



Shire of  
**Katanning**  
Heart of the Great Southern



# INTRODUCTION

In 2018 the Shire of Katanning received funding from the federal government under their Building Better Regions Fund. We identified the need to provide leadership in the space of innovation and used funding from the federal government to consult and engage with various stakeholders to develop an innovation action plan.

The Shire of Katanning is focused on helping to create a community that is encouraging and supportive of innovation as well as a place for collaboration. There are many areas in this plan that are within our control and a few beyond our control, however this should not be an inhibitor to progressing towards an innovative culture. The purpose of this plan is to identify projects that can drive change, facilitate and develop a collaborative community and build innovation capability.

## **Liz Guidera**

President | Shire of Katanning

The Katanning Regional Business Association recognises the crucial importance that innovation can potentially have as a source of competitive advantage for Katanning businesses. This is especially important in the context of growing competition and a global economy.

Businesses in Katanning and the wider district mainly innovate 'in house' and face a number of barriers to innovation including insufficient time and resources, lack of appropriate skill sets, lack of infrastructure e.g. telecommunications and access to funding. Additionally it is hard to look at your business from the outside and to see the innovation that needs to occur - this is something we as business owners need to do constantly and need to find the time to do so.

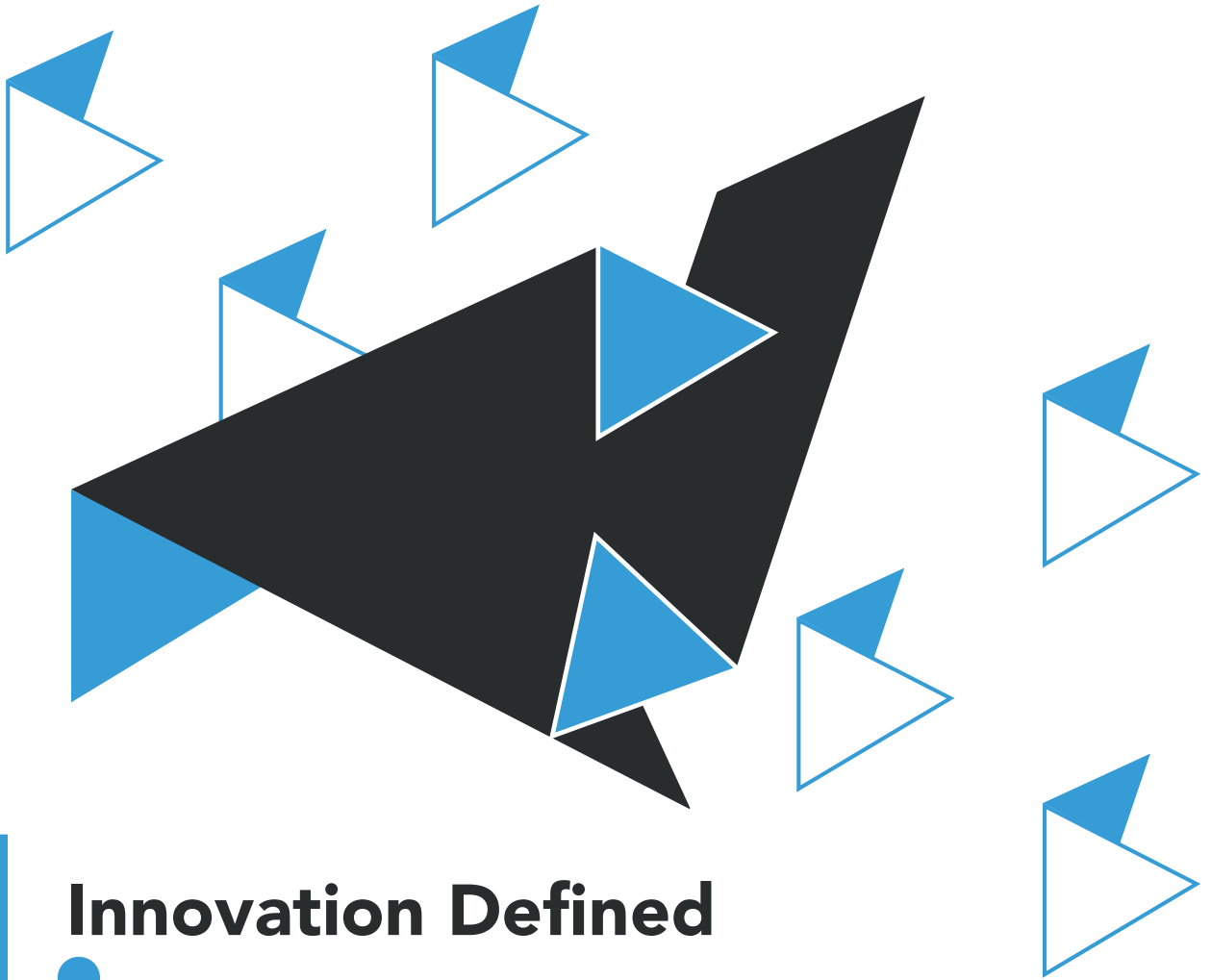
The Katanning Regional Business Association is eager to push innovation and not persevere with the status quo which is sometimes very easy to do. We are keen to see the barriers to innovation dissolve and is pleased to provide leadership to the business community in developing networks, providing activities to foster innovation, assist in access to new markets and championing locals who lead in the space.

We commend the Shire of Katanning for leading our community in this area and are pleased to partner with them, and other local groups and members of the community in achieving the goals identified in this plan.

## **Alan McFarland**

President | Katanning Regional Business Association





# 1 Innovation Defined

In this Innovation Plan, innovation has been defined as **anything that is different and has impact, which can be measured**. The point of measurement might be profit margins, improved performance, a positive impact on someone's life – innovation can be anything that impacts us.

In business, innovation can be defined as the development and implementation of any new products, new services, new processes, methods and business models to improve an organisation's profitability, productivity and competitiveness locally, regionally, and in state, national and international markets.

Innovation does not just include invention and creativity as often assumed. It is much more than this. Innovation is any form of change. It is the discovery of a new opportunity, acted upon and implemented. Without implementation, it is just an idea.

Innovation is most likely to happen at an individual or employee level, rather than whole organisation level. This is because organisations only adapt if their employees adapt.



# 1.1 What Does the Katanning Community Think Innovation Is?

Local businesses, community and government stakeholders identified that currently innovation in Katanning is a direct response to:

- Local, regional, national and international market pressures
- Competitors
- Lack of labour or access to labour
- A reduction in time by business owners or senior leaders
- A gap in the local or regional market

Sometimes innovation was acted upon singularly or as a collective. Additionally, leaders in innovation within the regional context of Katanning often consider how the innovation will have a positive impact on the local community.

**Strengths and weaknesses in planning for innovation were identified by business owners, community leaders and government representatives:**

## STRENGTHS

- Presence of a number of large scale businesses
- Number and variety of community groups
- Established business group – KRBA which could help overcome barriers to innovation
- There is innovation occurring informally
- Local champions in business and community
- Diversity of agricultural production and processing
- Liveability of Katanning
- Diversity and multicultural community
- Business start ups can be cheaper than the metropolitan areas

## WEAKNESSES

- Distance from Perth and Albany
- Cost of service and business delivery in the region
- Some businesses are reactive rather than proactive
- Reliance on agriculture
- Freight and transport costs are high
- Latency of telecommunications services
- People barriers / politics
- Access to tertiary education / presence in Katanning
- Access to research and development
- Lack of critical mass
- Access to IT support
- Lack of certainty in the area, risk appetite
- Low take up / success rate of innovation and enterprise funding (Federal grant schemes)



## 2. Purpose of This Plan

**Innovation is not a choice.**

**It is necessary to remain relevant, competitive and productive.**

The aim of articulating an innovation plan in Katanning is to create a network, culture and environment that celebrates and supports innovation to specifically generate economic growth in Katanning and the wider district, to create new products and services for consumers as well as improved job opportunities and specialisation. It is not intended to focus on the physical infrastructure required to support innovation, but rather the support mechanisms and services necessary to support individuals, groups and businesses to be innovative or to enable their innovations gain momentum.

It should be remembered that innovation is not a linear process, rather a complex map of relationships, networks, processes, flow of information etc. The purpose of this Innovation Plan is to:

- Be a coordinating point within the Katanning community
- To enable collaboration and organisation amongst the stakeholders
- Identify local priorities based on current strengths and competitive advantages – identified by the community
- Recommend potential areas for future competitive advantages, entrepreneurship and growth – again identified by the community
- Encourage partnerships (locally and beyond the community) in networking, governance, project delivery, monitoring and evaluation.



# 3. How This Plan Developed

It is very important that plans like this are built from the ground up, not top down. This has certainly been the case, as all key delivery partners in this plan are local to Katanning or active in the region.

The Shire of Katanning and Katanning Regional Business Association, together with Curtin University held a workshop with key local stakeholders to discuss the initial concept of innovation in the district and the role Curtin University plays in helping to facilitate innovation and platforms. A number of themes were developed during this session which participants felt had opportunity for growth, these included – small business, agriculture, tourism, food and culture. Additional themes of education and networks were added and included in the action plan that follows.

The Curtin University session was followed up by one on one consultation

with a number of individuals and organisations in Katanning, the Great Southern and Perth by the Wheatbelt Business Network to discuss barriers and challenges to innovating at a local level and explore support mechanisms and tools to help innovators and entrepreneurs.

An evening session was held in Katanning in July 2018 with local businesses, education providers, not for profit organisations, local, state and federal government agencies who operate in the space of incubators and investment to develop goals and strategies towards supporting innovation in Katanning and the surrounding district. The goals and strategies developed on this night have formed the innovation action plan.

*A list of contributors to this plan is included in Appendix 1*

## 3.1 Notable Findings during the Consultations

### INHIBITORS AND ENABLERS OF INNOVATION IN KATANNING

#### Personal

|                                     |                             |
|-------------------------------------|-----------------------------|
| Dealing with stress                 | Lack of perceived knowledge |
| Balancing work and life commitments | Logistical constraints      |
| Investment required                 | What's in it for me?        |
| Personal attitudes                  | Lethargy, lack of energy    |
| Experiences                         | and motivation              |

#### Workplace

|  |  |
|--|--|
| Being able to diagnose your strengths and weaknesses         | Technology constraints   |
| Managing growth appropriately                                | Logistical constraints   |
| Developing business systems                                  | Tracking what the end consumer wants – sometimes they don't know |
| Bureaucracy and disconnectedness of government at all levels | Needs good communication   |
| Reluctance to change   | Constricted working environments                                 |
| Intergenerational workforce                                  | Role of strategic planning is essential                          |
| Investment required  | Accurate data and information to make informed decisions         |

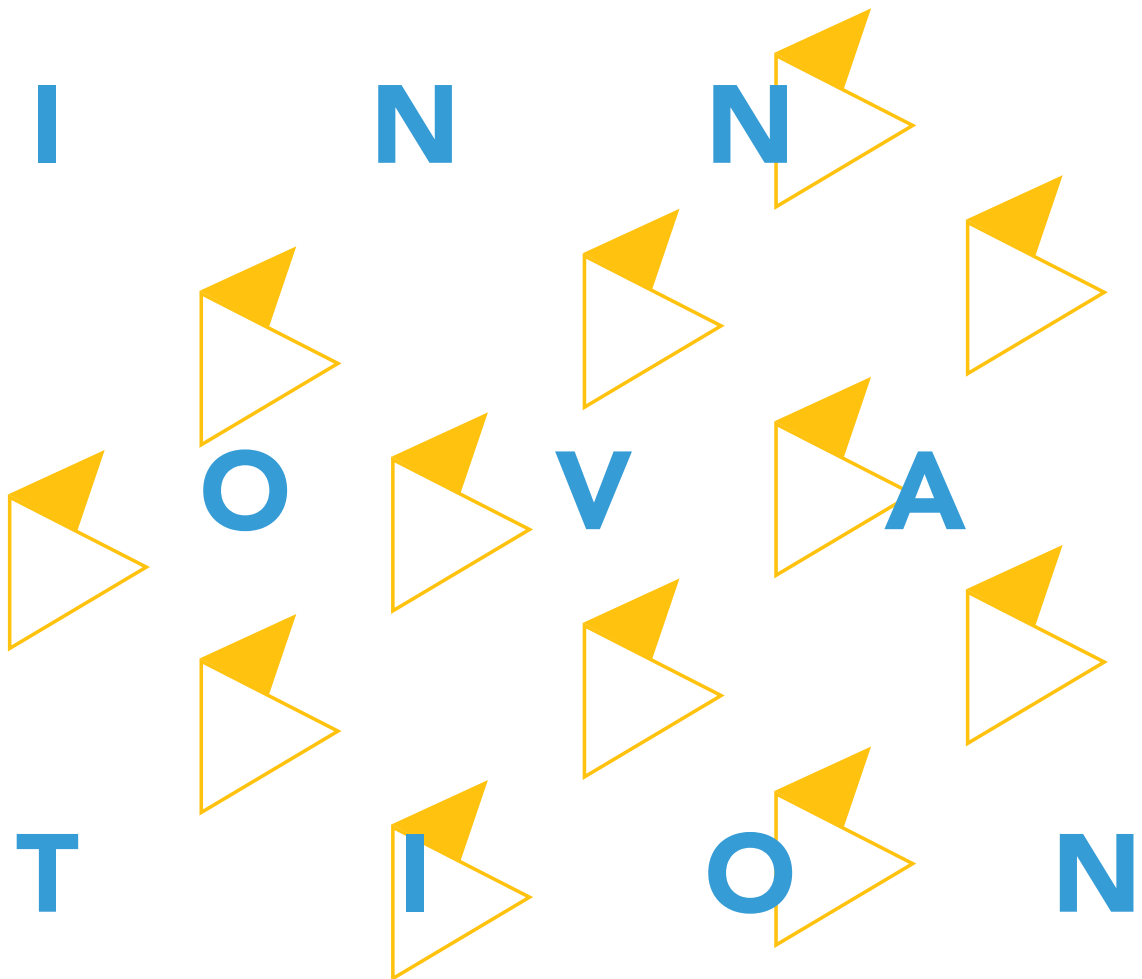
#### Community

|   |  |
|---|--|
| Reluctance to change  | Going it alone – getting it done               |
| Size of Katanning's population, loss of people (skills, knowledge etc.) to city | Technology constraints                         |
| Ability to encourage innovation at a young age                                  | Labour pool constraints                        |
| Listen more – speak less  | Information overload                           |
| Lack of local training and career pathways                                      | Some innovation needs a critical mass          |
|   | Same people trying to make an impact – burnout |



**Additionally, a number of myths emerged during discussions:**

- Entrepreneurs are the same everywhere – but this is certainly not the case through our experiences. There are significant differences across regions and town by town in the Great Southern and Wheatbelt regions of WA
- High growth businesses are young – research indicates that high growth businesses are mainly 25yrs old, with more than 10 employees and owners are around 40yrs of age occurs mostly in businesses<sup>1</sup>
- Innovation involves technology – definitely not true. Innovation is anything that has impact and may or may not involve technology
- Businesses grow organically and by opportunity – there is strong evidence that businesses grow via acquisition or alliances<sup>2</sup>



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<sup>1</sup> Tim Mazzarol, CEMI

<sup>2</sup> Tim Mazzarol, CEMI



## KATANNING ENTREPRENEURIAL ECOSYSTEM MAP – CURRENT AND DESIRED

|   | Current – available locally  | Desired   |
|---|--|---|
| <b>Formal networking</b>                  | KRBA<br>KATANNING HUB CRC<br>KATANNING ACTION GROUP                        | REGIONAL CHAMBERS OF COMMERCE WA  |
| <b>Formal education</b>                   | SOUTH REGIONAL TAFE<br>KATANNING SHS<br>APPRENTICESHIP SUPPORT CCIWA       | LEADERSHIP WA<br>THE ALBANY CENTRE (UWA)<br>ONLINE LEARNING   |
| <b>Industry education</b>                 | SOUTHERN DIRT<br>GREENSKILLS<br>KATANNING RESEARCH CENTRE                  |   |
| <b>Co-working spaces</b>                  | KATANNING HUB CRC  | FLUX, SPACECUBED, THE GROWTH BOX<br>PRIVATE OFFICES / RENTALS IN KATANNING<br>LANDCARE – KATANNING NURSERY  |
| <b>Incubators and accelerator program</b> |  | CURTIN IGNITION (PERTH BASED)<br>UNIVERSITY OF WA – BLOOM<br>EDITH COWAN UNIVERSITY<br>– BUSINESS AND INNOVATION CENTRE   |
| <b>Advisory services</b>                  | ALBANY BUSINESS CENTRE<br>– BUSINESS LOCAL PROGRAM<br>CONSULTANTS<br>BANKS | KESTON TECHNOLOGIES<br>LEADERSHIP WA<br>BUSINESS STATION, BUSINESS FOUNDATIONS  |
| <b>Government funding and programs</b>    | RDA GREAT SOUTHERN<br>GREAT SOUTHERN DEVELOPMENT<br>COMMISSION – RNIF      | ENTERPRISE CONNECT<br>COMMERCIALISATION AUSTRALIA<br>INNOVATION VOUCHERS PROGRAMS<br>(NEW INDUSTRIES WA)<br>STEM<br>DEPARTMENT OF INDUSTRY, SCIENCE<br>AND INNOVATION - AUSINDUSTRY<br>DEPARTMENT OF COMMERCE<br>INNOVATION CENTRE WA |
| <b>Start up and investors</b>             |  | PERTH ANGELS<br>AGRISTART<br>CORE INNOVATION HUB  |
| <b>Networks – working groups</b>          | KRBA<br>KATANNING ACTION GROUP<br>KATANNING MEN'S SHED                     |   |



# 4. Agreed Understandings

## 1. Businesses Innovate

While governments and community organisations contribute to improving the conditions for innovation and encourage innovation, it is business owners and managers who invest in changing their products, services or business models to become more competitive. Alternatively, it is entrepreneurs who bring a new idea to market. While governments can also innovate – what is generally known as ‘social innovation’ – the innovations that lead to job creation and economic growth are undertaken by the private sector.<sup>3,4</sup>

## 2. Innovation Involves More Than Start Ups

There is an emphasis on the role of new start-ups and disruptors. That many governments are eager to find and support high-growth entrepreneurs. There is research to suggest that academics and government have spent too much time on high growth firms (‘Gazelles’ and ‘Unicorns’) and not enough time spent on the ordinary entrepreneurial activity of existing small businesses (less than 10 employees).<sup>5</sup>

## 3. Networking Is Under Estimated

Networking, both formally and informally is often under estimated. Relationships built between businesses can create and facilitate collaboration and there is a need for regular opportunities for information and resource transfer.

## 4. Culture

Creating an environment that supports businesses to innovate is very important. This includes local government policies, laws and regulations that make it easy, not harder to implement change. Necessary infrastructure and facilities to facilitate innovation, continuous public-private dialogue and state and local governments working in partnership.<sup>6</sup>

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<sup>3</sup> Simon White

<sup>4</sup> The Ecological System of Innovation, 2009, Robert M Yawson

<sup>5</sup> Tim Mazzarol, CEMI, 2017, It’s Time to Question The Current Obsession With Gazelles and Unicorns

<sup>6</sup> Simon White



# **ACTION PLAN**

## **Innovation Action Plan**

beginning in 2018

### **THE SHIRE OF KATANNING'S ROLE IN INNOVATION**

Local businesses are essential in the growth of local economies. Currently, there is a trend to focus on finding new businesses to fill the gaps in the local economy, however there are considerable resources (time, energy and money) within the existing businesses. Additionally, often the focus is placed on large organisations to drive innovation when in fact micro and small businesses have a far better chance of driving change.

The community of the Shire of Katanning has articulated what it would like the future economy to be like. They would like to see growth and believe activities that attract and encourage industry and business should be pursued to enable the community to prosper.

#### **Additionally objectives identified in the Shire of Katanning Strategic Community Plan includes:**

- Encouraging new avenues to upskill and create employment opportunities for our diverse community
- Develop local business and encourage start-ups
- Raise Katanning's profile as a centre of excellence in the area of agriculture and associated industries

**As the primary lead in this innovation action plan the Shire of Katanning has an opportunity to help local businesses and reduce barriers to innovation, from a legislative approach but also as a key leader in the community. Specifically it can:**

- Develop an Innovation District brand
- Work with KRBA to establish a shared vision for innovation
- Support a culture of networking across the community
- Recognise the importance of the business community by engaging, meeting and speaking with them regularly as a collective or individually both at a Council and Administration level, this should be both formal and informal
- Review local procurement and business payment and planning policies
- Seek to work with and enable existing businesses, particularly at the micro and small business level to grow
- Seek to create better policy, local laws and compliance conditions for all businesses, not just start ups looking for incentives – the local business environment effects all businesses
- Digitising common Council processes and providing current and up to date data
- Improving local government procurement and buying local
- Progressive local planning and zoning systems
- Encourage competition as this is a core driver for innovation
- Support existing business networks and innovation ecosystems



**Notes:** Priority (P) – *High* (High impact, action within 12 months), *Medium* (Medium impact, action 1-3yrs), *Low* (Low impact, action 3yrs plus)

## THEME: NETWORKS

### Lead: Shire of Katanning

**Challenge:** Lack of formalised networks for collaboration

| Strategic Goal  | Activity  | Point of Measurement   | Parties at the Table  | Priority |
|---|---|--|---|----------|
| 1. A culture of networking is developed and information sharing is a priority | <p>1.1 Strengthen the networking and information transfer across groups in the Shire by supporting (funding, encouraging etc) and providing opportunities to network</p> <p>1.2 Encourage the establishment of formal industry clusters with clear purposes and outcomes across business, education and community sectors</p> | <p>Active communication</p> <p>Good working relationships across business, community and education</p> <p>Number of stakeholders engaged consistently</p> <p>Number of Federal and State Government grants with more than two project partners</p> <p>Number of Federal and State Government commercialisation and innovation grants received in Katanning</p> | <ul style="list-style-type: none"> <li>• Shire of Katanning</li> <li>• KRBA</li> <li>• Businesses</li> <li>• Community groups, NFP's, service clubs</li> <li>• Katanning Community Hub</li> <li>• Universities</li> <li>• Banks</li> <li>• Government agencies</li> <li>• Business assistance providers</li> <li>• Primary, secondary and tertiary education providers</li> </ul> | High     |
| 2. Spaces and opportunities for networking and innovation through co-location | 2.1 There is available and accessible office and meeting space for innovation   | Number of Federal and State Government commercialisation and innovation grants received in Katanning   | <ul style="list-style-type: none"> <li>• Shire of Katanning</li> <li>• Katanning Hub CRC</li> </ul>   | Medium   |



## THEME: SMALL BUSINESS

### Lead: Katanning Regional Business Association

**Challenge:** Low online visibility and take up of technology by the business community

| Strategic Goal   | Activity  | Point of Measurement   | Parties at the Table   | Priority |
|--|---|--|--|----------|
| 3. Grow the population of the Shire of Katanning by improving our online presence as a whole community | 3.1 Develop a digital hub that is 'everything Katanning' <ul style="list-style-type: none"> <li>• Information hub</li> <li>• Locals and visitors</li> <li>• Outbound marketing</li> </ul> | Fielding of national and international precedents<br><br>Development of a digital hub (online)<br><br>Number of businesses and community groups who adopt the digital hub<br><br>Population changes – permanent and visiting | <ul style="list-style-type: none"> <li>• KRBA</li> <li>• Businesses</li> <li>• Katanning Hub</li> <li>• Tourism operators</li> <li>• Curtin University – Innovation Centre of WA</li> </ul>        | High     |
| 4. Enterprises take up digital technologies to start, grow and scale up their business                 | 4.1 Engage with the Great Southern Innovation Roadmap to participate in a Digital Innovation Platform for collaboration   | Standard digital platform that enables collaboration   | <ul style="list-style-type: none"> <li>• KRBA</li> <li>• Great Southern Development Commission</li> <li>• Curtin University – Innovation Centre of WA</li> <li>• Albany Business Centre</li> </ul> | Medium   |



**Challenge:** Low online visibility and take up of technology by the business community

| Strategic Goal  | Activity  | Point of Measurement  | Parties at the Table  | Priority |
|---|---|---|---|----------|
| 5. Improving access to skills, knowledge, contacts and funding around digital technologies and disruption | <p>5.1 Access to external expertise and specialists to help scale up businesses</p> <p>5.2 Extension of hackathons and start up weekends into Katanning from metropolitan based providers</p> | <p>Businesses understand and are aware of their need for new ideas and technologies</p> <p>Developing the skills and expertise within Katanning</p> <p>Ability of business owners to absorb new information and implement it</p> <p>Networks that extend beyond Katanning and bring value</p> <p>Peer to peer networking</p> <p>Formal mentoring program is established</p> <p>Access to localised and regional R and D is improved</p> | <ul style="list-style-type: none"> <li>• KRBA</li> <li>• Wheatbelt Business Network</li> <li>• RDA Great Southern</li> <li>• Department of Industry, Innovation and Science (Federal)</li> <li>• Albany Business Centre</li> <li>• AgriStart</li> <li>• Curtin University – Innovation Centre of WA</li> <li>• Katanning Landcare</li> <li>• Katanning Research Centre</li> </ul> | Medium   |

**Challenge:** Reliance on a small number of industries

|   |  |   |  |        |
|---|--|---|--|--------|
| 6. Diversify the industries across the district | 6.1 Investigate alternative industries such as a state wide / regional waste and recycling service and centre for the region | <p>Study tour of recycling and waste facilities is completed and information collated</p> <p>Investigation of South Australian and Scandinavian waste and recycling industries</p> <p>Business case developed and presented to partners</p> | <ul style="list-style-type: none"> <li>• MRWA</li> <li>• Department of Water and Environment Regulation</li> <li>• RDA Great Southern</li> <li>• Shire of Katanning</li> </ul> | Medium |
|---|--|---|--|--------|



## THEME: AGRICULTURE

**Lead:** KRBA, Southern DIRT, Shire of Katanning

**Challenges:** Access to labour, retaining labour  
Succession in farming  
A clear understanding of the labour and training gaps

| Strategic Goal  | Activity  | Point of Measurement  | Parties at the Table  | Priority |
|---|---|---|---|----------|
| 7. Katanning is a welcoming, attractive place to live and work, with a skilled and technology savvy workforce | 7.1 Investment into programs that bring skilled labour force to Katanning<br>7.2 Investment in local events and cultural programs<br>7.3 Welcoming program with new residents / workers<br>7.4 Upskill local labour force, especially the migrant population to meet the labour force needs as identified | Population stability<br>Labour force programs and high uptake   | <ul style="list-style-type: none"> <li>• KRBA</li> <li>• Katanning Hub CRC</li> <li>• South Regional TAFE</li> <li>• Great Southern Personnel</li> <li>• Skill Hire</li> <li>• Apprenticeship Support CCIWA</li> <li>• Katanning SHS</li> <li>• Department of Immigration</li> <li>• Southern DIRT</li> </ul> | Medium   |
| 8. Agriculture career pathways are broad and varied   | 8.1 Connect local farmers to university students who can offer value in agriculture<br>8.2 Attract agricultural entrepreneurs   | Retention of young, skilled farmers<br>Number of external networks and programs taken up by the local agricultural industry | <ul style="list-style-type: none"> <li>• Curtin University</li> <li>• Muresk</li> <li>• Katanning Research Centre</li> <li>• Rabobank Community Council</li> <li>• Southern DIRT</li> <li>• GRDC</li> <li>• Katanning SHS</li> </ul>  | Medium   |



## THEME: TOURISM

### Lead: Katanning Hub CRC and Shire of Katanning

**Challenge:** Katanning does not identify as a tourist destination

Katanning has a lack of profile, 'visibility' both on the ground and in the digital space

| Strategic Goal  | Activity  | Point of Measurement   | Parties at the Table   | Priority |
|---|---|--|--|----------|
| 9. Locals embrace tourism and the role it plays in local economic development | <p>9.1 Coordinate a Katanning tourism product</p> <ul style="list-style-type: none"> <li>Create a database of tourism providers, attractions, annual events etc.</li> <li>Connect the database to current tourism experiences such as Hidden Treasures</li> <li>Develop story lines for Katanning</li> </ul> <p>9.2 Coordinated marketing campaign that promotes the visitor experience in Katanning and the surrounding district</p> <p>9.2 Investigate an artists cooperative (space for artists, activities, sales etc.)</p> | <p>Our community knows what we have to offer</p> <p>Positive word of mouth about our community</p> <p>Improved online visibility for Katanning</p> | <ul style="list-style-type: none"> <li>Katanning Hub CRC</li> <li>Katanning Visitor Centre</li> <li>Shire of Katanning</li> <li>FORM</li> <li>KRBA</li> <li>Businesses</li> <li>DOMÉ Cafe</li> <li>Tourism operators</li> <li>Community groups</li> <li>Katanning Action Network</li> <li>Neighbouring Shires</li> <li>Hidden Treasures</li> <li>Australia's South West RTO</li> </ul> | High     |





## THEME: FOOD

### Lead: NEW – Food Cluster

**Challenges:** Difficulties in the distribution of local and regional fresh produce in and out of Katanning  
Our local produce is of a very high standard but unknown

| Strategic Goal  | Activity  | Point of Measurement  | Parties at the Table   | Priority |
|---|---|---|--|----------|
| 10. Local enterprises understand and use to their advantage current and improved logistics systems.<br><br>Facilitating and encouraging strong supply chain partnerships and leveraging economies of scale and scope. | 10.1 Develop industry – actual and or virtual clusters (local foods)<br><br>10.2 Work with a freight and logistics broker to improve the supply chains<br><br>10.3 Host experts on food packaging and shelf life<br><br>10.4 Utilise the Town Hall Commercial Kitchen space as a food incubator | Volume of local produce exported out of Katanning<br><br>Freight and logistics is not cost prohibitive<br><br>Increase in demand for local produce<br><br>Access to new markets | <ul style="list-style-type: none"><li>• Food producers</li><li>• Local produce growers</li><li>• WAMMCO</li><li>• Specialist Food Centre (DPIRD)</li><li>• Katanning Research Centre</li><li>• Katanning Landcare</li><li>• KRBA</li></ul> | High     |



## THEME: EDUCATION

### Lead: Katanning SHS

**Challenge:** Continue to improve the profile of the local Senior High School

| Strategic Goal   | Activity  | Point of Measurement   | Parties at the Table  | Priority |
|--|---|--|---|----------|
| 11. Celebrate the achievements of the Senior High School | 11.1 Draw upon the multicultural epicentre of the community and school<br><br>11.2 Leverage upon our community and school's tolerance, harmony and cultures<br><br>11.3 Promote achievements and awards of the school | Attraction of NGO supporters<br><br>Number of awards the school applies for and receives | <ul style="list-style-type: none"> <li>Katanning SHS</li> <li>Katanning Action Network</li> <li>Shire of Katanning</li> </ul> | Medium   |

**Challenges:** Limited local education choices and pathways  
Lack of job readiness displayed by local students

|  |  |  |   |      |
|--|--|--|---|------|
| 12. Life long learning is a priority with vocational and tertiary education options are broadened for local students | 12.1 Engage businesses and senior staff of various organisations to assist in the delivery of vocational courses<br><br>12.2 Partner with a metropolitan school in the delivery of education and courses | Local businesses as trainers<br><br>Additional vocational and tertiary courses on offer<br><br>Metropolitan school partnership formalised<br><br>University partnership formalised | <ul style="list-style-type: none"> <li>Katanning SHS</li> <li>South Regional TAFE</li> <li>KRBA</li> <li>Businesses</li> <li>Curtin University</li> <li>Shire of Katanning</li> </ul> | High |
|--|--|--|---|------|



# APPENDIX 1

## Appendix 1: Contributors

|                        |   |
|------------------------|---|
| Angela Simpson         | GREAT SOUTHERN DEVELOPMENT COMMISSION                                   |
| Jessica van der Waag   | GREAT SOUTHERN DEVELOPMENT COMMISSION                                   |
| Andrus Budriks         | RDA GREAT SOUTHERN CHAIRPERSON  |
| Jim Wyatt              | INNOVATION CENTRAL PERTH, CURTIN UNIVERSITY                             |
| Andrew Outhwaite       | DEPARTMENT OF INDUSTRY, SCIENCE AND INNOVATION                          |
| John Paul Collins      | DEPARTMENT OF PRIMARY INDUSTRY  |
| Norm Flugge            | CHAIR, KATANNING CO-OP  |
| Peter Moore            | GENERAL MANAGER, KATANNING CO-OP  |
| Liz Guidera            | PRESIDENT, SHIRE OF KATANNING   |
| Julian Murphy          | CEO, SHIRE OF KATANNING   |
| Owen Boxall            | SHIRE OF KATANNING COUNCILLOR   |
| Danny McGrath          | PREMIER SMASH KATANNING AND<br>SHIRE OF KATANNING COUNCILLOR            |
| Alep Mydie             | DAILY GRIND CAFÉ AND<br>SHIRE OF KATANNING COUNCILLOR                   |
| Martin Van Koldenhoven | STOCK & TRADE KATANNING AND<br>SHIRE OF KATANNING COUNCILLOR            |
| John Goodheart         | DEPUTY SHIRE PRESIDENT AND<br>BOARD MEMBER KATANNING SENIOR HIGH SCHOOL |
| Carolyn Cook           | PRINCIPAL, KATANNING SENIOR HIGH SCHOOL                                 |
| Meg Flugge             | KATANNING HUB CRC   |
| Ainslie Evans          | KATANNING HISTORICAL ASSOCIATION  |
| Ron Lockley            | KATANNING LANDCARE NURSERY  |
| Tash Ayres             | AGRISTART   |
| Ken Rogers             | KEN ROGERS LEADERSHIP   |
| Tracey Hodgkins        | CEO, SOUTHERN DIRT  |
| Janelle Nehme          | EMERGING NEW BUSINESS   |



|                    |  |
|--------------------|--|
| Moh Aeson          | MOH'S CATERING   |
| Kate Arnold        | EMU LANE CAFÉ  |
| David Harries      | EMU LANE CAFÉ  |
| Julie Harries      | EMU LANE CAFÉ  |
| Rosemary McFarland | WOODCHESTER B AND B  |
| Wendy Hayward      | JEERT MIA CONSULTANCY  |
| Jessie Mills       | VALERIE'S HAIR SALON   |
| Andrea Salmond     | KATANNING LANDCARE   |
| Shane D'Aprile     | KATANNING TYREPOWER  |
| Kristy D'Aprile    | KATANNING TYREPOWER AND<br>KATANNING REGIONAL BUSINESS ASSOCIATION     |
| Nathan Marwick     | SWAGS AND WAGS AND<br>KATANNING REGIONAL BUSINESS ASSOCIATION          |
| Alan McFarland     | KATANNING FURNITURE AND<br>KATANNING REGIONAL BUSINESS ASSOCIATION     |
| Helen Weaver       | KATANNING PHYSIOTHERAPY AND<br>KATANNING REGIONAL BUSINESS ASSOCIATION |
| Jimmy Smit         | RSM KATANNING AND<br>KATANNING REGIONAL BUSINESS ASSOCIATION           |
| Cameron Taylor     | RSM KATANNING  |
| Kate Clayton       | KOJUNUP VET HOSPITAL   |
| Paula Cole         | MAINLAND SECURITY PROTECTION   |
| Roy Cole           | MAINLAND SECURITY PROTECTION   |



# Appendix 2: National Data Sets on Innovation

Understanding the barriers to innovation is important for policy makers, as it supports the targeting of resources and programs designed to encourage innovative activity. In the below study<sup>7</sup> all businesses were asked to report whether any of the listed factors impacted on their ability to develop or introduce new goods, services, processes or methods. Businesses could select more than one of these factors and a ranking of importance was not required.

| Barriers to innovation,<br>by innovation status(a)(b)(c),<br>2013-14 and 2014-15                     | 2013 - 2014                          |   |                     | 2014 - 2015                          |   |                     |
|--|--------------------------------------|---|---------------------|--------------------------------------|---|---------------------|
|  | Innovation-active<br>businesses<br>% | Non innovation-<br>active businesses<br>% | All businesses<br>% | Innovation-active<br>businesses<br>% | Non innovation-<br>active businesses<br>% | All businesses<br>% |
| Lack of access to additional funds   | 28.0                                 | 9.3                                       | 18.4                | 26.7                                 | 11.5                                      | 18.4                |
| Cost of development or<br>introduction/implementation  | 22.7                                 | 6.0                                       | 14.1                | 19.5                                 | 7.1                                       | 12.7                |
| Lack of skilled persons:   |                                      |   |                     |                                      |   |                     |
| within the business  | 18.8                                 | 5.0                                       | 11.7                | 17.7                                 | 5.2                                       | 10.9                |
| within the labour market   | 13.9                                 | 5.1                                       | 9.4                 | 13.3                                 | 5.9                                       | 9.3                 |
| in any location(d)   | 25.0                                 | 8.3                                       | 16.4                | 24.8                                 | 9.5                                       | 16.4                |
| Lack of access to knowledge or<br>technology to enable development or<br>introduction/implementation | 5.5                                  | 1.4                                       | 3.3                 | 5.7                                  | 1.8                                       | 3.6                 |
| Government regulations or compliance   | 15.6                                 | 8.5                                       | 11.9                | 12.7                                 | 9.0                                       | 10.7                |
| Adherence to standards   | 5.7                                  | 2.1                                       | 3.8                 | 5.2                                  | 2.6                                       | 3.8                 |
| Uncertain demands for new goods<br>or services   | 18.7                                 | 7.8                                       | 13.1                | 15.8                                 | 8.5                                       | 11.8                |
| <b>Any of the listed barriers to innovation</b>  | <b>58.3</b>                          | <b>24.1</b>                               | <b>40.7</b>         | <b>56.2</b>                          | <b>27.0</b>                               | <b>40.3</b>         |

(a) Proportions are of all businesses in each output category.

(b) Barriers to innovation are those barriers that significantly hampered the development or introduction of any new or significantly improved goods, services, processes and/or methods.

(c) Businesses could identify more than one barrier and were not asked to rank barriers in order of importance.

(d) Includes businesses that reported lack of skilled persons within the business and/or lack of skilled persons within the labour market.

<sup>7</sup> Selected Characteristics of Australian Business, 2014-15 (cat. no. 8167.0), ABS



## INNOVATION BY TYPE AND STATUS

Innovation-active businesses were asked to indicate where they had sourced ideas and information for innovation. Businesses could report more than one source.

Overall, innovation-active businesses most commonly sourced their ideas and information for the development of innovation from within the business or related company (61%). The proportion of businesses that reported this as a source of ideas or information for innovation increased with each successive employment.

| <b>Sources of ideas or information for innovation, by employment size<sup>(a)(b)</sup>, 2014-15</b> | <b>0-4 persons</b> | <b>5-19 persons</b> | <b>20-199 persons</b> | <b>200 or more persons</b> | <b>Total</b> |
|---|--------------------|---------------------|-----------------------|----------------------------|--------------|
|   | <b>%</b>           | <b>%</b>            | <b>%</b>              | <b>%</b>                   | <b>%</b>     |
| Within the business or related company  | 56.8               | 62.5                | 74.5                  | 75.6                       | <b>61.1</b>  |
| Clients, customers or buyers  | 38.3               | 40.1                | 34.8                  | 34.6                       | <b>38.6</b>  |
| Suppliers   | 20.3               | 25.6                | 14.4                  | 22.6                       | <b>21.8</b>  |
| Competitors and other businesses from the same industry   | 25.6               | 30.8                | 27.6                  | 32.2                       | <b>27.9</b>  |
| Consultants   | 12.5               | 17.3                | 20.7                  | 35.7                       | <b>15.4</b>  |
| Universities or other higher education institutions   | 3.4                | 2.9                 | 1.7                   | 3.3                        | <b>3.0</b>   |
| Government agencies   | 2.1                | 2.9                 | 4.5                   | 6.6                        | <b>2.7</b>   |
| Private non-profit research institutions  | 1.3                | 2.7                 | 1.0                   | 1.6                        | <b>1.8</b>   |
| Commercial laboratories/research and development enterprises  | 1.3                | 0.6                 | 1.1                   | 2.2                        | <b>1.0</b>   |
| Websites, journals, research papers, publications   | 25.2               | 25.6                | 19.4                  | 15.5                       | <b>24.7</b>  |
| Professional conferences, seminars, meetings, trade shows   | 18.0               | 19.9                | 21.8                  | 27.1                       | <b>19.2</b>  |
| Industry associations   | 13.8               | 17.3                | 16.7                  | 19.6                       | <b>15.5</b>  |

(a) Proportions are of innovation-active businesses in each output category.

(b) Businesses that were innovation-active were asked for the sources of ideas or information for innovation. Businesses could identify more than one source.

The proportion of innovation-active business with 200 or more persons employed that sourced their ideas and information for innovation from consultants (36%) was three times that of those with 0-4 persons employed (12%).



By industry, Manufacturing had the highest proportion of innovation-active businesses that sourced ideas or information for innovation from within the business or related company (78%) and clients, customer or buyers (46%). Consultants were most commonly used as a source of ideas by innovation-active businesses in the Mining industry (34%), while the Information media and telecommunications industry had the highest proportion of innovation-active businesses that sourced ideas or information from competitors and other businesses from the same industry (39%).

## **COLLABORATION PARTNERS**

Businesses with any innovative activity during 2014-15 were asked to indicate the type and location of the business(es) they collaborated with for the purpose of innovation. Businesses could select more than one type of organisation and were asked to indicate if that organisation was located within Australia or overseas. Overall, suppliers of equipment, materials, components or software were the most common collaboration partners for innovation-active businesses in any location, at 41%.

For innovation-active businesses the most common collaboration partners within Australia were clients, customers or buyers and suppliers of equipment, materials, components or software (both 36%), while the most common overseas organisations were suppliers of equipment, materials, components or software (9%).

The proportion of innovation-active businesses that collaborated with other business(es) related to the business within Australia increased with each successive employment size range, from 10% of innovation-active businesses with 0-4 persons employed to 35% of innovation-active businesses with 200 or more persons employed.

Within Australia, over half of all innovation-active businesses in the Accommodation and food services industry collaborated with suppliers of equipment, materials, components or software for the purposes of innovation (54%).

# APPENDIX 3

## Appendix 3: Great Southern Economic Profile

### Population (2017)

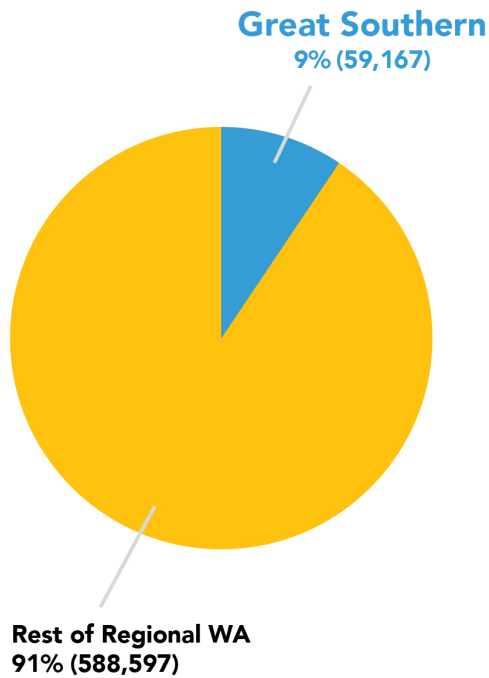


Figure 1 ABS Cat. 5220 Dec 2017

### Annual change in jobs

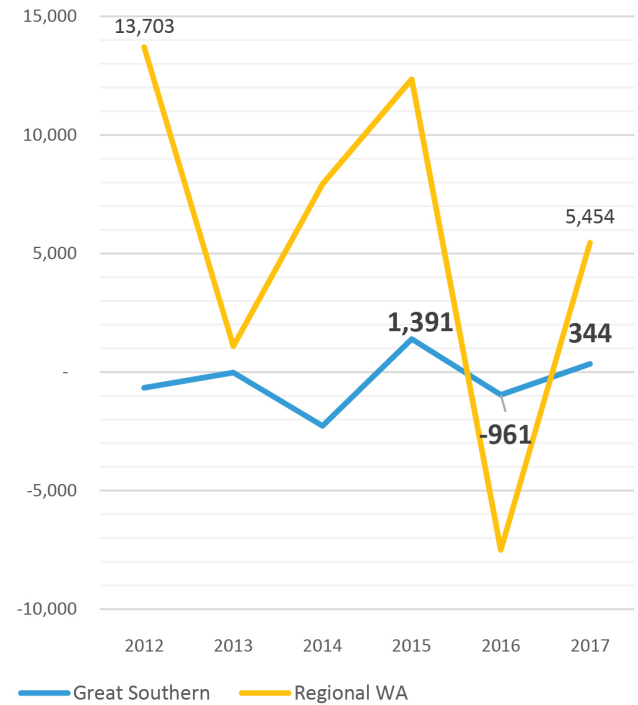


Figure 3 Small Area Labour Market data Dec 2017

### Gross Regional Product

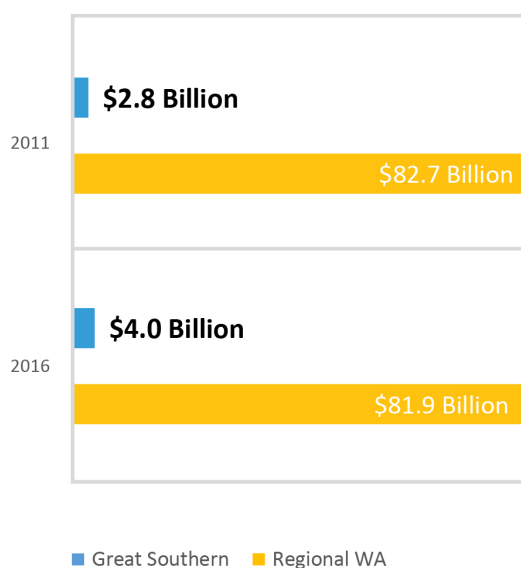


Figure 2 ABS Cat. 5220 Dec 2017

### Unemployment Rate

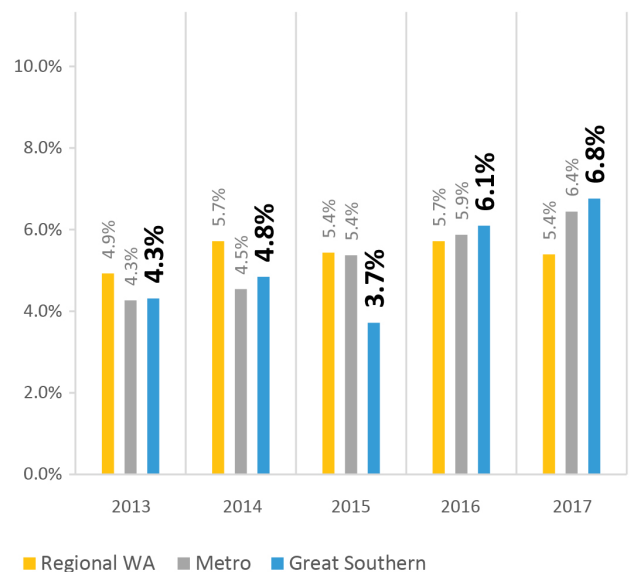


Figure 4 Small Area Labour Market data Dec 2017





# APPENDIX 4

## Appendix 4: Shire of Katanning Business Data

### SHIRE OF KATANNING – BUSINESS PROFILES IN CONNECTION TO INNOVATION

**Table 1:**  
**Businesses By Number of Employees**  
**in the Shire of Katanning<sup>8</sup>**  
**June 2017**

|   | Non employing | 1-19 employees | 20-199 employees | 200 employees | Total      |
|---|---------------|----------------|------------------|---------------|------------|
| Agriculture, Forestry and Fishing               | 80            | 56             | 5                | 0             | <b>141</b> |
| Mining  | 0             | 0              | 0                | 0             | <b>0</b>   |
| Manufacturing                                   | 4             | 3              | 0                | 0             | <b>7</b>   |
| Electricity, Gas, Water and Waste Services      | 0             | 0              | 0                | 0             | <b>0</b>   |
| Construction                                    | 16            | 16             | 0                | 0             | <b>32</b>  |
| Wholesale Trade                                 | 12            | 0              | 0                | 0             | <b>12</b>  |
| Retail Trade                                    | 7             | 18             | 3                | 0             | <b>28</b>  |
| Accommodation and Food Services                 | 3             | 8              | 0                | 0             | <b>11</b>  |
| Transport, Postal and Warehousing               | 20            | 6              | 0                | 0             | <b>26</b>  |
| Information Media and Telecommunications        | 0             | 0              | 0                | 0             | <b>0</b>   |
| Financial and Insurance Services                | 11            | 3              | 0                | 0             | <b>14</b>  |
| Rental, Hiring and Real Estate Services         | 23            | 3              | 0                | 0             | <b>26</b>  |
| Professional, Scientific and Technical Services | 14            | 6              | 0                | 0             | <b>20</b>  |
| Administrative and Support Services             | 9             | 5              | 0                | 0             | <b>14</b>  |
| Public Administration and Safety                | 0             | 0              | 0                | 0             | <b>0</b>   |
| Education and Training                          | 3             | 0              | 0                | 0             | <b>3</b>   |
| Health Care and Social Assistance               | 9             | 7              | 3                | 0             | <b>19</b>  |
| Arts and Recreation Services                    | 0             | 0              | 0                | 0             | <b>0</b>   |
| Other Services                                  | 10            | 16             | 0                | 0             | <b>26</b>  |
| Currently Unknown                               | 3             | 3              | 0                | 0             | <b>6</b>   |
| <b>Total</b>                                    | <b>224</b>    | <b>150</b>     | <b>11</b>        | <b>0</b>      | <b>385</b> |

<sup>8</sup> ABS, 2017



Since 2015 there have been declines in the following industries in:

- Agriculture, Forestry and Fishing
- Retail Trade
- Rental, Hiring and Real Estate Services

Since 2015 there has been growth in the following industries:

- Construction
- Accommodation and Food
- Transport, Postal and Warehousing
- Financial, Insurance Services
- Professional, Scientific and Technical Services

**Table 2:**  
**Businesses By Turnover**  
**in the Shire of Katanning<sup>9</sup>**  
**June 2017**

|   | \$0 to less than \$50k | \$50k to less than \$200k | \$200k to less than \$2m | \$2m to less than \$5m | \$5m to less than \$10m | \$10m or more | Total      |
|---|------------------------|---------------------------|--------------------------|------------------------|-------------------------|---------------|------------|
| Agriculture, Forestry and Fishing               | 21                     | 35                        | 78                       | 11                     | 0                       | 0             | <b>145</b> |
| Mining  | 0                      | 0                         | 0                        | 0                      | 0                       | 0             | <b>0</b>   |
| Manufacturing                                   | 3                      | 3                         | 3                        | 0                      | 0                       | 0             | <b>9</b>   |
| Electricity, Gas, Water and Waste Services      | 0                      | 0                         | 0                        | 0                      | 0                       | 0             | <b>0</b>   |
| Construction                                    | 4                      | 4                         | 19                       | 0                      | 0                       | 0             | <b>27</b>  |
| Wholesale Trade                                 | 3                      | 4                         | 5                        | 0                      | 0                       | 0             | <b>12</b>  |
| Retail Trade                                    | 0                      | 4                         | 19                       | 3                      | 3                       | 0             | <b>29</b>  |
| Accommodation and Food Services                 | 3                      | 7                         | 5                        | 0                      | 0                       | 0             | <b>15</b>  |
| Transport, Postal and Warehousing               | 3                      | 13                        | 5                        | 3                      | 0                       | 0             | <b>24</b>  |
| Information Media and Telecommunications        | 0                      | 0                         | 0                        | 0                      | 0                       | 0             | <b>0</b>   |
| Financial and Insurance Services                | 3                      | 3                         | 3                        | 0                      | 0                       | 0             | <b>9</b>   |
| Rental, Hiring and Real Estate Services         | 9                      | 12                        | 6                        | 0                      | 0                       | 0             | <b>27</b>  |
| Professional, Scientific and Technical Services | 4                      | 10                        | 4                        | 0                      | 0                       | 0             | <b>18</b>  |
| Administrative and Support Services             | 6                      | 3                         | 3                        | 0                      | 0                       | 0             | <b>12</b>  |
| Public Administration and Safety                | 0                      | 0                         | 0                        | 0                      | 0                       | 0             | <b>0</b>   |
| Education and Training                          | 0                      | 3                         | 0                        | 0                      | 0                       | 0             | <b>3</b>   |
| Health Care and Social Assistance               | 0                      | 5                         | 13                       | 0                      | 0                       | 0             | <b>18</b>  |
| Arts and Recreation Services                    | 0                      | 0                         | 0                        | 0                      | 0                       | 0             | <b>0</b>   |
| Other Services                                  | 3                      | 9                         | 17                       | 0                      | 0                       | 0             | <b>29</b>  |
| Currently Unknown                               | 0                      | 5                         | 0                        | 0                      | 0                       | 0             | <b>5</b>   |
| <b>Total</b>                                    | <b>62</b>              | <b>120</b>                | <b>180</b>               | <b>17</b>              | <b>3</b>                | <b>0</b>      | <b>382</b> |

<sup>9</sup> ABS, 2017



Of interest to note is the enormous potential of a number of businesses who can grow. There are a large number of businesses in the \$50,000 to \$200,000 turnover bracket that could, with the right support at the right time move into the next turnover bracket.

**Table 3: Number of Businesses in the Shire of Katanning<sup>10</sup>**

|   | 2013       | 2014       | 2015       | 2016       | 2017       |
|---|------------|------------|------------|------------|------------|
| Number of non-employing businesses                      | 221        | 218        | 207        | 209        | 211        |
| Number of employing businesses:<br>1-4 employees        | 115        | 117        | 128        | 128        | 121        |
| Number of employing businesses:<br>5-19 employees       | 40         | 48         | 45         | 43         | 43         |
| Number of employing businesses:<br>20 or more employees | 10         | 10         | 9          | 10         | 13         |
| <b>Total number of businesses</b>                       | <b>386</b> | <b>393</b> | <b>389</b> | <b>390</b> | <b>388</b> |

**Table 4: Number of Business Entries and Exits in the Shire of Katanning<sup>11</sup>**

|   | 2013      | 2014      | 2015      | 2016      | 2017      |
|---|-----------|-----------|-----------|-----------|-----------|
| Number of non-employing business entries                      | ..        | 27        | 23        | 19        | 17        |
| Number of employing business entries:<br>1-4 employees        | ..        | 9         | 6         | 9         | 10        |
| Number of employing business entries:<br>5-19 employees       | ..        | 3         | 0         | 5         | 0         |
| Number of employing business entries:<br>20 or more employees | ..        | 0         | 0         | 0         | 0         |
| <b>Total number of business entries</b>                       | <b>..</b> | <b>39</b> | <b>29</b> | <b>33</b> | <b>27</b> |
| Hide subtree Business Exits -<br>Year ended 30 June           | ..        | 26        | 23        | 19        | 29        |
| Number of non-employing business exits                        | ..        | 0         | 3         | 9         | 9         |
| Number of employing business exits:<br>1-4 employees          | ..        | 3         | 4         | 0         | 0         |
| Number of employing business exits:<br>5-19 employees         | ..        | 0         | 0         | 0         | 0         |
| Number of employing business exits:<br>20 or more employees   | ..        | 31        | 32        | 31        | 37        |
| <b>Total number of business exits</b>                         | <b>..</b> | <b>60</b> | <b>62</b> | <b>59</b> | <b>75</b> |

Zero patent and trade mark applications between 2011- 2017

<sup>10</sup> ABS, 2017

<sup>11</sup> ABS, 2017

