



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

Funding Opportunities & Challenges

How to Successfully Secure Funding

Grower Group Alliance Annual Forum
Friday 19 August 2016, Rendezvous Hotel Scarborough

Keith Anthonisz
Director New Initiatives
Department of Regional Development

www.drd.wa.gov.au



Department of Regional Development Introduction

- The Department of Regional Development promotes and facilitates economic, business and social development in regional WA.
- Administers the Royalties for Regions program, works with Regional Development Commissions and collaborates across government, the private sector, and community groups.
- Royalties for Regions has allocated more \$6.1 billion across 3,600 projects and programs. Investment has supported housing, health, education, culture, recreation, environment and economic development.





Reform of Department of Regional Development

- The Department is currently being reformed to focus on working as one portfolio with Regional Development Commissions to deliver quality projects with a greater emphasise on economic outcomes.
- Economic Development and Diversification:
 - Delivery of new initiatives including Seizing the Opportunity in Agriculture initiative and exploring new economic opportunities in regional WA
 - Major projects include the Ord-East Kimberley Expansion and new agriculture precincts
 - Facilitation of Aboriginal economic development opportunities



**ROYALTIES
FOR REGIONS**



New Initiatives

- Seeking to identify priority regional economic development and diversification initiatives strategically important to the State and with cross regional implications.
- Work in partnership with the nine Regional Development Commissions.





Regional Development Perspective on Agriculture

- Expansion of Western Australia's agriculture and food sector to capture new market opportunities and support new investment.
- State needs to foster development of agriculture to allow for expansion in the sector that realises increases in investment and jobs.





Global Trends

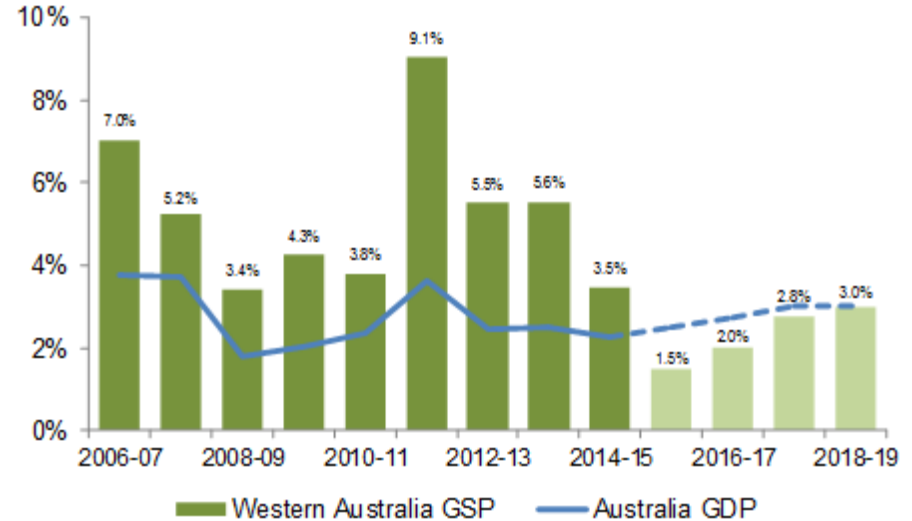
- Rise of middle class in China and other developing countries supporting growing demand for animal protein
- Global food security issue leading to increasing investment in food.
- Growing world population - 7 to 9.5 billion people by 2050
- 70% increase in global food demand by 2050
- 925 million in hunger in 2010 (World Bank)





Western Australian Economy

- Main minerals and petroleum exporting State.
- Strong business investment growth over the past decade in mining and oil and gas.
- Export values in mining and oil and gas have fallen in recent years due to falling commodity prices.
- The WA economy is in transition to a period of lower growth.
- Economic diversification is needed and agriculture can support new sources of growth for WA.





Experience with the Ord

- Royalties for Regions investment of \$311 million in expanding the Ord Irrigation Scheme.
- On 20 November 2012, the Premier and Minister for Regional Development announced Kimberley Agricultural Investment (KAI) owned by Shanghai Zhongfu Co as the preferred proponent to develop 13,400ha.
- KAI will lease and develop the Goomig Farm area and progress development of Knox Plain.
- KAI proposes to invest up to \$700 million to establish a sugar industry in Kununurra.





Seizing the Opportunity Agriculture

- Seizing the Opportunity in Agriculture delivery of State Government election commitments to agriculture of \$350 million.
- Multiple agencies.
- Department of Regional Development's focus on infrastructure and investment.
- Ord expansion a model for development of precincts and attraction private sector investment.
- Land tenure and water access major issues.
- Need to link smaller scale farming businesses with larger scale investment.





Agrifood 2025 Targets

- Seizing the Opportunity
Agriculture seeks to support the DAFWA Agrifood 2025 target of doubling the value of the agrifood industry sector by 2025.
- Success dependent on agrifood businesses becoming more attractive to investors, more efficient supply chains; increased business skills; appropriate business models; strategic linkages between market needs and production; and better innovation.

AGRIFOOD
2025+



Seizing the Opportunity Agriculture Programs Whole of Government Approach

Department of Regional Development

- WA Open for Business \$20 million
- Infrastructure Audit and Investment Fund \$77 million

Department of Agriculture and Food WA

- Food Industry Innovation \$5.75 million
- Northern Beef Futures \$15 million
- Sheep Industry Business Innovation \$10 million
- Boosting Biosecurity Defences \$20 million
- E Connected Grainbelt/
Helping Grain Growers Manage Risk \$10 million
- Agricultural Sciences R&D \$26.1 million
- Boost Grains R&D Support \$20 million
- Asia Market Success \$6 million

Department of Water

- Water for Food \$40 million

Department of Training and Workforce Development

- Muresk Institute \$10 million

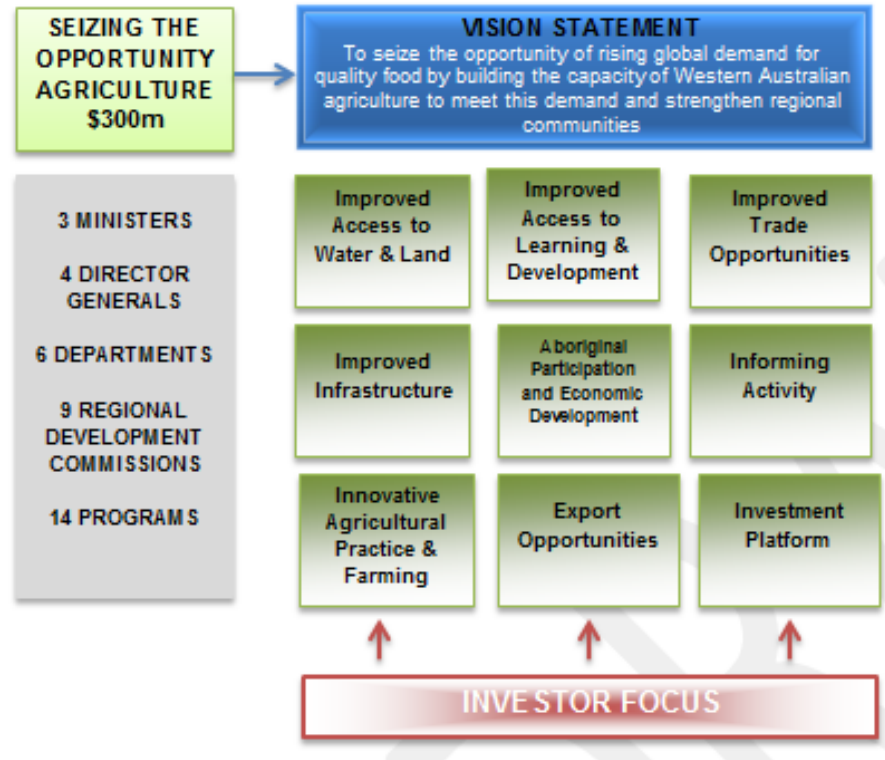
Department of State Development

- Brand WA \$10.15 million



Outcomes and Objectives

What are the outcomes and objectives?





Agricultural Sciences R&D and Grower Groups

- \$17.2 million Grower Group R&D Grants part of the \$22.1 million Agriculture Sciences R&D Fund.
- 20 recipients in the first round of \$6.7 million in Grower Group Grants.
- A second round will open in early 2017.





Agricultural Sciences R&D Grower Groups Project Examples

- South East Premium Wheat Growers Association project positioning WA malting barley as the preferred supply source for Asian brewers.
- Ord River District Cooperative and Curtin University project seeking to increase value of pulses grown, processed and distributed from the Ord Valley.
- vegetablesWA project for creating a high value processed food industry.
- Merredin and District Farm Improvement Group and the Far Eastern Agricultural Research Group to investigate low rainfall in the eastern Wheatbelt.





Grower Groups R&D Funding Process

- A two-stage selection process is used with a Stage 1 Expressions of interest (EOI) with each application assessed by the expert selection panel.
- Stage 2 Full project proposal – shortlisted applicants invited to submit a detailed proposal for assessment.
- Projects assessed on accessing new markets, improving supply and value chains, value adding, developing market-focussed products, alternative business structures, accessing capital investment and improving on-farm productivity.



Department of
Agriculture and Food





Other Grower Groups Opportunities

- WA grower groups focussed on production and profitability of members farm businesses through new technologies, research and farm training.
- Grower Groups also have the potential to work in other project streams of Seizing the Opportunity on a collective approach to water and land access, trade, partnering with investors, collaborative infrastructure projects, aboriginal participation, new business models, training and innovation.





Eg: Seizing the Opportunity Agriculture Challenges

- Whole of government support needs to support new trade and investment opportunities.
- Government traditionally offering technical advice to small agriculture operations needs to also support facilitation of larger scale investment in agriculture.
- Regulatory agency support for agriculture in dealing with land tenure and water access needs to be addressed to encourage investment.





Eg: Water for Food – New Precinct Potential

Southern Forests – identifying new water resources and irrigation to drive expansion of horticultural industries in the south west.

Myalup Wellington - developing new water supply options and land availability, to support a target of doubling food production in the Myalup and Collie River irrigation precincts.

Midlands - assessing land and water resources to support expansion of fruit and vegetable production north of the Gingin horticultural region.

Gascoyne - sustainability of water to support expansion and diversification of new horticultural and agricultural developments.

East Kimberley/Bonaparte Plains – investigating land and water availability on 30 000 hectares suitable to diversify agriculture in the region (for example; chia, grazing pastures, biofuels).

La Grange-West Canning Basin - understanding water resources in the West Canning Basin-Sandfire groundwater system.

Derby – exploring the potential for the Knowsley Agricultural Area, near Derby, which has potential for large scale irrigation and intensive cropping of up to 5000 hectares.





Eg: Seizing the Opportunity Agriculture and Indigenous Engagement

- Seizing the Opportunity Agriculture programs and projects feature engagement with indigenous people.
- Western Australian Agriculture can attract support demonstrating plans for engagement with indigenous people and support for aboriginal economic development.





Discussion