



state of the
REGIONS
REGIONAL DEVELOPMENT IN WA

Part 4: Future of the Kimberley

Summary of proceedings

Friday, 29 May 2015

8.00am to 5.00pm

Cable Beach Club, Broome

Supported by CEDA members:

Series sponsor



Government of **Western Australia**
Department of **Regional Development**



ROYALTIES
FOR REGIONS

Major sponsors



LANDCORP



For the better

Regional Overview

CEDA and the Department of Regional Development (DRD) held the fourth of its landmark State of the Regions events in Kimberley on 29 May 2015.

The Kimberley is a vast region with abundant resources, attractions and opportunities. Positioned to capitalise on its proximity to the South East Asian market, the region provides many opportunities for future growth and development.

The Kimberley region has an estimated population of 39,000 people, forecast to grow to around 50,000 by 2026 (WA Tomorrow – 2015, Department of Planning).

While the Kimberley recorded its highest level of employment at nearly 20,500 persons in 2013-14, employment has steadily increased over the past four years. The mean taxable income for the Kimberley region was estimated at \$66,000 in 2011-12. This represents an annual average growth rate of 6.2 per cent over 10 years.

The Kimberley economy

- > The estimated value of gross regional product for the Kimberley region was \$3.2 billion in 2012-13, growing at a rate 9.4 per cent, which is marginally lower than the average state growth of 10.8 per cent.
- > Total value of agriculture in the Kimberley (predominantly livestock related) has increased 102 per cent from \$104 million in 2002-03 to around \$210 million in 2012-13.
- > The value of Kimberley mineral production has varied over the past decade, with peaks in 2007-08 (\$1.6 billion) and 2011-12 (\$1.4 billion) with current estimates of value at around \$1.2 billion.
- > Tourism attracted an average of 293,600 overnight visitors annually from 2010 to 2012 of which 88 per cent were domestic tourists. In the same period, turnover is estimated at \$327 million per annum.
- > The retail trade industry experienced ongoing growth over the past 10 years, increasing 69 per cent from an estimated \$246 million in 2002-03 to \$415 million in 2012-13.

Summary of Proceedings

Session 1: Vision for the Kimberley

Blueprint for the Kimberley region

Jeff Gooding, Chief Executive Officer at the Kimberley Development Commission, opened the event by talking about the development of the Kimberley Regional Investment Blueprint (Blueprint), which, he said, was an aspirational plan for investment. Mr Gooding defined aspirational as collectively getting all of the elements right, so we can see what the Kimberley could look like in 2036.

The Commission developed the Blueprint with key partners over 18 months. Following the public consultation phase and review, a final version will be released in mid-2015.

The Blueprint is about development, and the first step was to consider 'where the Kimberley is now'. Increasingly, stakeholders, and especially those in the Kimberley, agree that 'business as usual' is not an option. It is clear that transformation is required. Simply, the difference needed is to grow our regional industries that have comparative advantage at a rate that is above the 'business as usual' trend.

This will impact the labour market for both Aboriginal and non-Aboriginal people. The real challenge is to attain full employment in the Kimberley, and the Blueprint shows this is doable. Achieving full employment will require a six-fold increase in Aboriginal employment.

The Blueprint's eight pillars and six agendas will provide the roadmap to change and focus on what the Kimberley needs to do.

"We can only move to those goals if we plan," Mr Gooding said. "The Blueprint will need to change over time so is being constructed to be measured and monitored."

Mr Gooding concluded by saying that, in a real sense, the Blueprint is already operating.

State Government's vision for the Kimberley region

"In talking about regional development, we are talking about opportunities and challenges to reach goals that we aspire to," stated the Minister for Regional Development, the Hon. Terry Redman MLA.

Of all the regions, the Kimberley presents a stark contrast between the huge opportunities and significant challenges that exist. Opportunities include agriculture, tourism, proximity to Asia and high levels of investor interest. The principal challenge sits with the wellbeing and future of Aboriginal people, who represent 45 per cent of the Kimberley's population.

The Minister emphasised we are at a unique time to address the challenges Aboriginal people face. Not only is 'regional development Aboriginal development' but it goes the other way around: 'Aboriginal development is regional development'.

The Blueprint is a tool and strategy to better understand where to make those investments, to understand the drivers, unlock potential and trigger transformational change. Importantly, one of the backbone themes throughout the Blueprint links the development of Aboriginal people to regional development and the development of the local economy. The Minister noted that if we do not get better outcomes and pathways for Aboriginal people, it will be 'a foot on the hose' i.e. an impediment, for the development of the Kimberley.

The State Government's 'Seizing the Opportunity Agriculture' and 'Water for Food' initiatives look at agricultural and irrigation precincts and options for land tenure to allow third-party investment. A third of pastoral leases in the Kimberley are Aboriginal-owned, and there is a huge potential to build relationships around agricultural economic development.

In terms of tourism, the State Government has invested a further \$11 million of Royalties for Regions funding to support the Experience Extraordinary campaign. This additional investment has increased

international travel into this region by 13 per cent. Many visitors are seeking Aboriginal cultural experiences and this additional State Government investment is helping to build local capacity and capability.

The Minister announced two new projects:

- > Broome brand re-positioning project: a \$45,000-initiative from the Broome Tourism Group, jointly funded with industry and the State Government to research and re-position the brand of Broome in the changing tourism market place.
- > Yaruwu Heritage Trail project: a \$117,000 joint initiative of the Yaruwu people and the Shire of Broome to fund the first infrastructure components of the long planned heritage trail from 'jetty to jetty' in Broome.

The Minister noted work is being undertaken to try and ensure that for people living in remote communities, their children are safe and have a pathway to education, the wider economy and jobs while still being able to keep their cultural and heritage links.

In responding to this, the Royalties for Regions Regional Reform Fund will invest \$150 million on a range of agreed Aboriginal regional reform initiatives. In the words of Ian Trust, Wunan Foundation Chair: "If you want things you haven't had before, you need to do things you haven't done before".

Session 2: Resources in the Kimberley

Mr Stedman Ellis, Chief Operating Officer, Western Region for the Australian Petroleum Production and Exploration Association (APPEA) facilitated a panel session on resources in the Kimberley. The panellists were:

- > George Bauk, Managing Director of Northern Minerals;
- > Andrew Smith, Country Chair of Shell Australia; and
- > Eric Streitberg, Executive Chairman, Buru Energy.

The key points from the panel discussion are outlined below:

Q: How does the Kimberley make the most of its resource endowment in terms of the opportunities for industry?

- > The first and most important aspect to making the region attractive for investment is to develop the existing infrastructure in the region to reduce the costs of doing business.
- > Secondly, increasing engagement with communities so that all receive benefits and work towards finding the alignment between government and the community.
- > Effective leadership is required to convert potential to opportunity.
- > Finally, financial capital is needed and it has to be applied strategically, particularly for infrastructure.

Q: Australia is challenged by high costs, and this has a particular impact on the Kimberley due to its remoteness and the current lower commodity prices. How does this context impact on projects?

The high cost environment businesses face in the Kimberley region has in fact been good in the sense that it has brought discipline to project expenditure. Capital is the scarcest resource for development, and a framework is required to attract capital into the region. The community and government must work together on developing this framework.

Australia has become a high cost country; business costs have almost doubled over the last 10-15 years, yet underlying productivity has not kept up with the speed in which we have become a wealthy country. Innovation and productivity improvements are required to keep us moving forward. Industry needs to be competitive on a global scale. Therefore, individual projects must be commercial and competitive.

Q: What is the role of government in the resource industry and what should its focus be?

The focus should be on developing a compelling vision for the Kimberley, implementing the Regional Investment Blueprint, and investing in high-quality, efficient infrastructure. These are all important elements in enabling business to take advantage of opportunities that arise.

A competent and efficient regulator that is trusted by the community is also important. Collaboration between project proponents on shared infrastructure can also help to address the high costs to business and benefit communities in the area.

Q: What part can the resource sector play in enhancing economic independence of Traditional Owners in the region?

A strong driver for transformational change in the Kimberley is the creation of jobs. Traditional Owners are interested in how many jobs a project will create and the related benefits. Aboriginal people want their children to be trained and employed.

Session 3: Future Opportunities for the Kimberley

Broome logistics hub

Russell Barnett, a Partner at Australian Venture Consultants, spoke about Broome's potential feasibility as a commercial and logistical hub for the Kimberley region.

Mr Barnett said that the region's unique features, including those present in modern Aboriginal life, environmental values, community diversity and strategic geography, must be embraced as opportunities rather than obstacles.

Efficient logistics is one of the most important factors in determining the region's competitiveness and is a key pillar of growth. To that end, Broome is the ideal hub for a logistics centre: it is a major population centre; has maritime and aviation capabilities; is close to the Indian Ocean sea lanes; has access to the Kimberley hinterland, Pilbara region and the Offshore Browse Basin; and resident's value living in Broome.

If there is no improvement in logistics capacity, the Kimberley risks being unable to deliver on efficiencies required by the offshore oil and gas sector, or to capitalise on its unique development context. There is also a risk of the Kimberley community not coming to a broad consensus about what it wants for the region. Over the next 18 months, extensive consultation will be conducted to address these issues.

Kimberley's economic and demographic profile

Professor Alan Duncan, Director at the Bankwest Curtin Economic Centre, outlined the Kimberley's prevailing economic circumstances. Bankwest Curtin Economic Centre's research on regional development is currently being used to produce a regional economic dashboard facility that will soon be delivered online. Some of the analyses discussed at this conference will be available when that dashboard goes online.

Professor Duncan outlined key components of the Kimberley's demographic profile, highlighting the region's age profile. The Kimberley has a distinctive drop in the number of 12 to 18 year olds compared to the rest of Australia, and a peak in the population aged between 25 to 30 years; both factors impact job opportunities and education.

Economic development and industrial diversification is critical to develop the strength and resilience of the Kimberley economy. In terms of social aspects of the Kimberley and its future circumstances, there are some issues in relation to drug and alcohol use, with ice overtaking cannabis as the most commonly-used illicit drug as observed in Kimberley rehabilitation centres.

Professor Duncan spoke to an exciting project being conducted with the Kimberley Institute and the Australian National University exploring wellbeing that can be used to help inform policy and make it more culturally relevant to Aboriginal communities. These can be added to existing orthodox metrics including good life, or 'Liyan', connection to community and language. Results from this project will be delivered later in 2015.

Water for Food program

The Hon. Mia Davies, MLA, Minister for Water, spoke about the Water for Food initiative, a \$40 million project that falls under the broader banner of the State Government's \$300 million Seizing the Opportunity Agriculture initiative, the biggest investment in agriculture in the state's history. Water for Food has two clear obligations: define sustainable water for intensive irrigation, and, provide pastoralists with an avenue to convert parts of their holding to a more investor-friendly title.

The Kimberley can capitalise on its opportunities and diversify its economy by expanding agriculture through irrigation. More than 10 million hectares of land in Western Australia has been identified as suitable for irrigation, half of which is located in the West Kimberley.

Despite that potential, less than 50,000 hectares of land, is currently used for irrigation across the entire state. While the Ord Stage 2 project is expanding the East Kimberley irrigation footprint to 27,000 hectares, the story in the West Kimberley is far different, where less than 4,000 hectares are being used for irrigation.

Water for Food aims to provide the science and land tenure pathways to allow Kimberley pastoral stations to become greater participants in expanding beef markets. The Kimberley only has 700,000 head of beef cattle across its 432,000 square kilometres expanse, while Queensland has over 12 million head of cattle. Water for Food is aiming to open up those opportunities for irrigation in the Kimberley and other regions by defining groundwater resources and creating a pathway for pastoralists to more exercise more investor-friendly land titles. There are eleven Water for Food projects being rolled out across the state; Stage 1 of Water for Food commenced in June 2014, and Stage 2 in February 2015. In the Kimberley, the total Water for Food investment is \$24 million.

Water for Food's objective is to create economic opportunities for all people, including Aboriginal people and especially those under 20 years of age, many of whom have lived without the prospect of fulfilling employment prospects.

"This is the best time to be discussing this as there is real demand on our doorstep in our Asian markets," Minister Davies said. "It is my hope that the Water for Food program be embraced by Aboriginal leaders and result in more of the Indigenous pastoral land estate being used to create a sustainable and prosperous future on country."

Minister Davies said that Royalties for Regions had made it possible to think in a transformational way. The program has been responsible for the creation of new career pathways to keep people living and working in the Kimberley. It was exciting to be at the frontier of a new industry for a new economy.

Session 4: Infrastructure and Development in the Kimberley

Kimberley Ports Authority

The future of the Kimberley Port Authority was outlined by Kevin Schellack, Chief Executive Officer of Kimberley Ports Authority (KPA). Mr Schellack spoke of KPA's vision to facilitate maritime trade to deliver sustainable economic and social benefits for stakeholders across the region. KPA's mission is to strategically develop its ports in a safe, commercial, sustainable and environmentally responsible way for the benefit of local communities and stakeholders.

KPA is currently responsible for managing the Port of Broome, and the waters and land around James Price Point. Anticipated to take effect from 1 July 2016, KPA is to have regulation and overall management of ports at Browse, Derby, Wyndham and Yampi Sound Ports (Cockatoo and Koolan Islands). KPA's Port of Broome has approximately 50Ha of land within the port's boundaries of which 17Ha has heritage and environmental clearances and is ready to be developed by proponents.

Future activities of the KPA include the \$24 million Royalties for Regions Wharf of Life Extension project, to extend the lifespan of the wharf. In addition, the KPA has 68 hectares of Crown-vested land, ready to be developed by future proponents, seventeen hectares of which have heritage and environment clearances.

To achieve its goals, KPA identified the need for a 'whole of port' master plan, access to investment funding and the need to work closely with stakeholders and proponents to identify and meet needs. The creation of marine parks and town planning are critical to the role ports play in the economic and social wellbeing of the region.

Regular transport links between South East Asian countries and the Kimberley will significantly enhance future trade opportunities across the region. Mr Schellack said that the KPA is 'open for business' and looks forward to working with the community and proponents to grow the economy and the Kimberley.

Broome International Airport

Broome International Airport (BIA) has been privately owned since 1991 and operates on freehold land purchased under a competitive tender process from the Commonwealth Government. Nick Belyea, Chief Executive Officer at BIA, said that over \$10 million had been invested into the airport's infrastructure since 1991, and it now offers air services to all Australian mainland capitals. Recognising an opportunity with the Browse Basin Oil and Gas, BIA developed the Broome Heliport.

BIA has been a major economic contributor to the Kimberley region and sponsors many local events. BIA commissioned a consultant to look at the economic and social value provided to the region. Consultants found that BIA provides approximately 776 direct and indirect jobs, and has a flow-on effect of four per cent of all Kimberley employment and nine per cent of Broome's. It contributes \$146 million per annum to the local economy and 5 per cent of Gross Regional Product.

Tourism in the Kimberley, particularly to Broome, has been struggling recently and needs to be rebranded. A report highlighted six pillars that needed to be addressed to improve tourism, with aviation being one of these.

Broome needs an 'economic adrenalin boost' through a strategic project such as a casino or marina, or possibly both. An expanded international flight schedule at Broome would be welcome, particularly as Singapore is just four hours from Broome and BIA is capable of providing further international air services.

Mr Belyea also highlighted that BIA is looking at expanding its service offering to the resources industry.

The Djarindjin community on the Dampier Peninsular owns the Djarindjin Aboriginal Corporation (DAC) that provides high quality services to the oil and gas industry, employing nine Aboriginal staff. BIA manages the DAC airstrip, which is a strategic piece of infrastructure in terms of Browse refuelling and cyclone evacuation. The DAC airstrip is a major income source to the community and DAC is seeking to develop other economic opportunities.

The airport currently has plenty of capacity. BIA is negotiating with the State Government to acquire future airport sites, initially for helicopter training. This will also allow BIA to progressively move airport activities out of town. Mr Belyea's closing comment was that 'Broome is open for business' and a great place to live, work and play.

Energy

Frank Tudor, Managing Director of Horizon Power, said Horizon Power services a large area, with a small customer base of 100,000 residents and 10,000 businesses. As the electricity business is about scale and intensity, Horizon Power will always face a challenge to be efficient with such a small customer base.

Since its inception, Horizon Power has been dealing with legacy asset issues, and though it has taken some years, the wooden pole program is now compliant. This is an important safety and reliability offering to the public.

Horizon Power is working towards reducing its subsidisation and variable costs by half, and Mr Tudor suggested that Horizon is 60 to 70 per cent of the way there.

With regard to Horizon's remote Aboriginal communities' power supply project, the first part of the project was to identify five communities and bring normal electricity standards to those communities. Horizon Power helped to refurbish the power station, upgrade the network and establish a retail service. Importantly, a meter was installed at each individual house, allowing the community to budget and deal with inequity issues. Horizon Power engaged with the local community and brought them into the delivery of the service. However, there are still more than 50 communities in which work needs to be done.

Over the next year and a half, Horizon Power will be replacing aged meters with advanced meters state-wide. The new meters will automate meter readings, meaning they can be read remotely and more

accurately. This also allows for automatic connections and disconnections and for more efficient monitoring of power faults.

Horizon Power is liaising with the State Government about addressing an existing inequity where the first developer connected could pay a disproportionately high amount of the total eventual cost. Horizon Power is proposing a fund to draw on when headwork augmentation is put in so that first developers are only charged their proportionate share.

Renewable energy is a global trend with a large take up in Australia. Mr Tudor said that Horizon Power was grappling with how to maintain the reliability and quality of power and systems, and encourages the take up of photovoltaics (PV). An associated issue is that Horizon Power needs to provide backup and while work has been done in the area of storage, it is still expensive.

To maintain reliable power, Horizon Power is working closely with customers and the State Government to ensure the right policy incentives are put in place to allow PV and renewable energy to be appropriately priced.

Aboriginal development

Indigenous communities can leverage economic benefits through the rights of Aboriginal people to negotiate under the Native Title Act 1993. Ninielia Mills, Community Development Manager – Community Programs, Nyamba Buru Yawuru (NBY) noted that her talk would go beyond that simple fact and consider the importance of cultural revitalisation and community reconstruction to the economic story.

A fundamental concept to Aboriginal people is the importance of Mabu Liyan, which means having a good and open heart. This is a cultural and traditional principle inextricably linked to economic development.

NBY is an inventive social housing agency, committed to assisting Yawuru families to own their own homes, as well as managing a range of programs that focus on youth development and supporting seniors. Ninielia noted “we are revitalising our language, (and) we are creating our own economy that is based around four pillars of development: social; environmental; cultural and economic.”

Partnerships are fundamentally important to the way the Yawuru people are pursuing development. Native Title rights were recognised relatively recently, and in that short time, profound changes have taken place.

“I think of our community’s journey as a journey from generational trauma, to generational transformation,” said Ms Mills.

Native Title gives the Yawuru people a platform to change the historical pattern of being marginalised and excluded. It provides an opportunity not just to participate in the local economy, but to change the nature of the local economy.

Mabu Liyan is fundamentally important to social and cultural development. Yawuru believe that individual achievement and advancement is deeply tied to the social, cultural and economic health of the community in which we all live. Good Liyan occurs when people feel connected to their culture and to their country; living in peace and harmony with family, friends and neighbours is fundamentally important to good Liyan.

Yawuru are seeking to entrench Mabu Liyan, both individually and collectively, through a holistic and integrated approach. This strategy is framed around Yawuru developing three significant priority infrastructure projects: a Yawuru Liyan centre; a Yawuru knowledge centre; and a Yawuru cultural and

interpretive centre. These projects will enable Yawuru to achieve its vision, which is to have Mabu Buru (good country), Mabu Liyan (good feeling) and a strong community.

The challenge for Yawuru, said Ms Mills, and for all of us, is to recognise the notion that there is a long historic tension between competing world views. Indigenous people value sustainability. “We have to attempt to balance the Aboriginal and western perspectives, but we are adamant that through joint collaboration and partnerships, we will be able to successfully contribute to the positive development of Broome so that all people in our community will have Mabu Liyan.”

Session 5: Kimberley Future Forecasting Workshop

Mapping the Kimberley

Dr Brad Stelfox, Adjunct Professor, International Institute of Agri-Food Security, Curtin University; Adjunct Professor, Department of Biological Science at the University of Alberta in Canada, presented the I-Future; a web-based simulation that provides a way to explore the dynamics of land use in Western Australia through models that help understand how the landscape was shaped and explore the future.

Dr Stelfox noted that that computer models are only as good as the data, context and insight provided from sectoral experts. Models do not provide a precise prediction of the future, but provide the opportunity to state assumptions, put them in a simulator, grow the landscape into the future, explore the benefits and liabilities and allow as many different scenarios to unfold. It can help answer questions of what; who; where; when and how.

Throughout his presentation, Dr Stelfox showcased various demonstrations using different filters including tourism and hospitality features, land use agreements, infrastructure requirements and mining. It was clear that multiple, overlapping regional delineations requires a strategic level discussion and the need for a systematic approach.

One example used was the hydrocarbon sector, which has a footprint of approximately 26 square kilometres. The model could keep track of the seismic lines, pipelines that exist, access roads, processing plants and other metrics. The real challenge, Dr Stelfox said, is to ask where those reserves are; what are the ‘in place’ volumes, what is recoverable, what type of technology is required, what kind of commodity prices will have to attend the technology to attract risk capital and let them grow it into the future? The model takes data relating to different reserve types and grows those technologies out in space and time. It also allows the benefits and challenges to be explored.

Dr Stelfox also said there is a need for a forum where people can come together from various sectors, including industry and government, to candidly discuss who will be ‘at the table’, map land use trajectories and the benefits and liabilities likely to be generated. This will help better inform the Kimberley people about their future trajectories.

Adopting a proactive and strategic approach to developing the Kimberley and considering how to transition from ad hoc to intentional design was also recommended.

“Hold to the principle of ‘free, prior and informed consent’ by engaging with Aboriginal people so that their rights and performance metrics are recognised and incorporated into planning objectives,” said Dr Stelfox.

“The Kimberley is remote and so careful attention to supply chain dynamics is critical.”

Session 6: Future Industries in the Kimberley

Aboriginal enterprise

KRED Enterprises is an Aboriginal charitable business foundation, owned by eight native title groups in the Kimberley. Wayne Bergmann, Chief Executive Officer at KRED, noted the groups stand together as one cultural block to get the best opportunity and agreement and ensure consistency. Its mandate is to create Aboriginal economic development opportunities, drive social change and create meaningful employment and training opportunities.

KRED established a legal company that is providing legal advice and support to traditional land owners throughout Australia. In respect of native title, KRED is aiming to provide an equal paradigm so that there is equality, benchmarking and consistency across the industry.

“KRED’s focus is to create long-term economic opportunities for our mob, and taking instructions from our mob on what that economic opportunity is,” said Mr Bergmann.

James Price Point was to be a game-changer for Aboriginal people, carving out their place in the Kimberley’s economy. It created three agreements; one for traditional owners, one for Aboriginal peoples in all of the Kimberley, and one for the State, preventing any further LNG development on the Kimberley coast without the consent of all traditional owners.

While commercial issues existed, there was value and benefits to the principles in this process. The Harvard Project on American Indian economic development found that when Aboriginal people make their own decisions about development they outperform external decision-makers in areas of natural resource management, government reform and economic development: When Aboriginal people do well, the rest of the community benefits.

Mr Bergmann spoke of his work as Chair of a board of Indigenous Experts established by the Council of Australian Governments (COAG) to work on Aboriginal economic development and land tenure reform. That work is at the heart of the work being undertaken in the Kimberley. Mr Bergmann questioned the merit of Western Australia’s withdrawal from participating in COAG’s Senior Operating Group.

The Kimberley’s biggest asset is its people, both Aboriginal and non-Aboriginal, and we need to work out how to work together.

“KRED is here to do business,” Mr Bergmann noted. “There are all sorts of opportunities available to us if we are able to work together and prepared to talk.”

Tourism in the Kimberley

Tourism plays an important part in the Kimberley and will continue to do so in the future. Ian Gay, Chairman of Australia’s North West Tourism (NWT), said that NWT is a member-based organisation with its head office in Broome. The board is elected from among NWT’s members.

The Kimberley’s brand is about the values and perceptions of the region held by customers, which tend to focus on remote, rugged landscapes and the wilderness. Current and future tourism development needs to align with visitor expectations

Broome Tourism is embarking on a research project to confirm perceptions and identify shifts in sentiment. It is important to understand how Broome and the region are perceived in the market and whether expectations are being met. It is important that other industries also understand the Kimberley brand so that collaborations are as mutually effective as possible.

Tourism relies on many other stakeholders for key infrastructure. Aviation is instrumental to growing tourism in the Kimberley and vice versa. It is essential that tourism is integrated in the future planning of the Kimberley. This work is already occurring with the Regional Investment Blueprints and the State Government Strategy for Tourism in Western Australia 2020.

Mr Gay said that NWT's vision for the Kimberley is for development to be true to the brand and to enhance the brand value; to offer comfort and luxury; to create vibrant towns; and to create the opportunity to experience Aboriginal culture and values.

Tourism will positively affect the region by providing recreation and entertainment options. This, in turn will create conviviality in towns and lead to a greater ability to attract future residents who will work in other industries and help grow those towns. Direct flights brought about by tourism will provide residents with more options than they currently have. The tourism industry will offer Aboriginal people employment, business opportunities and two-way cultural exchange. "Tourism is important to Australia, Western Australia and the Kimberley," Mr Gay concluded.

Kimberley pastoral industry

The Kimberley Cattlemen's Association (KCA) was incorporated earlier in 2015. It came about after the Commonwealth Government's live export ban. KCA consists of local producers from across the supply chain. Kirsty Forshaw, a member of the KCA, gave a market update on Indonesia, noting that cattle prices have been relatively high in recent years. "Cattle demand is based on import permits from Indonesia. Currently, the wet market is Indonesia's biggest outlet," Ms Forshaw said.

Vietnam is a strong new market for the KCA however there have been some issues that the RSPCA is now addressing with a plan that has gained some momentum. China also has potential as an export market, and the protocol between China and Australia is awaited with strong interest.

Some of the current challenges facing the Kimberley's pastoral industry include animal welfare, and the KCA continues to focus its efforts there. Education is also important as families tend to leave the Kimberley when their children reach high school age. Land tenure can present challenges around fire management, as does the current pastoral system that is restricted to cattle grazing.

Export opportunities for the industry include China, which is interesting as much of the demand is culture-driven; that is, whether the cattle have had a happy life and are disease-free. Indonesia and wider South East Asia present opportunities arising from the need to provide protein for its people.

The industry can capitalise on these opportunities through conversion of pastoral leases to general leases. The vision for the industry is to have productive, viable cattle stations with better prices and irrigated agriculture. Ms Forshaw concluded that "our beef is good and the whole world should be eating it."

Session 7: Capitalising on Opportunities

Global economic context

Professor Ian Harper, Partner at Deloitte Access Economics, gave a ‘helicopter view’ of the opportunities “so large that they show up on a national radar screen”.

Internationally, Asia, China, and India are experiencing unprecedented economic development. People’s tastes are changing as they become wealthier.

Professor Harper said that as the Chinese economy continues to develop, it will rely less on growth of its heavy industry. Demand for steel and concrete will begin to be overtaken by an increase in demand for protein and energy. The first two phases of the mining boom have peaked and the third phase involves export of commodities, which is just beginning perhaps a 30 year run. China will be a “long fuse boom, as opposed to short, sharp booms”.

The changing Chinese economy means a broadening of its portfolio of activities, to which Australia has much to offer. Deloitte Access Economics produced a document called *Positioning for Prosperity? Catching the next wave*, which asked the mining boom is passing, what’s next – or is it all over? Professor Harper does not believe that it is all over for Australia, but indicated that it does mean diversification is needed, and this is being discussed for the Kimberley.

Deloitte explored global demand and where Australia has natural competitive advantages, and identified “five fantastic” industries: agribusiness, gas, tourism, international education and wealth management. Of those five, three are in the Kimberley and five in Western Australia. Professor Harper noted that the Kimberley has “the tide running with, and not against it”.

“In 30 years’ time, half the tourists to Australia will come from Asia. If you find out what would attract tourists to the Kimberley, there may be enormous opportunities in agribusiness, minerals and natural endowments,” Professor Harper said.

He concluded by saying “recognise there are challenges, the problems and issues are known, but it is the passion, the intelligence and love of the Kimberley that will allow you to meet these challenges”.

Future of the Kimberley

List of speakers (in order of presentations):

- Jeff Gooding, Chief Executive Officer, Kimberley Development Commission
- The Hon. Terry Redman MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development
- Stedman Ellis, Chief Operating Officer – Western Region, Australian Petroleum Production and Exploration Association
- George Bauk, Managing Director, Northern Minerals
- Andrew Smith, Country Chair, Shell Australia
- Eric Streitberg, Executive Chairman, Buru Energy
- Russell Barnett, Partner Australian Venture Consultants
- Professor Alan Duncan, Director, Bankwest Curtin Economics Centre
- The Hon. Mia Davies MLA, Minister for Water; Forestry
- Kevin Schellack, Chief Executive Officer, Kimberley Ports Authority
- Nick Belyea, Chief Executive Officer, Broome International Airport
- Frank Tudor, Managing Director, Horizon Power
- Ninielia Mills, Community Development, Nyamba Buru Yawuru
- Dr Brad Stelfox, Adjunct Professor, International Institute of Agri-Food Security Curtin University, Adjunct Professor, Department of Biological Science, University of Alberta Canada
- Wayne Bergmann, Chief Executive Officer, KRED Enterprises
- Ian Gay, Chairman, Australia's North West Tourism
- Kirsty Forshaw, Kimberley Cattlemen's Association
- Professor Ian Harper, Partner Deloitte Access Economics

