facts:

Population: 12,066 (Region: 179,042)

Median Age: 38

Median Household Income: $1,077pw

Labour force: 6,478

No. of Local Jobs: 25,510

Key Employment Sectors:

- Health care and social assistance
- Retail trade
- Public administration and safety

Rationale for Inclusion:

Geelong possesses a vastly different economic structure to the Esperance Region. However the area has leveraged its economic strengths and diversified its economic base under challenging circumstances which provides some key learnings applicable to the Esperance Region.

Background:

Geelong and the surrounding region has a long, proud history as a manufacturing centre (particularly in the auto-industry, along with machinery and other value-added goods). This industry concentration and strength has also presented challenges as the region has undergone a strategic pivot over the last 20 years into new emerging sectors including higher technology manufacturing, health research and education. This is aided by its relative proximity to Melbourne, strong access to the Princes Highway, the interactive and collaborative approach to economic development (i.e. the G21 Regional Alliance (http://www.g21.com.au/) and the quality of life in the area.

Enhancements to Location

Despite the constant media barrage of negative news of large industries (such as Ford and Shell) announcing they are closing their operations, Geelong has quietly transitioned its economy. The area benefits greatly from its strong, highly skilled workforce, local Deakin University (and the various research centres it has) as well as from local tourism (focused on the Great Ocean Road). Geelong has seen considerable investment into its waterfront, including Deakin University expanding into the city centre as well as 'café precincts' to drive diversity and a sense of place. DowAska (a global leader in carbon fibre manufacturing) is considering investing $220 million into a carbon fibre manufacturing plant in Geelong. Additionally, smaller innovative companies have been attracted to Geelong, such as Eco Whisper, a small innovative company focused on producing small scale wind turbines for power generation. Both of these companies were drawn to Geelong based on the highly skilled workforce and local research capability.

Key Success Factors and Lessons Applicable for the Esperance Region

- Building on existing strengths to mitigate against negative economic events.

- Leveraging research capability and strategic assets to attract and development more investment and new jobs.
- Working with surrounding regions (LGA's) to best leverage and deliver economic development outcomes as well as broader networking with local businesses and industry.
- Proactive attitude to dealing with business and development.

Appendix E: Focus Initiative Analysis

Dundas

Bakery, Café and Art Gallery

Table E.1: Bakery, Café and Art Gallery Opportunity Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is establishment of a bakery, café and art gallery as part of the Norseman Visitor Gateway Centre.
Key Notes/ Context	• Small scale tourism product expansion
Upstream and Downstream Requirements	
Supporting Infrastructure	Supporting infrastructure requirements include: • Suitable attractions/ products both natural (e.g. national parks), man built facilities, and events • Available land, sea, and air access infrastructure suitable for a diverse range of domestic and international tourists • Tourists require similar and sometimes identical supporting infrastructure and amenities to local residents
Supporting Industry Sectors	• Agricultural producers • Suppliers and distributors • Local artists
Market Position	
Australian (Industry) Position	The Australian tourism industry has fallen on hard times in recent years. The combination of the Global Financial Crisis (GFC) and a strengthening Australian dollar have resulted in a greater number of international travellers staying at home. The strong Australian dollar has also made it more affordable for Australians to travel overseas, rather than travelling domestically.
Regional Competitiveness	Regional strengths: • Existing service centre with considerable through traffic to eastern states Regional weaknesses: • Limited population base • Limited existing visitor mass • Access to labour • Distance to major tourism centres
Key Competitors	• Existing local cafés and restaurants
Market Outlook	
Prices & Price Drivers	Price factors at a regional level have not been considered. Tourism at a national level is expected to grow at an average rate of 2.2% each year until 2017-18, reaching revenue of $119.3 billion (IBISWorld, 2013). Growth will be spurred by a likely softening Australian dollar, improving international economic conditions as well as increased passenger numbers from growing visitor markets such as China.
Volume & Context	Over 2013 the Esperance Region attracted around 230,000 visitors (TRA, 2014). The Esperance Region receives a modest share of visitation, representing around 1% of total WA visitation. Dundas Shire hosts a resident population of approximately 1,200 persons (ABS, 2013b) which are also likely to patronise the proposed facility depending on quality and price factors.
Development Overview	
Site Requirements	Extension to the existing Norseman Visitor Gateway Centre.
Development Scale	Expansion to include a bakery and associated café and art gallery.
Production	Production levels for the proposed facility have not been considered.
Capital Expenditure	Capital expenditure is expected to be modest in the vicinity of up to $1 million.

Initiatives	Description/Outcomes
Employment	1-2 Full Time Equivalent (FTE) employees.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risks include: • Market mass • Volatility and seasonality of visitation • Cost of inputs • Generation of competition for existing businesses

Source: AEC

Attraction of Additional Tradespersons

Table E.2: Attraction of Additional Tradespersons Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the attraction of additional qualified tradespersons to service regional areas, in particular Dundas.
Key Notes/ Context	It is envisioned that the Shire of Dundas will undertake incentive and attraction measures in order to procure additional tradespersons for the Shire.
Upstream and Downstream Requirements	
Supporting Infrastructure	Required infrastructures to be provided by the successful tenderer.
Supporting Sectors	Upstream: • Wholesale/ retail trade Downstream: • Local businesses and organisations (including Council) • Local households
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • No/ limited competition Regional weaknesses: • Limited population and business base, potentially limiting demand • High cost of business/ living
Key Competitors	• Alternative trade services providers currently servicing the region on a part-time basis
Market Outlook	
Prices & Price Drivers	It is likely revenue of at least $80,000 to $150,000 would be required to sustain the business
Volume & Context	Norseman hosts a resident population of approximately 800 persons (ABS, 2012). While this may be sufficient scope for additional full-time trade labour, the region presents limited opportunity compared to larger regional centres. Leverages off a base commitment from Dundas Shire to provide a level of patronage with potential for Ravensthorpe and Esperance Shires to also consider providing a base commitment.
Development Overview	
Site Requirements	NA – home based business.
Development Scale	NA
Production	NA
Capital Expenditure	NA – equipment.
Employment	Initial 1-2 positions with potential for further expansion.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Minimal
Risk Factors	Key risks include: • Cost of relocation • Scale of demand • Mix of incentive versus open market work in the supply agreement • Selecting an appropriate supplier

Source: AEC

Norseman Airport Expansion

Table E.3: Norseman Airport Expansion Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is expansion of the Norseman Airport to allow commercial aircraft.
Key Notes/ Context	Significant expansion of the Norseman Airport is planned in association with the additional mine developments in the region. Even in the absence of additional resource activity, expanded services remains a key regional opportunity.
Upstream and Downstream Requirements	
Supporting Infrastructure (up and downstream)	• Air traffic control infrastructure • Airside/ runway facilities • Landside passenger handling and processing facilities • Transport services to and from the airport
Supporting Industry Sectors	• Tourism • Mining (avenue for fly in/ fly out operations) • Local household domestic travel
Market Position	
Australian (Industry) Position	Regional airports are highly dependent on demand and are increasingly coming under pressure to fully recover the cost of their operation, particularly where they are owned and operated by Local Government. A base level of demand is required to provide stable and sustainable airport facilities of a quality nature.
Regional Competitiveness	Regional strengths: • Established airstrip facilities • Proposed mine (expansion contingent on mine development proceeding) Regional weaknesses: • Small local population • Modest visitation demand
Key Competitors	Existing regional level airports within driving distance to Norseman include: • Esperance Airport • Kalgoorlie-Boulder Airport • Ravensthorpe Airport • Caiguna Airport • Southern Cross Airport
Market Outlook	
Prices & Price Drivers	Not considered
Volume & Context	Dundas Shire possesses a resident population of approximately 1,200 persons (ABS, 2013b). Over 2013 the Esperance Region attracted around 230,000 visitors (TRA, 2014), however, most were via road transport. This scale of regional demand suggests limited potential for commercial flights somewhat (given the relative availability of alternative commercial flight destinations).
Development Overview	
Site Requirements	Expansion is to be based on the current Norseman Airport site.
Development Scale	To be confirmed
Production	Level of potential charter and Regular Passenger Transport flights to be determined.
Capital Expenditure	Capital expenditure is expected to be significant.
Employment	Considerable during construction with modest scale ongoing employment opportunities.
Viability Assessment	
Timeframe	Medium-long term dependent on new mine development.
Capacity to Proceed Without Intervention	High contingent on new mine development, low-moderate in the absence of new mine development.
Risk Factors	Key risks include: • Market mass for flights other than fly in/ fly out operations • Cost of operations • Competition for flight routes from larger centres

Source: AEC

Ravensthorpe

Community Banking Facilities

Table E.4: Community Banking Facilities Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the provision of community banking and Automated Teller Machine (ATM) facilities in Ravensthorpe.
Key Notes/ Context	Ravensthorpe is currently serviced via a Westpac branch based in Council offices, which provides the sole ATM facilities for the town. The branch facility runs at a commercial loss and is heavily subsidised by Council. An alternate community banking model may prove more sustainable and accessible for the area.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Commercial office space

Supporting Sectors	• Local households
	• Local businesses:
	  o Agriculture
	  o Construction
	  o Retail
	  o Accommodation
	  o Food services
	  o Professional services

Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established businesses and industry sectors • Potentially leverage the Future's Fund as a cornerstone deposit • Likelihood of garnering significant local support Regional weaknesses: • Limited population/ business base • Capacity for demand to be serviced either remotely or on a part-time basis from larger centres
Key Competitors	• Financial service institutions servicing the region either remotely or on a part-time basis • Consultation with regional stakeholders suggests that farmers in the Ravensthorpe area are currently serviced from either Esperance/Gnowangerup
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	Ravensthorpe Shire possesses a resident population of approximately 2,200 persons between the towns of Ravensthorpe and Hopetoun (ABS, 2013b). This would suggest that dedicated community banking facilities are a marginal opportunity in isolation. However, specific demand from the small-medium business sector (in particular construction and agriculture) and non-resident workers may make a dedicated community banking facility a reasonable option for the Shire.
Development Overview	
Site Requirements	Suitable commercial office space in proximity to the existing population base and commercial activity.
Development Scale	Single commercial office
Production	NA
Capital Expenditure	Variable depending on the community banking model (leasehold or purchase, new or existing facility).
Employment	A dedicated community banking facility would be expected to employ 0.5-2 FTE employees.

Initiatives	Description/Outcomes
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Low
Risk Factors	Key risks include: • Scale of local demand • Costs of establishing a physical presence versus servicing the region remotely

Source: AEC

Hopetoun and Ravensthorpe Accommodation

Table E.5: Hopetoun and Ravensthorpe Accommodation Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the establishment of additional tourism accommodation facilities in Hopetoun and Ravensthorpe.
Key Notes/ Context	Enhanced accommodation at Hopetoun and Ravensthorpe to cater for overnight stays for tourist buses.
Upstream and Downstream Requirements	
Supporting Infrastructure	Infrastructure requirements include: • Suitable attractions/ products both natural such as national parks, man built facilities, and events • Available transport access suitable for a diverse range of domestic and international tourists
Supporting Sectors	Tourist accommodation requires a number of supporting industries, including a suitable range of: • Retail • Food services • Transportation services • Experience packages
Market Position	
Australian (Industry) Position	The Australian tourism industry has fallen on hard times in recent years. The combination of the Global Financial Crisis (GFC) and a strengthening Australian dollar have resulted in a greater number of international travellers staying at home. The strong Australian dollar has also made it more affordable for Australians to travel overseas, rather than travelling domestically.
Regional Competitiveness	Regional strengths: • Nature-based experiences including camping bushwalking, fishing, hunting, 4x4 driving • Natural assets (Fitzgerald River National Park) • Existing hotel infrastructure Regional weaknesses: • Distance and remoteness • Modest existing visitor mass • Access to labour • Small and dispersed resident population • Limited food and café experience
Key Competitors	Key competitors for tourist visitation with Ravensthorpe Shire include: • Major Australian destinations such as capital cities and recognised brands such as Cairns/ Far North Queensland, Gold Coast, Byron Bay • Key regional destinations, such as: o Broome/ Outback WA o Kangaroo Island o Great Ocean Road o Margaret River o Tasmania o Eden o Bega o Ningaloo
Market Outlook	
Prices & Price Drivers	Price factors at a regional level have not been considered. Tourism at a national level is expected to grow at an average rate of 2.2% each year until 2017-18, reaching revenue of $119.3 billion (IBISWorld, 2013). Growth will be spurred by a likely softening Australian dollar, improving international economic conditions as well as increased passenger numbers from growing visitor markets such as China.
Volume & Context	Over 2013 the Esperance Region attracted around 230,000 visitors (TRA, 2014). The Esperance Region receives a modest share of visitation, representing around 1% of total WA visitation. A desktop review indicates accommodation in the Shire consists of limited hotel/ motel and caravan park options. Enhanced facilities could potentially include 3.5-4 star type hotel

Initiatives	Description/Outcomes
	accommodation. However, market forces suggest boutique type alternatives such as eco-lodge or farmstay accommodation would be more commercially viable, but these would not be of a scale to accommodate the key market driver in this instance of bus visitation.
Development Overview	
Site Requirements	Geographically suitable land within proximity to existing services, attractions and amenities. Opportunity for enhanced accommodation facilities exists in association with recently expanded tavern facilities.
Development Scale	Potential for up to 2-3 establishments across Ravensthorpe and Hopetoun.
Production	NA
Capital Expenditure	Capital expenditure is expected to be moderate depending on the scale and quality of new facilities.
Employment	Additional hotel facilities would likely employ between 2-10 FTE staff. Job opportunities will be predominately low skilled and highly seasonal.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • Market scale and access • Highly seasonal nature of arrivals • Volatility of visitation between years • Cost of operations • Labour availability

Source: AEC

Recreational Tourism

Table E.6: Hopetoun and Ravensthorpe Recreational Tourism Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the enhancement and development of walking and hiking trails in parks and reserves around Ravensthorpe and Hopetoun.
Key Notes/ Context	Enhanced nature-based tourism infrastructure.
Upstream and Downstream Requirements	
Supporting Infrastructure	Upstream infrastructure requirements: • Suitable attractions/ products both natural such as national parks, man built facilities, and events • Available transport access suitable for a diverse range of domestic and international tourists • An appropriate range of accommodation infrastructure suitable for a diverse range of domestic and international tourists (currently limited)
Supporting Sectors	Supporting industry sectors for recreational tourism include: • Retail • Food services • Transportation services • Health care and emergency services • Maintenance and signage services
Market Position	
Australian (Industry) Position	The Australian tourism industry has fallen on hard times in recent years. The combination of the Global Financial Crisis (GFC) and a strengthening Australian dollar have resulted in a greater number of international travellers staying at home. The strong Australian dollar has also made it more affordable for Australians to travel overseas, rather than travelling domestically.
Regional Competitiveness	Regional strengths: • Nature-based experiences including camping bushwalking, fishing, hunting, 4x4 driving • Natural assets (Fitzgerald River National Park) • Existing hotel infrastructure Regional weaknesses: • Distance and remoteness • Modest existing visitor mass • Access to labour • Small and dispersed resident population (limits the potential for day-tripping)

Key Competitors	Key competitors for tourist visitation with Ravensthorpe Shire include:
	• Major Australian destinations such as capital cities and recognised brands such as Cairns/ Far North Queensland, Gold Coast, Byron Bay
	• Key regional destinations, such as:
	  o Broome/ Outback WA
	  o Kangaroo Island
	  o Great Ocean Road
	  o Margaret River
	  o Tasmania
	  o Eden
	  o Bega
	  o Ningaloo

Market Outlook	
Prices & Price Drivers	Recreational tourism is not expected to be a significant generator of additional direct revenue. However, successful expansion and promotion of walking and hiking trails can generate substantial increases in visitation and associated expenditure.
Volume & Context	Over 2013 the Esperance Region attracted around 230,000 visitors (TRA, 2014). Ravensthorpe Shire has a resident population of around 2,200 persons who would also be significant users of recreational tourism assets. The Esperance Region receives a modest share of visitation, representing approximately 1% of total WA visitation.

Initiatives	Description/Outcomes
	Ravensthorpe Shire possesses a range of established hiking trails and scenic drives, which could be further leveraged.
Development Overview	
Site Requirements	Geographically suitable trail(s) within proximity to existing natural attractions.
Development Scale	Various options exist for expanded or new hiking trails across the region.
Production	NA
Capital Expenditure	Capital expenditure will be varied depending on the number of trails and the development scale.
Employment	Significant employment potential during construction with little ongoing employment.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Minimal
Risk Factors	Key risk factors include: • Market scale and access • Capital funding

Source: AEC

Ravensthorpe Water Supply

Table E.7: Ravensthorpe Water Supply Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the development of pipeline infrastructure from Hopetoun borefield to service the community of Ravensthorpe.
Key Notes/ Context	Upgrade of the water supply to Ravensthorpe from the Hopetoun borefield by piping the scheme. Water is currently transported to the town via truck, with the associated cost creating the need for permanent water restrictions.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Pipeline and water distribution infrastructure
Supporting Sectors	• Engineering, design and construction • Residential and commercial water consumers
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	NA
Key Competitors	NA
Market Outlook	
Prices & Price Drivers	Significant reduction in ongoing water costs need to be weighed against up-front capital expenditure.
Volume & Context	NA
Development Overview	
Site Requirements	Implementation path/ corridor for linear infrastructure can be problematic.
Development Scale	NA
Production	NA
Capital Expenditure	Capital expenditure to be estimated pending further study.
Employment	Significant during pipeline construction with minimal change (possibly a reduction) from current employment once in operation.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Minimal
Risk Factors	Key risk factors include: • Accessing public funding

Source: AEC

Hopetoun Main Street and Marina

Table E.8: Hopetoun Main Street and Marina Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the re-vitalisation of Hopetoun Main Street and the development of an associated marina.
Key Notes/ Context	Urban revitalisation and public realm development project.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Commercial buildings and amenities • Marina infrastructure • Public open space • Connecting pedestrian infrastructure
Supporting Sectors	• CBD and tourism-related businesses: o Retail o Food services o Professional and financial services • Local boat owners
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Suitable coastal location • Existing services and tourism industries Regional weaknesses: • Distance and remoteness • Modest visitation levels • Access to labour • Small resident population
Key Competitors	Regional-level service centres including: • Esperance • Kalgoorlie
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	Ravensthorpe LGA possesses a resident population of approximately 2,200 persons (ABS, 2013b). The Shire currently possesses around 70 registered businesses which would potentially occupy office/retail/accommodation space on a revitalised Main Street (ABS, 2013c).
Development Overview	
Site Requirements	Development would consist of Hopetoun's existing Main Street with adjacent marina facilities
Development Scale	TBA
Production	NA
Capital Expenditure	TBA
Employment	Significant during construction with ongoing indirect employment through associated businesses where there is enhanced visitation and expenditure (local or visitor).
Viability Assessment	
Timeframe	3-5 years
Capacity to Proceed Without Intervention	Minimal
Risk Factors	Key risk factors include: • Limited market size • Access to funding • Construction cost (stated implementation may be required) • Competition for patrons and businesses from larger centres

Source: AEC

Hopetoun and Ravensthorpe Town Centre Urban Revitalisation

Table E.9: Hopetoun and Ravensthorpe Town Centre Urban Revitalisation Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is upgrades to revitalise the town centre's of Hopetoun and Ravensthorpe.
Key Notes/ Context	Town centre upgrade
Upstream and Downstream Requirements	
Supporting Infrastructure	• Redeveloped town centre areas, including: ○ Commercial space ○ Retail/ dining ○ Presentation and visual amenity
Supporting Sectors	• Retail trade • Accommodation services • Food services • Local producers/ suppliers
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established local business sector & tourism industry • Established town centre businesses Regional weaknesses: • Distance and remoteness • Modest population mass to support commercial activities • Access to labour
Key Competitors	• Key competitors for commercial investment include: ○ Major centres/ capital cities • Regional centres: ○ Kalgoorlie ○ Bunbury ○ Broome ○ Port Hedland ○ Esperance
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	Ravensthorpe LGA possesses a resident population of approximately 2,200 persons (ABS, 2013b). The Shire currently possesses around 70 registered businesses which would potentially occupy office/retail/accommodation space on a revitalised Main Street (ABS, 2013c).
Development Overview	
Site Requirements	Investment is to be associated with the planned town centre revitalisation project.
Development Scale	Extensive redevelopment of both town centres.
Production	NA
Capital Expenditure	Capital expenditure associated with the redevelopments will be substantial.
Employment	Significant during redevelopment. Commercial operations of the nature being considered would likely employ between 0.5-10 FTE staff each in operations. In aggregate the impact on local employment may prove to be significant.
Viability Assessment	
Timeframe	Dependent on the implementation program for the town centre revitalisation project.
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • Market scale • Competition for commercial investment

Initiatives	Description/Outcomes
	• Cost of revitalisation project • Cost of business expansion/ relocation

Source: AEC

Esperance

Produce Branding and Collaboration

Table E.10: Produce Branding and Collaboration Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is a local fresh food hub and food brand development based on enhanced local agricultural produce and seafood. This would lead to regionally branded export market identification, development and activities.
Key Notes/ Context	Development and enhancement of local produce marketing and distribution. This initiative will leverage the enhanced regional branding and collaboration projects currently planned and underway.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Produce processing/ value adding • Local and export transportation networks

Supporting Sectors	Upstream sectors:
	• Local producers:
	  o Wheat
	  o Barley
	  o Canola
	  o Small crops
	  o Commercial fisherman
	Downstream sectors:
	• Local households
	• Tourists
	• National and international consumers

Market Position	
Australian (Industry) Position	Australia is a major agricultural commodity producer and a competitive net agricultural exporter. Around two-thirds of Australia's total agricultural production (worth around $36 billion) is exported, predominantly to China, Japan, Indonesia and Europe (DFAT, 2013). Australia's major agricultural export commodities (excluding meat & livestock) include: • Wheat ($6.3 billion) • Cotton ($2.7 billion) • Wine ($1.9 billion) • Sugar ($1.6 billion)
Regional Competitiveness	Regional strengths: • Productive agricultural land • Established export supply chain Regional weaknesses: • Small local market for produce • Limited regional branding/ collaboration • Proximity to major domestic and international markets
Key Competitors	Competition for the domestic market varies between commodities and is expected to come from established producers including: • Ord River Irrigation Area • Northern and Central Queensland • Murray-Darling Basin Export market conditions will depend in significant part on the production of major global suppliers. The world's largest agricultural exporting countries are currently: • United States • Netherlands • Germany • France • Brazil
Market Outlook	
Prices & Price Drivers	World food prices have risen strongly over the past decade, averaging nearly 8% per annum (FAO, 2014). Price increases have been driven by a number of factors, including: • Input cost increases (fuel, labour, fertiliser)

Initiatives	Description/Outcomes
	• A growing global population • Rapidly rising incomes and changing food preferences in developing economies Further population pressures and constraints to global production are expected to underpin additional price increases over the medium-longer term.
Volume & Context	The Esperance area is rich in agriculture, primarily grain and broadacre cropping. Agriculture forms the historical basis for the economy, together with fishing. As an industry Agriculture, Forestry and Fishing contributes nearly 30% of Esperance Shire's economic activity. While regional outlets for local produce currently exist, there are opportunities for greater collaboration and branding in order to differentiate the region's produce and acquire a price premium.
Development Overview	
Site Requirements	NA
Development Scale	NA
Production	NA
Capital Expenditure	Capital expenditure is expected to be modest.
Employment	The initiative is expected to have a minimal impact on direct employment (1-5 FTE). Greater flow-on impacts will be achieved through greater viability and sustainability for the region's agricultural industry.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Low-Moderate
Risk Factors	Key risk factors include: • Market scale and access • Volatility of commodity prices • National and international competition

Source: AEC

Implement Esperance Town Centre Revitalisation Master Plan

Table E.11: Implement Esperance Town Centre Revitalisation Master Plan

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is funding and investment attraction to implement the Esperance Town Centre Master Plan.
Key Notes/ Context	The Master Plan has identified a range of initiatives and planning requirements to facilitate the growth and development of the Esperance Town Centre as well as its integration with the foreshore area. These need to be implemented to ensure the realisation of the goals and targeted outcomes of the Master Plan. Outcomes that will be realised include: • Increased activity in the town centre • Enhanced connectivity • Increased tourist and local resident amenity • Enhanced economic activity • Cultivation of a day and night economy • Higher density housing development
Upstream and Downstream Requirements	
Supporting Infrastructure	• Power and gas • Pedestrian, car and public transport linkages • Commercial, retail, residential and tourism development/ redevelopment
Supporting Sectors	• Commercial sector • Retail trade • Accommodation services • Food services • Local producers/ suppliers
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established local business sector & tourism industry • Established town centre businesses Regional weaknesses: • Distance and remoteness • Modest population mass to support commercial activities • Access to labour • Access to capital

Key Competitors	• Key competitors for commercial investment include:
	  ○ Major centres/ capital cities
	• Regional centres:
	  ○ Kalgoorlie
	  ○ Bunbury
	  ○ Broome
	  ○ Port Hedland

Market Outlook	
Prices & Price Drivers	NA
Volume & Context	Esperance LGA hosts a resident population of approximately 14,000 (ABS, 2013b). The Esperance Region also attracts around 230,000 visitor arrivals per annum (TRA, 2014). While this volume is likely sufficient to support significant commercial activity the region faces strong competition for such investment from larger centres.
Development Overview	
Site Requirements	Investment is to be associated with the planned town centre revitalisation project.
Development Scale	Extensive redevelopment is planned across the town centre and foreshore area.
Production	NA
Capital Expenditure	Capital expenditure associated with the redevelopment will be substantial.

Initiatives	Description/Outcomes
Employment	Commercial operations of the nature being considered would likely employ between 0.5-10 FTE staff each new or revitalised business operation. In aggregate the impact on local employment may prove to be significant.
Viability Assessment	
Timeframe	Dependent on the implementation program for the town centre revitalisation project.
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • Market scale • Competition for commercial investment • Cost of revitalisation project • Cost of business expansion/ relocation

Source: AEC

Esperance Tourism Development

Table E.12: Esperance Tourism Development Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the enhancement of the short-stay accommodation offering, additional tourism development and event attraction in Esperance.
Key Notes/ Context	Attraction of up-market accommodation offering to Esperance. Opportunities for the region include: • Refurbishment of existing hotel infrastructure or conversion of alternative sites • Greenfield hotel development • Boutique eco-lodge and farmstay accommodation • High profile regional events • Additional built attractions
Upstream and Downstream Requirements	
Supporting Infrastructure	Infrastructure requirements include: • Suitable attractions/ products both natural such as national parks, man built facilities, and events • Available land, sea, and air access suitable for a diverse range of domestic and international tourists • Range of café, restaurant and retail infrastructure and services (tourists require similar and sometimes identical supporting infrastructure and amenities to local residents)
Supporting Sectors	Tourist accommodation requires a number of supporting industries, including a suitable range of: • Retail trade • Food services • Cleaning and 'back of house' services • Transportation services
Market Position	
Australian (Industry) Position	The Australian accommodation industry has fallen on hard times in recent years. The combination of the GFC and a strengthening Australian dollar have resulted in a greater number of international travellers staying at home. The strong Australian dollar has also made it more affordable for Australians to travel overseas, rather than travelling domestically.
Regional Competitiveness	Regional strengths: • Nature-based experiences (beaches, camping, hiking, 4x4 driving) • Existing short-stay infrastructure • Established tourist destination • Multitude of different activities within a day trip of Esperance Regional weaknesses: • Distance and remoteness • Modest existing visitor mass (compared to major Australian destinations) • Access to labour

Key Competitors	Key competitors for tourist visitation with Esperance Shire include:
	• Major Australian destinations such as capital cities and recognised brands such as Cairns/ Far North Queensland, Gold Coast, Byron Bay
	• Key regional destinations, such as:
	  ○ Broome/ Outback WA
	  ○ Kangaroo Island
	  ○ Great Ocean Road
	  ○ Margaret River
	  ○ Tasmania
	  ○ Eden
	  ○ Bega
	  ○ Ningaloo

Initiatives	Description/Outcomes
Market Outlook	
Prices & Price Drivers	Price factors at a regional level have not been considered. Tourism at a national level is expected to grow at an average rate of 2.2% each year until 2017-18, reaching revenue of $119.3 billion (IBISWorld, 2013). Growth will be spurred by a weaker Australian dollar, improving international economic conditions as well as increased passenger numbers from growing visitor markets such as China.
Volume & Context	Over 2013 the Esperance Region attracted approximately 230,000 visitors (TRA, 2014). Esperance Shire attracts a modest share of visitation, representing around 1% of total WA visitation.
Development Overview	
Site Requirements	Geographically suitable land within proximity to existing services, attractions and amenities. Depending on the offering, potentially a ‘separated’ site from other developed activity.
Development Scale	Various scale opportunities exist.
Production	NA
Capital Expenditure	Moderate to significant capital expenditure for the project proponent, depending on the scale and nature of the offering.
Employment	Additional short stay accommodation facilities would likely employ between 4-15 FTE staff. Employment levels for events and new tourism product vary considerably with opportunity scale. Job opportunities will be predominately low skilled and highly seasonal.
Viability Assessment	
Timeframe for Viability	Current
Capacity to Proceed Without Intervention	Moderate
Risk Factors	• Market scale and volatility • Highly seasonal nature of arrivals • Cost of operations • Labour availability • Development approvals in some areas/ sites

Source: AEC

Middletown Redevelopment

Table E.13: Middletown Redevelopment Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the continued investigation, planning and support for the longer term redevelopment of Middletown (including the CSBP site and wastewater treatment plant).
Key Notes/ Context	Investigation into potential commercial, industrial redevelopment opportunity
Upstream and Downstream Requirements	
Supporting Infrastructure	• Commercial/ industrial buildings and associated amenities • Residential accommodation • Transport links to major centres and Esperance Port • Public open space and pedestrian linkages
Supporting Sectors	• Local commercial/ industrial operators • Local businesses and households
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established port and agricultural industries to drive demand for local business/ services • Complementary project to revitalised town centre Regional weaknesses: • Site limitations including wastewater treatment plant, pipeline, and storage facilities (potential site remediation requirements) • Alternate residential, and commercial/ industrial sites available to service demand over the short-medium term
Key Competitors	Key competitors for this project consist of the current residential and industrial/ commercial space offerings in Esperance Shire.
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	There are significant areas of land incorporated in the Middletown development concept.
Development Overview	
Site Requirements	Redevelopment to occur at the existing Middletown site subject to environmental and planning considerations.
Development Scale	Dependent on medium-longer term demand.
Production	NA
Capital Expenditure	Capital expenditure associated with the redevelopment is expected to be significant.
Employment	Significant during redevelopment with ongoing employment associated with the activities based at the redeveloped site.
Viability Assessment	
Timeframe	Long term
Capacity to Proceed Without Intervention	Low
Risk Factors	Key risk factors include: • Market demand for residential dwelling and commercial/ industrial space • Cost of redevelopment versus alternative brownfield and greenfield options • Environmental risks (and remediation expenses) associated with redeveloping the CSBP site and wastewater treatment plant

Source: AEC

Bandy Creek Mixed Use Marina Precinct Development

Table E.14: Bandy Creek Mixed Use Marina Precinct Development Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the development of the Bandy Creek Boat Harbour area into a mixed used marina precinct.
Key Notes/ Context	Marina, residential and commercial development.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Commercial/ industrial buildings and associated amenities • Marina and recreational infrastructure • Transport network • Residential & tourist accommodation • Public open space & pedestrian links
Supporting Sectors	• Retail trade • Accommodation services • Local households • Local boat owners
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Existing boat harbour facilities • Logical site for future town expansion Regional weaknesses: • Significant alternative residential and commercial sites available to service demand over the short-medium term • Boat harbor site currently underutilised • Modest current and projected population growth
Key Competitors	Key competitors for this project consist of the current residential and commercial offerings across Esperance Shire.
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	Development to be based on the proposed Bandy Creek site.
Development Overview	
Site Requirements	Proposed Bandy Creek site to be developed subject to environmental and planning constraints including: • Flood susceptibility • Acid sulphate soils • Maintaining wetland protection and water quality levels
Development Scale	Potential for between 3,500 and 5,500 residential dwellings in addition to marina, commercial, recreational, and community infrastructure.
Production	NA
Capital Expenditure	Capital expenditure associated with the development is expected to be significant with further investigation required.
Employment	Significant construction employment opportunities associated with the development, however, these will be spread over a long time period.
Viability Assessment	
Timeframe	Long-term depending on residential property demand levels.
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • Market demand for residential dwellings and commercial space • Cost of redevelopment versus alternative brownfield and greenfield options • Environmental risks associated with developing the site

Source: AEC

Seafood Hub

Table E.15: Seafood Hub Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the development of a seafood industry hub in the Esperance Shire.

Key Notes/ Context	Key aspects of this opportunity include:
	• Processing
	• Education & training
	• Wholesale and distribution
	• Retail
	• Marketing
	• Research and development
	• Sea cage aquaculture farming:
	    o Tuna (Southern Bluefin Tuna)
	    o Yellowtail Kingfish
	    o Atlantic Salmon
	    o Ocean Trout
	    o Abalone (potential for onshore or ocean based models)

Upstream and Downstream Requirements	
Supporting Infrastructure	Upstream: • Sea cage infrastructure • Processing/ warehousing facilities Downstream: • Transport/ export infrastructure • Processing plant and equipment • Boat/ mechanical repairs and engineering/ fabrication
Supporting Sectors	• Feed suppliers • Education and training • Marketing and distribution channels • Regulators • Retail trade • Wholesale trade • Food services
Market Position	
Australian (Industry) Position	Aquaculture is a developing industry in Australia, in 2010-11 the gross value of aquaculture production was around $950 million from around 75,000 tonnes of product (DAFF, 2013). Major aquaculture products in Australia include: • Salmon • Tuna • Pearl oysters • Edible oysters • Prawns Australia ranks 46th in the world for total seafood production, with 241,123 tonnes caught and farmed in 2009-10. This amount has increased by almost 20% over the past two decades, due in significant part to increased aquaculture production (FRDC, 2014).
Regional Competitiveness	Regional strengths: • Established commercial fishing industry • Established fishing export infrastructure • Established visitor destination (for final produce) • Numerous potentially suitable locations for aquaculture • Potential for diversification of production away from SA and TAS Regional weaknesses: • Distance from markets • Distance from suppliers • Access to labour • Access to industry skills beyond the current commercial fishing industry • Extreme weather events • Greenfield nature of aquaculture investment • Hurdles developing aquaculture in environmentally sensitive areas

Initiatives	Description/Outcomes
Key Competitors	Major Australian producers include: • South Australia (Bluefin Tuna, Yellowtail Kingfish) • Tasmania (Atlantic Salmon, Ocean Trout)
Market Outlook	
Prices & Price Drivers	• Prices for farmed fish vary significantly depending on breed and quality from around $2-$20/kg. High-end tuna sold for Japanese sashimi attract very high price premiums • Over the longer term prices will be driven by commercial fishing supply levels and rising demand from increased incomes and changing food preferences in developing Asia
Volume & Context	• Scale of potential for a local industry hub to be determined
Development Overview	
Site Requirements	• Ocean based site with sufficient cover in the case of extreme weather events • Various sites across the supply chain
Development Scale	• Various depending on fish type and fishing quota (for Bluefin Tuna seine)
Production	To be determined
Capital Expenditure	Capital expenditure is expected to be significant for cage infrastructure (however, this may be imported) in addition to potentially acquiring tuna seine quota licenses. Capital expenditure is also expected to be significant for processing / distribution facilities.
Employment	Significant seasonal employment opportunities.
Viability Assessment	
Timeframe	Medium term
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • Availability of license quotas (tuna) • Environmental/ regulatory barriers to development • Regional suitability for various farmed fish species • Cost of operations • Greenfield nature of industry development

Source: AEC

Agricultural Value Add

Table E.16: Agricultural Value Add Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the development of value adding processing and manufacturing, and potential alternative crops to compliment the Esperance Shire's established agricultural sector.
Key Notes/ Context	Development of value add opportunities are currently at an early stage: • Canola oil processing has been identified as a potential avenue for the region • Carbon farming has been identified as a potentially viable business opportunity for growers • Opportunities also exist for expanded agricultural education and training
Upstream and Downstream Requirements	
Supporting Infrastructure	• Processing/ manufacturing plant • Upstream and downstream transportation/ export network
Supporting Sectors	Upstream: • Local growers Downstream: • Marketing and distribution • Wholesale/ retail trade sectors • Local, national, and international consumers
Market Position	
Australian (Industry) Position	Australia is a major agricultural commodity producer and a competitive net agricultural exporter. Around two-thirds of Australia's total agricultural production (worth around $36 billion) is exported, predominantly to China, Japan, Indonesia and Europe (DFAT, 2013). Australia's major agricultural export commodities (excluding meat & livestock) include: • Wheat ($6.3 billion) • Cotton ($2.7 billion) • Wine ($1.9 billion) • Sugar ($1.6 billion) Major value adding activities undertaken in Australia include sugar milling (and more recently ethanol production and electricity cogeneration) and cotton ginning.
Regional Competitiveness	Regional strengths: • Established and innovative agricultural industry • Established export infrastructure • Suitable region for a range of crop types Regional weaknesses: • Distance from major national and international markets • Access to labour • Lack of critical crop mass in areas suited for value add
Key Competitors	Competition for the domestic market varies between commodities and is expected to come from established producers including: • Ord River Irrigation Area • Northern and Central Queensland • Murray-Darling Basin Export market conditions will depend in significant part on the production of major global suppliers. The world's largest agricultural exporting countries are currently: • United States • Netherlands • Germany • France • Brazil
Market Outlook	
Prices & Price Drivers	Potential for value adding activities are driven by the relative prices of selling (and capacity to sell) raw versus value added commodities.
Volume & Context	The Esperance area is rich in agriculture, primarily grain and broadacre cropping. Agriculture forms the historical basis for the economy, together with fishing. As an industry Agriculture, Forestry and Fishing contributes nearly 30% of Esperance Shire's economic activity.

Initiatives	Description/Outcomes
	There is currently minimal local value adding undertaken in association with the region's major crops of wheat and barley.
Development Overview	
Site Requirements	Approximately 2-30 ha of geographically suitable land within appropriate proximity to the grower base and Esperance Port.
Development Scale	Various opportunities exist pending further investigation.
Production	Not considered
Capital Expenditure	Capital expenditure is expected to be significant, potentially in the vicinity of $20-$100 million+ depending on the opportunity.
Employment	Significant local employment opportunities, including low, semi-skilled, and some specialist skilled/ professional type roles. Employment opportunities are likely to be highly seasonal.
Viability Assessment	
Timeframe	Medium-longer term
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • Agricultural commodity price volatility • Variability of weather • High cost of manufacturing operations • Labour availability • Commitment of growers to supply a minimum viable volume

Source: AEC

Reritirement, Aged and Health Care Expansion

Table E.17: Retirement, Aged and Health Care Expansion Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the establishment of expanded aged and health care facilities in Esperance Shire.
Key Notes/ Context	Esperance is currently a noted retirement destination for the surrounding regional area. Establishment of greater care facilities would increase the potential for Esperance to attract and service retirees from the greater Esperance Region and surrounding area. Opportunities for the region include: • Retirement resort accommodation • Aged/ palliative care • Expanded health care services
Upstream and Downstream Requirements	
Supporting Infrastructure	• Hospital/ health care facilities • Aged care facilities • Public transport networks • Lifestyle/ community infrastructure
Supporting Sectors	• Health care services • Aged care services • Retail services • Food services • Specialist transport services
Market Position	
Australian (Industry) Position	Australia's population is both growing and ageing rapidly. The population aged 75 or more years is expected to rise by 4 million from 2012 to 2060 (increasing from 6.4% to 14.4% of the Australian population). Investment to cater for this ageing population over the next 50 years is expected to be more than five times the cumulative investment made over the last half-century (Productivity Commission, 2013).
Regional Competitiveness	Regional strengths: • Strong lifestyle attraction & familiarity for regional retirees • Established retirement destination Regional weaknesses: • Distance and remoteness • Limited capacity to provide health and aged care • Access to skilled labour
Key Competitors	Major centres with established and more extensive health and aged care facilities.
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	The broader Esperance Region hosts a resident population of around 2,500 persons aged 65+ (ABS, 2014).
Development Overview	
Site Requirements	Suitable health and aged care facilities located within proximity to existing amenities.
Development Scale	To be determined
Production	Local catchment estimated at around 2,500, increasing as the regional population ages.
Capital Expenditure	Capital expenditure expected to be significant for both health and aged care facilities.
Employment	Considerable skilled and semi-skilled local employment opportunities associated with health and aged care.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risk factors include: • High capital costs

Initiatives	Description/Outcomes
	• Scale of local demand to support expanded services (i.e. is there a critical mass to support facilities) • Public funding availability • Access to skilled labour

Source: AEC

Esperance Airport Expansion

Table E.18: Esperance Airport Expansion Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is expansion of the Esperance Airport.
Key Notes/ Context	Potential exists to facilitate expanded flights and services associated with Esperance Airport over the longer term.
Upstream and Downstream Requirements	
Supporting Infrastructure (up and downstream)	• Runway facilities • Air traffic infrastructure • Commercial office/ industrial premises
Supporting Sectors	• Tourism • Business travel • Local resident travel
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established airport facilities • Strong existing regional export links • Established tourism industry Regional weaknesses: • Modest local population • Highly seasonal visitation demand
Key Competitors	Existing regional level airports within driving distance to Esperance airport include: • Norseman Airport • Kalgoorlie-Boulder Airport • Ravensthorpe Airport • Caiguna Airport • Southern Cross Airport
Market Outlook	
Prices & Price Drivers	Not considered.
Volume & Context	Esperance Airport provides daily travel to Perth through Virgin Australia. The airport was significantly upgraded in 2012, with eighteen flights per week now occurring between Esperance and Perth (Shire of Esperance, 2013a). The airport is a vital tourism link in addition to providing extensive business and local resident amenity. Airport services currently consist of vending machines, car hire and aviation fuel supply. Esperance Shire hosts a resident population of approximately 14,000 (ABS, 2013b) and the Esperance Region attracts around 230,000 visitor arrivals per annum (TRA, 2014). This scale of demand is unlikely to warrant significant additional capacity or airport associated activity in the immediate term. However it is critical that the airport retains capacity to provide expanded flights and airport associated services over time as the population and regional economy grow.
Development Overview	
Site Requirements	Expansion would be based on the current Esperance Airport site.
Development Scale	Expansion to be scaled incrementally as dictated by demand conditions.
Production	NA
Capital Expenditure	To be determined based on market demand and service operator requirements.
Employment	Moderate direct employment opportunities associated with expanded services.

Initiatives	Description/Outcomes
Viability Assessment	
Timeframe	Medium-long term
Capacity to Proceed Without Intervention	Moderate
Risk Factors	Key risks include: • Variability in visitor arrivals • Cost of operations/ expansion • Competition for flight routes from larger centres

Source: AEC

Regional Focus Initiatives

Business Incubator and Business Service Centre

Table E.19: Business Incubator and Business Service Centre Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the establishment of a business incubator and business service centre in Esperance with regional nodes in Norseman and Ravensthorpe.
Key Notes/ Context	Range of supporting infrastructure and services to assist new start-up ventures.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Commercial office facilities at Esperance, Norseman, and Ravensthorpe • ICT network and equipment
Supporting Sectors	• Local businesses (legal and accounting + local mentors) • Industry organisations
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	NA
Key Competitors	There is a strong draw for start-up businesses to establish operations in larger capital city markets such as: • Perth • Sydney • Melbourne • Brisbane Major regional centres also possess a strong draw for start-ups in some sectors. Key competitors include: • Kalgoorlie • Broome • Albany
Market Outlook	
Prices & Price Drivers	NA
Volume & Context	Incubators are a market entry platform designed to assist businesses in an early stage of development to establish operations. Key services business incubators typically provide include: • Shared premises • Business services • Access to investor and market networks • Mentoring • A full-time management team An incubator allows new businesses to establish a physical presence in a market with a low risk and resource commitment. The incubation period for an individual business is typically 12-18 months.
Development Overview	
Site Requirements	Suitable office space in proximity to existing businesses and amenities.
Development Scale	Commercial offices located in Esperance with smaller facilities in Norseman and Ravensthorpe (at a minimum a virtual support network of mentors and external business advisors).
Production	Target facilitating 5-10 start-up enterprises in the first year of operations.
Capital Expenditure	Moderate depending on the final operating model and site selection.
Employment	Direct employment associated with an initial incubator program of between 1-5 FTE staff. Indirectly the program would aim to create substantial employment opportunities through new business ventures.
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Minimal
Risk Factors	Key risk factors include:

Initiatives	Description/Outcomes
	• Market scale and access • Costs of establishment • Demand levels from business start-ups

Source: AEC

Esperance Port Expansion

Table E.20: Esperance Port Expansion Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the continued expansion of Esperance Port. Expansion is currently planned, including a port access corridor and an upgraded multi-user iron ore facility upgrade.
Key Notes/ Context	Further port upgrades which would bring substantial economic and community benefits include: • Allowing greater import of goods (rather than being just an export port for minerals and grain) by utilising container handling facilities
Upstream and Downstream Requirements	
Supporting Infrastructure	• Port docking, container, and handling facilities • Road, and rail transportation access
Supporting Sectors	Major regional exporters include: • Mining • Agriculture Other current and potential supporting sectors for an expanded Esperance Port include: • Transport & logistics • Tourism • Retail trade • Food services
Market Position	
Australian (Industry) Position	Australia is heavily reliant on international trade, with seaport the major means of transport for mining and agricultural exports and large scale manufactured imports. In 2011-12 major Australian Ports exported nearly 900 million tonnes of cargo and imported nearly 140 million tonnes (Ports Australia, 2013).
Regional Competitiveness	Regional strengths: • Existing, proven port facility with good channel and berth depth • Established mining and agricultural industries • Existing tourism sector which could be further leveraged Regional weaknesses: • Distance and remoteness • Modest population base for import demand • Limited existing current distribution channels for imports • Access to labour
Key Competitors	Esperance Port is currently the fifth largest port in Western Australia. Export volumes over 2011-12 for major Western Australian ports are provided in the table below:

Port	Imports (Million Tonnes)	Exports (Million Tonnes)	Total (Million Tonnes)
Broome Port Authority	0.2	0.0	0.2
Albany Port Authority	0.1	3.3	3.5
Geraldton Port Authority	1.2	9.2	10.4
Esperance Ports	***0.8***	***11.0***	***11.8***
Bunbury Port Authority	1.6	12.6	14.3
Fremantle Ports	13.6	14.6	28.2
Dampier Port Authority	0.9	170.9	171.8
Port Hedland Port Authority	1.7	245.0	246.7
Western Australia Total	**20.1**	**466.7**	**486.8**

Note: Totals may not add due to rounding.
Source: Ports Australia (2013)

Initiatives	Description/Outcomes
Market Outlook	

Prices & Price Drivers	Commodity values for key port commodities include:
	• Mining commodities:
	    o Iron ore around $110/t spot price
	Prices remain at historically high levels despite having fallen considerably from their 2011 peak.
	• Agricultural commodities:
	    o Wheat approximately $300/t
	    o Barley approximately $250/t
	Agricultural commodity prices remain historically high despite having fallen from their 2012 highs.
	
	Global prices for both mining and agricultural commodities will be driven primarily through growing Asian demand. Sustained Asian economic development should underpin high iron ore prices despite rising global supply levels. Rising incomes and changing food preferences in developing Asia will generate strong longer term demand for Esperance's key agricultural crops.

Volume & Context	Esperance Port is the major export terminal for the region, exporting approximately 13 million tonnes in 2012-13. Major commodities currently exported through the port include: • Iron ore • Barley • Wheat • Canola
Development Overview	
Site Requirements	Development is centred around expansion within the existing Esperance Port site.
Development Scale	TBA
Production	Currently around 13 million tonnes p.a.
Capital Expenditure	TBA
Employment	Significant employment opportunities during construction, with some ongoing opportunities associated with expanded operations.
Viability Assessment	
Timeframe	Current port expansion: 3-5 years Additional port expansion: Medium-long term
Capacity to Proceed Without Intervention	Current port expansion: High Additional port expansion (import expansion): Low-moderate depending on longer term demand and commitment from cruise industry
Risk Factors	Key risk factors include: • Commodity price volatility • Funding availability • Demand levels for imports

Source: AEC

Regional Energy Supply

Table E.21: Regional Energy Supply Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is for enabling access to affordable and reliable energy generation and distribution across the broader Esperance Region. The region has a strong focus on renewable energy potential over the longer term.
Key Notes/ Context	Ravensthorpe Shire is currently serviced via the WA electricity grid. Dundas Shire is currently not connected to the WA electricity grid, with power provided by Horizon Energy. Esperance Shire is currently not connected to the WA electricity grid, with power provided by Horizon Energy via a gas-fired base-load power station supplemented by renewable (wind) generation. With the current wind farm nearing the end if its useful life, opportunities for upgraded renewable (and cheaper baseload) generation should be pursued.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Transmission network • Power plant/ generation infrastructure

Supporting Sectors	• Electricity generation and distribution
	• Local energy consumers:
	    o Local commercial/ industrial operators
	    o Local businesses and households

Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established generation and local transmission network/ infrastructure • Solid base for household and commercial and growing demand • Strong renewable energy potential (wind, solar, tidal, geothermal). New technologies also allow for energy to be generated from industrial and domestic waste streams that would otherwise go to landfill • Isolated/ separated local network is attractive to energy researchers and developers as they can accurately test new products and pilot systems Regional weaknesses: • Lack of State grid connection precludes energy export, limiting production to servicing local demand levels • Current wind generation unable to provide base-load energy (improving tidal technology may enable renewable baseload energy generation) and is nearing end of useful life • Current network is near capacity for home solar generation
Key Competitors	Existing local electricity generators: • Nine and Ten Mile Lagoon wind farms • Esperance gas-fired power station
Market Outlook	
Prices & Price Drivers	• The rising costs of electricity tariffs may increase renewable project viability • Rising costs of natural gas prices may make renewable forms of energy generation more financially attractive
Volume & Context	• Oversupply of generation in the broader Western Australian market currently • The Esperance Region electricity market is not of sufficient size to be a cost effective energy market for new generation based on current demand
Development Overview	
Site Requirements	Site requirements vary between generation options, generally: • Positioned close to load or transmission network • Positioned close to fuel/ generation source
Development Scale	Scale to be modest based on current transmission network. Longer term potential for larger scale generation dependent on an expanded and upgraded State grid connection.
Production	Various depending on development scale. Current generation consists of: • Ten Mile Lagoon wind farm (approx. 2MW capacity)

Initiatives	Description/Outcomes
	• Nine Mile Lagoon wind farm (approx. 3.5MW capacity) • Esperance gas-fired power station (approx. 33MW capacity)
Capital Expenditure	Capital expenditure is expected to be significant at around $3/W (e.g. $7.5 million for a 2.5MW capacity) for renewable generation with-out energy storage.
Employment	Significant during construction with modest ongoing opportunities.
Viability Assessment	
Timeframe	Medium-long term
Capacity to Proceed Without Intervention	Low
Risk Factors	Key risk factors include: • Modest local market demand • Monopoly energy distributor • Regulatory uncertainty surrounding renewable generation subsidies and the carbon tax

Source: AEC

Regional Investment Fund

Table E.22: Regional Investment Fund Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is the establishment of a regional investment fund in order to provide cost effective finance to high-priority local and regional development initiatives.
Key Notes/ Context	It is envisioned the regional investment fund will be financed by a group of key regional stakeholders including large businesses, high net worth individuals and potentially Local Government. The fund will operate in a similar fashion to venture capital, however, will offer returns below commercial levels of interest and equity returns – more likely to generate a low or break-even return. It is a tax effective and cost neutral way to facilitate and deliver philanthropic investment and local development outcomes.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Information communication technology
Supporting Sectors	• Large local businesses • High net worth individuals • Local Councils • Financial services • Legal and accounting services
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	The Esperance Region offers strong potential investment and economic development opportunities. However, the region faces fierce competition for investment from larger centres and overseas. A regional investment fund would assist in leveraging the economic development potential and investment opportunities of the Esperance Region and 'get the ball rolling'.
Key Competitors	• Alternative philanthropic opportunities • Investment vehicles focussed on generating commercial returns
Market Outlook	
Prices & Price Drivers	These investment vehicles focus on delivering break-even or marginally positive investment returns (2% to 4%) with a 'tax break', rather than commercially competitive rates of return (7% to 25%). Investment imperative is for a better than break-even investment with a distinct and strong community and/ or economic development outcome.
Volume & Context	Would need seed capital of between $500,000 and $2.5 million to start.
Development Overview	
Site Requirements	NA
Development Scale	Scale of the regional investment fund to be determined based on the willingness of local investors and the legal structure of the vehicle.
Production	NA
Capital Expenditure	NA
Employment	Negligible direct employment opportunities associated with establishing the fund. Local employment to be generated through the direct investments of the fund.
Viability Assessment	
Timeframe for Viability	Current
Capacity to Proceed Without Intervention	Low
Risk Factors	• Willingness of local investors • Commercial risk associated with investments made • Required return on invested funds

Source: AEC

Regional Mobile Communications and National Broadband Network

Table E.23: Regional Mobile Communications and National Broadband Network Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is widespread implementation of a high speed data and communications network across the region. The areas investigated include the expansion of both mobile and broadband coverage.
Key Notes/ Context	Enhanced telecommunications access across the Esperance Region.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Power supply • Satellite and fibre optic connection infrastructure
Supporting Sectors	• Local businesses • Local households
Market Position	
Australian (Industry) Position	NA
Regional Competitiveness	Regional strengths: • Established industries (mining, tourism, agriculture) Regional weaknesses: • Distance and remoteness • Modest population base
Key Competitors	NA
Market Outlook	
Prices & Price Drivers	Not considered
Volume & Context	Mobile access in the Esperance Region is currently poor outside of the main travel roads and townships.
Development Overview	
Site Requirements	• Corridors for fibre optic routing
Development Scale	To be determined
Production	NA
Capital Expenditure	Significant
Employment	• Large scale opportunities during construction • Enables a broad range of employment and educational opportunities and business efficiencies
Viability Assessment	
Timeframe for Viability	Current
Capacity to Proceed Without Intervention	Low
Risk Factors	Key risks include: • Lack of mobile users to provide commercial return on up-front capital costs

Source: AEC

Agricultural Lands Release - Investigation

Table E.24: Agricultural Lands Release - Investigation Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	The opportunity being considered is investigation into the potential for release of additional (Crown and freehold) land for agricultural production within the Esperance Region.
Key Notes/ Context	Additional agricultural lands may provide a significant avenue for expanding regional production, employment and exports. Should available and suitable lands be identified through this initiative they would preferably be made available individuals and 'family farms'.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Upstream and downstream transportation/ export network
Supporting Sectors	Upstream: • Local growers • Farm input supply chain (local and from outside of the region) Downstream: • Marketing, transport/ logistics and distribution • Wholesale/ retail trade sectors • Local, national, and international consumers
Market Position	
Australian (Industry) Position	Australia is a major agricultural commodity producer and a competitive net agricultural exporter. Around two-thirds of Australia's total agricultural production (worth around $36 billion) is exported, predominantly to China, Japan, Indonesia and Europe (DFAT, 2013). Australia's major agricultural export commodities (excluding meat & livestock) include: • Wheat ($6.3 billion) • Cotton ($2.7 billion) • Wine ($1.9 billion) • Sugar ($1.6 billion)
Regional Competitiveness	Regional strengths: • Established and innovative agricultural industry • Suitable growing conditions for a range of crop types Regional weaknesses: • Distance and remoteness • Access to labour
Key Competitors	Competition for the domestic market varies between commodities and is expected to come from established producers including: • Ord River Irrigation Area • Northern and Central Queensland • Murray-Darling Basin Export market conditions will depend in significant part on the production of major global suppliers. The world's largest agricultural exporting countries are currently: • United States • Netherlands • Germany • France • Brazil
Market Outlook	
Prices & Price Drivers	World food prices have risen strongly over the past decade, averaging nearly 8% per annum (FAO, 2014). Price increases have been driven by a number of factors, including: • Input cost increases (fuel, labour, fertiliser) • A growing global population • General health awareness • Rapidly rising incomes and changing food preferences in developing economies increasing propensity to consume fresh and higher quality foods Further population pressures and constraints to global production are expected to underpin additional price increases over the medium-longer term.
Volume & Context	The Esperance area is rich in agriculture, primarily grain and broadacre cropping. Agriculture forms the historical basis for the economy, together with fishing. As an industry Agriculture,

Initiatives	Description/Outcomes
	Forestry and Fishing contributes 17.1% of the Esperance Region's economic activity. Additional land for production would serve to increase this.
Development Overview	
Site Requirements	Additional available lands suitable for agricultural production.
Development Scale	Potential for additional lands suitable for release subject to further investigation.
Production	Yields vary significantly between crop options and growing seasons.
Capital Expenditure	Significant capex associated with developing new lands and entering them into the production cycle.
Employment	Significant additional local employment could potentially be generated through developing (substantial employment and expenditure locally) and working the new agricultural lands. Further investigation is required to confirm the potential for additional lands to be released.
Viability Assessment	
Timeframe for Viability	Current
Capacity to Proceed Without Intervention	Low
Risk Factors	• Capacity and appropriateness to provide additional lands for agricultural production • Environmental considerations • Crop production and market risks • Suitability of additional lands for agriculture • Cost of developing and operating new land • Capital availability

Source: AEC

Regional Tourism Expansion

Table E.25: Regional Tourism Expansion Analysis

Initiatives	Description/Outcomes
Background	
Opportunity Description	Development of additional tourism product, high profile events attraction, and regional marketing and collaboration.
Key Notes/ Context	Enhanced regional tourism industry.
Upstream and Downstream Requirements	
Supporting Infrastructure	• Suitable attractions/ products both natural such as national parks, man built facilities, and events • Available transport access suitable for a diverse range of domestic and international tourists • An appropriate range of accommodation infrastructure suitable for a diverse range of domestic and international tourists (currently limited)
Supporting Sectors	Supporting industry sectors for tourism include: • Retail • Food services • Transportation services • Health care and emergency services • Maintenance and signage services
Market Position	
Australian (Industry) Position	The Australian tourism industry has fallen on hard times in recent years. The combination of the Global Financial Crisis (GFC) and a strengthening Australian dollar have resulted in a greater number of international travellers staying at home. The strong Australian dollar has also made it more affordable for Australians to travel overseas, rather than travelling domestically.
Regional Competitiveness	Regional strengths: • Nature-based experiences including camping bushwalking, fishing, hunting, 4x4 driving • Natural assets • Existing accommodation infrastructure • Air and sea access Regional weaknesses: • Distance and remoteness • Modest existing visitor mass • Access to labour • Small and dispersed resident population (limits the potential for day-tripping)

Key Competitors	Key competitors for tourist visitation with the Esperance Region include:
	• Major Australian destinations such as capital cities and recognised brands such as Cairns/ Far North Queensland, Gold Coast, Byron Bay
	• Key regional destinations, such as:
	  ○ Broome/ Outback WA
	  ○ Kangaroo Island
	  ○ Great Ocean Road
	  ○ Margaret River
	  ○ Tasmania
	  ○ Eden
	  ○ Bega
	  ○ Ningaloo

Market Outlook	
Prices & Price Drivers	Varies across potential expansions
Volume & Context	The Esperance Region attracts around 230,000 visitors annually.
Development Overview	
Site Requirements	Tourist attraction in key proximity to existing businesses and amenities.
Development Scale	Various options exist for expanded or new hiking trails across the region.
Production	NA
Capital Expenditure	Capital expenditure will be varied depending on the type and scale of expansions.
Employment	Significant employment potential leveraging the region's existing strength in tourism.

Initiatives	Description/Outcomes
Viability Assessment	
Timeframe	Current
Capacity to Proceed Without Intervention	Various
Risk Factors	Key risk factors include: • Market scale and access • Capital funding • Volatility in visitor arrivals

Source: AEC

Appendix F: Focus Initiative Prioritisation

The following table presents a summary of the opportunities identified for each of the three LGAs in the Esperance Region as well as the overarching regional initiatives. Each of these initiatives have been scored, qualitatively against their:

- Capacity to generate:
  - Employment (0-2, zero being no capacity, one being some capacity and two being strong capacity)
  - Economic growth
  - Enhanced regional branding and awareness
  - Local/ regional business/ community confidence
  - Beneficial and flow on social outcomes
- Complexity of implementation (negative 1 to negative 3, negative one being relatively simple and negative three being complex)
- Likelihood of being realised without intervention (L = likely, UL = unlikely to be realised without intervention), those that are likely to be realised without intervention should be supported but should probably not receive significant investment of limited funds.

Table F.1: Focus Initiative Prioritisation

Initiatives	Description	Employment	Growth	Branding/ Awareness	Confidence	Social Outcomes	Complexity	Requires Intervention	Score	Notes/ Context
Shire of Dundas										
Bakery, Café, and Art Gallery	Development of a bakery, café, art gallery as part of the Norseman Visitor Gateway Centre	2	1	2	2	2	-2	UL	7	• Key local initiative based on tourism and local amenity outcomes
Attraction of Additional Tradespersons	Attraction of additional tradespersons to service Dundas	1	1	0	2	2	-1	UL	5	• Key local initiative for improving local service levels, amenity and business efficiency

Initiatives	Description	Employment	Growth	Branding/ Awareness	Confidence	Social Outcomes	Complexity	Requires Intervention	Score	Notes/ Context
Norseman Airport Expansion	Upgrade Norseman Airport to allow commercial aircraft	2	2	2	2	2	-3	UL	7	• Significant economic and social benefits if achieved • Somewhat contingent on new mine development for viability
Shire of Ravensthorpe										
Community Banking Facilities	Provide ATM facilities in Ravensthorpe	1	1	1	2	2	-1	UL	6	• Potential for considerable community outcomes • Community banking model potentially more sustainable for the area • Important local project due to high social outcomes and relative simplicity and achievability
Hopetoun and Ravensthorpe Accommodation	Enhance accommodation at Hopetoun to cater for overnight stays for tourist buses	2	2	2	2	2	-2	UL	8	• Key local initiative based on potential to enhance tourist amenity
Recreational Tourism	Enhance and develop walking and hiking trails in parks and reserves around Ravensthorpe and Hopetoun	1	1	2	2	2	-1	UL	7	• Key local initiative based on potential to enhance regional tourism profile and community amenity
Ravensthorpe Water Supply	Upgrade the water supply to Ravensthorpe from the Hopetoun borefield by piping the scheme	0	0	1	2	2	-3	UL	2	• Important project for local amenity and sustainability • Limited ongoing employment/ economic opportunities
Hopetoun Main Street and Marina	Revitalisation of the Hopetoun main street and the development of a marina	1	1	2	2	2	-3	L	5	• Key local initiative based on potential to enhance regional tourism profile and community amenity • Project will require significant support given capital expenditure levels and current business mass
Hopetoun and Ravensthorpe Town Centre Urban Revitalisation	Revitalisation of the Hopetoun & Ravensthorpe town centres	1	1	2	2	2	-2	L	6	• Key local initiative based on potential to enhance local business viability, regional tourism profile and community amenity

Initiatives	Description	Employment	Growth	Branding/ Awareness	Confidence	Social Outcomes	Complexity	Requires Intervention	Score	Notes/ Context
Shire of Esperance										
Produce Branding and Collaboration	Local fresh food hub and regional food brand development based on enhanced local agricultural produce and seafood	1	2	3	3	2	-2	UL	7	• Opportunity to leverage local produce through a collaborative branding campaign
Implement Esperance Town Centre Revitalisation Master Plan	The Master Plan has identified a range of initiatives and planning requirements to facilitate the growth and development of the Esperance Town Centre as well as its integration with the foreshore area. These need to be implemented to ensure the realisation of the goals and targeted outcomes of the Master Plan	2	2	2	2	2	-2	UL	8	• Increased activity in the town centre • Enhanced connectivity • Increased tourist and local resident amenity • Enhanced economic activity • Cultivation of a day and night economy • Higher density housing development
Esperance Tourism Development	Enhance the short-stay accommodation offering in Esperance. Developing additional tourism product, cruise ship and event attraction	2	2	2	2	2	-3	UL	7	• Provide employment opportunities in the hospitality sector • Increase local spending by attracting more visitors to the region with higher discretionary spending
Middletown Redevelopment	Continue to investigate, plan and support the longer term redevelopment of Middletown, including the CSBP site	2	2	1	2	2	-3	UL	6	• Provide additional land for industrial, commercial and residential development • Improve the connectedness of the Esperance townsite and complement the town centre revitalisation • This is a longer term development to be planned for

Initiatives	Description	Employment	Growth	Branding/ Awareness	Confidence	Social Outcomes	Complexity	Requires Intervention	Score	Notes/ Context
Bandy Creek Mixed Use Marina Precinct Development	Development of the Bandy Creek Boat Harbour area into a mixed used marina precinct	2	2	1	2	2	-3	UL	6	• Attractive location for future Esperance townsite expansion • Shire well supplied with residential land for the immediate term • Timing of development subject to future demand levels
Seafood Hub	Developments across the regional seafood supply chain	2	2	2	2	2	-2	L	7	• Strong opportunities across the seafood value chain, research and development and education • Opportunities for sea cage farming of a number of high value species • Strong seasonal employment prospects
Agricultural Value Add	Development of value adding processing and manufacturing to the Esperance Shire's established agricultural sector	2	2	1	2	2	-3	L	6	• Minimal value adding currently occurring • Identified potential for canola oil processing • Need for a critical production mass • Strong seasonal employment opportunities • Longer term project to be considered
Aged and Health Care Expansion	Establishment of expanded aged and health care facilities in Esperance Shire	1	1	1	1	2	-1	UL	5	• Established retirement destination based around provision of appropriate services for residents of the surrounding region • Potential opportunities for retirement resort, health and aged care provision • Access to skilled labour is currently a constraint
Esperance Airport Expansion	Expansion of flight availability and services provided at Esperance Airport	1	1	2	2	2	-1	L	6	• Key source of tourist, business and local resident amenity • Current provision of flights and services adequate for expected demand over the near term • Critical that flight availability and airport services are able to increase over time to cater for the growing regional economy

Initiatives	Description	Employment	Growth	Branding/ Awareness	Confidence	Social Outcomes	Complexity	Requires Intervention	Score	Notes/ Context
Region-wide										
Business Incubator and Business Service Centre	Develop a business incubator and business service centre in Esperance with regional nodes in Norseman and Ravensthorpe	2	2	2	2	2	-3	UL	7	• Indirect support for economic development • Network of local skilled mentors to assist start-up businesses • Highly dependent on demand from start-up businesses
Esperance Port Expansion	Continue supporting the upgrade and expansion of the port	2	2	2	2	2	-3	L	7	• Key regional enabling infrastructure to support regional economic activity • Potential for broader port activity to support local business/ tourism
Regional Investment Fund	Local investment fund to facilitate high priority local/ regional programs	2	2	1	2	2	-3	UL	6	• Source of competitive advantage for the region • Avenue to realise marginal projects with high levels of community benefits/ outcomes
Regional Energy Supply	Securing cost effective energy generation, transmission and distribution	1	2	1	2	2	-3	UL	8	• Potential to improve energy cost and reliability for local households and commercial energy users • Market for electricity generation currently highly uncertain with significant up-front capital expenditure required • Potential for significant long term regional economic development benefits
Agricultural Lands Release - Investigation	Investigation into the potential for release of additional Crown and freehold land for agricultural use	2	2	2	2	2	-3	UL	8	• Significant additional works required to identify the potential for and appropriateness of expanding agricultural production lands • Potential for additional economies of scale and significant local employment
Regional Mobile Communications and National Broadband Network	Advocacy for expanded regional telecommunications coverage	1	2	2	2	2	-3	UL	7	• Significant potential industry productivity and community outcomes
Regional Tourism Expansion	Development of additional tourism product, high profile	2	2	3	2	2	-2	L	7	• Key initiative leveraging the existing regional tourism strengths

Initiatives	Description	Employment	Growth	Branding/ Awareness	Confidence	Social Outcomes	Complexity	Requires Intervention	Score	Notes/ Context
	events attraction, and regional marketing and collaboration									

Source: AEC

The overall score for projects to be taken forward as local and regional focus initiatives have been derived based on the above scoring system and in consultation with key regional stakeholders regarding project achievability, timing, and complexity given the availability of local and regional resources.

Esperance Region

Economic Development Strategy