Economic Growth Strategy

Draft Report

Phone
+61430992504

Email
paul@lenon.io

Website
www.lenon.io

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1. Executive Summary

Current State Assessment

Introduction

Without economic success, the social benefits provided to the Ravensthorpe community will be negligible. Fortunately the Ravensthorpe Shire is undergoing strong economic growth generated by mining, agriculture and a growing tourism sector. Mining leads the economy with an estimated $1.6B in mineral wealth extracted from the Ravensthorpe local government area in CY22; ranking the Shire 10th across WA's local government authorities in terms of mineral value output.*

Underpinning the economic engine that sustains community benefits is the level of competitive strength and demand that Ravensthorpe has for its its mineral deposits, its beautiful landscape, productive agricultural land and its community that activates these assets. On the other hand its weaknesses centre around commodity price fluctuations, remoteness, the difficulty in attracting and retaining a workforce and the quality of secondary schooling.

Consultation

Approximately 50 people were consulted through the project directly through 1:1 and group discussions. In addition to this a community survey was distributed, providing a strong sample of people providing feedback. Based on this, the critical community priorities are providing a higher standard of secondary education, attracting new food and beverage options and funding more health professionals.

Economic Performance

The mining sector in the Shire of Ravensthorpe is dominated by lithium (Allkem) and nickel (FQM), with the economic success of the region largely tied to international demand for these key commodities. Despite seeing strong falls in price over 2023, the nickel and lithium price remain well above historical levels.

- Allkem recorded an EBITDA of $336m in FY22 from Mt Cattlin
- FQM achieved a gross profit of $35m from revenue of $476m

In agriculture a similarly positive story has been seen with a record harvest achieved across the State and an excellent result in the Ravensthorpe Shire:

- CBH reported its largest ever surplus of $497.7 million to the year ending September 2022. The net profit it generated from the the Shire of Ravensthorpe region is estimated at $55m, on a revenue of $462m.

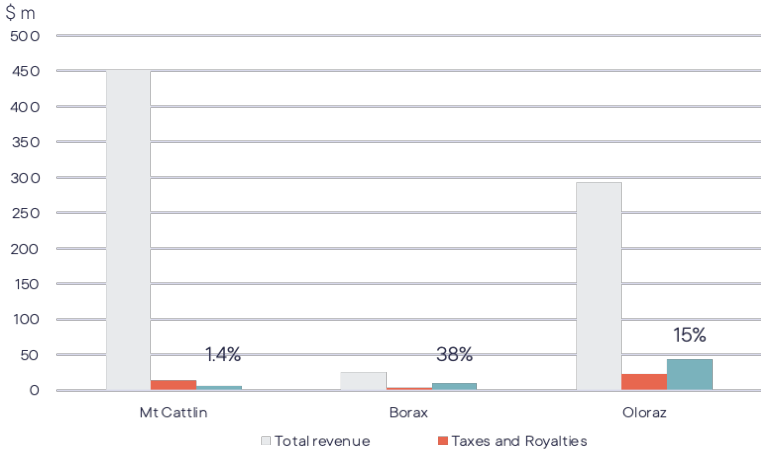
Economic Returns to the Community

Unfortunately the returns back to the community pale in proportion to the profits generated:

- CBH paid $67,711 in rates in FY22 and provided the Hopetoun Clay Target Club $1000 for two day carnival
- The annual Allkem contribution to the Shire was under $50,000 in FY22; plus the total amount paid in rates in FY22 of $38,818. Excluding local salaries and procurement the investment back to the community through grants and donations was $294,071
- FQMs' contributions, largely in kind, hover around the mark of ~$120,000 per annum excluding rates (referred to as taxes by FQM). The most significant contributions are the provision of three houses in Hopetoun $62,400 and gym equipment upgrades of $50,000 per annum.

Allkem's Relative Contribution

Allkem provides far less to the community of Ravensthorpe than it does to other jurisdictions where it operates.



*Source: Department of Mines, Industry Regulation and Safety (DMIRS)
**CBH Annual Report 2022 and Website

Vision for Economic Growth

With a clear understanding of the current context, the following vision was developed out of the community consultation and through workshops with the Shire Council and Executive.

Our vision is for a resilient and thriving economy that contributes **directly** and fairly to the local community; underpinning the long term vibrancy and liveability of the region.

The region has been hit hard by the downturn of previous commodity cycles. While it is not possible to be completely immune from such cycles, it is important that the region builds a more diverse economy and puts in place strategies to mitigate against the impacts of economic downturn.

Sustainable economic growth requires a portfolio of short and long term initiatives in place.

The economy and the population growing at a sustainable level in proportion to supporting infrastructure.

There needs to be a range of employment options, and a significant uplift in recreational and entertainment options in order to entice people to live in and visit the region.

Historically, much of the wealth extracted from the region is captured by individuals living outside of the community.

There needs to be a fair agreement between business and the local community. This means that the community should be supported in line with stated goals of companies to give back.

Economic Growth Strategy

Four strategic themes were developed that capture the critical actions and initiatives of the EGS:

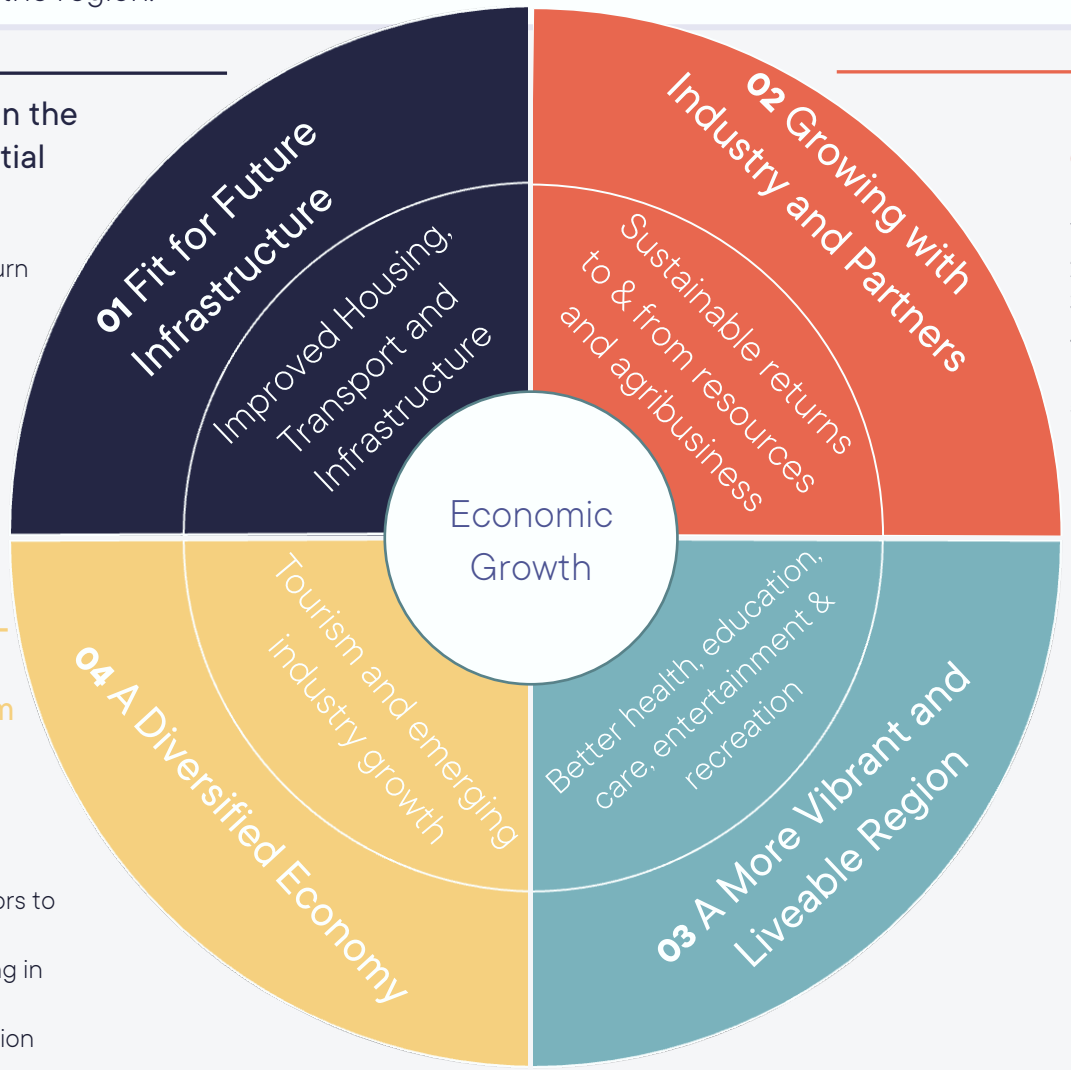
Our vision is for a resilient and thriving economy that contributes directly and fairly to the local community; underpinning the long term vibrancy and liveability of the region.

Ensure that the infrastructure within the region unlocks full economic potential

1. Upgrade South Coast Hwy
2. Increase accommodation supply and in turn vacancy rate for rentals
3. Increase internet speeds

Increase the economic wealth of the community

1. Increase gross regional product
2. Maintain low unemployment rate
3. Growth in the number of jobs
4. Increase percentage of workforce living in the region
5. Increase contribution from companies directly to the community



Increase the percentage contribution to GRP* from tourism and new industries

1. Increase # of businesses from new industries
2. Increase the number of overnight visitors to the region
3. Increase the number of people stopping in the Shire (day trippers)
4. Build awareness and regard for the region

Grow the attractiveness of the Shire as a place to live, work, visit and run a business

1. Achieve a critical mass of population
2. Ensure high quality secondary education in close proximity to where students live
3. Increase net promoter score
4. Create accessible attractions

*Gross regional product

Game Changing Initiatives

In achieving the vision for the EGS, the Shire and region need to keep one eye on essential low risk actions whilst pursuing game changing initiatives. The following table provides a list of the latter.

ID	Initiative	Description
P1	Business and Community Investment	Engage with businesses to ensure a fairer contribution to the community. If unsuccessful increase the charges that have to be paid via a community levy (e.g. rates, airport fees) to ensure a fair community contribution. The increased investment can potentially be placed into a long-term future fund to buttress against economic downturns (as was done with BHP.).
F5	Resource Accommodation	Facilitate private and public partnerships where higher density accommodation is built for resource company workers, the State Government essential staff and the general public
D1	Short stay accommodation	Facilitate the development of a 30-50 room short stay accommodation adjacent to the Hopetoun foreshore precinct
L5	Ravensthorpe Revitalisation – historical & industrial hub	Entice developers with an interest in the preservation and revitalisation of heritage buildings and local towns across WA e.g. Dome Group; and those looking to expand their regional footprint through food and beverage options (e.g. entertainment, bakery, food quality)
L6	Hopetoun – community centre with secondary high school	Position Hopetoun as the tourism and community epicentre of the region through the development of community facilities, including the feasibility of a Hopetoun secondary school (if successful develop EOI and business case with consideration for inclusion in the design of the sporting and community plan).

Indicators of Success

Due to the complexity of economic growth in the region, a wide range of indicators need to be monitored, and used to inform changes to the strategy:

Goal	Measures	Type
01 Fit for Future Infrastructure	Upgrade to South Coast Hwy	Leading enabler
	Number of new dwellings	Leading enabler
	Internet speeds	Leading enabler
02 Growing with Industry and Partners	Gross regional product	Lagging outcome
	Population	Lagging outcome
	Number of jobs	Lagging outcome
	Percentage of the workforce living in the region	Leading enabler
	Local contribution from large business	Leading enabler
03 A More Vibrant and Liveable Region	High quality secondary education in close proximity to where students live	Leading enabler
	Net promoter score	Leading enabler
	Net agreement that there is a: • "Hopetoun and Ravensthorpe have a vibrant main street" • "A range of food and accommodation options" • "Full calendar of community and major events	Leading enabler
04 A Diversified Economy	# of businesses from new industries	Lagging outcome
	Increase the number of overnight visitors to the region by	Lagging outcome
	Increase the number of people stopping in the Shire (day trippers)	Lagging outcome
	Awareness and regard for the region	Leading enabler

2. Introduction

Introduction

The Ravensthorpe district has been witnessing strong economic growth generated from mining, agriculture and a growing tourism sector. Mining leads this growth with an estimated $1.6B in mineral wealth extracted from the Ravensthorpe local government area in 2022, ranking the Shire 10th across WA's local government authorities in terms of mineral value output*.

Agriculture is also performing strongly with exceptional grain production over the last two harvests. A strong local business sector flows on from these record production levels and the resulting economic spend into the local economy.

Tourism is high on the community's agenda and opportunities exist to leverage the region's unique natural attractions. Set within the Fitzgerald Biosphere (one of only 738 UNESCO recognised biosphere reserves in the world) the Shire of Ravensthorpe includes some 600,000 hectares of native vegetation, including the Fitzgerald National Park. Much of this bushland is highly prized and boasts unique biodiversity values found nowhere else in the world. These natural assets, and the impact of Covid on intrastate travel, has led to strong visitor growth with an estimated 71,000 overnight visitors in 2020/21 (26.8% increase over previous period), generating 343,000 nights (36.7% increase).**

The Shire includes the townships of Ravensthorpe, Hopetoun, Munglinup, Jerdacuttup and Fitzgerald. The main population centres of Hopetoun (1,115 residents) and Ravensthorpe (580) collectively account for 81% of the Shire's total population of 2,089 local residents. Reflecting this population concentration, most of the Shire's built assets and services are located within the Ravensthorpe and Hopetoun townsites. The total Shire population, a key economic indicator, has increased by 20.3% from 1,736 in 2016 (or 4.1% average annual increase over past 5 years).

Despite these positive trends, the Shire has a history that is littered with the wrecks of previous booms and busts This time, it needs to capture the benefits of the positive cycle and invest wisely for the future community.

The critical challenge revolves around enhancing the liveability of the region. Geographical remoteness, limited air travel access, lack of hospitality businesses (number and variety), attracting and retaining quality workforce (educators, health, mining and other industry professionals), digital connectivity, lack of community facilities, services and sport/recreation opportunities across all age groups, all constrain the ability to attract and retain residents. This is compounded by the Shire's limited financial resources which are inhibited by a small population and rate base.

Despite these challenges, the region offers a number of economic growth opportunities and boasts high local volunteerism, a growing resident population, relatively cheap land and housing and well diversified local employment.

Ravensthorpe is well positioned to attract those wanting to "live where you love, work where you live".

ACKNOWLEDGEMENT OF COUNTRY

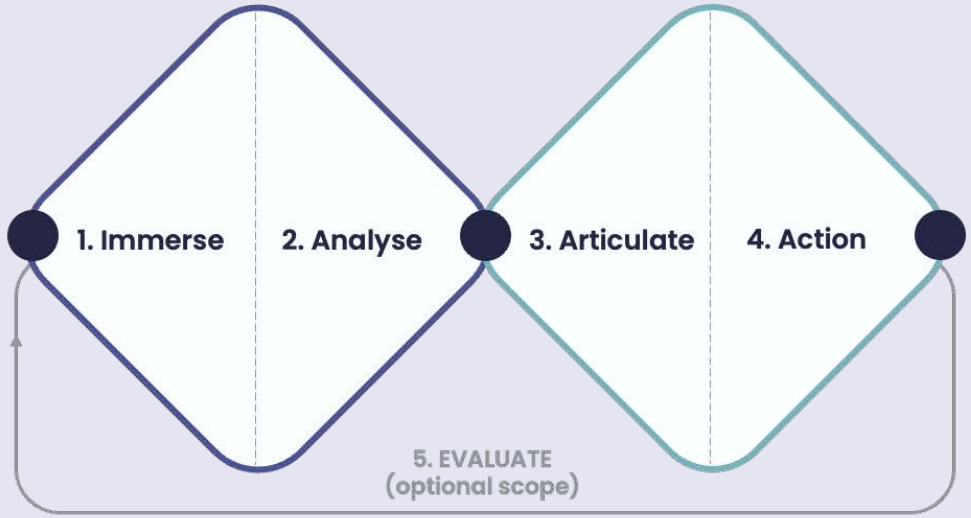
The Shire of Ravensthorpe acknowledges the Traditional Custodians of the land we are working on, the Wudjari Noongar people. We would like to pay respect to the Elders of the Noongar nation past, present and future, who have walked and cared for the land and we acknowledge and respect their continuing culture and the contributions made to the life of this region.

*Source: Department of Mines, Industry Regulation and Safety (DMIRS)
**Source: Tourism WA LGA fact sheets 2021.
*** Source ABS 2021 Census.

Project Objectives and Approach

The objective of this project has been to deliver a **highly actionable Economic Growth Strategy (EGS) written for implementation** by the Shire of Ravensthorpe.

In order to achieve this, the project has taken a phased approach as shown in the diagram below :



1. IMMERSE

Kick-off, planning and immersion in the region and its stakeholders.

2. ANALYSE

Evoke, synthesise and dissect current trends, experiences, insights and underlying causes. Begin hypothesis development of possible strategies.

3. ARTICULATE

Define a goal and picture of success for the ESG and flow on priorities such as housing and tourism planning.

4. ACTION

Develop a practical implementation plan across the strategic imperatives (e.g. tourism) to seize the opportunity.

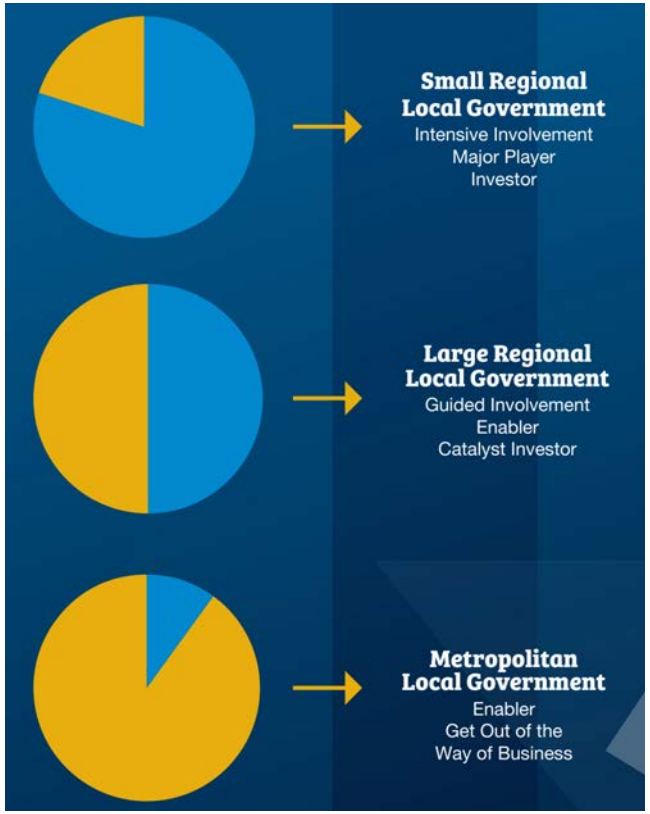
Subobjectives

- ✓ Integrate the Mainstreet and foreshore development plans for Ravensthorpe and Hopetoun with the EGS
- ✓ Develop a tourism action plan that focuses scarce resources on the levers and pathways to optimise economic and social benefits to the region
- ✓ Specify the housing, health, infrastructure and partnership opportunities
- ✓ Engage and consult with key stakeholders and influencers of the economic and social prosperity of the region

Principles of the EGS

Although the concept of economic growth is sometimes crudely interpreted to mean short term increases to the size of an economy, this strategy measures success in terms of **sustainable economic and social outcomes**. In addition it has been developed with the following principles in mind.

- Recognise that the Shire of Ravensthorpe is a major player and investor in community benefits (as per the WALGA framework - see right); and that in other instances it can only play a an influencing role.
- Address issues where there is market failure and avoid competing against businesses
- Ensure it works as part of the larger integrated strategy, such as the Community Development Strategy
- Fosters collaboration between different levels of Government, business and the community
- Encourages competition and productivity
- Focuses on trade offs: with limited resources to invest, the EGS needs to focus on the areas of greatest return



The role of local government in economic development is also dependent on the other organisations in the region. This strategy recognises that in some instances, the Shire of Ravensthorpe is best placed to partner rather than lead initiatives with key stakeholders who also have economic development roles (e.g. in terms of education).

Source: adapted from WALGA's development framework

Economic Prosperity Underpins a Community

The following framework has been used to guide the analysis of current performance and to develop the economic growth strategy. Without economic success, the benefits back to community and the Shire will be negligible. Underpinning the economic engine that sustains community benefits is the level of competitive strength and demand. The factors of competitive strength (supply), such as natural resources, innovation, people and capital blend together to provide comparative strength and advantage.

3. Current State Assessment

3.1 Consultation

Project Consultation

Approximately 50 people were consulted through the project directly through 1:1 and group discussions. In addition to this a community survey was distributed, providing a strong response with 85 people providing feedback.

The following provides an overview of the objective for each consultation activity completed:

See appendix for details.

Activity	Objective
Community survey	Understand the economic challenges and potential improvements for the region, and what the community prioritises
Stakeholder interviews	In-depth interviews with key stakeholders to delve deeper into drivers and constraints to economic growth.
Workshops & co-creation sessions	Facilitate interactive sessions and workshops with key stakeholder groups to ideate and validate options for economic growth, and prioritise strategic initiatives

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Net Promoter Score

Word of mouth is the most powerful and cost effective form of advertising, and tapping into this represents a significant opportunity for the Shire. With this in mind, resident advocacy was measured in order to understand how likely people are to entice others to come and visit, live and work in the region. Secondly, it was conducted to provide an overall gauge on how positive residents are about their community.

The Shire of Ravensthorpe region received a score of -31*:

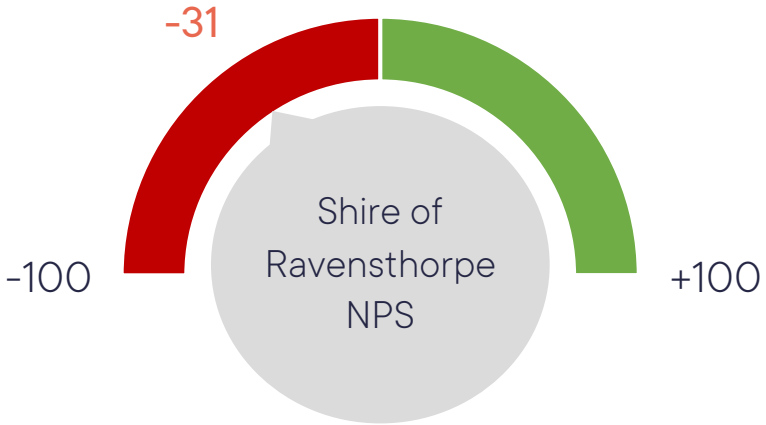
- Along with having a high percentage of scores below 5, 67% of the sample sit within the range of 5-8. There should be a focus on converting these more neutral people into active promoters and advocates for the region
- Importantly there is a strong difference between Ravensthorpe and Hopetoun, with the former receiving a NPS of -50 and the latter an NPS of -17. **This highlights the opportunity to promote Hopetoun as the place for new residents to come and live.**

Score	Percentage
0	4
1	2
2	1
3	5
4	4
5	10
6	12
7	17
8	18
9	3
10	9
	85

44%

= - 31%

13%



* *Q: How likely are you to recommend the Shire of Ravensthorpe region as a place to live in, to a friend, colleague or relative? n=85*

Net promoter scores can range significantly. For example, the City of Rockingham's NPS is +25, whereas Donnybrook- Ballingup -23 (Source Markyt)

Key Strengths and Constraints

Stakeholders see the strengths as having a diverse economy, the pristine natural environment and active communities. On the flipside, the weaknesses are high-quality secondary education, specialist health services, and a lack of entertainment. The below provides a summary of the strengths and constraints that were identified through the consultation:

Key Strengths

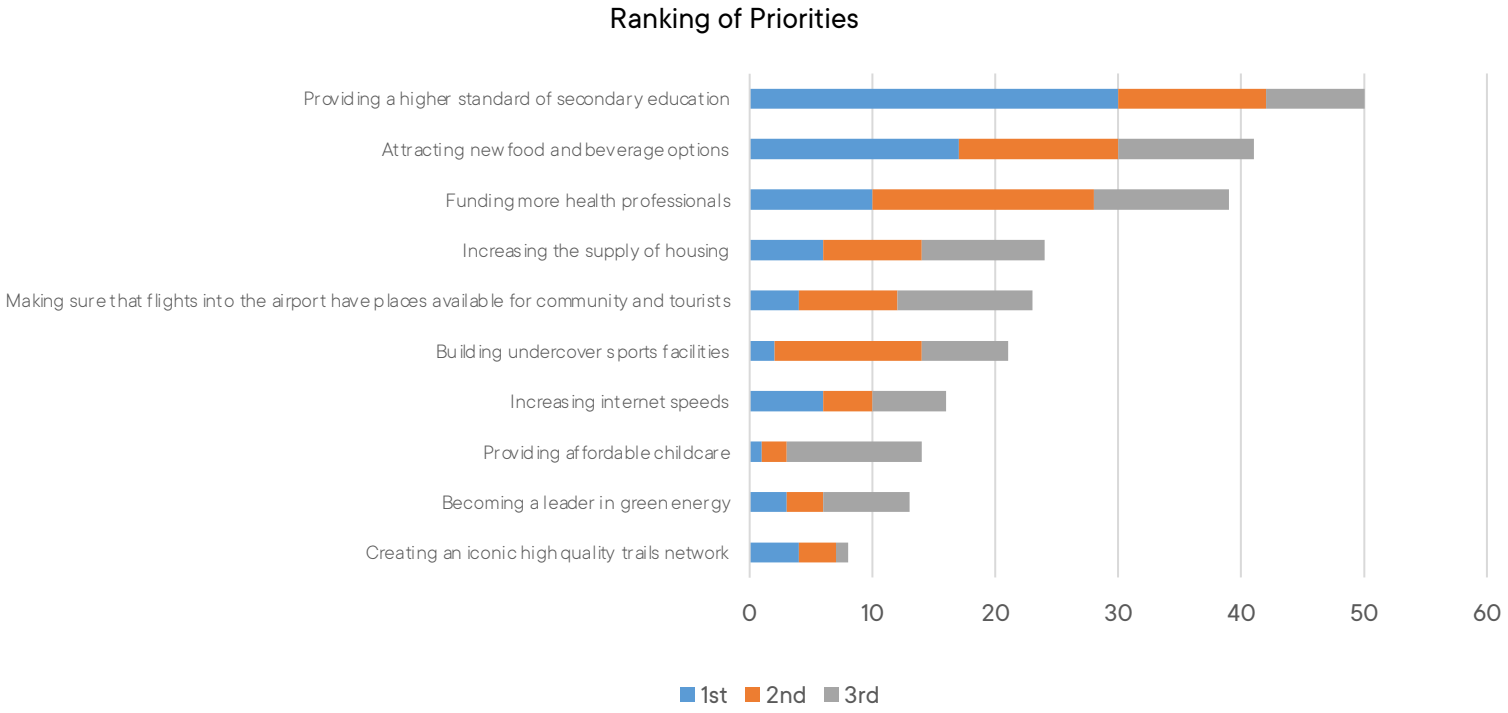
- ✓ Diverse economy with strengths in resources, agriculture and increasingly tourism
- ✓ Beautiful natural environment, including beaches, national parks, and wilderness areas
- ✓ Relaxed, family-oriented, and friendly atmosphere
- ✓ Good weather and climate
- ✓ Strong sense of community, with active community groups and opportunities for social activities

Constraints

- ✗ Poor quality of secondary education with high staff turnover and limited options. This leads to youth leaving the community for boarding schools or working families relocating
- ✗ Limited specialist medical and dental services
- ✗ Poorly maintained infrastructure including roads and beach access
- ✗ A limited range of shops, food and beverage options
- ✗ Difficulty attracting and retaining younger people due to limited opportunities and services.

Community Priorities

As part of the survey, respondents were asked to prioritise a range of ideas. Based on this, and in validation of the qualitative findings, the critical community priorities are **providing a higher standard of secondary education**, **attracting new food and beverage options** and **funding more health professionals**.



Q: Please use the arrows below to rank the following potential ideas in terms of priority

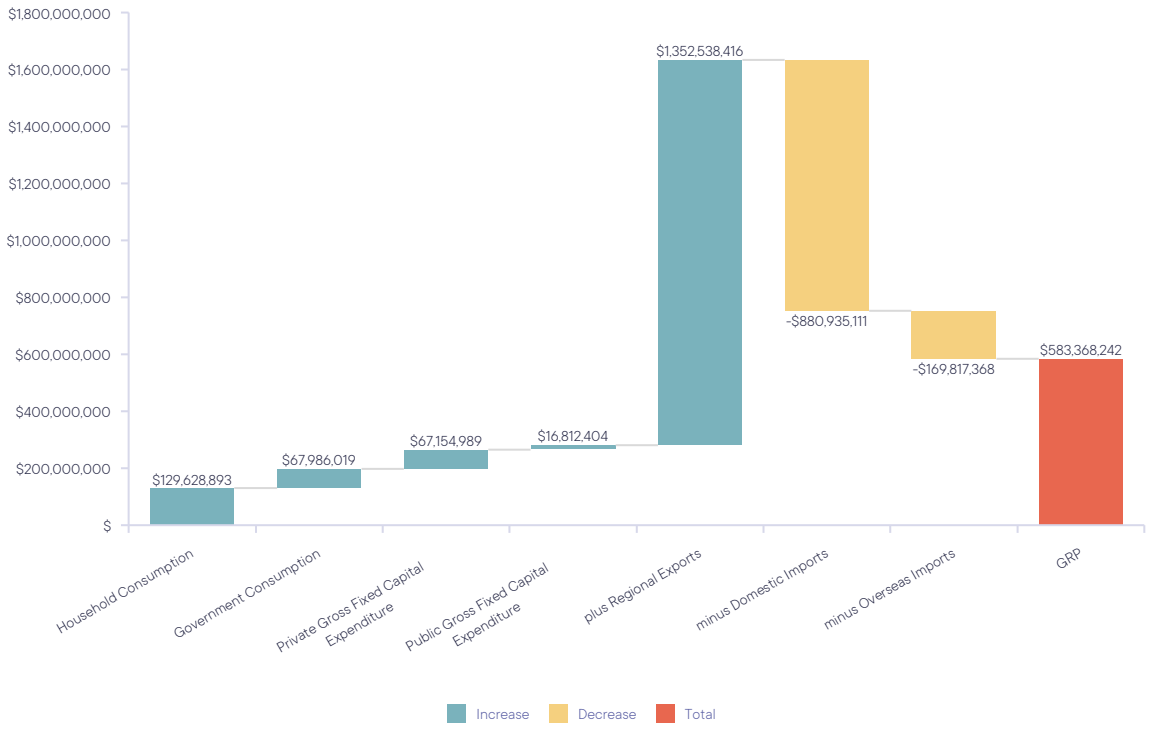
3.2 Economic Indicators

A Growing Regional Centre

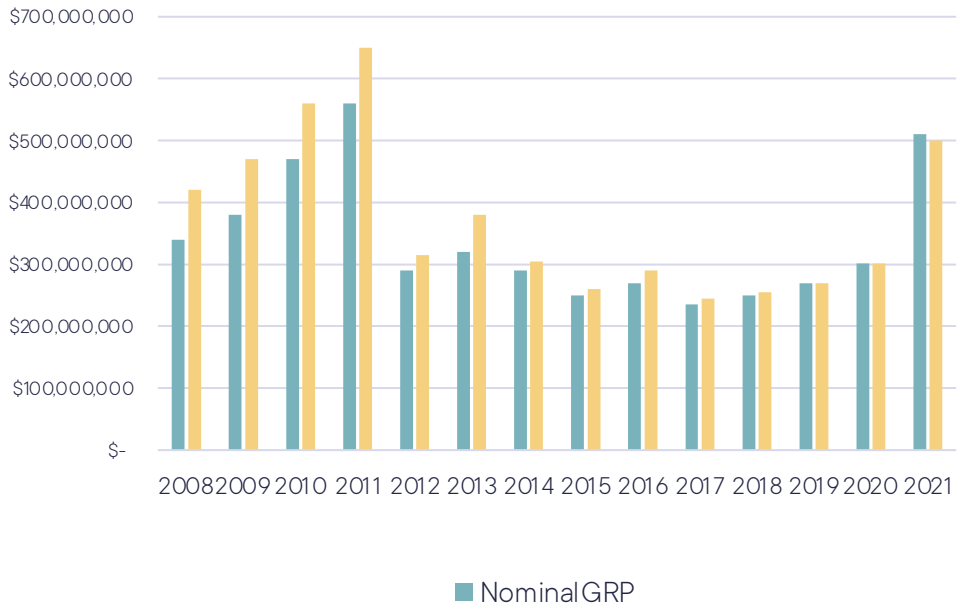
The Shire generates $1.64 billion in revenue, with $1.35b of this coming from exports, and the remainder from household consumption, government and private capital expenditure. When domestic and overseas imports are taken into account, the net figure of $522m (Gross Regional Product - GRP FY22).

As can be seen in the second chart, despite significant growth in recent years, gross regional product is still significantly lower in real terms than in 2011.

GRP June 22



GRP Trend



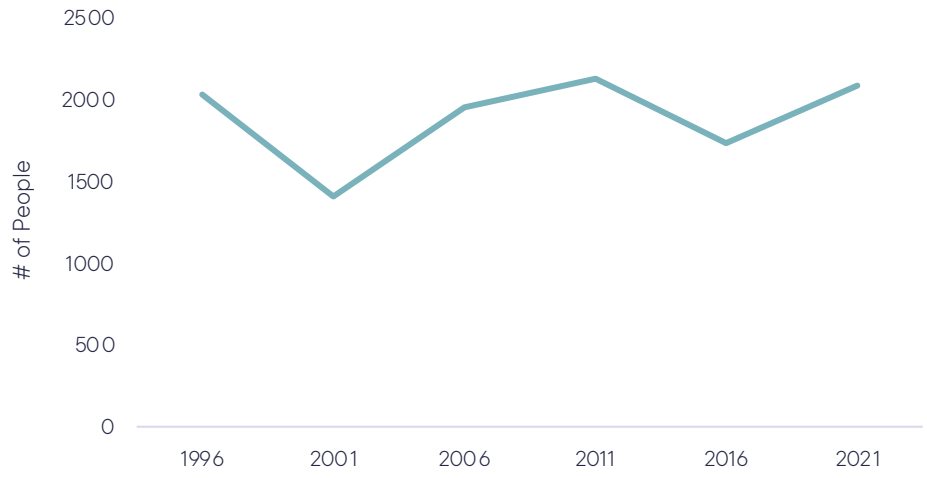
Source: Goldfields and Esperance Development Commission; https://www.gedc.wa.gov.au/our-region/economic-profile; REMPLAN and ABS.

Population - A Tale of Two Towns

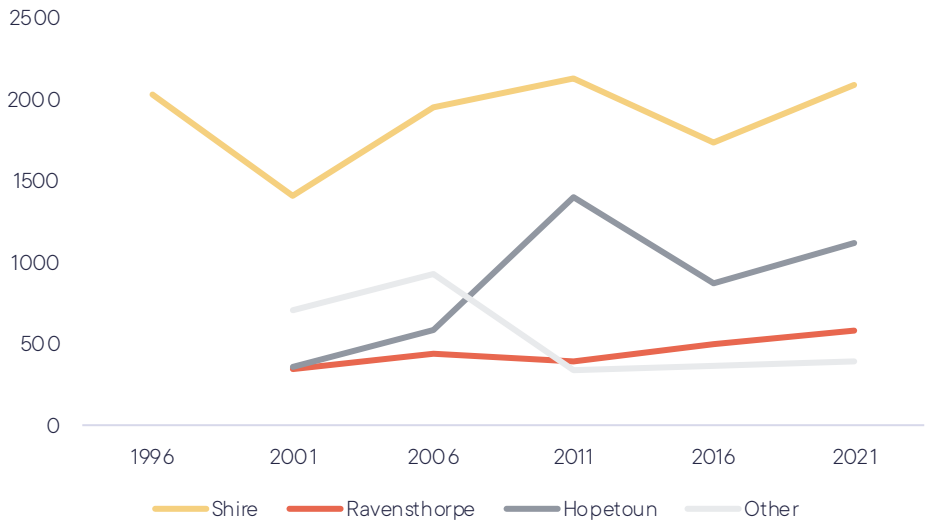
The Shire includes the townships of Ravensthorpe, Hopetoun, Munglinup, Jerdacuttup and Fitzgerald; with the main population centres of Hopetoun (1,115 residents) and Ravensthorpe (580) collectively accounting for 81% of the Shire's total population of 2,089 local residents (ABS 2021 Census). Reflecting this population concentration, most of the Shire's built assets and services are located within the Ravensthorpe and Hopetoun townsites.

The Shire population increased by 20.3% from a base of 1,736 in 2016 (or 4.1% average annual increase over past 5 years). However the population of the town of Ravensthorpe has flatlined over the decades and other largely agricultural areas have actually declined in population with the drop in the number of farmers and on farm workers. **The long term trend suggests that Hopetoun will continue to grow and dominate the region in terms of population.**

Shire of Ravensthorpe Population



Towns of Ravensthorpe Population

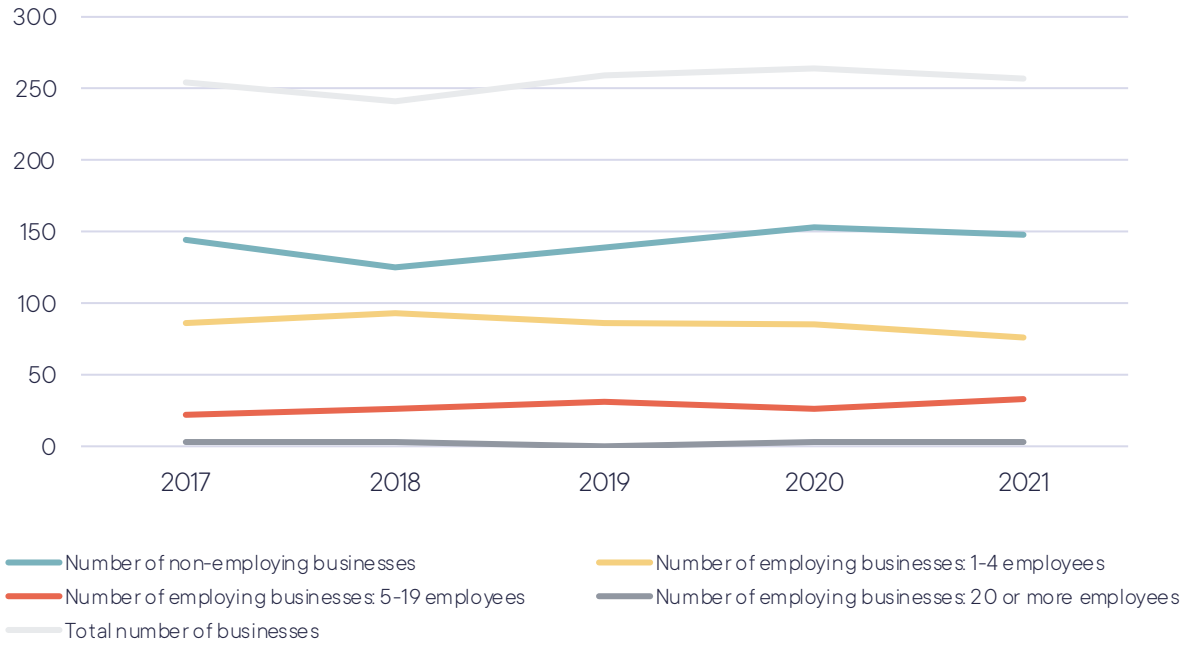


Business Entries and Exits

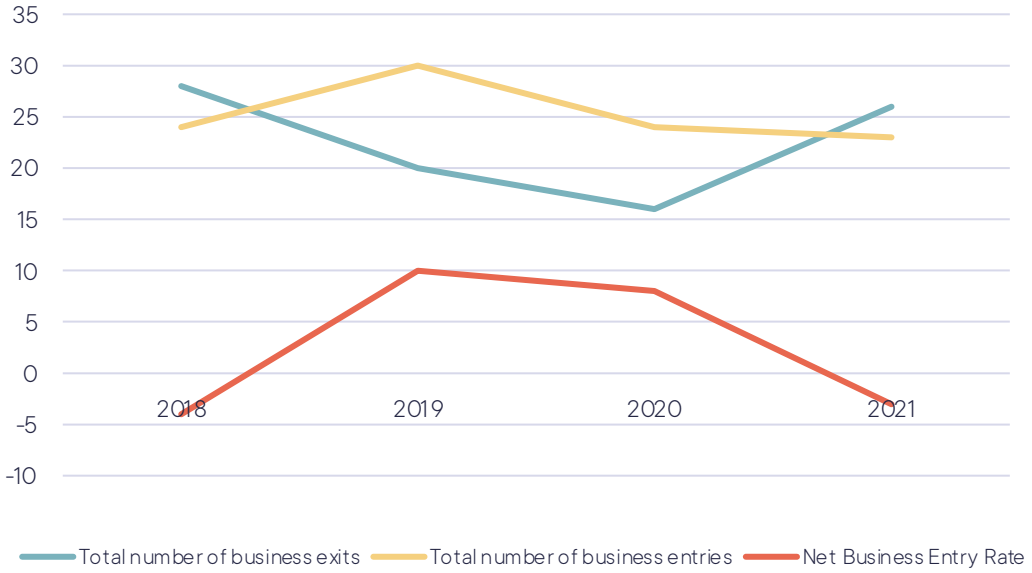
Over FY21 there were more business exits then entries, potentially reflecting challenging conditions of Covid and also lower than average rainfall over 2019 and 2020.

The total number of businesses remains steady at 250. The highest entry and exit rate of businesses is in the smaller sized organisations that are not employing, or that have less than 4 employees. The Shire has the opportunity to support these businesses and attract new ones into the region by providing facilities such as shared working spaces that have free Wi-Fi.

Number of Businesses



Business Entries and Exits



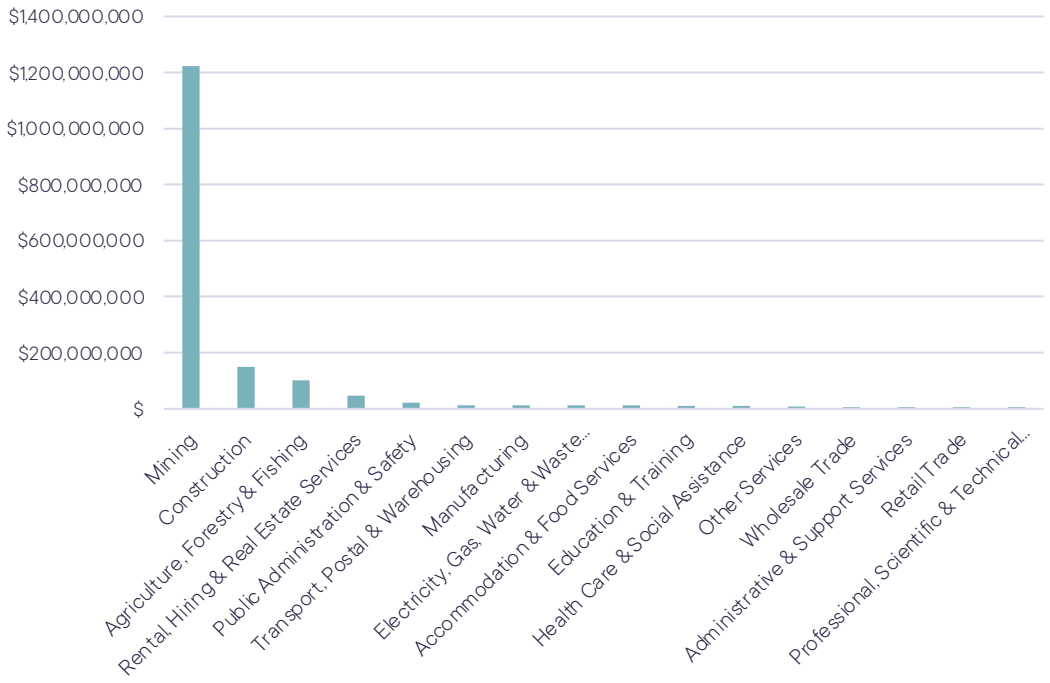
Source: ABS Business Entries and Exit June 30 2022

A Value Adding Economy

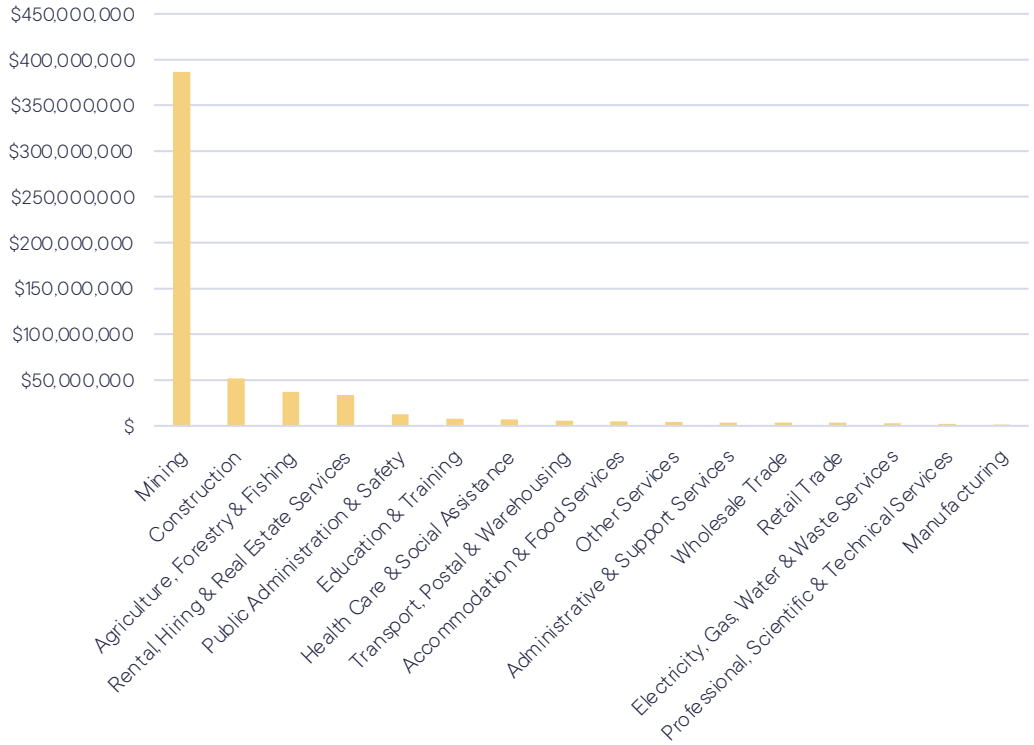
The Shire economy is dominated by the mining sector which represents 74% of output, and 68% of value added by industry within the Shire of Ravensthorpe. Value adding is dominated by FQM which conducts ore processing in a beneficiation plant – a scrubbing and screening process which upgrades the nickel laterite ore.

The next largest sectors are Construction, Agriculture, Forestry & Fishing; Rental, Hiring & Real Estate Services and Public Administration & Safety (FY22 data).

Output* by Industry



Value Add** by Industry



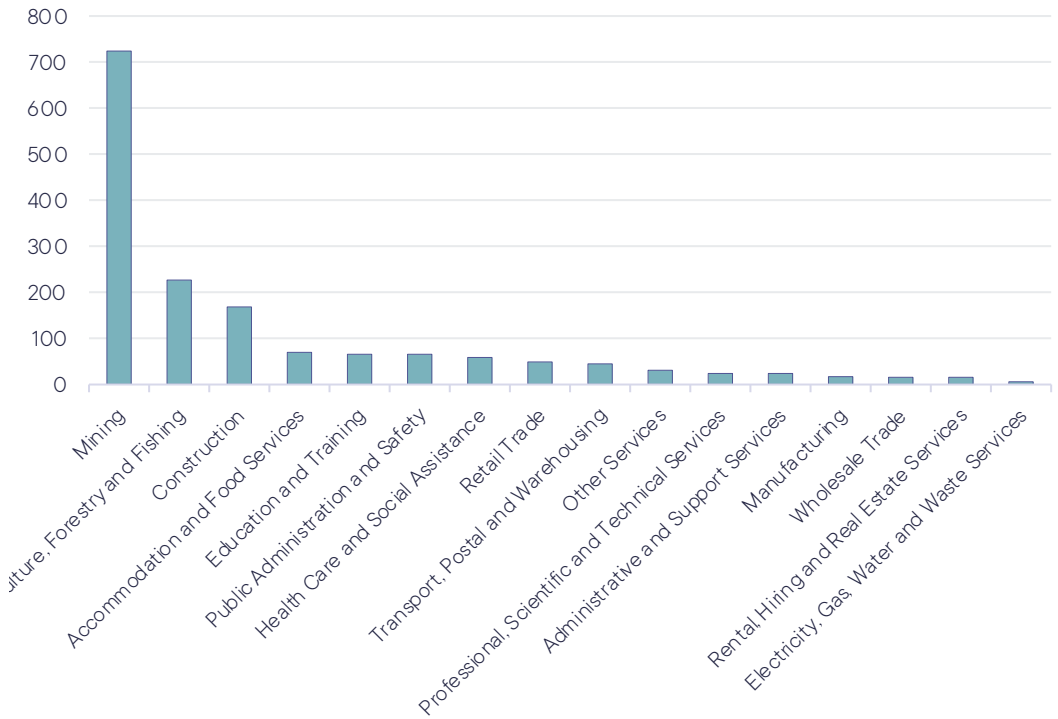
Source ABS;
*Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.
**Value-Added data represents the marginal economic value that is added by each industry sector in a defined region. Value-Added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages & Salaries paid to local employees, the gross operating surplus and taxes on products and production. Value-Added by industry sector is the major element in the calculation of Gross Regional Product.

Employment by Industry – A Mining Shire

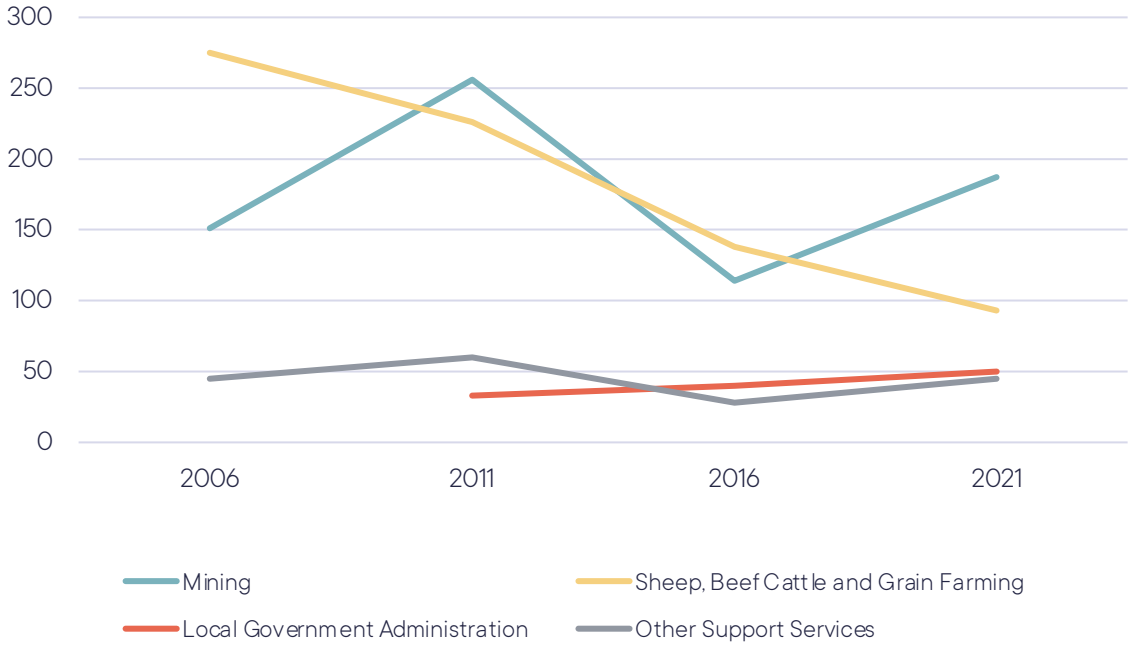
Mining employment has grown since 2016, despite having fewer resident workers than it did in 2011. In stark contrast farming has seen a remarkable drop over the last decade with the ongoing consolidation and automation of the industry.

The number of people working in the Shire quadruples from 375 to 1600 people when the transient (DIDO/FIFO) workforce is included. Mining is the largest employer of people in the Shire for residents, and significantly more so when the transient workforce is taken into account.

Employment by Industry* - Place of Work



Employment by Industry – Place of Usual Residence



Source: ABS CENSUS Working Profile Population Download; 2021 Census All persons

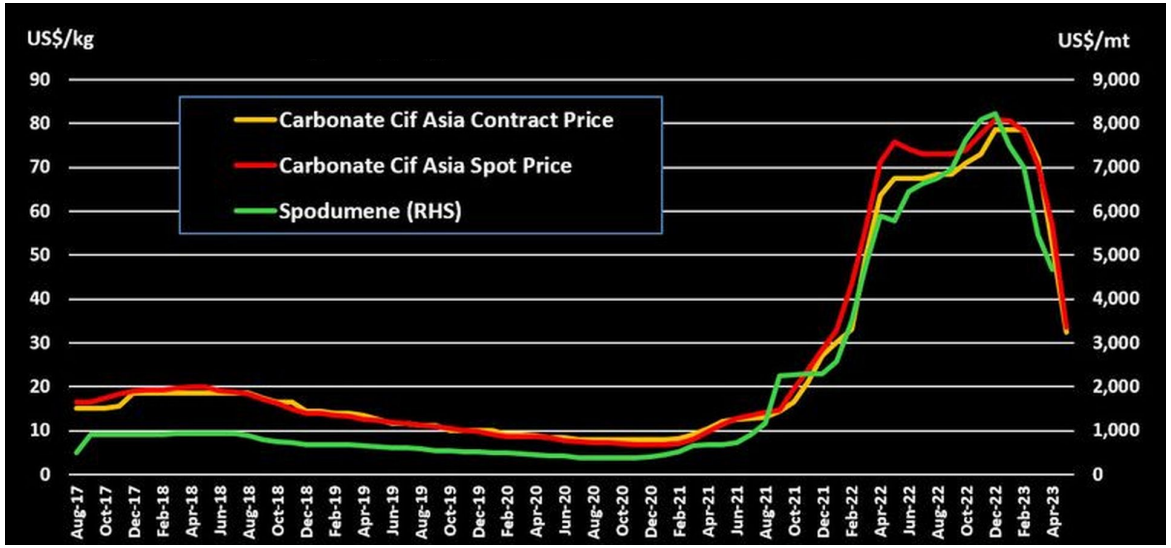
*The employment data presented above represents the number of people employed by businesses / organisations in each of the industry sectors in the defined regions. In this report the employment data is place of work data and represents total numbers of employees without any conversions to full-time equivalent. Nor does it consider whether the work in the location is transient or FIFO.

3.3 Mining

Lithium and Nickel Price

The mining sector in the Shire of Ravensthorpe is dominated by lithium (Allkem) and nickel (FQM), with the economic success of the region largely tied to international demand for these key commodities.

Despite seeing strong falls in price over 2023, the nickel and lithium price remain well above historical levels, and current costs of production.



Source: Trading Economics/Fastmarkets

Allkem - Lithium

Allkem, formerly Galaxy, is now the subject of a merger with Livent. Should the merger proceed then it will create the third largest lithium player in the world, with the Ravensthorpe assets its only Australian mine.

Record breaking profits continue to be made at Mt Cattlin:

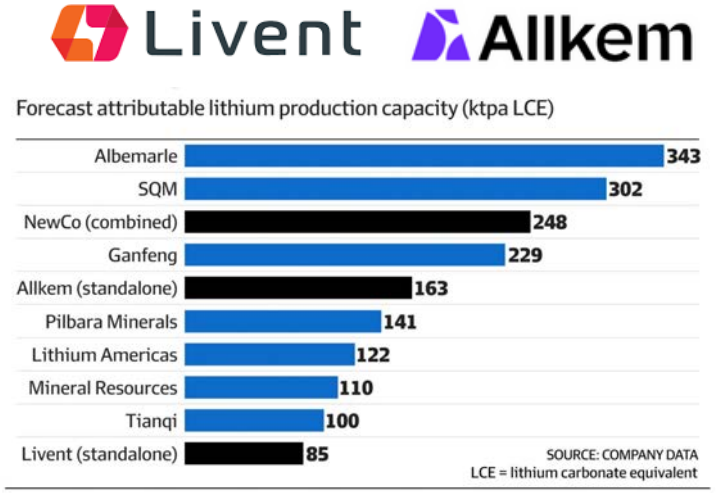
Measure	FY22	Half Year FY23
EBITDA (US $ Mil)	$336	$203
Revenue (US $ Mil)	$452	$257
FOB (at Port) cash cost (Esperance US $ Mil)	$420	$902
Volume (dry metric tonnes)	144,865	34,010

"Mt Cattlin achieved a record-breaking financial year and demonstrated operational and financial strength despite a tight labour market and disrupted supply chains in Western Australia which were exacerbated by the impacts of the pandemic. A resource extension drilling program has also commenced with the aim of proving up a multi-year mine life extension." Annual Report FY22

Allkem agrees to $US10bn merger; MS, UBS on defence

ASX-listed Allkem, the lithium producer formerly known as Orocobre, has struck a $US10 billion ($15 billion) merger agreement with New York Stock Exchange-listed Livent Corp, Street Talk can reveal.

It is understood the deal, underpinned by rising prices and demand for the metal used to make

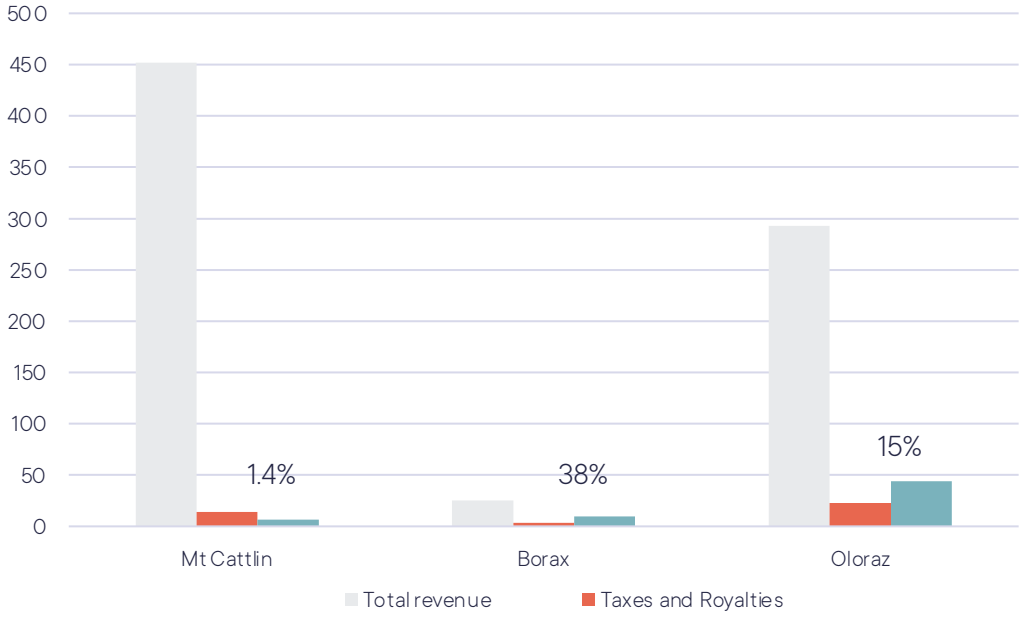


Source: Australian Financial Review

Allkem's Contribution to the Local Economy

Allkem's contribution to the local community is far lower than what it provides to its other locations, such as Oloraz and Borax. In Oloraz Argentina it provided $44m to the local community and $22.7m in taxes and royalties, on a revenue of $293m. On the other hand it provided $6.5m and $13.8m from its Australian Mt Caitlin operations on a revenue of $452m.

Relative Contribution Across Operations*



Area	Mt Cattlin	Borax	Oloraz
Taxes and Royalties (USD)	$13.8m	$3.7m	$22.7m
Local community contribution (USD)	$6.5m	$9.6m	$44m
Taxes & Royalties as % of Rev	3.1%	14.7%	7.8%
Local community cont. as % of Rev	1.4%	38.2%	15.0%
Total revenue (USD)	$452m	$25.1m	$293m

Allkem states the contribution to the local community of Ravensthorpe is $6.5m. Local contribution is an aggregate of salaries, local supply contracts and community programs. This represents 1.4% of revenue from the region, compared to much higher levels of 15% at Oloraz and 38.2% at Borax.

Source: Allkem Sustainability Report FY22

Allkem's Contribution to the Local Economy

According to the Shire of Ravensthorpe the annual Allkem **contribution to the Shire of Ravensthorpe was under $AUD 50,000 in FY22**; excluding the total amount paid in rates in FY22 of $AUD 38,818.

According to Allkem, the **investment back to the community (the region) was USD $294,071,** excluding local procurement and salaries.

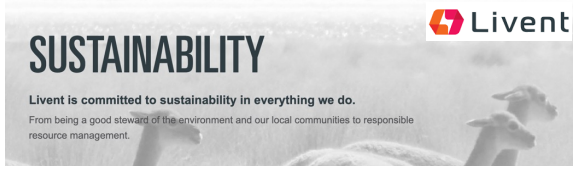
Allkem Local Contributions

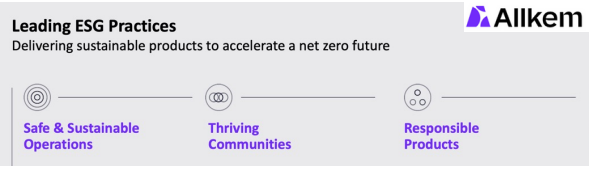
Date	Year	Amount	Cash Contribution Details
19/2/2019	18/19	$15,000	Ravensthorpe Gym Equipment - Pitch Your Project
19/2/2019	18/19	$6,100	The Cubhouse Toys & Equipment - Childcare
14/6/2019	18/19	$20,000	Ravensthorpe Nature Playground
27/8/2019	19/20	$10,000	Social Economic Study
17/9/2019	19/20	$10,000	Medical Practice Support
21/4/2021	20/21	$10,000	Our Town TV Promotion series
21/7/2021	21/22	$25,000	McCulloch Park Hopetoun Upgrade
7/1/2022	21/22	$3,000	Thank a Volunteer Event
30/6/2022	21/22	$20,000	Removal of Debris Hopetoun House Fires 11/02/22
Non-Cash	20/21	$35,000	Ravensthorpe Gym ~$60K in return for 2 Yrs x 50 Memberships (-$25K)

Allkem reports the following breakdown of regional contribution (note this excludes local salaries which forms part of the total local contribution of $6.5m- see previous page)

	Local Procurement*	Community Contributions	Strategic Community Investment	Grants and Donations
Olaroz	$37,774,000	$858,370	$ 63,157[32]	$75,213
Borax Argentina	$6,297,000	$31,508	$23,758[33]	$7,750
Mt Cattlin	$2,084,000	$177,681	$36,315	$80,075

*Value of supply contracts awarded to local community suppliers.





Source: Shire of Ravensthorpe and Allkem Sustainability Report

FQM – Nickel

The Ravensthorpe nickel mine has played a pivotal role in the Shire's recent history. The original owner BHP, established the mine, built a number of houses, an airport, and upon shutting the mine in 2009, created a fund for future investment. Today Canada's First Quantum Minerals owns 70 per cent of the Ravensthorpe mine, alongside South Korean steelmaker POSCO.

Skilled labour availability and high sulphur prices remain a challenge to the cost position of the operation. However, for the calendar year end 31/12/22 a gross profit of $35m was achieved from a revenue of $476m and Cost of Sales (exc. depreciation) of $396m.

Gross Profit/Loss

The Ravensthorpe nickel mine has had a troubled history, being shut amid significant controversy in 2009 and again in 2017.

Howard promises $10m for BHP mine infrastructure

Posted Fri 30 Jul 2004 at 12:00pm

1,800 jobs lost as BHP shuts Ravensthorpe nickel mine

Posted Wed 21 Jan 2009 at 7:46am, updated Wed 21 Jan 2009 at 12:03pm

13 September, 2010 2:41PM AWST

The mining's gone but future funds remain for Ravensthorpe

By ABC South Coast and Great Southern

A board of governors has now been appointed to distribute funds from a five-million dollar contribution BHP Billiton made to the Shire of Ravensthorpe last year after the company withdrew its nickel mining operations from the region.

BHP dumps troubled Ravensthorpe mine for $376m

MINING giant BHP Billiton Ltd has offloaded its troubled Ravensthorpe nickel mine, selling it to First Quantum Minerals Australia Pty Ltd for $US340 million ($376 million).

Ravensthorpe nickel mine to close due to low market prices, 270 jobs impacted

By Jarrod Lucas and Jacob Kagi

Posted Wed 9 Aug 2017 at 7:26pm, updated Thu 10 Aug 2017 at 10:58am

First Quantum sells nickel mine stake to Posco for $240m

FIRST QUANTUM MINERALS LTD.

POSCO

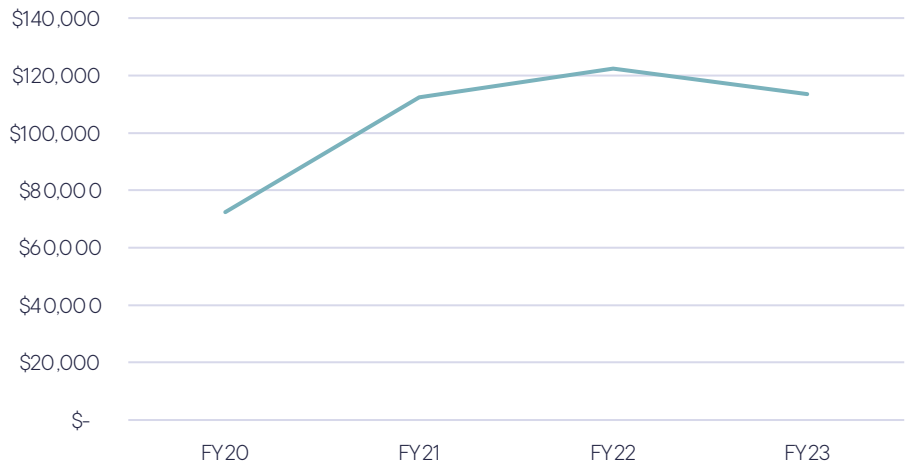
Source: FQM

FQM's Contribution to the Local Economy

Based on the Shire of Ravensthorpe data, FQM's contributions, largely in kind, hover around the mark of ~$AUD 120,000 per annum excluding rates. The most significant contributions are the provision of **three houses in Hopetoun $AUD 62,400 and gym equipment upgrades of $AUD 50,000 per annum.**

Including rates the amount is $AUD685,609 on a calendar year basis, according to FQM.

FQM Local Contributions



Source: Shire of Ravensthorpe

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	**From:**	1/1/2021	**To:**	12/31/2021
Reporting Entity Name	First Quantum Minerals Ltd.			
Reporting Entity ESTMA Identification Number	E332692			
Subsidiary Reporting Entities (if necessary)				

Payments

Country	Payee Name[1]	Departments, Agency, etc... within Payee that Received Payments[2]	Taxes	Royalties	Fees
Argentina	Government of Argentina	Federal Administration of Public Income	300,905		
Argentina	Province of Salta	Mining Secretary			94,864
Argentina	Municipality of Tolar Grande				100,560
Australia	Shire of Ravensthorpe		685,609	-	-
Australia	State of Western Australia	Department of Mines, Industry Regulation & Safety	824,138	9,206,706	178,209
Australia	State of Western Australia	Department of Environment Regulation	-	-	81,348
Australia	State of Western Australia	Department of Finance	126,943	-	-
Australia	State of Western Australia	Department of Transport	-	-	17,897
Australia	South West Aboriginal Land and Sea Council				
Australia	Equity Trustees Wealth Services Limited			523,926	
Chile	Government of Chile	General Treasury of the Republic	159,880	-	-
Finland	Government of Finland	Finnish Tax Administration	7,563,046	-	-

Source: FQM

Contribution Compared with other Jurisdictions

With a profit after depreciation of $USD35m in CY22, FQM is in a much stronger position to contribute more to the region.

FQM published a **contribution of $USD12.3m to the various levels of government in Australia in calendar year 2021**. This pales in contrast to the $444m it provided to Zambia 2021, where it did in fairness make a significantly larger profit.

The contribution through taxes, royalties and fees to all levels of government represents **2.9% of revenue from Ravensthorpe**. This compares with 22% of revenue from Kansanshi. However, in the year of comparison (CY21) a loss of $61m was made at Ravensthorpe and profit of $1B at Kansanshi.

Earnings by segment

For the year ended December 31, 2022, segmented information for the statement of earnings (loss) is pres

	Revenue	Cost of sales (excluding depreciation)	Depreciation	Other	Operating profit (loss) [1]
Cobre Panamá [2]	2,959	(1,286)	(608)	(11)	1,054
Kansanshi [3]	1,706	(1,098)	(226)	114	496
Trident [4]	1,980	(1,001)	(314)	18	683
Ravensthorpe [5]	476	(396)	(46)	1	35
Corporate & other	505	(415)	(36)	(81)	(27)
Total	7,626	(4,196)	(1,230)	41	2,241

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year	From:	1/1/2021	To:	12/31/2021	
Reporting Entity Name		First Quantum Minerals Ltd.		Currency of the Report	USD
Reporting Entity ESTMA Identification Number		E332692			
Subsidiary Reporting Entities (if necessary)					

Payments by Project

Country	Project Name[1]	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project
Argentina	Taca Taca	300,905	-	195,424	-	-	-	-	496,329
Australia	Ravensthorpe	1,636,690	9,730,632	277,454	-	644,490	-	-	12,289,265
Chile	Various early stage exploration	159,880	-	-	-	-	-	-	159,880
Finland	Pyhäsalmi	7,563,046	-	-	-	-	-	-	7,563,046
Mauritania	Gueib Moghrein	36,695,041	9,321,724	-	-	-	-	-	46,016,765
Panama	Cobre Panama	-	36,951,109	5,671,983	-	-	-	-	42,623,092
Peru	Haquira	-	-	673,958	-	-	-	-	673,958
Spain	Las Cruces	10,211,573	-	79,221	-	473,258	-	-	10,764,051
Turkey	Çayeli	5,577,377	2,545,669	-	-	-	-	-	8,123,046
Zambia	FQMO	24,241,480	-	26,665	-	-	-	-	24,268,145
Zambia	Kansanshi	219,671,884	187,640,498	23,122	-	-	36,800,000	-	444,135,505
Zambia	Sentinel	124,080,610	198,423,143	109,882	-	-	-	-	322,613,635
Total		430,138,485	444,612,775	7,057,709	-	1,117,748	36,800,000	-	919,726,717

Additional Notes[3]:

1. Above numbers are reported in USD. When a payment is made in a foreign currency by a subsidiary which uses USD as its accounting functional currency, the payment is generally reported using the exchange rate existing at the time the payment is made. For those subsidiaries whose ac payments reported have been translated to USD using the yearly average exchange rates which are as follows:
Argentine peso 95.1015
Chilean peso 760.2530
Euro 0.8454
2. The Company reported all payments in excess of USD $78,877 (CAD $100,000/1.2678 year-end exchange rate) per payee per category.
3. Infrastructure Improvement payments include in-kind contributions. The method for calculating the value of the payments is at cost.

3.4 Agribusiness

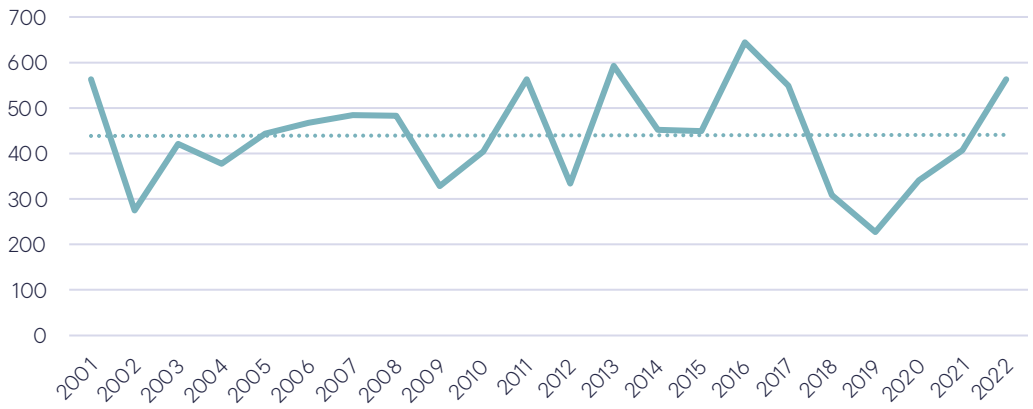
Introduction

Ravensthorpe has a long proud history in agriculture. Like much of the wheatbelt it has seen the same trends of larger farms and fewer farmers, substitution of livestock for grain and advances in technology that improve productivity. Below are some of the key characteristics of agriculture in the region:

- There is a **storage capacity of 468,000 tonnes** (off farm), with grain being transported direct to the port of Albany or Esperance; to the bins inside or outside of the Shire, or for domestic use. With an assumed production 2 tonnes per ha (depending on variables such as moisture levels and type of grain), the region can typical produce 700,000 tonnes of grain.
- There are approximately 140,000 sheep or lambs in the shire and 17,000 livestock. Assuming a price per head of $160 per sheep and $2,462 per meat cattle the value of on **farm livestock is estimated at $22.4 m for sheep and $41.9m for cattle.**
- **Rainfall averages under 450ml per year**, deviating by ~100ml from the mean.

Like the mining industry, agribusiness is often at the mercy of international commodity markets. In addition, for agricultural the weather is also a major variable with the volatility of rainfall (as shown in the diagram left) increasing in recent times. **This again highlights the need for the region to diversify its economy through new industries such as tourism.**

Rainfall Avg at Carlingup, Munglinup West and Ravensthorpe (ml)



Agricultural Commodities in the Shire June 2023

Grain is the dominant agricultural commodity in the region (see the next pages:

Description	2021
Area of holding - total area (ha)	352,790
Meat cattle - total (no.)	17,288
Sheep and lambs - total (no.)	139,692
Pigs - total (no.)	0.6

Sources: Auction Plus , ABS Agricultural Commodities Year End 30th June 2023, BOM. Based on an

Value of Grain Produced in 2022/23

The total volume of tonnes produced in the Shire of Ravensthorpe for harvest 2022/23 was 859,000 with an estimated value of $371m. Whilst the Esperance zone has seen a ~5% CAGR over the last 20 years, the grain produced in 2023 in Western Australia was the largest on record and so caution should be taken in not overstating the grain production potential. With this in mind the following summarises the value of grain by type and location produced in the region in 2022/23:

Prices based on Daily Grain CY 23

APW (Wheat)	Canola	Feed Barley	Oats
356	658	295	350

Tonnes out of the Shire

	Barley		Canola		Oats		Wheat			
	Tonnes	Value	Tonnes	Value	Tonnes	Value	Tonnes	Value	Total Tonnes	Total Value
Jerramungup	146,962	$ 43,353,790	179,829	$ 118,327,482	4,130	$ 1,445,500	237,386	$ 84,509,416	568,307	$ 247,636,188
Ravensthorpe	166,458	$ 49,105,110	248,982	$ 163,830,156			443,186	$ 157,774,216	858,626	$ 370,709,482
Total	313,420	$ 92,458,900	428,811	$ 282,157,638	4,130	$ 1,445,500	680,572	$ 242,283,632	1,426,933	$ 618,345,670

Tonnes via South Coast Hwy

	Barley		Canola		Oats		Wheat			
	Tonnes	Value	Tonnes	Value	Tonnes	Value	Tonnes	Value	Total Tonnes	Total Value
Jerramungup	126,570	$ 37,338,150	161,648	$ 106,364,384	3,642	$ 1,274,700	218,055	$ 77,627,580	509,915	$ 222,604,814
Ravensthorpe	116,532	$ 34,376,940	211,609	$ 139,238,722			339,249	$ 120,772,644	667,390	$ 294,388,306
Total	243,102	$ 71,715,090	373,257	$245,603,106	3,642	$ 1,274,700	557,304	$ 198,400,224	1,177,305	$ 516,993,120

Source: CBH Group

Grain Storage and Handling in the Region

Grain production in the Shire is nestled between two ports; and has storage receival points at Munglinup, Ravensthorpe and West River (Jerdacuttup has recently been sold). South Coast Hwy is the major grain artery with side roads also playing an important role. Outside of the Shire, Jerramungup is also a major storage point for the region.

Munglinup

Munglinup was constructed in 1975 and took its first grain receival in 1976. During the 1976-77 harvest there were 156 grower deliveries totalling 11,785 tonnes. Today the site has storage capacity of around 268,000 tonnes.

Ravensthorpe

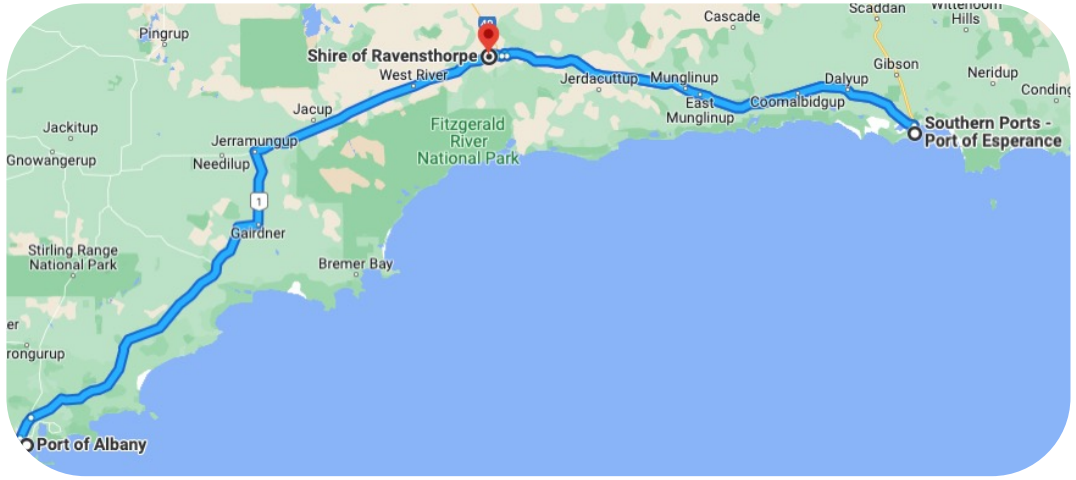
Ravensthorpe was constructed in 1963 and has a storage capacity of around 200,000 wheat equivalent tonnes. The site has open bulkheads, A Type, D Type and L Type storage facilities.

West River

West River was constructed in 1978 and has a storage capacity of just over 50,000 tonnes. The site has bulkheads, silos and G-type storage facilities.

Jerdacuttup

Jerdacuttup is a site in the Esperance Zone that has recently been sold.



CBH's Contribution to the Local Economy

CBH reported its largest ever surplus of $497.7 million to the year ending September 2022. **The net profit it generated from the the Shire of Ravensthorpe region is estimated at $55m, on a revenue of $462m.**

The amount contributed back to the Shire does however pale in comparison to this amount:

- **Rates**: CBH pays shire rates based on grain handling capacity at a tonnage rate of 0.10217. For 22/23 a figure of 662,695 tonnes was used as the calculation figure resulting in a total amount charged of **$67,711.**
- Direct community contributions: Hopetoun Clay Target Club $1000 for two day carnival

There were some community contributions made within Esperance but since it is impossible to estimate whether people from Ravensthorpe attended, the contributions have been excluded from this analysis.

Based on what is actually stored in the region, and excluding what is delivered directly to other sites but grown in the region, the revenue for storage and handling is estimated at $12.5m.

CBH Storage and Handling	
Storage in the region	518,000
Volume with assumed stock turn*	662,695
Receival charge	$11.35
Outturn charge	$7.50
Revenue from the region	**$12,491,801**

CBH Marketing and Trading	
Marketing and Trading Volume Exported	9,800,000
CBH Marketing Market Share	46%
Revenue across WA	$5,130,583,000
Revenue per tonne	524
Net profit before tax, depreciation & interest	$625,739,000
Net profit per tonnne	$63.85
Tonnage from Region	858,626
Revenue from the region	**$449,515,506**
Net profit from the region	**$54,824,059**

Source: CBH Annual Report 2022

*Based on volume used in rate calculation

3.5 Tourism, Food & Beverage

Please view this section in conjunction with the
Shire of Ravensthorpe Tourism Strategy 2023

Lenon

Tourism backdrop

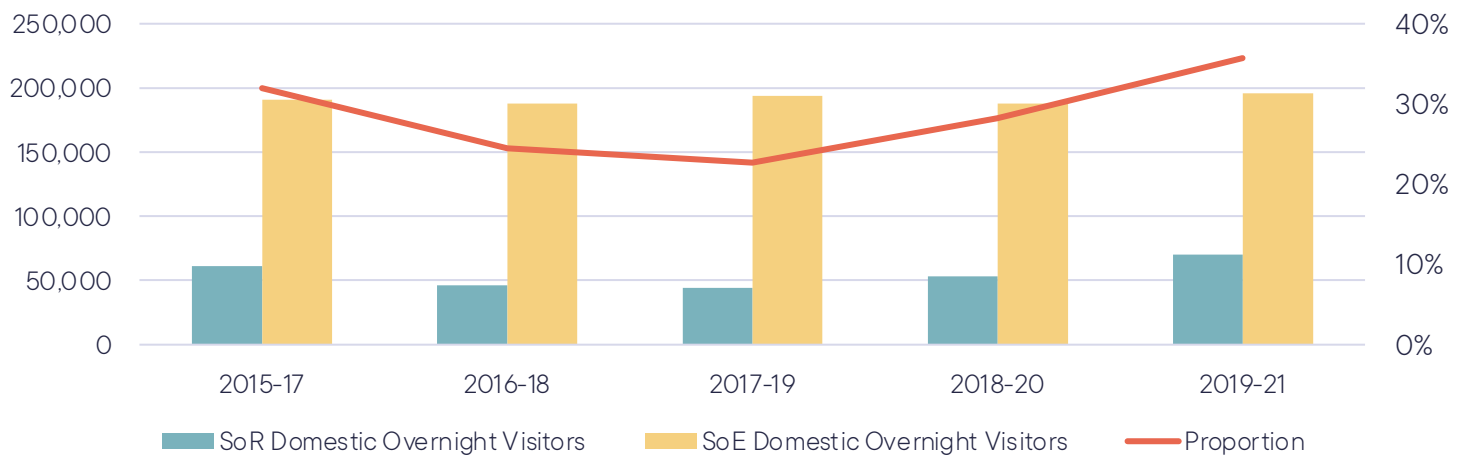
With such amazing natural assets, the Shire is not reaching its full tourism potential. This is reflected in the estimated tourism revenue in the Shire of Ravensthorpe of $10,153,000m AUD per year (estimated overnight visitors per year 71 000 x 143 AUD average spend per day).*

Many tourists routinely bypass the region during their travels to or from Esperance – a destination that attracts 200,000 overnight visitors. **Inadequate awareness of the** the **Shire of Ravensthorpe's beauty and attractions**, as well as **the limited availability of food and accommodation,** surely deters people from considering and making a visit to the region.

To enhance tourism numbers, the region **must leverage its primary asset of the Fitzgerald Coast**, which offers a **wealth of natural tourism experiences** such as unique colourful wildflowers, scenic hikes, and stunning beaches. The key opportunity lies in **implementing effective marketing strategies that highlight the region's distinct offerings**. Additionally, branding certain existing experiences as iconic and finding fun, playful attractions and additional events will appeal to more tourists.

Like much of regional W.A., the Shire is plagued by limited accommodation especially during peak times. As well as **finding bolt on peak capacity**, it is also crucial to focus **on improving the range of available accommodation and dining options** throughout the year to cater to the needs and preferences of visitors.

Overnight Visitors



The questions posed by the data shown left , include:

1. How many more stop offs can the Shire attract and what would people spend at each stop?
2. What can we bundle up with Esperance to attract people to stay overnight in the region?

*Source: TWA Local Government Association Fact Sheet

Economic Contribution from Tourism

In the ABS data, Tourism sits in the category of Accommodation & Food Services and is estimated at $12,219,346. It is also likely to have a flow on affect to retail trade which is estimated to be $6,088,896

Using the data from Tourism WA data, annual tourism spend is estimated at $10,153,000m AUD per year in the Shire of Ravensthorpe (estimated overnight visitors per year 71 000 x $143 AUD average spend per day. This excludes day tripper spend)

In contrast Esperance achieves the $135m in spend from 878,000 nights from tourism

Average spend per day is just over 143 AUD

This is the average of the RTO Australia's Golden Outback, which is significancy below the WA state average.

Source: Tourism region fact sheets 2021

Total of 71 000 overnight visitors per year within the Shire of Ravensthorpe

This is only 30% of the visitors that Esperance attracts

Source: LGA Factsheets 2021

Average length of trip is 4.8 nights in the Shire of Ravensthorpe

This is the average of the RTO Australia's Golden Outback, which is significancy below the WA state average.

Source: LGA Factsheets 2021

Tourism Offering

Lenon completed a 3 star rating of products based on quality, distinctiveness and variety:

Hikes

★★★

The Ravensthorpe region has a **very well established hiking network**, with options for both short and longer hikes. Most hikes are located in the Fitzgerald River National Park and some outside the park.

The Railway Heritage Walk Trail between Ravensthorpe and Hopetoun is 41km one way.

The Fitz provides **short hikes in the East** (East Mt Barren Summit Trail 2.6km return, Barrens Lookout 25m return, Sepulcralis Hill 600 m return, No Tree Hill (6km return), and the **West** (West Mt Barren Summit 1.7 return, Mt Maxwell Lookout 200m return, Point Ann Heritage Trail 1km return). The park also **two long hikes**, the Mamang trail in the West (31km return), and the Hakea trail in the East (46km return).

Culture

★★☆

The Ravensthorpe region has a large history, including indigenous history, and provides some **rather unknown cultural attractions**.

The artwork on the Ravensthorpe public silo forms part of the **Public Silo Trail** established in Southern WA.

The Ravensthorpe Regional Arts Council's **Farm Gate Art Trail** project currently has 32 locations with fabulous sculptures spread around the region.

The **Ravensthorpe Historical Society** aims to preserve the Shire's history, and provides a collection of artefacts such as objects, photos and archival material.

Some **old mine sites** are scattered around the region. However, there is no dedicated trail or information available.

Camping and beaches

★★★

Hopetoun is the town that provides access to some of the most **pristine and secluded beaches** in the region. Whilst these beaches are popular amongst the locals, tourists are generally not aware of these **hidden gems**.

With over 20 beaches, some of them only 4WD accessible, the region provides beaches with **scenic lookouts, fishing, whale watching opportunities**, and a variety of facilities depending on the beach.

The region has a **myriad of camping options**, for all kinds of camping enthusiasts. With low cost camping options such as Starvation Bay, vehicle and basic camping sites within the Fitz, and the more traditional caravan parks in Ravy and Hopy. Some of the campsites are located on some of the most beautiful beaches in the area.

Biodiversity

★★★

Being the only **international biosphere** (UNESCO) within Western Australia, the region is focused on promoting conservation of biodiversity with sustainable use.

1883 plant species have been identified in the Fitz, with many of 75 species being unique to the region ("Galapagos of the plant species"). The region has **year-round wildflowers**, with the best wildflower season being from Aug to Nov.

The region houses more wildlife species than any other nature reserve in South-Western Australia, The area is a true **birdwatching paradise.**

Point Ann provides one of the best places in the world for on-shore **whale watching** (Southern Right and Humpbacks from June to Oct). With pods of dolphins and seals being regularly seen from the coast all year long.

Self-drives

★★☆

The Ravensthorpe region provides some scenic drive opportunities, with both options for 4WD and non 4WD vehicles. With opportunities to spot rugged landscapes, wildlife and wildflowers along the way.

The Hammersley Drive Heritage scenic drive in **the Fitz NP** is the most famous scenic drive in the area, and is accessible with all types of vehicles.

In the **Ravensthorpe Ranges** there is an abundance of 4WD tracks, with **Mount Short Scenic Drive** to the highest point of the ranges being one of them. The ranges have the most eucalyptus species in the world.

Two other scenic drives are the Ethel Daw Scenic Drive (general access) just south of Ravensthorpe, and the Mt Madden Scenic Drive (general access) north of Ravensthorpe on the way to Lake King

Tours/activities

☆☆☆

Whilst there used to be some organised tours (kayaking, BBQ on the beach, kangaroo spotting, etc) available in the region, there are currently **no tour operators providing activities for tourists**.

The region is currently only **equipped for DIY** (do-it-yourself) **tourists**, who plan their own tours and bring their own gear.

Events

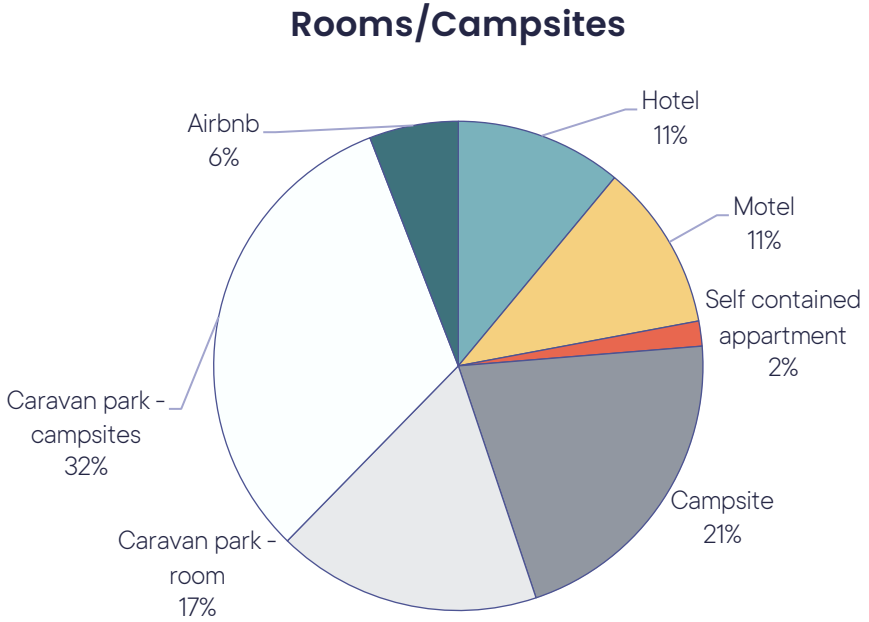
★☆☆

There is only one major event in the region, namely the **Ravensthorpe Wildflower Show & Spring Festival** hosted yearly in September.

This attracts recurring tourists, amongst them many of the 'grey nomads'.

Accommodation

Accommodation options are limited in the region, with the majority of options being campsites or rooms at caravan parks



Overview of current accommodation in the region

Accommodation Premises	Property Type	# Rooms	# Campsites
Palace Motor Hotel	Hotel	30	
Ravensthorpe Motel	Motel	30	
Port Hotel	Hotel	30	
Hopetoun Motel & Chalet Village	Motel	30	
Ocean View Retreat	Self Contained Apartment	3	
Blue Vista Cottage	Self Contained Apartment	1	
Ocean Song Cottage	Self Contained Appartment	3	
Hopetoun Chalet	Self Contained Appartment	2	
Mason Bay Campground	Camp Site		34
Starvation Bay Campground	Camp Site		33
Hamersley Inlet	Camp Site		20
Four Mile Campground	Camp Site		15
St Mary Inlet Campground	Camp Site		13
Green Haven Tourism Park	Caravan Park	16	35
Hopetoun Beachside Tourism park	Caravan Park	20	95
Wavecrest Tourist Park	Caravan Park	51	13
Munglinup Beach Caravan Park	Caravan Park	8	30
Total of all Airbnb's (16)	Airbnb	32	
Overall total		256	288

The above calculations are based on an average number of rooms of 30 for hotels, 30 for motels, and 2 for Airbnb's.

The Shire of Ravensthorpe can currently accommodate just over 1000 people at a time.*

*assumption for 2 people per room/campsites

Key observations

- Over 50% of the accommodation options are campsites
- Whilst there is a range of accommodation options available in the region, a large part of the **accommodation** (with the exclusion of campsites and caravan parks) **is occupied year-round by FIFO workers** from the resource companies in the area. These business owners are therefore **not incentivised** to maintain and upgrade their accommodation to **meet tourist standards**.
- There are no **premium accommodation options** available in the Shire of Ravensthorpe
- According to the 2021 ABS Census data, 59% of the **private dwellings in Hopetoun are classified as unoccupied**. This is due to local residents owning a second property that serves as a **holiday house** in Hopetoun. Most of these properties are not available for tourists to rent.
- The **lack of short-stay accommodation is recognised by Tourism WA** in Australia's Golden Outback Tourism Destination Management Plan 2023-2033 and correlating Regional Tourism Development Strategy.

Destination marketing

Since Ravensthorpe is situated on the route to and from Esperance, there is significant potential to attract tourists who have already decided to explore the southern coast of Australia's Golden Outback. Unfortunately, **inadequate destination marketing has resulted in many travellers not considering the possibility of visiting the Fitzgerald region**. By implementing effective destination marketing strategies, Ravensthorpe can increase its visibility and appeal to potential visitors.

The region lacks a clear and strong brand identity

The current destination brand for tourism within the Shire is The Fitzgerald Biosphere Coast, which lacks awareness, and relies on its 'biosphere' status. The meaning of a 'biosphere' is not known by most visitors, and maintaining this status is something that is out of control of the Shire.

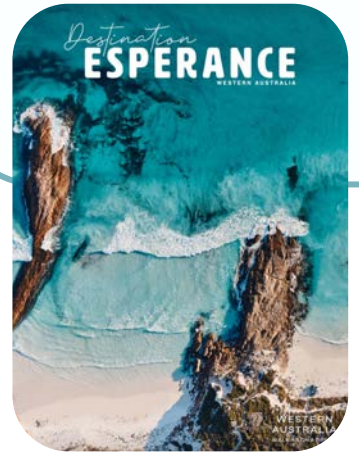
Fitzgerald Biosphere Coast WA

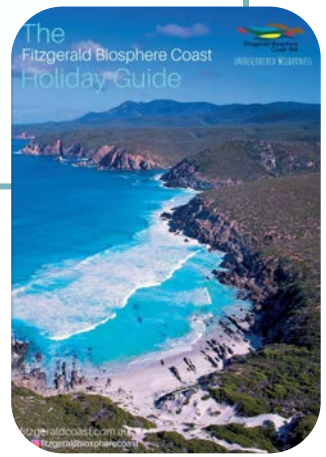
The region is not well advocated by the tourism industry bodies

The Ravensthorpe region is **not well represented** by Tourism Australia, and within the context Australia's Golden Outback **Esperance gets the biggest focus**. For example, the Fitzgerald NP is not even mentioned as a wildflower hotspot on the RTO's website, or referenced in the top things to do at the southern coast.

Marketing material below the industry standards

The region **has limited marketing material**, and the material available is often **outdated and** does **not meet the standards** of the material of surrounding regions such as Esperance.





Social media channels are not effectively utilised for destination marketing

The content and imagery on the Fitzgerald Coast social media channels may not be meeting the standards necessary to effectively promote the region and attract tourists.

Social media – Esperance vs Ravensthorpe

Visit **Esperance effectively utilises its marketing channels by bringing the Esperance experience to life** on every single one of them. Through the use of high-quality photos, videos, and descriptions, the Esperance channels are able to create a compelling narrative that encourages visitors to explore the area. The focus of the **Fitzgerald Coast social media channels is on mitigating potential risks or issues for visitors to the area**, rather than promoting the area as a desirable destination.

Destination brand

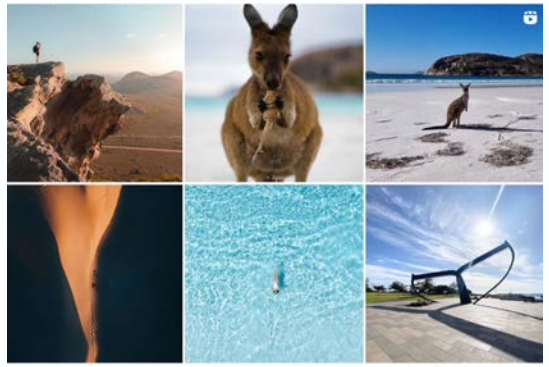
Fitzgerald Coast

Instagram feed

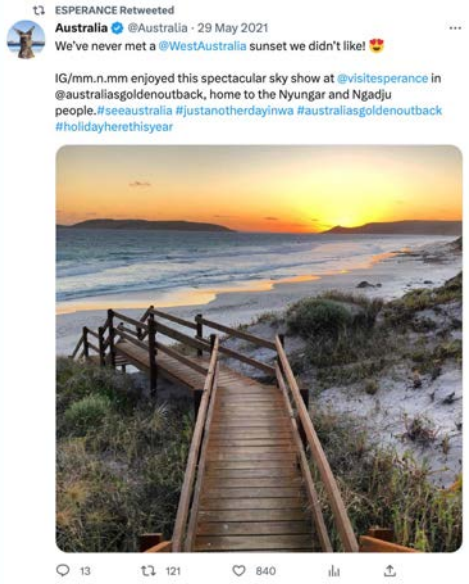
Twitter post

Destination brand

Visit Esperance



Instagram feed



Twitter post

The Fitzgerald Coast is an Unknown Tourism Destination

The Ravensthorpe region is currently not on the radar of most visitors. However, the few visitors that do make their way to the region are extremely surprised by its natural beauty and peacefulness. There is an enormous opportunity to market this unknown tourist region and grow the tourist numbers.

- A **lack of awareness** of the region, and what it has to offer

Wonderful Open Art Gallery

Review of Ravensthorpe Farm Gate Art Trail

●●●●○ Reviewed 9 October 2020

We understand that there is a map that shows where all the Farm Gate Art Trail pieces are. We just happened to be travelling to Wave Rock from Hopetoun and along the way to Ravensthorpe we caught sight of a few pieces with the Tea Set about 15km out from Hopetoun. Love all these open art galleries in this region. Wonderful initiative !

https://www.tripadvisor.com.au/ShowUserReviews-g495078-d19141504-r773537132-Ravensthorpe_Farm_Gate_Art_Trail-Ravensthorpe_Western_Australia.html

- A **perception** is that there is **not much to do in the region**

Ravensthorpe

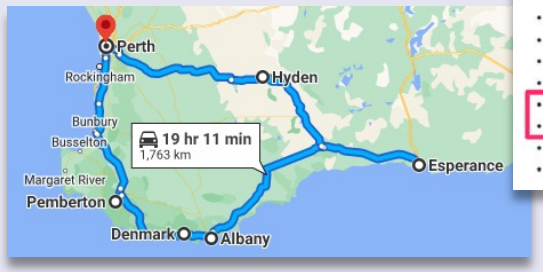
There's much at all in Ravensthorpe. With a population of just 800 people, this is small town Australia. It's an interesting place to walk around or spend the night to break up the journey, but there isn't a whole lot to do except join in with the locals at the tavern and stock up on supplies because even with just 800 people, it's the largest town for a while!

Distance From Albany to Ravensthorpe: 295 Kilometres

Distance From Ravensthorpe to Esperance: 187 Kilometres

https://www.travel-tramp.com/how-to-travel-from-albany-to-esperance-the-definitive-travel-guide/

- Therefore, region is generally **not considered as a stop on the popular Albany to Esperance itinerary**



Perth to Esperance Road Trip Long Itinerary

- Perth to Busselton/Dunsborough
- Busselton to Margaret River
- Margaret River to Pemberton
- Pemberton to Denmark & Albany
- Albany to Bremer Bay
- Bremer Bay to Esperance
- Esperance to Wave Rock & York
- York to Perth

https://westernaustraliaexpert.com/perth-to-esperance-road-trip-itinerary/
https://theroad-islife.com/perth-to-esperance-road-trip-itinerary/

- However, the few visitors that make it to the region are **astonished by its natural beauty and peacefulness.**

●●●●○ **Fantastic plant life**
Jan. 2023 • Family

●●●●● **Beautiful Nature**
Jul. 2022 • Family

●●●●● **Amazing plants and wildlife. Huge park!**
Mar. 2022 • Couples

Fitzgerald River NP TripAdvisor Reviews

Tourism and Residents: Complementary Initiatives

The below table outlines how both tourists and residents will benefit from any of the different initiatives.

	Tourist benefits	Resident benefits
Increased accommodation options	Incentive to stay longer, attract new segments	New residents can move to the region, and contribute to the economy and staff shortage
Event calendar	Reason to visit area and provide vibrant atmosphere	Nice recreational event, and provide vibrant atmosphere
Reliable opening hours & friendly customer service of local businesses (especially Ravensthorpe)	Reliable food and beverage options, great customer service, incentive to stay longer, great experience	Options to eat or drink out of home, less pressure on current owners, vibrant community
Reliable food supply - supermarkets	Ability to stock up, reason to stop, and incentive to stay longer in the area	Convenience in shopping locally, and not having to bulk shop outside of the region
Commercial air access	Attract higher value travellers, no long drives	Easy access to and from Perth, potential to assist with supply shortage
Beach access and infrastructure (pathways, day use areas)	Access to natural beauty, and beach activities, picnic areas	Beach access and pathways to maintain healthy and outdoor lifestyle
More cafes, restaurants, bars (especially Ravensthorpe)	Reason to stop enroute, incentive to stay longer in the area, great experience	Options to eat or drink out of home *"Only place where you can get a decent meal is at home"*
Welcoming streetscapes and vibrant places	Reason to stop enroute, incentive to stay longer in the area, great experience	Great community vibe, becomes a meeting place for young and old, grow resident numbers
Improved connectivity (cell phone connection, internet)	Plan and schedule the trip enroute, connect to peers, share experience in real time on social media	Improved internet in Ravensthorpe will benefit local residents, and future workforce

Limited Food and Beverage Options, both for Residents and Tourists

The lack of food and beverage choices, such as quality supermarkets, restaurants, cafes, and pubs; serves as a hindrance not only to tourism development but also to population growth in the region.

"Beautiful part of the world. But the services are limited, and the ones here are useless. No services at a high level so need to travel a lot to other larger towns" – Hopetoun community member Lenon survey 2023

"You can't get decent groceries. The Shire need to hold the IGA responsible for the poor quality of food." – Ravensthorpe community member; Lenon survey 2023

Only 2 grocery stores, one in Ravensthorpe and one in Hopetoun

- Limited stock
- Expensive
- Terrible customer service (Ravensthorpe FoodWorks)
- Need to travel to larger towns for some goods

Ravensthorpe provides limited dine-in or takeaway food and coffee options on its main street

- The Pub – The Palace Hotel: only open in the evening, venue is outdated
- Bread & Butter coffee shop – for sale and has mixed customer service and opening hours

The local business community in Hopetoun is growing, with increased food and coffee options

- Shipwrecked Gourmet bakery
- Mount Barren Café
- Port Hotel
- Toun Beach Cafe

Food and Beverage is key to the Success of Tourism

The availability and quality of food and beverage options can be an important factor in the popularity of a tourist region, and can help to create a unique and memorable visitor experience. There have been several studies that have explored the link between the popularity of a tourist region and its food and beverage options.

Food and beverage experiences are a key motivator for travellers

A study conducted by the World Food Travel Association found 93% of travellers indicating that they have engaged in a food or beverage experience while traveling. The study also found that **food and beverage experiences can have a significant impact on destination loyalty**, with 67% of travellers indicating that they would return to a destination specifically because of its food and beverage offerings.

- 2016 Food Travel Monitor Report, World Food Travel Association

Culinary tourism can have a positive economic impact on destinations

A study conducted by the Tourism Industry Association of Canada found that culinary tourism can have a positive economic impact on destinations, with **travellers who engage in food and beverage experiences spending more money than other travellers**. The study also found that culinary tourism can help to create jobs, support local businesses, and promote local products and ingredients.

- National Guidelines for culinary tourism strategy development in rural and remote destinations 2021, Tourism Industry Association Canada

Culinary experiences are becoming increasingly important to travellers

A study conducted by the European Travel Commission found that culinary experiences are becoming increasingly important to travellers, with 40% of travellers indicating that **food and beverage options are a key factor in their travel decisions**.

- Gastronomy and urban experiences among the top drivers of Europe's attractiveness 2019, European Travel Commission

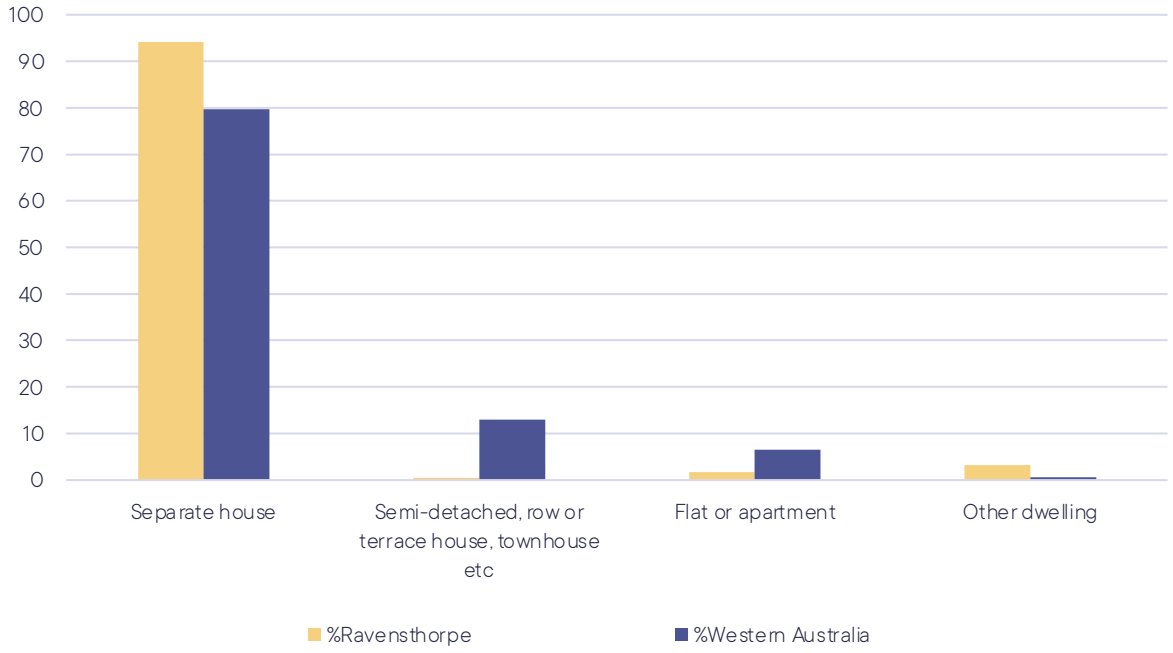
3.6 Infrastructure & Services

Housing

The density of housing within the Shire is limited, with the number of flats, units and semi detached houses much less than the relative proportion across Western Australia. Although this provides attractive home living space, it places a constraint on creating vibrant centres and having services in close proximity.

Key Statistics	
Number of private dwellings	1,398
Average number of people per household	2.2
Median house price (Jul –Dec 2021)	$280,000
1 year median house price growth rate (H2 2020 – H2 2021)	52%
Median vacant land price (Jul – Dec 2021)	$62,000
1 year median vacant land price growth rate (H2 2020 – H2 2021)	-50%
Median monthly mortgage repayments	$1,029
Property transactions (Jul – Dec 2021)	19
Average days to sell (Jul – Dec 2021)	48
Dwellings leased ((Jul – Dec 2021)	22
Median weekly rent (Jul – Dec 2021)	$292

Dwelling Structure



Source: ABS

Housing Supply and Demand

The number of dwellings within the Shire is only marginally higher than over a decade ago, with the population and the economy now recovering to levels from the previous mining boom. Please note that the census data is recorded by the individual on the day of census and it is likely that the actual dwelling number in 2016 is too low (as opposed to the population).

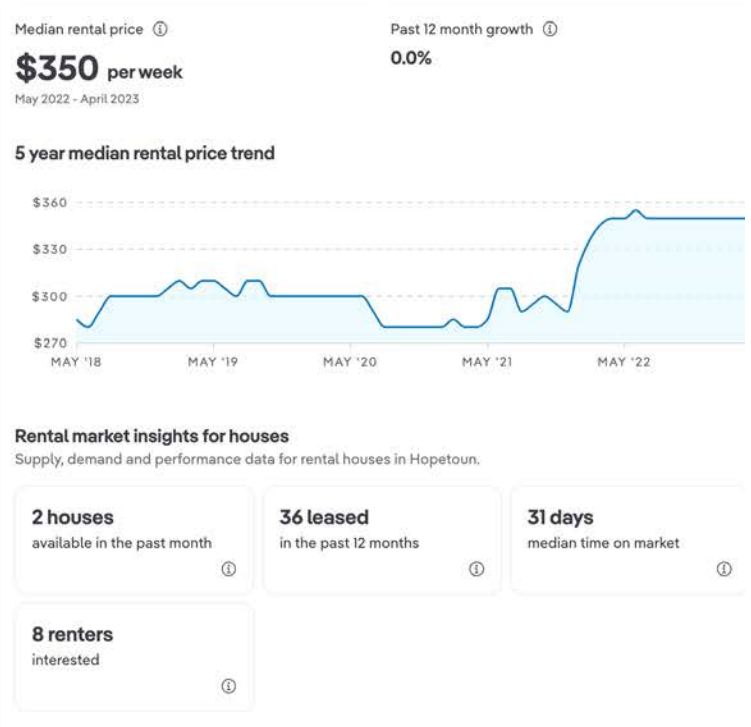
Number of Dwellings vs Population*

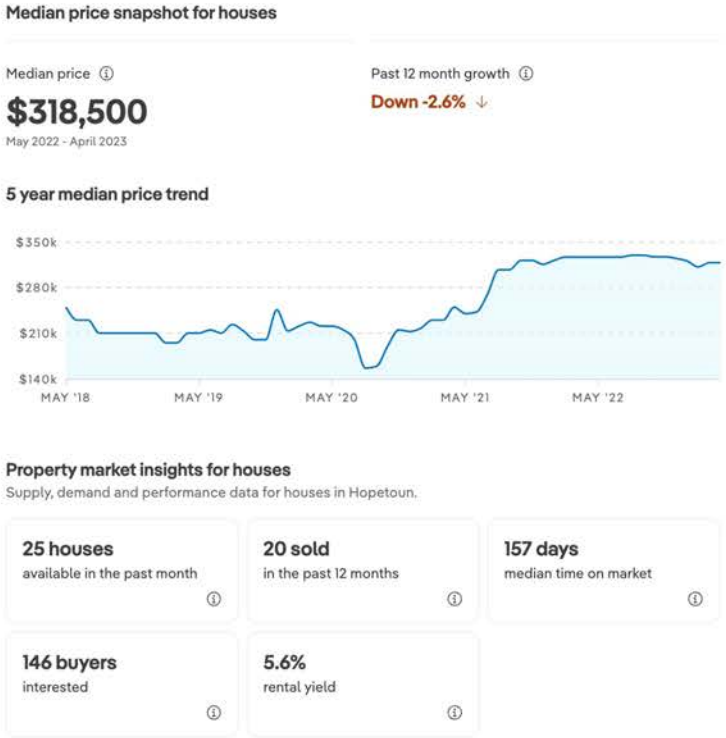
	2001	2006	2011	2016	2021
Population	1406	1950	2,126	1,733	2,085
Dwellings	890	1,007	1263	1117	1271
All dwellings	n/a	n/a	1,367	1,219	1,398
Visitor Only and Non Classified	n/a	n/a	104	102	127

*Source: ABS; Dwellings excl. visitor only and other non-classifiable households)

Housing Squeeze

Like much of Western Australia, the housing market in the Shire of Ravensthorpe is significantly constrained. This presents a barrier to attracting and retaining people and limits the growth and development of the Shire. The vacancy rate in Hopetoun has shrunk from 5.2% a year ago, to 0% today – meaning no available rental stays on the market for more than 21 days. Reflecting this, the price has increased by $100 to a median rental price in Hopetoun of $350 per week (with 36 houses leased in the last 12 months).





The median house price for Hopetoun is 318,500. As can be seen in the diagram left, there has been a significant increase in prices since the start of Covid in 2020.

The median rental price in Ravensthorpe is $312 per week based on data from May 2022 to April 2023. This represents a price increase of up to 25% based on 16 houses leased.

The median sold price over the last year is $187,500 for houses. The five year median house price trend is not available for Ravensthorpe due to a small sample.

Source: realestate.com and rent rabbit

Housing - Unoccupied Dwellings

The problem of supply and demand is compounded by the fact that 41% of dwellings in Hopetoun and 38% across the Shire, are classified as unoccupied as part of the 2021 ABS CENSUS.

The high rate of dwellings unoccupied is likely the result of there being a large number of holiday homes in Hopetoun and potentially unoccupied mining dwellings. FQM has 161 houses in Hopetoun and 5 houses in Ravensthorpe.

	Hopetoun	WA	Australia
Occupied private dwellings	59%	89%	90%
Unoccupied private dwellings	41%	11%	10%

*Source: ABS; Dwellings excl. visitor only and other non-classifiable households)

Road Quality

The South Coast Highway is a strategic freight and tourism route in the south west region of Western Australia, servicing the ports of Albany and Esperance and connecting regional towns. However, the age, design and condition of the highway is causing significant safety issues, and high operating and maintenance costs. In addition to this, roads operating in the Shire, which are heavily used for grain freight and by mining companies are also in need of urgent repair.

Historical Upgrades

The South Coast Highway upgrade between Albany and Jerramungup was completed between February 2019 and July 2021.

Main roads completed a $30 million program to build new passing lanes between Albany and Kojaneerup, shoulder widening projects between Albany and Munglinup, and pavement rehabilitation between Munglinup and Esperance.

Current State

Around 74% (or 348 km) of the South Coast Highway consists of pavement that is more than 40 years old. In addition, eight bridges along the highway are timber, with some being almost 60 years old. The road surface is narrow and uneven, the shoulders can be dangerously soft and there not enough overtaking lanes.

In RAC's 2022 Risky Roads survey, the highway was voted the fifth riskiest in regional WA.

49 people died in reported crashes between the years 2017 and 2021 in the Great Southern.

Future Requirement

Continued decline in road condition, with population growth and increases in freight volumes and tourism activity, will further exacerbate the effects of these problems in the future.

The proposed $650m upgrade to the South Coast Highway between Albany and Esperance, include:

- Realigning and widening of some sections of the highway
- Sealing road shoulders
- Constructing passing lanes
- Restoring pavement or upgrading to heavy-duty pavement; and
- Upgrading or replacing timber bridges.

Source: RAC, Main Roads, Road Safety WA and Infrastructure Australia

Access to Perth

The Shire has all the assets in the region to break through the barrier of remoteness, which is a significant obstacle to improved liveability

High Quality Airport

- The Shire of Ravensthorpe owns the aerodrome land and all infrastructure and performs the airport management functions including ground handling.
- Runway 06/24 is designated 3C Non Precision being 1,680m in length, 30m in width with 3m wide sealed runway shoulders. The Fokker 100 is the largest aircraft type to regularly use the aerodrome.
- Ravensthorpe Airport is located in the centre of the district, midway between and effectively servicing the towns of Hopetoun, Ravensthorpe, and surrounding mining camps.
- The airport is a fully equipped and capable of servicing both Recreational and Commercial Aircraft.

Regular FIFO Flights

- Local mining organisations have consolidated charter flights between Ravensthorpe and Perth and have introduced larger jet aircraft which operate under an updated flight schedule.
- Scheduled flights operate regularly from Perth, with schedules changing according to the mining requirement
- No other domestic or general public flights are available from this airport at this time.
- Flights are offered to local community members subject to availability and need to be booked via email (this service is provided by local mining companies)

Perth to Ravensthorpe by Car

- The Shire of Ravensthorpe is approximately 5.5 hours and a 510 km drive from Perth by car. Hopetoun is approximately 30 minutes and a 48 km drive from the town of Ravensthorpe by car
- The cost of travelling to Ravensthorpe from Perth is approximately $84 based on average prices for the month of May and ABS average fuel usage.

Perth to Ravensthorpe – Public Transport

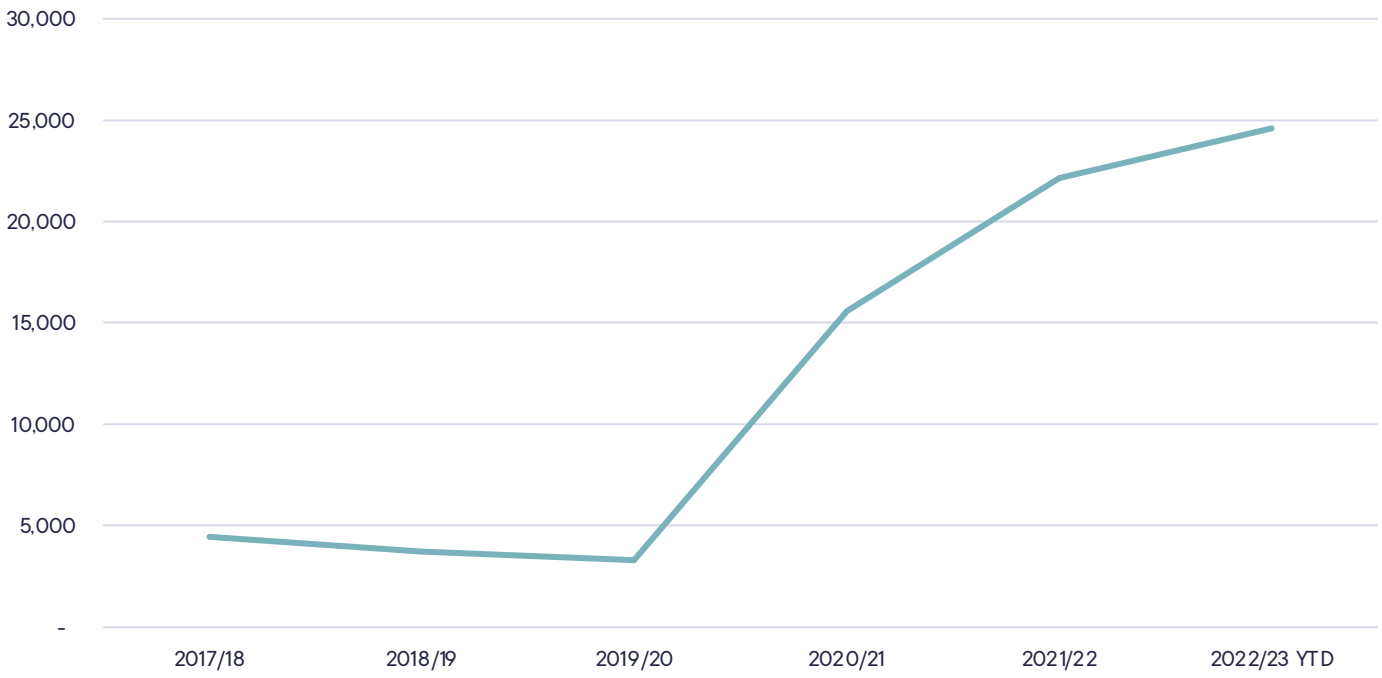
- TransWA operates coach services from Perth to Ravensthorpe 6 days a week (Sunday – Friday), and it takes about 8 hours to reach Ravensthorpe
- The price of a one way ticket $82.8
- However, there is very limited public transport within the Shire of Ravensthorpe. Getting around by car is the best way to travel.

1. https://www.ravensthorpe.wa.gov.au/play/getting-in-around/airport.aspx
2. https://www.ravensthorpe.wa.gov.au/Profiles/ravensthorpe/Assets/ClientData/Finance and Administration/ADOPTED Fees and Charges 2022-2023.pdf
3. https://www.transport.wa.gov.au/mediaFiles/aviation/AV_P_RevRegRPTAirRoutesWAFinalRpt2015.pdf

Air Access - RPT Opportunity

With community and visitor air access to the Shire of Ravensthorpe very restricted, the Shire has been seeking to establish Regular Public Transport (RPT) air services between Ravensthorpe and Perth. With a significant mining boom taking place, there is a strong case for FIFO to underwrite a sustainable RPT air service

Passenger Numbers



The State Government regulates selected RPT air service routes within WA including the south coast destinations of Albany and Esperance.

A RPT air service will remove current distance and remote living barriers and open the Ravensthorpe and Fitzgerald region to new business, community liveability, high yield tourism and economic development opportunities.

Air services in Western Australia

Aviation services are important for WA's social and economic wellbeing. Our objective is to ensure the community has regular intrastate air services that are safe, affordable, efficient and effective.

Source: Shire of Ravensthorpe

Education

Although the **benefits of education to a local economy** are self evident, they are often lost in the clutter of competing information. The benefits include:

- ✓ Higher wages
- ✓ Better physical and mental health
- ✓ Maintained/Increased population: workers, managers and teenagers.

There are **4 primary schools in the Shire and one secondary school in Ravensthorpe**, which is classified as a District School since it caters from Kindergarten through to Year 12.

Ravensthorpe District High School was established in 1901 and offer students from Kindergarten to Year 10 to options

- There are 63 students in primary school on a full time basis
- 48 students at secondary school with an average of 12 students per year up to year 10.

In 2017 Hopetoun Primary School celebrated its 10th Anniversary as a Level 4 Primary School.

- The school accommodates about 140 students from kindergarten to year 6.

Jerdacuttup School was first established in 1964 before being relocated to its current location in 1979.

- With a school population of 10, students range from Kindergarten to year 6 and the children are taught in two classes. Currently there is a Senior room comprised of Years 4 to 6 with a teacher and a Junior Room comprised of Kindergarten to Year 2 with a teacher and an education assistant.

Munglinup Primary School is situated in a farming area between Esperance and Ravensthorpe.

- Catering from Kindergarten to year 6, Munglinup Primary School currently has 11 students. The School commenced operation in 1960 and consists of a school block with 3 classrooms, office and staff room.

"If the human capital gap between urban and non-urban Australia was closed, Australia's GDP could be increased by 3.3%, or $56 billion. To put this in perspective, this is larger than the contribution of the entire Australian tourism industry. Put another way, one would need to quadruple the size of the Australian beef industry to achieve the same economic improvement."

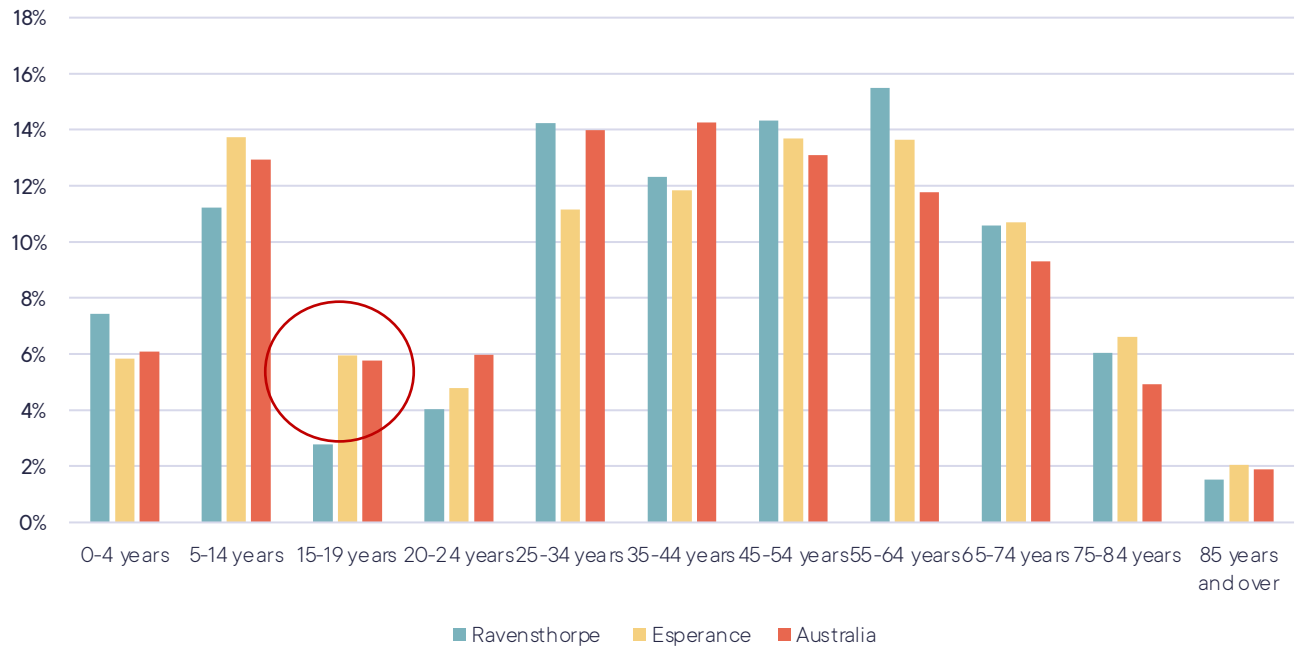
Closing the Human Capital Gap Richard Holden and Jessie Zhang

Senior high schools : Senior high schools cater for students in Years 7 to 12 and range in size from less than 200 students to over 1000 students.
District high schools cater for students from Kindergarten to Year 10. These schools range in size from less than 100 students to over 800 students. Secondary teachers in smaller district high schools teach in 2 or more learning areas. Staff work together to improve student outcomes through whole-of-school approaches as well as on school and community activities and events.

Key Issue: Losing Kids and Families

Data from the ABS census, for the Shire of Ravensthorpe highlights that teenagers are leaving the region for schooling (and probably families if teenagers are not boarding). It also suggests that families are coming in the younger years and are having to leave for schooling options, a conclusion that is supported by the consultation completed in this study.

Population by Age



Staff Housing Issue in Munglinup

The ABS 2021 Census, shows that Munglinup and Jerdacuttup have a combined resident population of 323 (140 and 183 respectively), this is compared to 278 in 2016 census, a healthy 16.1% increase.. The current number of children (31) in the Mungy Munchkin Playgroup numbers supports the census data for this community. With a prediction 25 children potentially attending in 2024/2025, there is strong demand and growth to justify a much higher investment by the Education Department, particularly around the investment of housing to accommodate staff in Munglinup.

Lack of Quality Secondary Education

"One of the major issues is that there has been massive turnover of education staff; my child has had 21 maths teachers in 4 years."

"Education is the number one issue for our staff living in Ravensthorpe."

Student Life: Long Travel

"90% of the kids live in Hopetoun, but they have to travel to Ravensthorpe for school. In addition they take bus which takes hours with kids having to be picked up from around the Shire."

Source: ABS Census

Health

Ravensthorpe is in a stronger position than many country locations in Australia, with a good health service available to the community and visitors. The main areas lacking are in terms of specialist health services, including those relating to dental, and allied health. In Hopetoun and Ravensthorpe there is a GP who is resident, who are highly regarded by the community. However, there is significant risk of burnout among the local GPs, with the longevity of the model dependent on the good will and motivation of these individuals, rather than the robustness and effectiveness of the health system.

The Ravensthorpe Health Service lists the following services as available:

- Acute admission beds
- Residential aged care
- Respite beds
- 24 hour accident and emergency department
- Limited x-ray facilities
- Visiting services are provided by: podiatrist, dietician, occupational therapist, physiotherapist, speech pathologist, and mental health professional
- Non-hospital care for the aged and disabled: Commonwealth Home Support Program- Centre based day care activities, home care, meals on wheels and general support for community members.
- Telehealth
- Emergency Telehealth Service 24 hour availability

For seven years, Dr Livingston has been running five private GP clinics in surrounding communities and contracting to the local hospital. For Dr Livingston to treat a person with a deep cut in their arm, in Ravensthorpe, he said it would cost the state a few hundred dollars — his standard fee plus consumables.

But if he were not there, he said the cost of treatment might blow out in excess of $30,000 — factoring in a Royal Flying Doctor flight to Perth, a St John Ambulance ride to the runway, a telehealth consult, an emergency department fee, a public hospital bed fee, a surgeon's fee, and aftercare.

Dr Livingston also said that by living in Ravensthorpe, a remote town, he missed out on major incentives available from the state government in some regional centres such as Esperance, a tourist hotspot two hours' drive up the road.

According to a WA Country Health Service (WACHS) document, updated in May 2021, a suitably qualified doctor in Esperance can receive both an emergency incentive ($50,000 a year) and a GP procedural incentive ($40,000 a year) — bringing in $90,000 a year in incentives alone.

Source: https://www.abc.net.au/news/2023-04-15/gp-s-idea-for-rural-generalist-hub-to-avoid-doctor-burnout/102102204

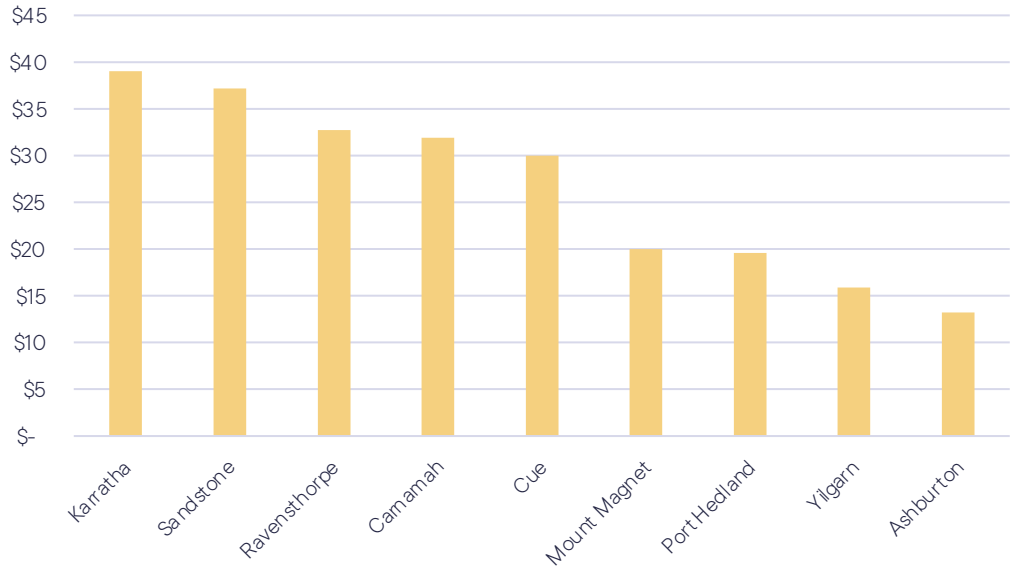
3.7 The Shire

Rates vs Other Local Governments

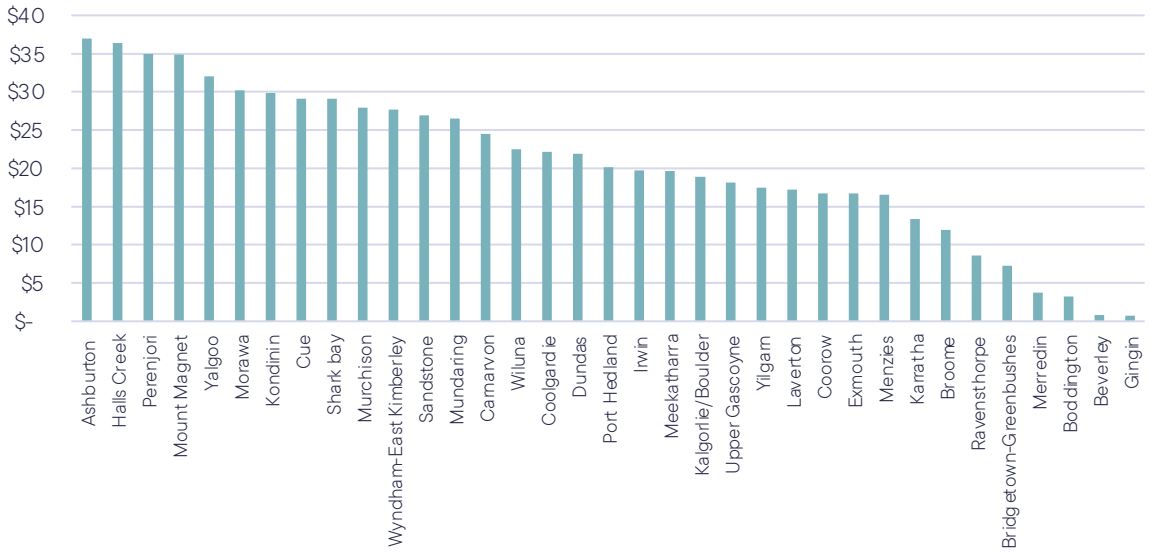
The Shire should increase its rates and fees if large companies in mining and agribusiness do not provide a significant uplift in community investment. This can be viewed in the context of the below points with respect to mining:

- The unimproved valuation rate for Ravensthorpe is well below the mean across the State.
- The gross rental valuation rate for Ravensthorpe is above the mean but well below the rate applied in Karratha.

GRV - Transient Workforce/Short Stay Accom. Comparison 2021-22



UV - Mining Differential Comparison 2021-22



3.8 Summary of Current State Analysis

SWOT

Strengths

Mining: estimated $1.6B in mineral wealth extracted from the Ravensthorpe local government area

Location: already on the **drive through between 2 major tourism and economic hotspots (Esperance and Albany)**

Agriculture: record harvests for two years

Tourism: experienced strong growth with an estimated 71,000 overnight visitors achieved in 2020/21 (26.8% increase over previous period) and 343,000 nights (36.7% increase).

Abundance of existing tourism products (wildflowers, hikes, beaches, etc)

Lifestyle : exceptional natural environment, relatively cheap housing and well diversified local employment

Environment: Set within the Fitzgerald Biosphere (UNESCO recognised) the Shire includes 600,000 **hectares** of native vegetation

Weakness

Accessibility: geographical remoteness, limited air travel access.

Entertainment: lack of quality hospitality businesses (number and variety), community facilities, services and sport/recreation

Workforce: attracting and retaining a quality workforce (educators, health, mining and other industry professionals),

ICT Infrastructure: lack of digital and communications connectivity

Shire Resources: limited financial resources inhibited by a small population and rate base.

Some of the **roads** are in **poor condition such as South Coast Hwy**

Shortage of (quality) of accommodation and housing

Weather during the off-season (cold, windy)

Opportunities (External)

Growth in the appeal of Esperance and Albany: including Increased interest in intrastate travel

Demand for Nickel and lithium: Increased demand and prices (either one or both)

Access: mining FIFO can underwrite RPT services

Political change: leading to increased interest in the Shire

Agribusiness: continued growth in production combined with a positive terms of trade for farmers

FIFO Camps: new camp is built in a way that increases overall economic activity - accommodation supply increases and sufficient spend is maintained in the town

Threats (External)

Economic Recession: Western Australia slips into recession

Nickel and lithium: Downturn in (either one or both) of nickel and lithium

Agriculture decline: Drought impacting grain production; and or a drop in the prices of grain and livestock

Environmental: Local mining industry endangering the natural beauty and peacefulness of the area

Natural risks: bushfires, dieback, other pests brought in from other regions

FIFO Camps: new camp is built in a way that reduces overall economic activity - accommodation supply increases but spend is withdrawn from the town

Economic Prosperity Underpins a Community

The region is **operating as a 'cash cow' with more being taken from it than being invested back into the community**. The following provides a summary of the key issues across the economic drivers and levers of community prosperity:

Community Benefits
Economic prosperity provides the jobs, Income health, housing, recreation and education demanded

$ investment back into the Shire – data not available

$ Investment back into the Shire

Current
- Allkem Excluding local salaries and procurement the investment back to the community was $294,071
- FQM: contributions, largely in kind, hover around the mark of ~$120,000 per annum excluding rates
- CBH $1000 to Hopetoun Clay Target Association

Future
- Medallion, International Graphite?
- Allkem; FQM & CBH CAPEX uncertain

1 Infrastructure & Services
South Coast Hwy, Secondary Education and Health are all in need of investment.

2 Natural Resources
This is critical strength of the region but can be better promoted and leveraged

Government Benefits
Local, State and Federal income all pale in comparison to business income.

Business Benefits
Business has been raking in extraordinary profits from the region.

5 Competitive Strength
Allkem in particular has a strong advantage as shown by significant profits. Cost of production and delivery can be reduced across all industries and service industries need an uplift.

$ Flows Elsewhere data not available

Returns from the Region:

- Allkem - $336million EBITDA (FY22)
- FQM - $35 million Gross Profit (CY22)
- CBH Group – $55m in Net Profit (FY22)

Capital
4 The region needs to attract new investment across all industries, including future mines such as Medallion and levels of government.

People and Innovation
3 There is a strong level of volunteering and pockets of entrepreneurialism . Insufficient workforce across education, health and mining.

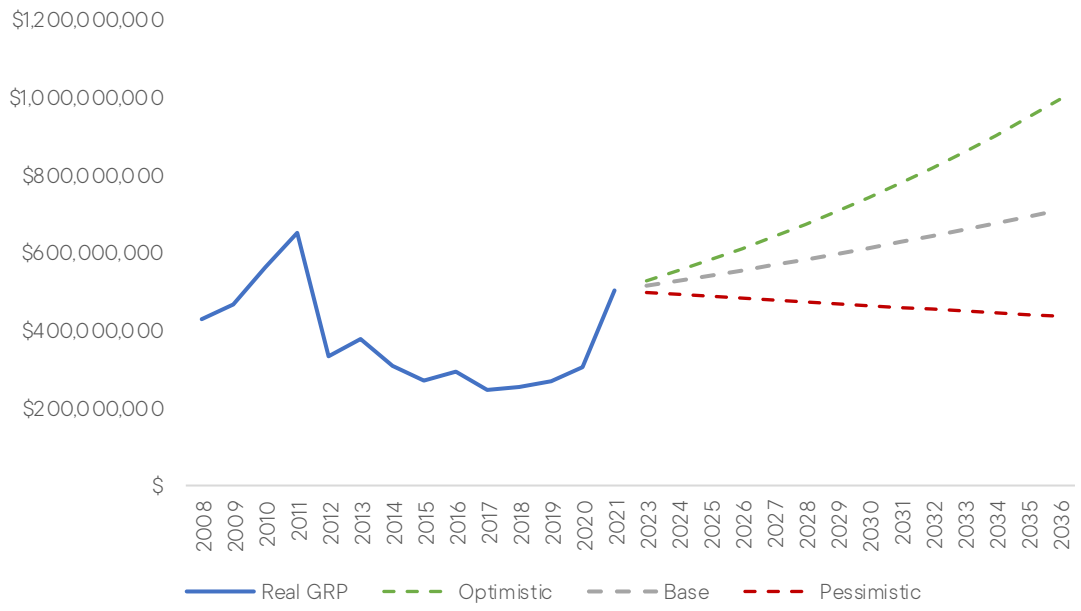
Level of Demand
The demand for lithium, nickel and grain are in strong demand – a fundamental pillar of growth for the Shire.

Future scenarios

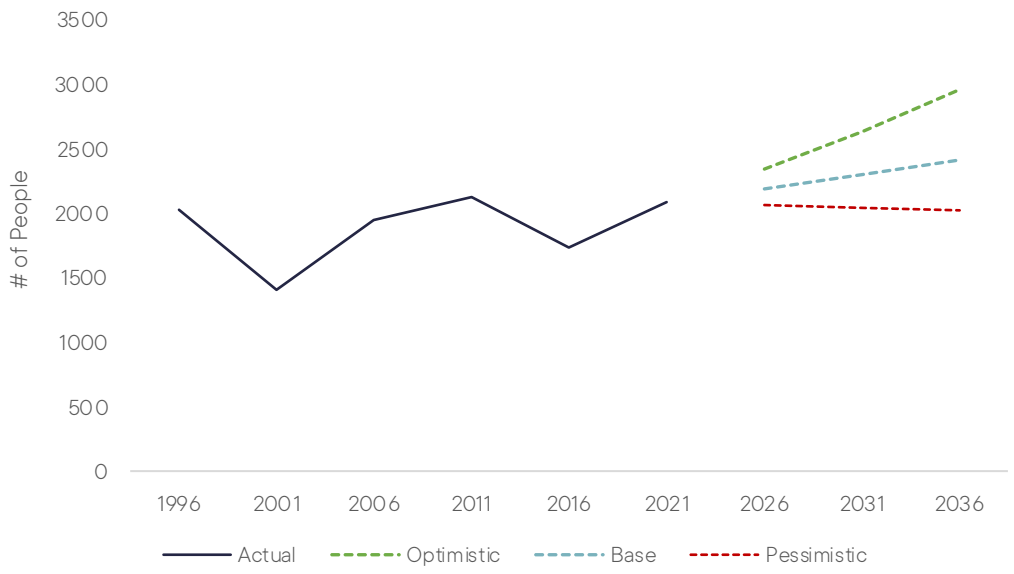
Under the base case scenario, real GRP will surpass the level of $650m (last achieved in 2011) in 2033. Such levels will mean more jobs and economic growth underpinning community prosperity.

Another key indicator, population, will see 220 new people in the Shire by 2033. With an average of 2.1 people per dwelling, it is estimated that there will need to be 105 new dwellings built over the next 10 years.

GRP Scenarios*



Population Scenarios**



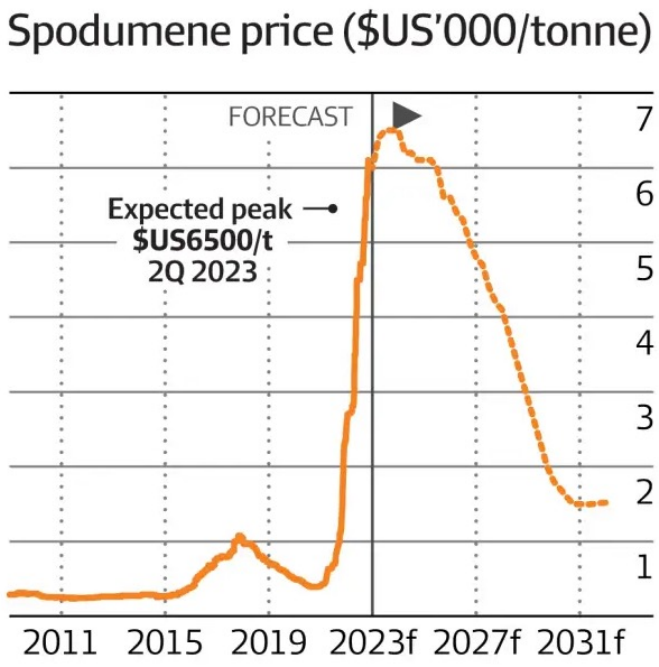
*Source: ABS 2021 Census Place of Work Employment (Scaled), ABS 2019 / 2020 National Input Output Tables, and ABS June 2022 Gross State Product.
**Source: ABS Census

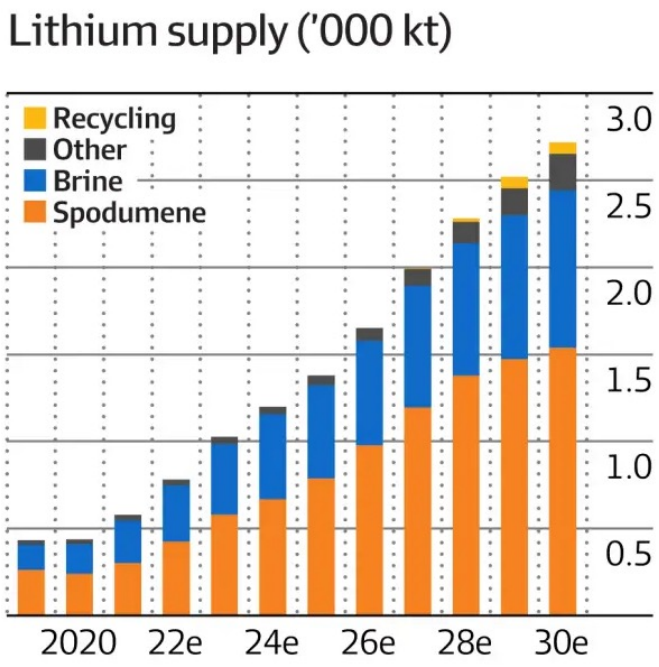
Nickel and Lithium Outlooks

History suggests that the only thing predictable is unpredictability. With this caveat in mind, the lithium and nickel prices have some strong fundamentals underpinning long-term growth in demand.

"Turning to the longer term, we believe that nickel will be a substantial beneficiary of the global electrification mega–trend and that nickel sulphides will be particularly attractive."

Dr Huw McKay
Vice President, Market Analysis & Economics BHP





SOURCE: MACQUARIE

Indicative Example of Tourism Revenue Growth

Over a two year period, if the following is undertaken:

Increase accommodation by 30%, which should add capacity for an additional 300 visitors per night

+

Increase the average spend by 20% a day, the average spend will be 172 AUD

This will result in ...

Annual tourism revenue of approximately 16 million AUD per year in the Shire of Ravensthorpe

(estimated overnight visitors per year (71 000 x 130%) x (143 AUD x 120 %) average spend per day)

Potential Scenarios

Creating a critical mass of population, building new housing and diversifying the economy are key activities across all future scenarios. The following table provides a summary of the key scenarios considered when developing the economic growth strategy:

Area	Pessimistic	Base	Optimistic
Mining	Deterioration in the lithium and nickel price leads to shutdowns and a slowdown in activity	• Lithium mine extension • Nickel price remains high	+ Medallion Metals and International Graphite projects successful
Agribusiness	Poor weather conditions and declining terms of trade for farmers, results in declining local business activity	Grain yields and prices remain in line with recent trends and livestock remain positive hedge to grain	Continuation of bumper harvests, grain and livestock prices
Tourism	The region remains too reliant on low yielding tourists and does not capture the proportion of Esperance visitors that it could.	The region attracts a greater number of high yield tourists and overnight visitors	Intrastate travel demand continues to grow at the levels achieved during Covid
General	GRP and population declines to levels below 2021	Real GRP surpasses the level of $650m (last achieved in 2011) in 2033. Such levels mean more jobs and economic growth underpinning community prosperity.	The population is on track to reach 3000 by the mid 2030s and double by 2050.
Shire	There is a decline in Shire rate payments and fees collected with less investment back into the community; but pressure is on the Shire to drive the economy.	Shire plays a strong role in driving the economy and increases its revenue which in turn can be invested back into the community	The Shire can play a relatively less prominent role in driving the economy with the private sector dominating.
Services	Primary school population declines leading to a viscous cycle of declining services across all areas. On the flip side, more housing and tourism accommodation available	220 new people in the Shire by 2033. With an average of 2.1 people per dwelling, it is estimated that there will need to be 105 new dwellings built over the next 10 years.	Improved liveability and access to services including a new secondary school in Hopetoun

4. Economic Growth Strategy

4.1 Summary of Strategy

Vision for Economic Growth

With a clear understanding of the current context, the following vision was developed out of the community consultation and through workshops with the Shire Council and Executive.

Our vision is for a resilient and thriving economy that contributes **directly** and fairly to the local community; underpinning the long term vibrancy and liveability of the region.

The region has been hit hard by the downturn of previous commodity cycles. While it is not possible to be completely immune from such cycles, it is important that the region builds a more diverse economy and puts in place strategies to mitigate against the impacts of economic downturn.

Sustainable economic growth requires a portfolio of short and long term initiatives in place.

The economy and the population growing at a sustainable level in proportion to supporting infrastructure.

There needs to be a range of employment options, and a significant uplift in recreational and entertainment options in order to entice people to live in and visit the region.

Historically, much of the wealth extracted from the region is captured by individuals living outside of the community.

There needs to be a fair agreement between business and the local community. This means that the community should be supported in line with stated goals of companies to give back.

Economic Growth Strategy

Four strategic themes were developed that capture the critical actions and initiatives of the EGS:

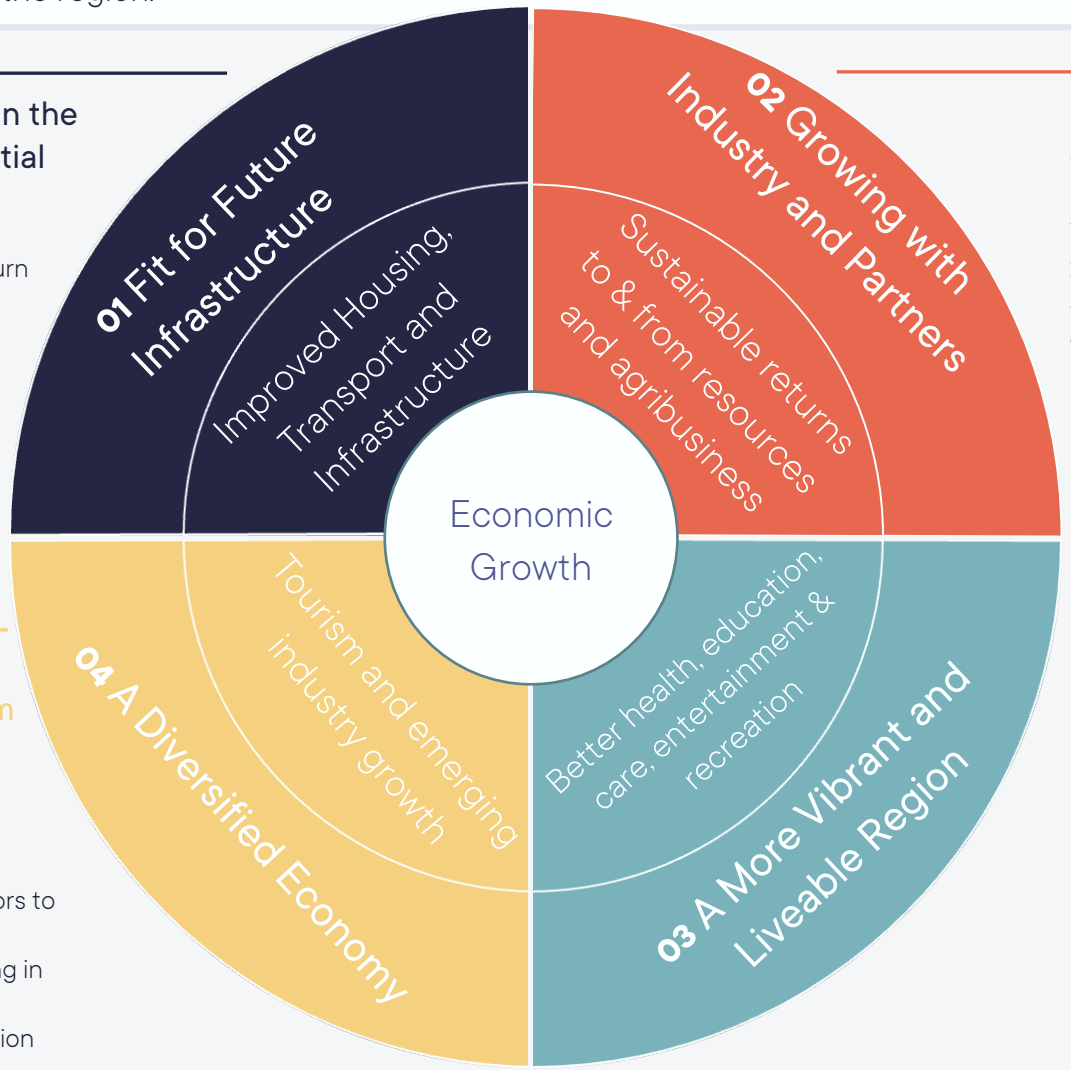
Our vision is for a resilient and thriving economy that contributes directly and fairly to the local community; underpinning the long term vibrancy and liveability of the region.

Ensure that the infrastructure within the region unlocks full economic potential

1. Upgrade South Coast Hwy
2. Increase accommodation supply and in turn vacancy rate for rentals
3. Increase internet speeds

Increase the economic wealth of the community

1. Increase gross regional product
2. Maintain low unemployment rate
3. Growth in the number of jobs
4. Increase percentage of workforce living in the region
5. Increase contribution from companies directly to the community



Increase the percentage contribution to GRP* from tourism and new industries

1. Increase # of businesses from new industries
2. Increase the number of overnight visitors to the region
3. Increase the number of people stopping in the Shire (day trippers)
4. Build awareness and regard for the region

Grow the attractiveness of the Shire as a place to live, work, visit and run a business

1. Achieve a critical mass of population
2. Ensure high quality secondary education in close proximity to where students live
3. Increase net promoter score
4. Create accessible attractions

*Gross regional product

Future Tourism Growth – A Diversified Economy

To promote **sustainable growth** and maintain a **harmonious relationship between tourism and residents**, the region should adopt a **gradual approach towards expanding its tourism industry**. By taking measured steps, the region can ensure that the growth is sustainable and does not harm the natural environment, nor detract from what makes the region an attractive place to live. This approach allows for careful planning and development of infrastructure that prioritise the well-being of both tourists and residents, fostering a peaceful coexistence between the two.

Therefore, the recommended plan for tourism growth has a short term (2-year) and long term (10-year horizon) vision:

2 year vision

The Fitzgerald Coast region to be a prime destination for adventurous DIY nature enthusiasts, wanting a detox from urban life and genuine connection with the environment.

- **"Little sister of Esperance"-image**, with a focus on the region's unique biodiversity and unparalleled hiking opportunities
- **Attracting self-contained tourists** already visiting the region: self-driving backpackers and grey nomads, and school holiday families, who do not have overly high standards in terms of accommodation

10 year vision

The Fitzgerald Coast region as the go-to destination for multi-day hikes and botanical tours, also catering for travellers seeking a comfortable and immersive nature retreat.

- Explore the region's natural beauty through **guided hiking or wildflower tours** and enjoy **comfortable accommodation nestled in nature.**
- **Attracting niche botanists and bushwalkers**, with higher standards in terms of accommodation, and who also have a high daily spend

Future Tourism Growth – A Diversified Economy

Taking into account the two tourism growth horizons, the strategic initiatives are categorised into short-term actions to achieve the 2-year vision and long-term initiatives aimed at realizing the 10-year vision.

Key short-term strategic actions

- **Enhancing awareness** of the region among tourists who already show interest in Esperance, by improving the regions social media presence and engaging travel bloggers
- **Expanding accommodation options** that offer genuine connections with nature, with a focus on expanding the Shire owned campsites
- **Improving existing tourism product** quality and appeal, including improved roads and beach access
- Organising another **significant event** that aligns with the region's image

Key long-term strategic actions

- **Attract tour operators to the region** to provide guided wildflower tours and hikes. Focus on attracting existing operators that want to expand their business in the region
- **Develop high-end and comfortable nature accommodation** for a premium visitor experience
- **Provide easy access to the region,** including air access for the non-self driving markets
- **Execute targeted destination marketing and campaigns** to attract botanists and dedicated bushwalkers

Additionally, the following strategic initiatives should be prioritized regardless of the horizon:

- Building **additional tourism marketing capability** to effectively implement these initiatives in collaboration with the current tourism officer.
- Developing a **destination brand strategy** that clearly communicates the region's unique story and highlights its iconic experiences.

4.2 Strategic Growth Drivers

01 Fit for Future Infrastructure

Objectives

1. Housing supply in better proportion to demand
2. Ensure that the infrastructure within the region unlocks full economic and social potential

Indicators of Successful Growth

1. Upgrade South Coast Hwy
2. Increase accommodation supply and in turn vacancy rate for rentals
3. Increase internet speeds

ID	Initiative	Description	Horizon	Lead Agency
F1	South Coast Hwy Upgrade	Upgrade the South Coast Highway between Albany and Esperance including realigning and widening of some sections, sealing road shoulders and constructing passing lanes.	Commence in 2 years	Main Roads
F2	Commodity route upgrades	Develop commodity route 10 year network plan that includes the upgrade of key artilleries within the Shire, including Jerdacuttup Rd	2 years	Shire of Rav.
F3	10 Year Housing Blueprint	Develop a detailed housing blueprint with current state analysis, development outlook, scenario modelling and a recommended strategies	1 year	Shire of Rav.
F4	Shire housing recycling	Review current Shire housing stock, sell/develop and find more fit for purpose housing	1 year	Shire of Rav.
F5	Resource Accommodation	Encourage private and public partnerships where higher density accommodation is found for resource company workers, the State Government essential staff and the general public	2-5 years	Shire of Rav.
F6	Connectivity and Economic Productivity	Facilitate the development of a fund for a new mobile towers to cover areas of high traffic and poor coverage	2-5 years	Shire of Rav.

02 Growing with Industry and Partners

Objectives

1. Increase the economic wealth of the community
2. Ensure the contribution from mining companies is at least equal to what is given in other jurisdictions
3. Ensure the the Shire of Ravensthorpe is recognised as an attractive destination for private and public investment
4. Build partnerships with like minded regions where knowledge can be shared and common initiatives addressed

Indicators of Successful Growth

1. Gross regional product
2. Unemployment rate
3. Growth in the # of jobs
4. % of company workforces living in the region
5. Contribution from companies directly to the shire

ID	Initiative	Description	Horizon	Lead Agency
P1	Business and Community Investment Fund	Engage with businesses to increase their contribution to the community; alternatively increase the charges paid via a community levy (e.g. rates, airport fees) to ensure an equitable community contribution. Establish simple but robust Governance structure to deliver.	<12 months and ongoing	Shire of Rav.
P2	Esperance Partnership	Build a strategic partnership with the Shire of Esperance that focuses on joint advocacy for large scale projects e.g. South Coast Hwy and tourism development.	<12 months and ongoing	Shire of Rav.
P3	Advocacy and Promotion	Develop and execute a plan to advocate for the region, including the rollout of an investment and liveability prospectus to entice workers, residents and investors.	<6 months and ongoing	Shire of Rav.
P4	Local Suppliers	Facilitate higher local content outcomes in major capital projects.	<12 months	Shire of Rav.

03 A More Vibrant and Liveable Region

Objectives

1. Increase the attractiveness of the Shire as a place to live, work, visit and run a business.
2. Create a balance between sufficient residents to deliver some essential services, and people still enjoying the beauty and peace of the area.

Indicators of Successful Growth

1. A critical mass of population seeing 2.5% year on year growth
2. High quality secondary education in close proximity to where students live
3. Increase in net promoter score
4. More accessible attractions
5. Higher net agreement that there is a:
   - "Hopetoun and Ravensthorpe have a vibrant main street"
   - "A range of food and accommodation options"
   - "Full calendar of community and major events

ID	Initiative	Description	Horizon	Lead Agency
L1	Essential worker attraction and retention	Work with the State Government to incentivise the attraction and retention of teachers, nurses, dentists and medical practioners e.g. resource sponsorship of return flights, community welcome and induction practices, housing options	12mths	Shire of Rav.
L2	Improved secondary schooling	Engage with the Dep of Education and the District High School to improve the standard of education (e.g. online learning that pools students across Shires; new subjects) and the experience (e.g. shorter transport and after school services)	12 mths ongoing	Shire of Rav.
L3	Specialist services	Attract and incentivise specialist health and social services e.g. use of the new CRC for roaming dental services etc	12 mths ongoing	Shire of Rav.
L4	Activate underdeveloped land*	Review the flexibility of the local planning so ideas can be supported by Council without re-zoning, and also investigate a developer contribution scheme	2 years	Shire of Rav.
L5	Ravensthorpe Revitalisation* – historical & industrial hub	Engage developers with an interest in the preservation and revitalisation of heritage buildings and local towns across WA e.g. Dome Group; and those looking to expand their regional footprint through food and beverage options (e.g. entertainment, bakery, food quality)	5 years	Shire of Rav.
L6	Hopetoun**	Position Hopetoun as the tourism and community epicentre of the region through the development of community facilities, including the feasibility of a Hopetoun secondary school (if successful develop EOI and business case with consideration for inclusion in the design of the sporting and community plan).	5 years	Shire of Rav.
L7	Reliable High Quality Food *Refer to Shire of Ravensthorpe Tourism Strategy 2023 for further detail*	Address the quality food supply issue in Ravensthorpe through the following: • Facilitate or buy-out the FoodWorks current owner and publish an RFQ to attract a good new operator. • Facilitate food supply cooperation between local business owners • Investigate the Ravensthorpe airport for food transportation • Provide open usage of the Shire's commercial kitchens • Complete a Greenhouse farming feasibility study to assess which products to grow, ideal location, ROI and scale required etc. Potentially utilise land around the airport, and tie in the ability to enable export of certain refrigerated products	2-5 years	Shire of Rav.

Lenon

*Please refer to the Land insights report which should be read in tandem with EGS.
**See A Diversified Economy including Short Stay Accommodation (D1)

04 A Diversified Economy

Objectives

1. Grow the value of tourism spend in the region
2. Increase the percentage contribution of GRP for tourism and new industries
3. Attract new industries and businesses

Indicators of Successful Growth

1. Increase in the number of businesses from new industries
2. Increase the number of overnight visitors to the region by X
3. Increase the number of people stopping in the Shire (day trippers)
4. Awareness and regard for the region

ID	Initiative	Description	Horizon	Lead Agency
D1	Short stay accommodation	Facilitate the development of a 30-50 room short stay accommodation adjacent to the Hopetoun foreshore precinct	5 years	Shire of Rav.
D2	Accessibility	Establish a sustainable Regular Public Transport (RPT) air service that is not fully reliant on a local resource company for underwriting of the service	5 years	Shire of Rav.
D3	Growing Visitor Demand	Increase awareness of the Fitzgerald Coast region amongst tourists already interested in Esperance; promoting the region's unique natural beauty and hiking opportunities	2 years	Shire of Rav.
D4	Tourism Product	Optimise the existing tourism products, with focus on the main natural drawcards	2 years	Shire of Rav.
D5	Nature based accommodation	Increased accommodation options with true nature connection experiences	2-5 years	Shire of Rav.
D6	Value adding complementary industries	Provide (and advocate for) incentives for spin off and value adding industries and services that play to the strengths of the region e.g. grain infrastructure, new value adding for resources	12 mths ongoing	Shire of Rav.
D7	Innovation	Create co working business hubs with high speed Wi-Fi access and work space for entrepreneurs and remote workers	12 mths ongoing	Shire of Rav.

5. Implementation

Game Changing Initiatives

In achieving the vision for the EGS, the Shire and region need to keep one eye on essential low risk actions whilst pursuing game changing initiatives. The following table provides a list of the latter.

ID	Initiative	Description
P1	Business and Community Investment	Engage with businesses to ensure a fairer contribution to the community. If unsuccessful increase the charges that have to be paid via a community levy (e.g. rates, airport fees) to ensure a fair community contribution. The increased investment can potentially be placed into a long-term future fund to buttress against economic downturns (as was done with BHP.).
F5	Resource Accommodation	Facilitate private and public partnerships where higher density accommodation is built for resource company workers, the State Government essential staff and the general public
D1	Short stay accommodation	Facilitate the development of a 30-50 room short stay accommodation adjacent to the Hopetoun foreshore precinct
L5	Ravensthorpe Revitalisation – historical & industrial hub	Entice developers with an interest in the preservation and revitalisation of heritage buildings and local towns across WA e.g. Dome Group; and those looking to expand their regional footprint through food and beverage options (e.g. entertainment, bakery, food quality)
L6	Hopetoun – community centre with secondary high school	Position Hopetoun as the tourism and community epicentre of the region through the development of community facilities, including the feasibility of a Hopetoun secondary school (if successful develop EOI and business case with consideration for inclusion in the design of the sporting and community plan).

Indicators of Success

Due to the complexity of economic growth in the region, a wide range of indicators need to be monitored, and used to inform changes to the strategy:

Goal	Measures	Type
01 Fit for Future Infrastructure	Upgrade to South Coast Hwy	Leading enabler
	Number of new dwellings	Leading enabler
	Internet speeds	Leading enabler
02 Growing with Industry and Partners	Gross regional product	Lagging outcome
	Population	Lagging outcome
	Number of jobs	Lagging outcome
	Percentage of the workforce living in the region	Leading enabler
	Local contribution from large business	Leading enabler
03 A More Vibrant and Liveable Region	High quality secondary education in close proximity to where students live	Leading enabler
	Net promoter score	Leading enabler
	Net agreement that there is a: • "Hopetoun and Ravensthorpe have a vibrant main street" • "A range of food and accommodation options" • "Full calendar of community and major events	Leading enabler
04 A Diversified Economy	# of businesses from new industries	Lagging outcome
	Increase the number of overnight visitors to the region by	Lagging outcome
	Increase the number of people stopping in the Shire (day trippers)	Lagging outcome
	Awareness and regard for the region	Leading enabler

Conclusion

With the Economic Growth Strategy now established, The Shire of Ravensthorpe needs to transition into the implementation phase of the strategy.

As part of this, there is a requirement to:

- Gain stakeholder endorsement and commitment for initiative resourcing
- Develop a dedicated resource for strategy coordination
- Develop project plans with clear KPI's
- Develop a communication plan for the strategy to communicate outcomes to key stakeholders
- Monitor and review the strategy as it is implemented

Importantly the economic growth strategy will need to be 'living'; it will need to evolve as the region changes and as new economic conditions and intelligence comes to light. With this in mind, the team overseeing the implementation of the strategic initiatives will need to agile and flex to new opportunities that emerge over time.

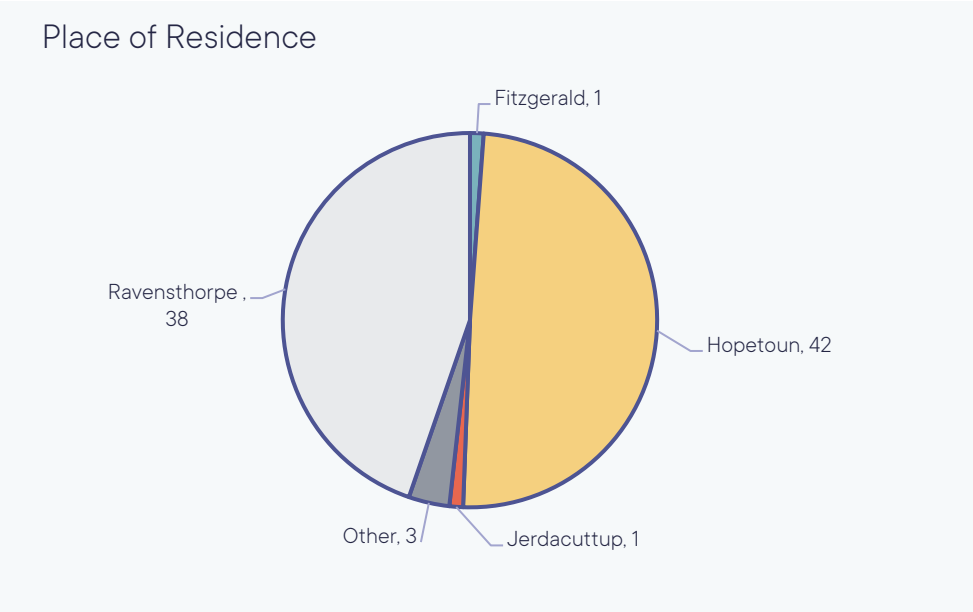
6.1 Appendix

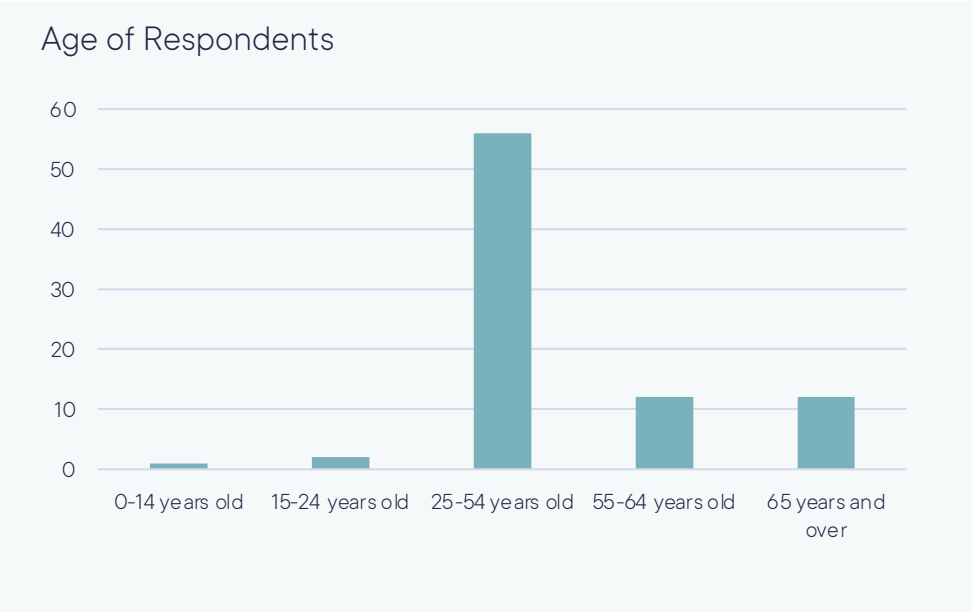
Consultation

Consultation

Approximately **50 people were consulted** through the project through in depth interviews and group discussions.

In addition to this a **community survey** was distributed, providing a strong response with 85 people providing feedback.





Q -In which community of the Shire of Ravensthorpe do you currently reside? n=85

Economic growth interviews

The following stakeholders were interviewed to discuss the overall economic growth strategy of the region:

Who	When	Focus
Shane Liddelow - GEDC	06.02.23	Economic growth
Liam Franklyn - Allkem	07.02.23	Economic growth
Les Mainwaring	08.02.23	Economic growth
Scott Whitehead -FQM	09.02.23	Economic growth
Paul Bennett –Medallion Metals	16.02.23	Economic growth
Hist Soc, Progress + Kennedy	20.02.23	Economic growth
Hist Society	22.02.23	Economic growth
Matt Kennedy – District High School	09.03.23	Economic growth
Paul Spencer	10.03.23	Economic growth
CBH – Jake McEwan	21.04.23	Economic growth

Tourism interviews

The following stakeholders were interviewed to discuss the tourism development of the region:

Who	Organisation	When	Focus
Peter Hartley & Mike Shephard	DBCA	10/02/23 + 02/03/23	Tourism
Zahra Shirazee	Tourism Officer – Shire of Ravensthorpe	14/02/23	Tourism
Members of the historical society	Historical Society	19-21 Feb 23	Tourism
Rick Besso	Ravensthorpe Entrepreneur	14/02/23	Tourism
Natalie Bell	Acting Executive Manager Development & Community Services – SoR	15/02/23	Tourism
Clare & Nick	Green Haven Tourist Park	16/02/23	Tourism
Matthew Bird	CEO – Shire of Ravensthorpe	28/02/23	Tourism
Marcus Falconer	CEO – Australia's Golden Outback	02/02/23	Tourism
Travis	Hopetoun Caravan Park	31/03/23	Tourism

Workshops/collaborative sessions

The following sessions were organised to discuss tourism and other economic growth related topics

Who	When	Focus
Council workshop	20.02.23	Economic growth
Regional Coordination Group workshop	21.02.23	Economic growth
Exec workshop	10.03.23	Economic growth
Exec workshop	16.03.23	Economic growth
Hopetoun Progress Association workshop	21.03.23	Economic growth
Council workshop	21.03.23	Economic growth
Collaborative session with resource companies	15.12.23	Economic growth
Ravensthorpe Historical Society workshop	16.12.23	Economic growth
Jerramungup collaborative session	21.03.23	Economic growth
Council workshop	20.02.23	Economic growth
Regional Coordination Group collaborative session	21.02.23	Economic growth
Ravensthorpe Historical Society Workshop	03.05.23	Economic growth + Tourism
Council workshop	09.05.23	Economic growth

6.2 Appendix
Food and Beverage

Open usage of the Shire's commercial kitchens

Remove barriers to entry to future entrepreneurs wanting to establish a food service business in the region, by allowing business owners to utilise the well equipped kitchen of the Shire owned Hopetoun Community Resource Centre, the Hopetoun sporting facility or the Ravensthorpe cultural precinct. This will allow them to do the main food, snack and drink preparations in the kitchen, and have these ready for distribution in food trucks or other small venues without a large kitchen.

Increased popularity of food truck-style options

Food trucks offer a convenient and diverse dining experience, often serving affordable food in a market-style and outdoorsy experience. Food truck culture has gained traction worldwide, with many cities embracing and promoting mobile culinary ventures.

The popularity of these mobile food options also exits in more regional towns such as Hopetoun. In the recent 2023 Fitzgerald Business Network business awards, Salty Sips – a mobile coffee truck- has won two awards.

Key main street attraction idea

Hopetoun microbrewery

Attract an entrepreneur to establish a microbrewery in Hopetoun. There is a potential to connect this with the local pub in Hopetoun, which is currently for sale, and has an attractive plot of land next to the pub to cater for expansion.

Key main street attraction idea

Ravensthorpe bakery

Attract an entrepreneur to establish a bakery on Ravensthorpe's main strip. To help facilitate this process, the Shire can offer a Shire-owned building on the main strip to house the bakery.

Contact Lenon

Questions?

Visit www.lenon.io

Paul Murray +61 430 992 504

Elise Verdonck +61 473 134 800

Or email Lenon at hello@lenon.io