

ECONOMIC DEVELOPMENT PLAN

November 2002

SHIRE OF MANJIMUP

The economy of the Manjimup region has been devastated by the effects of the Regional Forest Agreement process and the Old Growth Forests Policy.

The closure of timber mills and the decline of the native timber industry, in the past year, has severely restricted our ability to create wealth. This has translated to the loss of 25% of full time jobs.

This situation is devastating for local business. There is an urgent need to diversify the industrial base of Manjimup.

This proposal encompasses plans to broaden the timber industry base by adding furniture manufacture, and proposes expansion into new areas such as natural medicine and IT.

The plan recommends roles for all three levels of government, in the redevelopment of Manjimup.

Commonwealth

Financial incentives - Funding to EDAC to provide financial support for the development of a furniture industry park - incentives for new industry from Timber Industry Restructure Fund.

State

Infrastructure support – headwork’s relief – planning priority – gas pipeline – financial incentives – business migration.

Local

Rate holidays – pro-active planning – investment funding – development of furniture industry park.

This package will demonstrate that Manjimup has not been abandoned and instil the confidence needed to get us back on track in creating wealth, exports and jobs.

SHIRE OF MANJIMUP
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
VISION FOR THE WARREN DISTRICT

The industry base of the Shire of Manjimup has traditionally been centred on native forest timber, with major timber mills located in Deanmill and Pemberton.

Reservation of large tracts of State Forest have dramatically changed the structure of the timber industry in the Shire of Manjimup. A likely outcome of the current deliberations of the Forest Management Plan for 2004-2013 will be a significant reduction in the supply of logs from State Forests. In the Shire of Manjimup, even a best case scenario from this process will result in the loss of 320 jobs from the timber industry and in the likely loss of a further 480 jobs from the retail and service sectors.

This “best case” scenario will cost the Shire of Manjimup one quarter of all full time jobs, that is, 800 full time jobs out of 3,300 full time jobs that existed at 2001 census. The “worst case” scenario will result in the loss of one third (1,100 out of 3,300) of all full time jobs in the Shire.

The effects of changes within the timber industry are largely focussed on the Shire of Manjimup, which will lose more than half of all timber industry jobs in Western Australia. Wages paid to workers engaged in the timber industry within the Shire will fall from \$22 million to less than \$10 million per annum.

To combat this, the Shire of Manjimup has recently appointed a community based Economic Development Advisory Committee (EDAC) to develop a plan for the economic future of the community. This committee is a blend of business leaders and councillors. EDAC has proposed a new vision for the community.

The Vision

The Warren District will be seen as a vibrant and diverse area with the town of Manjimup being the major regional centre in the short term and aiming for rural city status into the future. Manjimup will be complimented by beautiful and sustainable rural villages in Pemberton, Northcliffe and Walpole.

The economic drivers for this change will be diversified industry based on timber and furniture manufacture, food production and manufacturing and specialised tourism. These changes will create a prosperous and growing community with a positive and welcoming outlook.

The Mission

The Shire of Manjimup, in partnership with the Commonwealth and State Governments, will create the business and social environment that will foster and sustain changes needed to fulfil the potential of the district and to achieve this vision for our community.

Industry will be encouraged to develop and evolve by the application of the principles of innovative marketing, facilitating attitude and sound planning. Secure attraction and retention packages will be developed and offered to industry to create the economic activity and job creation needed to remedy the negative effects of timber industry changes.

The Plan

The focus of the economic development plan is:

- The establishment of a furniture industry and other value adding in the timber industry.
- The establishment of at least one more, high value, agricultural crop, including herbs or natural medicines.
- The creation of food and natural medicines manufacturing.
- The expansion of the Aquaculture industry, including local processing.
- The utilisation of unique resources in the development of specialised tourist industry.
- Pursue other compatible opportunities in IT, commerce, virtual marketing, retirement and the public sector.

Attraction strategy:

Incentives

Local: Council offer rate holidays to new industry for a period of three years or a 50% rate holiday for a longer term.

Establish a “one stop shop” to locate land and buildings in conjunction with local real estate agents.

Pro-active planning initiative from Council. Identify locations that would welcome special industry groups.

Investment funding – establish local investment “bank” for both secured and unsecured (venture) capital. Examine methods of raising local capital.

Plan and develop appropriate industrial land and facilities.

State: Provide headworks assistance - state government is currently reviewing this program. Need to encourage state government to implement new scheme.

Develop infrastructure/planning for Warren Blackwood Industry Park (Department of Planning and Infrastructure).

State to set planning priority for Shire of Manjimup so that Town Planning Scheme number 4 is fast tracked.

Financial incentives be maintained for Shire of Manjimup until recovery has occurred (at least till end of 2005).

Business migration scheme - SWDC to develop and implement marketing packages with Shire of Manjimup. It is believed that a particular focus could be horticulture, aquaculture and floriculture and associated processing/marketing.

Extend gas pipeline to the Shire of Manjimup.

Commonwealth:

Financial incentives - Funding to EDAC to provide financial support for the development of a furniture industry park - incentives for new industry from Timber Industry Restructure Fund.

Marketing strategy:

Must have identifiable product/s to market. This means that the Shire of Manjimup must be offering a package to industry and developers that is unique.

Must be directed at identified targets.

We must have the ability to implement the strategy with appropriate financial resources.

Process

Identify new and compatible business that will create wealth and jobs

Sell benefits

Educate

Identify champions

Advertise the potential of the district – focus on:

- Trade magazines
- Financial review
- Web
- BRW – Bulletin
- Have a capital city focus
- Target firms
- Create a welcoming environment with a community focus

Create teams to:

- Visit firms/personal approach
- Invite firms to visit and make welcome
- Use/create network
- Scan past efforts, here and abroad, and copy success
- Target those most likely to succeed first
- Create supply links with major retail chains
- Sell climate
- Create positive perceptions
- Develop business portfolio
- Create asset register

The establishment of a Manjimup based furniture industry to add value to our native hardwoods.

This will be achieved by the creation of a jarrah-based furniture manufacturing industry park based in Manjimup.

Commitments have been made by furniture manufacturers that will lead to the establishment of a furniture industry in Manjimup:

“We are prepared to take our industry from Perth to Manjimup”

John Clare, Clarecraft Industries

“We have put up our hand to do something in this region”

Dino Gosatti, Inglewood Products

“We have an ongoing commitment to Manjimup”

Rob Davis, Jensen Jarrah

To achieve this outcome:

Establish a furniture industry industrial park on the existing Sotico Manjimup Processing Centre site.

Assist the relocation and retooling of existing furniture manufacturers to Manjimup. This will involve the creation of world class furniture manufacturing precinct in Manjimup.

Attract international art quality furniture manufacturer and craftsmen.

Job creation: 300 new jobs.

Add value to existing Karri sawmilling operation in Pemberton.

Potential new owners of this operation, Auswest, have committed to adding drying and processing facilities to the Pemberton mill that will:

Produce high quality Karri flooring instead of green lumber.

Assist new owners with this upgrade.

Job creation: 27 new jobs.

Small sawmillers

Addition of extra drying and processing facilities to produce flooring and furniture grade timber.

Job creation: 30 new jobs.

The establishment of at least one more, high value, agricultural crop, including herbs and natural medicine.

The Shire of Manjimup occupies a unique place in the Australian landscape. It has a cool Mediterranean climate and 85% of the land area is still dedicated to native forests.

The climate is similar to the South of France, the Napa Valley in California and to the Bay of Isles region of New Zealand. Temperature regimes match Biaritz in France, Santa Rosa in the USA and Auckland New Zealand.

The majority of the shire has a growing season that extends from 8 to 10 months of the year. This means that cool climate crops can be grown all year round, providing continuity of supply.

The challenge is to attract investment in agriculture that will lead to downstream processing and further job creation.

Support and encourage Natural Medicines of Australia in the development of the production of medicinal plants.

Support the Department of Agriculture and the Horticultural Research Institute in the investigation of new crops for the region, through the “New Futures” program. These include:

- Citrus, apricot, plum and Pluot, nut crops, fungi – truffles, floriculture, aromatics, nutraceuticals, rotational crops, Japanese taro, shallots, sweet corn, summer Iceberg lettuce for processing and strawberries.

The creation of food and natural medicines manufacturing.

Support and encourage the establishment of processing facilities in the shire for the extraction and processing of natural medicine crops. This will create 100 new jobs.

Assist in the planning and development of a pharmaceutical industry associated with the above.

NMA, and its European associates Herbal Medical Database Limited (HMDL) and The Ayurvedic Company of Great Britain (ACGB) are establishing a joint venture marketing company NMA UK based in London to facilitate the marketing and promotion of NMA products to the European and American markets.

HMDL and ACGB have advised, that recent events in the world markets, particularly in the American markets, it would be advantageous for NMA to push ahead as soon as possible to develop organic/natural, non-irradiated end natural medicine products under the NMA label.

NMA’s advisors are confident that the increasing uncertainties and bad publicity received by American, Asian, and European suppliers of chemically grown irradiated natural medicines will give NMA a major marketing edge to assist in maximising market penetration of NMA products into the target markets.

Under the advice and direction of HMDL and ACGB the Directors of NMA are now determined to accelerate their plan to manufacture the end products as well as the standardised extracts.

NMA’s partners will negotiate joint ventures with universities and private research institutions in the biological assessment of safety and effectiveness up to clinical phase 1. NMA will develop a Pharmaceutical facility in WA to research and screen medicinal plants and develop certified organic extraction and purification systems.

NMA will reformulate recognised natural medicine products, including beverages using organic non-irradiated materials produced in WA to establish its own range of products.

NMA will concentrate its efforts in the development of treatments of pathologies and dysfunction of the central nervous system, such as depression, anxiety, impotence, sleep disorders and algesia.

NMA will also carry out research and development of anti-cancer treatments as well as anti-microbial and anti-viral drugs.

NMA estimates that the facility will cost approximately \$ AUS 20 million and will offer in excess of 300 full time jobs of which 5% will be dedicated to full-time research.

Encourage the establishment of a commercial kitchen incubator in Manjimup.

Pursue the establishment of cook/chill meals centre to provide meals to the government health system.

Further encourage and assist the development of the Bendotti Exporters site, into the processing of a wider range of foodstuffs.

The expansion of the aquaculture industry, including local processing.

Marketing information suggests that the fresh water crayfish (marron) industry needs to expand one hundredfold to move from its current “hobby” position to fully commercial.

Assist in the commercialisation of the marron industry by appropriate planning.

Support TAFE and the tertiary education sector in research and training for the marron industry.

Assist the industry to develop marketing plans, expertise and organisation.

Pursue other compatible opportunities in IT, retirement, e-commerce, virtual marketing, the service sector and major industry.

Capitalise on the location of Manjimup.

Manjimup is central to the two major regional centres of Bunbury and Albany and would make an excellent services centre for the southern region.

- Marketing and service centre for:
 - IT services and training
 - E-commerce base, using climate and lifestyle as attractors for staff
 - Product distribution
 - Engineering

- Transport

Use cool climate and Southern Forests to establish region as alternative retirement haven.

Develop direct marketing channels for local produce.

In association with the Government of Western Australia, identify, plan and develop a major industry park that is central to the southern timber plantations. This will facilitate the development of paper pulp, paper and manufactured lumber industries.

The utilisation of unique resources in the development of specialised tourist industry.

Invite the four tourist bureau to provide EDAC with advice.

Establish a planning forum by hosting a planning workshops with the industry.

Assist in the development of forest and other icons as tourist attractors.

- Diamond forest Sky Lift.
- Donnelly River Valley Sky Jetty.

Encourage the creation of more action and entertainment activities to retain tourists in the Southern Forests region.

- Forests
- Timber production
- Furniture production
- Timber and furniture art
- Horticultural production
- Water storage
- Adventure
- Scenic
- Rivers
- Beaches
- Walking

Package attractions and accommodation.