

Economic Development Strategy

Draft



- **Regional Capital City**
- **Regional Centre**
- **Sub-Regional Centre**
- **Town Centre**
- **Specialised Centre**
- **Oil & Gas Fields**
- **National Parks**

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Mayor's foreword

The City of Karratha is a dynamic local government of global economic significance, having supported some of world's largest resources and oil and gas projects, many of which are set for major expansions worth billions of dollars over the next few years.

While the City will continue to be the hub of resources and energy projects for the long term, we are now entering an exciting new phase of economic development and diversification to capitalise on new opportunities and build on our solid foundations.

Our economic development objective is to leverage our extensive natural assets to attract business investment and nurture the emergence of new sustainable industries to create local jobs. This is already underway, with a diverse range of innovative economic diversification projects happening or on the horizon, including aquaculture, agriculture, horticulture, renewable energy and hazardous waste recycling and processing.

The Pilbara is recognised worldwide as a place for work, the City of Karratha has many opportunities for business investment and has a growing local small and medium business sector. We strive to remove barriers to doing business within the City of Karratha. We have invested millions of dollars into key infrastructure and amenity upgrades to activate our city centre and provide enhanced facilities and services to our most valued asset – people.

Our region is known for its spectacular landscapes and recreational experiences, which include world-class camping, boating, fishing, four wheel driving and unique eco-cultural experiences. Our enviable lifestyle, together with infrastructure, amenity, facilities and services comparable to a metropolitan city, mean the conditions in the City of Karratha are ideal for business investment, career development and the relocation of more people to call this remarkable place home.

This Economic Development Strategy has been prepared as a source of information for potential investors, funding agencies, entrepreneurs, small-to-medium business owners, families and others wanting to share in the City's future growth.

We encourage you to contact our Economic Development team to discuss your interest in our thriving regional city.



*Peter Long
Mayor, City of Karratha*



What does economic development mean for you?

The City of Karratha strives to contribute to and facilitate economic growth in the face of a rapidly changing business climate. The City is focused on supporting local businesses and generating a flow of new investment capital. This Economic Development Strategy outlines our approach to improving the economic capacity and diversity of our local business economy throughout our local government area.

It would be easy to accept a 'business as usual' approach towards the local economy. Instead, we explore the limits of what a local government can achieve for our community. While we are at times limited to an advisory or advocacy role, in many capacities Council is working together with private industry to advance cutting-edge technologies and emerging industries.

Planning a city requires all tiers of government and the community working together to achieve a shared vision. Our vision is to become Australia's most liveable regional city and our progressive Council embraces opportunities that facilitate innovation and economic diversification initiatives.

If we get it right, economic development can improve the economic capacity of our area, enhancing prospects for the improvement and well-being of a community. It involves government, business and private sector partners working together to foster employment and economic growth.

To achieve our desired economic development outcomes, we choose to:

- ▶ Enable and facilitate opportunities by creating the right conditions for businesses to thrive, attract investment and grow
- ▶ Advocate for private and public investment, address challenges and leverage strengths to further economic development
- ▶ Deliver and implement projects and activities that will have an economic impact using our own assets or in partnership with others.

Recent examples of the City's contributions to economic growth and employment opportunities include:



Red Earth Arts Precinct

The Red Earth Arts Precinct is the only facility of its kind in the North West, providing a 450+ seat theatre, rooftop cinema, outdoor amphitheatre and state-of-the-art library. This arts and culture hub is contributing to the city's economic development by attracting major conferences to Karratha; activating the city centre; attracting touring events to the North West; enabling small businesses to host community events; and enhancing the development of the tourism industry through additional visitation to the city.

The Red Earth Arts Precinct project was made possible with the support of the Australian Government, Government of Western Australia, Pilbara Development Commission, Rio Tinto, Woodside operated North West Shelf Project, Lotterywest and City of Karratha.



Sahara Forest Project Intensive Agriculture Feasibility Study

The City, in partnership with the State Government and private industry partners including Yara Pilbara and Sahara Forest Project, commissioned a feasibility study into establishing an intensive agriculture facility in the City of Karratha. Sahara Forest Project aims to produce fruit and vegetables using recycled sea water and salt water-cooled greenhouses, powered by the sun. The Feasibility Study was released in Q4 2017/2018 and demonstrated a positive return should the facility establish in the city. The full study and report is available on the City's website. The City is continuing to explore options for Council's involvement in bringing projects to life.



Pilbara Universities Centre

The City of Karratha, in partnership with the Karratha and Districts Chamber of Commerce and Industry, took a lead role to develop a business case and funding application for the establishment of the Pilbara Universities Centre in Karratha. The proposed Pilbara Universities Centre would directly improve access to high quality university education locally, reduce migration from the region to pursue education, create opportunities to align tertiary education offerings with the local resources industry and connect local students with jobs in disciplines that are facing a skills shortage. The funding application was successful and the City will continue to support the establishment of the Pilbara Universities Centre.

Why prepare an Economic Development Strategy?

The City of Karratha has been a proactive leader in city-growth initiatives and projects and now seeks to leverage our recent achievements. Since the last strategy, significant investment has been made in strategic infrastructure, including Karratha Airport and waste facility upgrades, constructing community infrastructure including the Red Earth Arts Precinct, new roads and city centre beautification projects, small business support and tourism infrastructure including tracks, trails, lookouts and information bays.

The City of Karratha's economic prosperity has largely been driven by the mining and energy sectors and

significant investment made by industry underpins the City's longevity as a port city.

There is an opportunity to leverage this strong economic foundation and diversify the local economy to attract sustainable business and employment opportunities. This will encourage further growth and ensure the long term stability of the economy, helping Council to realise its vision to be Australia's most liveable regional city.

There are a number of ideas and options to grow the economy and it is imperative that resources are coordinated and aligned toward specific outcomes.

This strategy is designed to have key areas of focus but also be flexible and responsive when necessary.

Economic development is an evolutionary and ongoing process. This strategy builds on the core concepts and direction of our previous work to continue to make the most of the City's strategic advantages, while taking into consideration changes in the external environment.

An example of actions to implement the City's Economic Development Strategy:



Delivering programs and services

for the benefit of groups of businesses in priority industry and economic sections;



Direct investment in infrastructure, assets, services, events and activities to improve the amenity, liveability, and functioning of the city;



Effective planning to ensure the City's planning controls reinforce the role of the city as a primary centre for the North West and preferred location for business, education cultural and tourist activities;



Marketing and promotion

to encourage investment, increase visitation and business opportunities;



Supporting others through grants and sponsorships designed to assist organisations in delivering initiatives in their area and secure and support major events;



Leading by example to ensure that the City takes a leadership position in economic development initiatives through its own operations;



Reducing regulatory barriers to make it easier and more efficient to do business;



Encouraging partnerships and collaboration across all levels of government to achieve common goals; and



Advocating for change, particularly where actions are the remit of other levels of government.



How has this strategy been prepared?

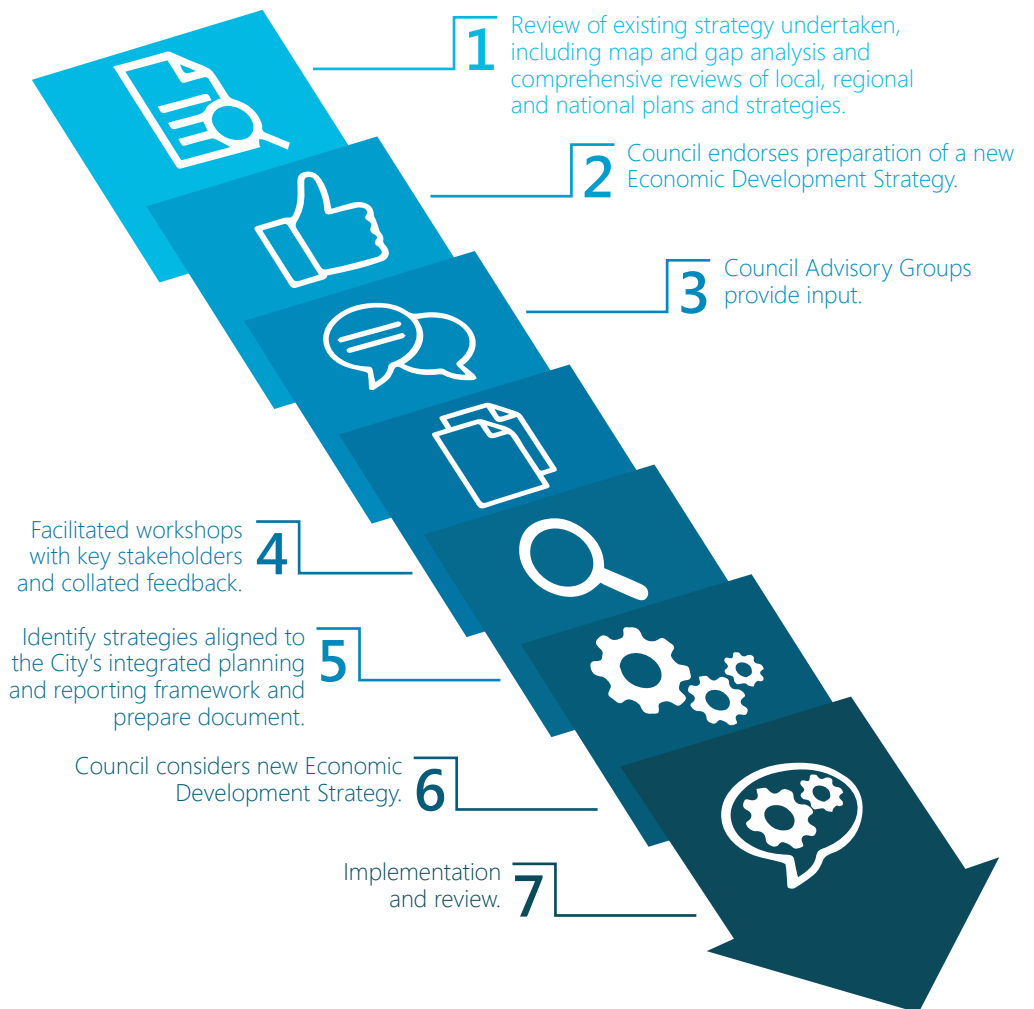
Extensive research and consultation has been undertaken in developing the direction and content of this strategy. This has included a review of previous work and other relevant regional plans and strategies together with an analysis of the global, national and local economic environment. The City recognises that a local government is not solely responsible for the prosperity of a local economy and there are a range of stakeholders that have a vested interest in the City's development.

Widespread consultation has been undertaken with the business community through workshops, one-on-one meetings and online surveys. This qualitative feedback and evidence based data has informed the identification of key issues and opportunities along with subsequent strategy actions.

Documents reviewed:

- › Australian Infrastructure Plan – Priorities and reforms for our nation's future, Infrastructure Australia, 2016
- › Pilbara Regional Investment Blueprint – Technical Report, Pilbara Development Commission, 2015
- › The Pilbara – Resources & Beyond, Regional Development Australia, 2014
- › Pilbara Development Commission Strategic Plan 2016/18, Pilbara Development Commission, 2016
- › Our North, Our Future: WhitePaper on Developing Northern Australia, Australian Government Department of Industry, Innovation & Science, Office of Northern Australia, 2015
- › Pilbara Planning and Infrastructure Framework, Western Australia Planning Commission, 2012
- › Growing in the Pilbara pre-feasibility report, Department of Primary Industries and Regional Development 2018
- › City of Karratha Community Survey, 2018
- › Two-year Action Plan for Tourism Western Australia, 2018 and 2019, Tourism Western Australia.

Key steps in the development of our Economic Development Strategy:



What did we hear?

To further the City's understanding of the needs and aspirations of the community we represent, a number of facilitated workshops and follow-up online surveys were used to engage with a diverse range of stakeholders. These include representatives of major industry, local small businesses, community groups, councillors, staff and state government agencies. The feedback from these sessions was carefully considered and directly contributed to the preparation of this Strategy.

The adjacent themes were identified by stakeholders:

- › Position Karratha as the regional capital of the North West
- › Improve connectivity (air, sea and land) nationally and internationally
- › Adequate infrastructure in place to encourage investment in the city
- › Show leadership to inspire confidence in the region
- › Major industries and proximity to energy and resources
- › Natural assets including Murujuga National Park and Dampier Archipelago.

- › Agriculture, aquaculture, renewable energy
- › University and education
- › Manufacturing and downstream processing
- › Tourism.

Strategic drivers

Diversification

Small business

Population growth

- › Help identify and promote opportunities for small business
- › Reduce business costs
- › Cut red tape
- › Work with support agencies
- › Assist with business establishment
- › Celebrate small business successes.

- › Promote the lifestyle and livability of the city
- › Promote Karratha as a place to live, work and visit
- › Maintain housing and land supply
- › Encourage participation in the community for new and existing residents
- › Encourage a residential workforce
- › Lack of tertiary education
- › Cost of living is high
- › Limited connectivity/isolation
- › Families move away when children approach high school age.



How does the strategy work?

Integrated Strategic Planning Framework

We believe in planning for a bright future that fulfils the needs of current and future generations.

To ensure the best outcomes for our community at each stage of our journey to becoming Australia's most liveable regional city, we have developed strategies for the short, medium and long term. These plans are integrated so when we are working on short term projects we are also contributing to the long term strategies we have in place and ensuring the best use of resources in all of our activities.

Our Strategic Community Plan 2016-2026 provides a vision for the future of the local government area and outlines how the City and community will achieve that vision over 10 years. It states our aspirations and objectives, regards the current and future resource capacity and demographic trends of the region and is adopted by an absolute majority of Council.

Our strategic themes

Our goals

Our Community <i>Diverse and Balanced</i>	<i>To create safe, healthy and liveable communities</i>
Our Economy <i>Well Managed and Diversified</i>	<i>To attract diverse and sustainable business and employment opportunities</i>
Our Natural and Built Environment <i>Thriving and Sustainable</i>	<i>To protect our natural and built environment</i>
Our Leadership <i>Responsive and Accountable</i>	<i>To provide accessible, transparent and responsive leadership</i>

Embedding the strategy into our operations

The Economic Development Strategy works to guide specific actions, projects and budgets within the organisation to achieve the goals of the Strategic Community Plan.

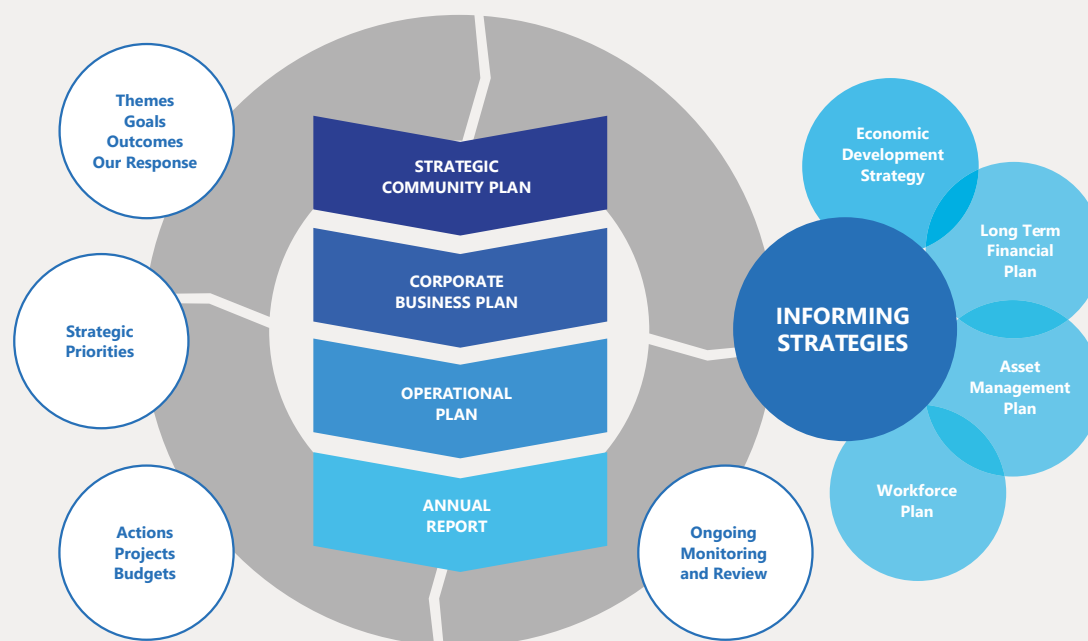
To implement the strategy and achieve the desired outcomes, projects will be planned, budgeted and delivered, taking into consideration the most appropriate role for Council to play.

The strategy will be embedded into operational plans and key actions identified to ensure what is planned is delivered.

Reporting of progress and performance is captured in the quarterly and annual reports and the strategy is continually reviewed to ensure it is up to date and relevant to the changing economic environment in the city and broader region.

The City is one of many organisations responsible for economic development, though it is well-placed to take a leadership role in initiatives that will benefit the local economy. Council takes economic development seriously and acknowledges that all staff across the organisation, with the CEO and Executive Management Team at the helm, can contribute to the economic development of the City of Karratha.

The City employs a dedicated Economic Development team to implement this strategy and deliver benefits to the local economy and residents.



Working together

The City is committed to working collaboratively with industry, government and the private sector to create improved conditions for economic growth.

Partnerships that include tiers of government (local, state and federal) and private industry can have wide-reaching economic benefits to the local and regional economy and are key to achieving the outcomes in this strategy.

The City encourages interested organisations to contact the Economic Development team to explore partnership opportunities.

Indigenous engagement

The City of Karratha acknowledges the Ngarluma people as the traditional custodians of this land and their deep historical and spiritual connection to country, waterways, rivers and seas within our region. Our local Aboriginal businesses and organisations play an important role in the economy and the City is keen to explore opportunities to work with Aboriginal organisations to encourage development within the business community.

The City is currently working on a range of economic development initiatives with local aboriginal organisations including the activation of a newly redeveloped hotel, research and development into growing native plants (foods and bush medicines) in a controlled environment, aquaculture, management and activation of a historic heritage precinct and road access for a living knowledge centre.

To find out more on working together with the City, please contact the Economic Development Team.

Project evaluation

New ideas have the potential to benefit the local economy and the City must be strategic in its investment of time and resources.

The Priority Evaluation Matrix is an internal tool used to prioritise potential projects and ideas, identify knowledge gaps and determine the most appropriate actions.

Specific actions, projects and budgets are evaluated and prioritised according to five considerations.

Economic impact

- What economic impact will this initiative have?

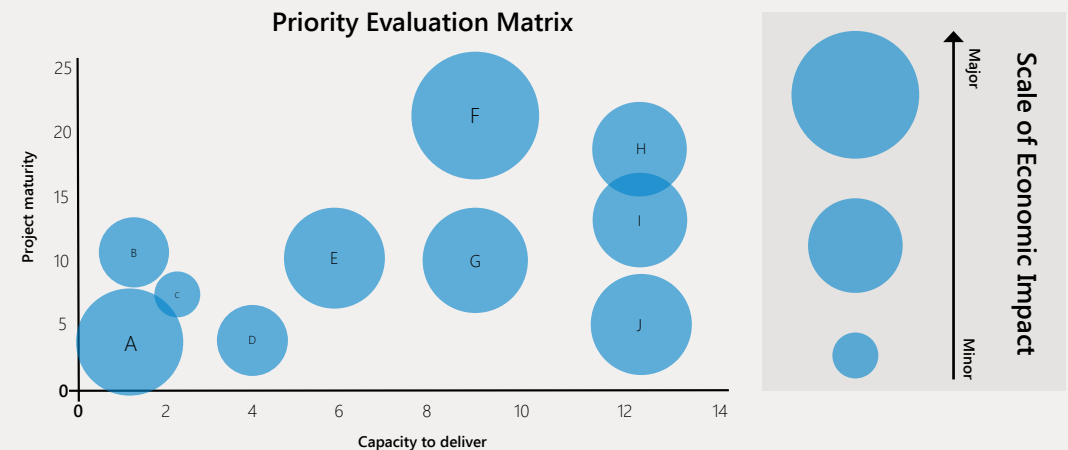
Project maturity

- Is there a clearly identified need supported by data and research?
- Has prior planning work been completed?

Capacity to deliver

- How long will this take to deliver and what resources are required?
- Is the cost to deliver the project reasonable?

The highest priority will be given to projects that have the potential to have a significant and far reaching economic impact, have a clearly identified need with prior planning work completed and have practicable time and resource requirements to implement.





A region of global significance

The City of Karratha is of global significance, hosting multi-national corporations and exporting resources worldwide. The City has a long history of exporting iron ore, liquefied natural gas, salt and ammonium products and while this is set to continue into the future, the changing nature of the resources industry is creating opportunities for economic diversification.

Changing nature of resources

The local liquefied natural gas industry has traditionally involved exporting LNG to other countries. Increasingly, it is becoming more about 'hubbing' product through facilities on the Burrup Peninsula and using gas locally for trucks, supply vessels, trains and local supply contracts.

Iron ore has traditionally been about the high volume of exports from our busy ports, however the focus is shifting to producing a higher quality grade of iron ore, rather than quantity. This involves downstream processing and removing other minerals, metals and waste for refinement, which presents significant opportunities for emerging industries and jobs.

Emerging industries

A number of emerging industries are gaining momentum, enhancing business and employment opportunities in the area. Gold, lithium, zinc and cobalt projects are currently being developed across the Pilbara and the City is the epicentre of this growth. Innovative technologies and our proximity to established operations provide opportunities for magnesium and urea processing operations in the city.



China

☛ Iron Ore ☛ LNG ☛ Salt

Japan

☛ Iron Ore ☛ LNG ☛ Salt

Canada

☛ Gold

United States

☛ Salt

United Kingdom

☛ Iron Ore ☛ LNG

Norway

☛ Ammonium

Middle East

☛ Salt

India

☛ LNG ☛ Salt

Korea

☛ Iron Ore ☛ LNG ☛ Salt ☛ Ammonium

Taiwan

☛ Iron Ore ☛ LNG ☛ Salt

Philippines

☛ Salt

Indonesia

☛ Salt ☛ Ammonium

Malaysia

☛ Iron Ore ☛ LNG ☛ Salt

Singapore

☛ Iron Ore ☛ LNG



People and liveability

The City boasts an enviable lifestyle with a warm and welcoming community, spectacular beaches, islands, fishing, camping, national parks and convenient access to work and recreation facilities.

There has been a shift in the demographics over the last 10 years, with 27 per cent growth in the number of families calling Karratha home. The City has a number of quality primary and secondary schools, parks and community facilities to support this change.

Infrastructure has been upgraded to support population growth, including power, water and sewerage to accommodate the predicted future growth of the city.

During the recent construction boom, housing affordability was a challenge due to lack of supply but there has been effective improvements to improve land supply with the mean house price dropping from a peak of \$815,000 in 2010 to \$329,000 in 2018.

The 2017 regional price index of 110.7 indicates that the Pilbara has a higher cost of living when compared to Perth. This was an improvement from 2015, when the regional price index was 117.5

Significant investment in community infrastructure, including the construction of the \$56M Red Earth Arts Precinct and \$208M Karratha Health Campus now provide a higher level of amenity and access to services.

Challenges

- › Air connectivity – currently the only regular flight route is to Perth
- › Limited retail offerings
- › Limited employment diversity
- › FIFO and transient workforce detract from the population growth of the city
- › Availability of specialist medical services
- › Cost of living.

Opportunities

- › Attraction of more families with high quality community infrastructure
- › Land available for residential development
- › Sealing the Karratha – Tom Price Road to improve connectivity for the community, businesses and tourists
- › Lifestyle.



22,205
residents



31% growth in local
population over the
last 10 years



27% increase in families
over the last 10 years



55% of families are
couples with children



\$329,000 median
house price



**National Broadband
Network** available
across the city



3 secondary schools
and **8** primary schools



4 public libraries



3 recreation
precincts



45 open spaces



9 dedicated sports
ovals, fields and
courts

Key statistics



13,572
Local jobs



\$2,626
Median weekly income



92%
Working residents employed locally

Strengths



Mining jobs
31.7%
WA: 6.9%



Construction jobs
11.2%
WA: 10.4%



Transport, postal & warehousing jobs
7.7%
WA: 4.8%

Opportunities



Agriculture, forestry & fishing jobs
0.3%
WA: 2.6%



Professional, scientific & technical service jobs
3.4%
WA: 6.7%



Accommodation & food service jobs
5%
WA: 6.7%



Manufacturing jobs
3.3%
WA: 5.8%



Health care & social assistance jobs
4.9%
WA: 12.2%



Education & training jobs
6%
WA: 9.1%

Source: Remplan, abs.gov.au

Employment

Karratha has a very low unemployment rate, sitting at 2.02 per cent in March 2018 (Western Australian rate for the same period was 6.2 per cent).

For the 2016/17 period, the three largest industries by employment were: Mining (4,299 people – includes 923 Oil & Gas) Construction (1,518 people) and Transport, Postal and Warehousing (1,041 people). As a combined workforce, these industries accounted for approximately 50 per cent of employment in the city.

There are gaps in employment numbers across a range of industries when compared to the Western Australian economy, presenting opportunities for local growth.

There is an opportunity to attract more people domestically and internationally to the city to take up the employment opportunities.

Establishment of a universities centre will assist in addressing the skills gap with improvements in training, workforce development and education.

Challenges

- › Employment dominated by major industry can make the economy susceptible to resource cycles
- › Not enough locally available people to fill available jobs.

Opportunities

- › Low unemployment and availability of jobs has the opportunity to drive population growth
- › Diversification of the local economy will attract more employment opportunities and encourage full employment for residents
- › Establishment of universities centre.

Key statistics

**231HA**Industrial land & 507HA
future industrial land**4 ports**Facilitating import
and export**Industrial areas**

3 strategic areas available

Largest industry by output



Mining

51.9%

\$5.84 Billion



Construction

9.9%

\$9.81 Billion



Manufacturing

6.6%

\$6.52 Million

Opportunities

Rental, hiring &
real estate services**4.8%**

WA: 8.4%

Professional, scientific
& technical services**1.4%**

WA: 4.9%

Health care &
social assistance**1%**

WA: 4.3%

Agriculture,
forestry & fishing**0.2%**

WA: 2.3%



Retail trade

1%

WA: 3.2%

Industry

The city's economy is currently underpinned by the significant, long term mining and export processing operations. There has been major investment in port infrastructure and currently more than 300 million tonnes of iron ore is aggregated from mine sites across the Pilbara and shipped overseas using local port facilities each year.

Oil and gas is recovered from fields off the coast of Karratha and is processed, stored and loaded onto ships through onsite gas processing facilities.

Unlike a mining town, the City of Karratha is a port city, providing economic stability that is highly likely to continue to provide employment and business opportunities into the future.

The city's largest industry by output is the mining industry which in 2016/17 was worth approximately \$6.5 billion. There are significant plans for expansion from the major resource operators and the city is well positioned to support the growth of established operators and attract operators in emerging industries.

While the mining and oil and gas industries provide a solid foundation for the economy, the dominance of these industries presents risks to the local economy as employment can be highly susceptible to changes in commodity markets.

Challenges

- › The reliance on the mining and oil and gas industries presents a risk to the stability of the city's economy
- › Accommodating for the peak period of construction cycles.

Opportunities

- › Diversification of the local economy:
 - › Tourism
 - › Agriculture
 - › Aquaculture
 - › Renewable energy.
- › Development of downstream processing and manufacturing industries
- › Northern Australia focus by Federal Government in new industries
- › Minerals including gold, lithium, magnesium
- › Oil and gas expansion projects
- › Land available for industrial development – including the Strategic Industrial Areas (Anketell, Maitland, Burrup)
- › Logistics and supply chain opportunities as the services hub of the North West
- › Bulky goods and other retail.

Small business

Fostering a dynamic and thriving small business sector is fundamental to developing a sustainable and vibrant local economy. Small, locally-owned businesses have the power to provide long-term economic growth, improve local innovation and productivity and offer career diversity for residents.

There are 955 small businesses registered within the City of Karratha which equates to approximately 4.3 per 100 people. This is currently below the regional average of 6.8.

The construction industry had the largest number of total registered businesses in the city, comprising 23.1 per cent, compared to 18 per cent in Western Australia.

The City is a small business friendly local government and supports small business through grant funding, assisting local business support agencies and providing a regional price preference for local businesses when bidding for work with the City.

Challenges

- › The cost of doing business is comparatively higher than in capital cities (electricity, insurance, finance, staffing)
- › Isolation of residents and businesses with constrained connectivity
- › Relatively small population and very low unemployment
- › Integrated supply chains and procurement requirements of larger operators
- › 40 per cent of total resident spend is online or in locations other than the city.

Opportunities

- › Strong economic foundation as the centre of long-term minerals and energy industry
- › Proximity to Asia (largest emerging middle class in the world)
- › Land available for commercial development
- › Logistics and supply chain enhancements including direct bulk cargo and freight
- › Bulky goods and other retail
- › Small business growth
- › Diversification of industry
- › Buy local procurement requirements.

Key statistics



955 businesses
Registered with the city



\$5.6 Billion
Gross Regional Product (GRP)

Strengths



Administrative & support services
6.5%
WA: 3.7%



Construction
23.1%
WA: 18.3%



Accommodation & food services
4.7%
WA: 3.8%

Opportunities



Agriculture, forestry & fishing
1.4%
WA: 7.2%



Professional, scientific & technical services
7.2%
WA: 11.8%



Wholesale trade
1.4%
WA: 3%

Spend analysis

The total spend in the City of Karratha for the 2017-18 financial year was \$715 million, \$507 million of which was spent by residents. In the same period, residents spent \$192.1 million outside of the city (escape spend) and an additional \$191.8 million online. Escape expenditure (expenditure by residents outside of the City of Karratha) and online expenditure of our local population make up approximately 21 per cent each of total spend, which is marginally higher than the average of all Australia capital cities (approximately 19 per cent each) and lower than other regional WA towns (31 per cent escape and 15 per cent online). The data suggests there is reasonable level of goods and services available locally and there are also significant business opportunities. The top five categories for each type of expenditure are presented below:

Residents spending online:



Travel
\$45 million



Professional services
\$41.6 million



Specialised and luxury goods
\$27.4 million



Other
\$26.5 million
Includes telecommunications, court lotteries, commercial equipment and money orders



Dining and entertainment
\$26.3 million

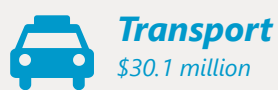
Visitors spending within the City:



Dining and entertainment
\$51.3 million



Specialised food retailing
\$32.9 million



Transport
\$30.1 million



Grocery stores and supermarkets
\$24.1 million



Discount department stores and clothing
\$14.6 million

Residents spending within the City:



Grocery stores and supermarkets
\$101.8 million



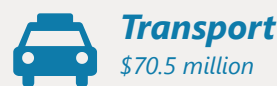
Specialised food retailing
\$92.8 million



Dining and entertainment
\$90.4 million



Specialised and luxury goods
\$70.5 million

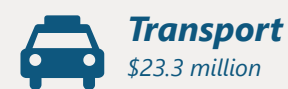


Transport
\$70.5 million

Residents spending outside the City:



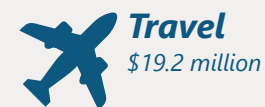
Dining and entertainment
\$38.5 million



Transport
\$23.3 million



Specialised and luxury goods
\$20.5 million



Travel
\$19.2 million



Discount department stores and clothing
\$18.5 million

Strategy formulation

In preparing this strategy, an understanding of the current economic climate has been considered and, in collaboration with the local business community, gaps, opportunities and desired outcomes have been identified. Looking forward, the City will play a role in creating the right conditions for the economy to grow and to achieve the strategic outcomes.

Council's involvement can be broadly categorised into one of three roles: advocate, enable or deliver. A number of factors will be continually reviewed to determine the most appropriate role. As the Strategy is implemented and actions and projects progress, a continuing review of the economic climate, gaps and opportunities, Council's role and desired outcomes is required.

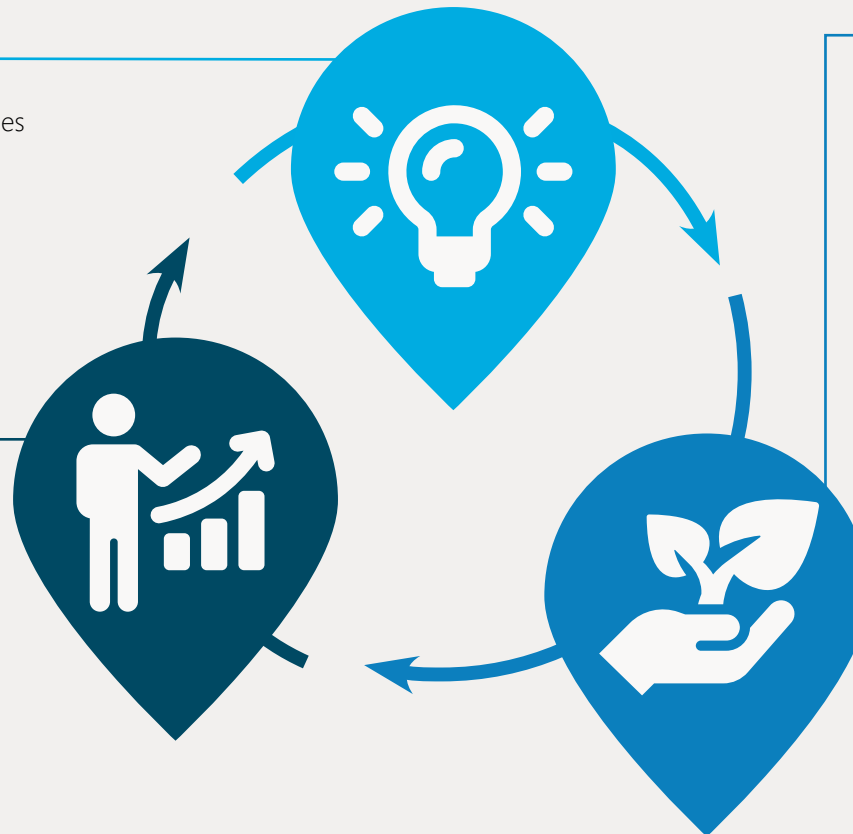
The Strategy has been created at a point in time and it is acknowledged that there is a need to be flexible and responsive to change. New ideas for economic development in the city should be guided and considered carefully to ensure we are focusing effort in the right areas.

Identified opportunities and gaps

- › Strong foundation of mining and energy industries
- › Diversification and choice of jobs required
- › Tourism, agriculture, aquaculture and renewable energy sectors
- › Small business growth in under represented industries
- › Population growth.

Strategic outcomes

- › Establishment of new industries within the city
- › Increase in the amount of choice and number of local jobs
- › Growth in business opportunities following new industry and population growth
- › More people living, working and visiting the city
- › Improvements in access to goods and services
- › Enhanced connectivity for people and businesses.



Council's role

Advocate

- › Proactively generate and promote information that encourages investment in identified target areas.

Enable

- › Ensure availability of land (commercial and residential) for growth
- › Create the right conditions to enable existing businesses and new industry to thrive
- › Support establishment of new industry and business through partnerships, in-kind support and seek funding where appropriate.

Deliver

- › Consider delivering products or services that achieve outcomes where no other options are available
- › Deliver programs or services that provide benefit to businesses and priority industry.

Strategic outcomes

Four strategic outcomes have been identified for economic development that will contribute to achieving Council's vision to be Australia's most liveable regional City. These outcomes provide clarity on what the City's Economic Development Strategy sets out to achieve.

OUTCOME #1

Regional capital of the North West



Karratha is established as the regional capital of the North West.

Benefits

Being the regional capital of the North West would:

- › Attract more State and Federal Government funding
- › Improve the profile of the City of Karratha as a more attractive location for businesses to establish
- › Make the City of Karratha a more attractive location for people to live and invest
- › Improve the quality and diversity of goods, services, business and job opportunities available, further enhancing the overall liveability of the city.

Targets

- › Attract investment from State and Federal Government in infrastructure
- › Recognised by State and Federal Government authorities, as the regional capital of North West
- › Establishment of regional hubs for government services.

OUTCOME #2

More people



More people living, working and visiting the City of Karratha.

Benefits

- › Greater opportunities for population-driven businesses to attract customers and create opportunities for businesses to grow
- › More visitors to the City of Karratha creates business opportunities in the tourism industry
- › More people working in the city can result in population growth.

Targets

- › Number of people living in the City of Karratha will increase
- › Overall number of visitors to the city will increase
- › Visitor spend increases.

OUTCOME #3

Diverse economy

A diversified economy with a strong and stable small business sector.



Benefits

- › A diversified economy comprised of multiple industries will improve the economy's resilience and minimise the impact of the resources cycle
- › Attracting new industries to the City of Karratha creates more opportunities for existing businesses to grow and new businesses to establish
- › A variety of jobs for residents encourages low unemployment and enables employees to reach their full potential
- › A thriving small business sector offers a variety of goods and services and contributes to the overall livability of the City.

Targets

- › New industries established in the City of Karratha
- › Employment in new industry increases
- › Number of small businesses increase
- › Increase in number of registered business in under represented industry sectors.

OUTCOME #4

Improved connectivity

Improvement in air, sea and land connectivity for passenger and freight movements.

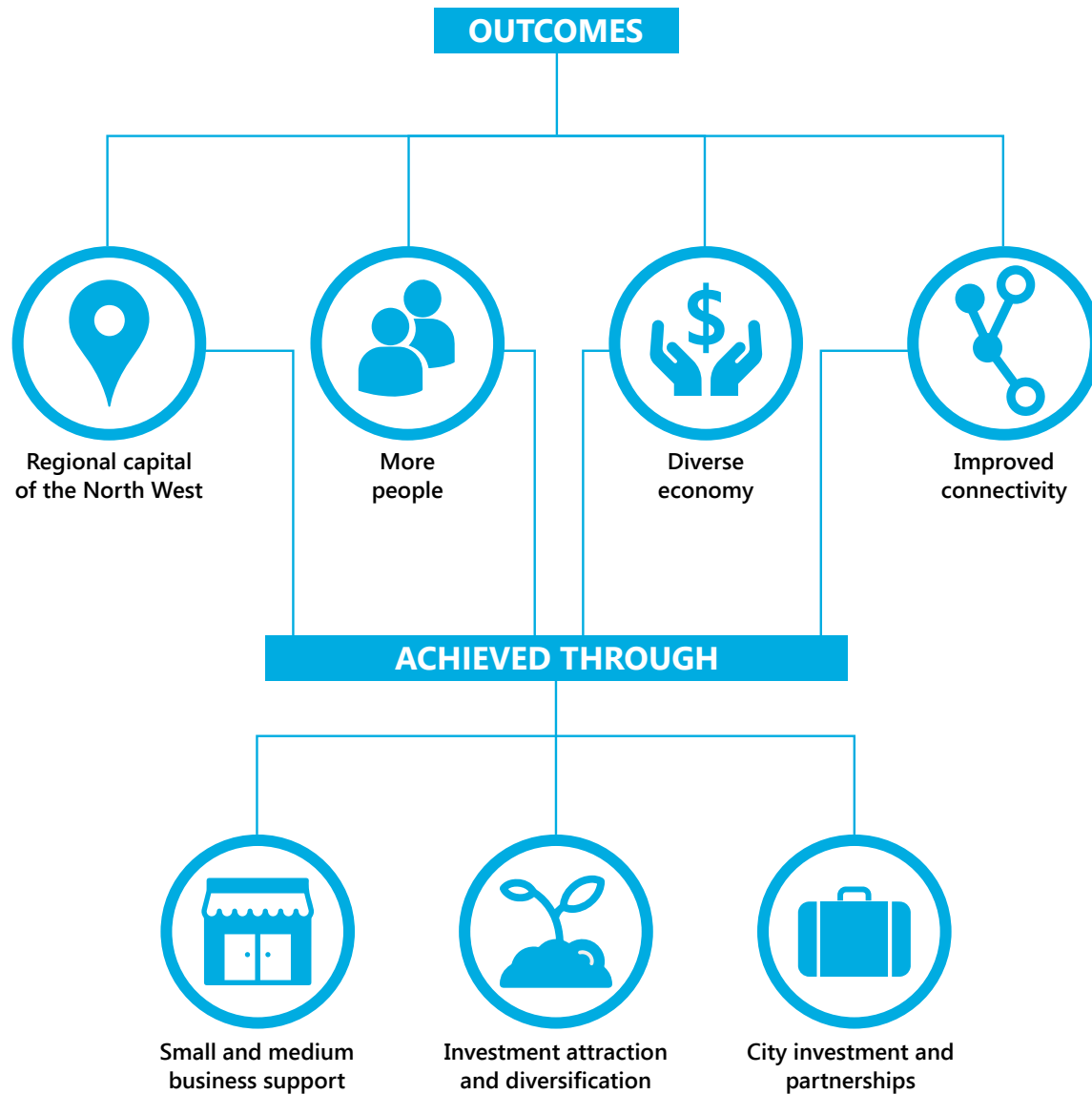


Benefits

- › Improved connectivity will help attract new industry to the City of Karratha and grow business opportunities
- › Create opportunities for export oriented industries to invest and improve efficiencies for new and existing businesses
- › Improved connectivity will further enhance the liveability of the city for the residential population and encourage more visitors to the city.

Targets

- › Karratha-Tom Price access road sealed
- › International air route established
- › Improvements in airborne and seaborne freight connections.



Focus areas

In order to achieve these outcomes, 19 strategies have been identified. The strategies have been categorised into three focus areas which are:

- › Small and medium business support
- › Investment attraction and diversification
- › City investment and partnership.



1. Small and medium business support

Small businesses are an integral part of the local economy. Businesses provide a range of goods and services to residential and business communities and as they grow they employ more people. The city is currently under represented in the number of local small and medium business per capita when compared to other cities with similar circumstances. There are also industry sectors that are not well represented when compared to the wider state. This is not uncommon in remote locations where the local economy is dominated by large industries and it creates opportunities for enterprising individuals to take advantage of gaps and establish successful businesses.

A thriving small and medium business sector will support the community and provide a number of career choices for local residents. Creating conditions that allow businesses to succeed is imperative to the sustainability of this sector and working closely with the business community to identify and address key issues will be invaluable in this space.

The City currently supports small business through two grant funding schemes targeted to support the development of business and to enhance their online presence. The City also partners with local support agencies to deliver initiatives that enhance skills, knowledge and information available for local business. In addition, the City offers regional price preference for local business when bidding for City work contracts.

These programs will continually be reviewed to ensure they meet the needs of the business community and deliver identified outcomes.

Strategy	Measure	Regional capital	More people	Diverse economy	Improved connectivity
1.1 Reduce cost of doing business within the city to attract, retain and grow businesses.	› Cost of doing business more closely aligns to that of major capital cities.	✓	✓	✓	✓
1.2 Monitor and improve the cost of living to attract and retain a diverse workforce.	› Average dwelling price and range of housing types available › Availability of suitable land/housing stock › Regional Price Index improvement.	✓	✓		
1.3 Assist with business retention and growth.	› Small businesses employing more staff › Growth in number of small businesses operating in the city.		✓		
1.4 Attract and support the establishment of new businesses.	› Growth in number of small businesses operating in the city.		✓	✓	
1.5 Good infrastructure in place that supports business investment.	› Growth in number of small businesses operating in the city › Growth in number of small businesses in currently under represented industries.	✓	✓	✓	✓
1.6 Industry and government are effectively engaged to collaborate on economic development initiatives.	› Number of initiatives in the pipeline involving partnerships with government and industry.	✓	✓	✓	✓
1.7 Support the establishment and development of local Aboriginal businesses.	› Growth in the number of local Aboriginal businesses operating in the city.	✓		✓	



2. Investment attraction and diversification

The Pilbara region has benefited from significant investment in resources and energy related infrastructure however, the economy is subject to the cyclical nature of these industries, in particular the construction phases and subsequent return to operations. This economic foundation is a significant advantage and while construction phases can result in increased levels of sustained local jobs and business opportunities, an ability to accommodate the peaks of resource cycles is critical to achieving the City's vision of being Australia's most liveable regional city.

Attracting investment in new industries will diversify the local economy creating more opportunities for existing businesses to grow and new businesses to establish. Additional jobs, industries and population drives demand for more services and encourages the establishment of new businesses to service the market. A thriving small business sector offering a variety of goods and services contributes to the overall liveability of the city.

Tourism, agriculture, aquaculture, education and renewable energy have all been highlighted as strategic business opportunities. These form the focus areas for the diversification of the city's economy in the near term.

Strategy	Measure	Regional capital	More people	Diverse economy	Improved connectivity
2.1 Encourage the development of renewable energy generation operations.	› Number of new renewable energy projects within the city.		✓	✓	
2.2 Encourage the development of aquaculture industry.	› Establishment of an aquaculture industry in the city.		✓	✓	✓
2.3 Encourage the development of agriculture operations in the city.	› Establishment of new agriculture enterprises within the city.		✓	✓	✓
2.4 Attract tertiary education facilities to the city.	› Establishment of a high quality tertiary education hub in the city.	✓	✓	✓	
2.5 Sufficient infrastructure in place that supports new industry establishment.	› New industry established in the city.	✓	✓	✓	✓
2.6 Encourage the establishment of down-stream and value-add processing and manufacturing industries in the city.	› Number of new manufacturing/processing enterprises in the city.	✓	✓	✓	✓
2.7 De-risk and de-constrain	› Growth in industries identified as opportunities		✓	✓	✓
2.8 Develop the local tourism industry by implementing the City's Destination Management Plan	› Increased visitation to the city.				
	› Increase in visitor spend on goods and services within the city.	✓	✓	✓	✓
	› Increase in number of Tourism Council accredited tourism operators registered within the city.				
2.9 Aged Care	› Establishment of aged care facilities	✓	✓	✓	



3. City investment and partnerships

The City's preference is to create market conditions that enable the private sector to take up local business opportunities. We believe in our place and its opportunities. The City has a great culture, local leadership and passionate staff who come to work every day to make an impact and difference for their community.

Local Aboriginal businesses and organisations play an important role our local economy and the City is keen to explore opportunities to partner with and encourage development of the local business community.

The City has partnered with the private sector and government agencies to provide support and funding to a range of initiatives that address business gaps and opportunities within the city. Recent examples include the Sahara Forest Project Feasibility Study, the Quarter Hotel investment, the Pilbara Rock Oyster Research and Development Project and the Pilbara Universities Centre business case.

The City is committed to facilitating investment business activity through partnerships that deliver projects that result in wide-reaching economic benefits for the economy.

Strategy	Measure	Regional capital	More people	Diverse economy	Improved connectivity
3.1 Partner with Aboriginal businesses and organisations to facilitate and encourage development within the general business community.	Number of agreements in place with Aboriginal businesses and organisations.	✓		✓	
3.2 Partner with private and government organisations to provide support to projects that result in wide reaching economic benefits.	Number of projects completed in partnership with private and government organisations.	✓	✓	✓	✓
3.3 Identify opportunities for direct investment in projects that will have an economic benefit where the private sector has not taken up the opportunity.	Number of projects delivered by the City that provide economic benefit.	✓	✓	✓	✓





How to get involved

The City of Karratha is a dynamic, proactive organisation willing to explore the limits of what a local government can achieve. We are entering in to an exciting new phase of economic development exploring opportunities to diversify our economy and capitalise on our solid foundation. We have committed, capable and passionate staff ready to work collaboratively to deliver the outcomes identified in this strategy and foster economic growth.

The City has invested millions into key infrastructure and amenity upgrades to provide enhanced facilities to service the needs of our people. We have partnered with government, industry and private sector to deliver innovative projects that have the potential to have a wide reaching impact on our economy. Recent examples include the construction of the Red Earth Arts Precinct, research and development to de-risk a local edible oyster industry, a feasibility study into intensive agriculture and supporting the establishment and sustainability of cultural tourism product. We are committed to continue to support these innovative initiatives.

Economic Development requires a collaborative approach. We welcome the opportunity to partner on initiatives that will contribute to the development of our economy. To get involved, please get in contact with the Economic Development Team.

Contact details:

Economic Development

✉ economic@karratha.wa.gov.au

☎ +61 (08) 9186 8555



Welcome Road Karratha WA 6714
PO Box 219 Karratha WA 6714

Tel: 08 9186 8555

Fax: 08 9185 1626

Email: enquiries@karratha.wa.gov.au

Web: karratha.wa.gov.au

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