



BUSINESS NEWS HAS AN IDEA

There is no time like now to tell the world that Australia has the skills, resources and capacity sought by investors, researchers and those who want to trade.

The opportunity has arisen to fill a global content void and start to overturn the perception that Australians just live off the wealth of the land.

Quality stories about Australian innovations and entrepreneurship, published in key markets around the globe will help bust that myth. This is not public relations or propaganda; it is the truth. Locally created, independent coverage, putting stories that showcase Australian business innovators within reach of the world's media. Freely offered as articles, pictures, audio and video to be used without restraint by overseas publishers that know their audiences and have reach well beyond our embassies or trade offices.

There is no traditional commercial model for this. It requires federal government support and funding to unleash the creativity of experienced journalists - to find and craft worthy stories that will help focus the world's attention on what we offer. The outcome is business grows and, in doing so, creates Australian jobs of the future.

We call this idea The Bureau.

THE BUREAU DISSOLVES THESE IMPEDIMENTS

Australia is an island. Geographically perfectly located, but remote from major developed markets. We are vast but sparsely populated, a small first world market, liked, even admired globally but not well known. A bit undiscovered. Offshore we are known to be well endowed with natural resources that make us rich. However, what often gets lost is our innovative and positive spirit, used to solve the myriad of challenges we tackle daily to make Australia a better place. We are not avid self-promoters, we prefer to be self-deprecating, it's in our DNA. We value mate ship more than tall poppies.

We love Australia, and we don't want to change who we are. Why would we? But what's the impediment of not telling our stories of innovation, entrepreneurship and research to the world?

It's not a cost we can easily count. It's hard to know. The Australian ideas that could fly in global markets, the investment that those ideas could bring into our communities, the jobs they would create and the families they would sustain. Even deeper, the affirmation global attention affords, for our people, our researchers, our innovators, and our businesses.

If the world knew about our innovators and the opportunities Australia and our people offer, we have no doubt there would be interest. We are liked and considered safe by most. It takes well-crafted editorial stories to capture the attention and creativity of global readers, to spark the chain reaction that ultimately leads to business tourism, jobs and investment for our communities.

THE MAGIC OF THE BUREAU

While the citizens of the world crave good stories and opportunities, almost universally across the planet, publishers in the past decade have experienced costing cutting, as their economic models are disrupted. Their readers seek content, however publishers struggle to fund the creation of credible editorial content. There lies the opportunity at the intersection of this changing and challenged media landscape. Supplying publishers across the planet with content ready to publish, written to editorial standards free of charge, solving their problem as they publish articles from The Bureau.

HOW IS THE BUREAU FUNDED?

If the stories are offered complimentary to global publishers, who pays for The Bureau's editorial operations? Our community needs a healthy business and an ecosystem that encourages innovation on every level, so it makes sense for the Australian government to fund The Bureau. Ultimately it will collect direct and indirect taxes on the transactions, big and small, from business tourism to inbound investment flows. The Australian government needs to make a sustained funding commitment to The Bureau to unlock the benefits that flow.

WHAT WOULDN'T WORK

Only a couple of things put success at risk - if the stories were not crafted to high editorial standards and tweaked for the individual publishers' nuances, and let's be honest, it needs to be a step removed from government. The stories need to be written on behalf of their ultimate publisher and their audience, it's not public relations, it's not sponsored content, it needs to be independent editorial. Only an independent and reputable media company like Business New, having stood the test of time, can readily win the trust of global publishers.

ROI AND BENEFITS

The Bureau will create jobs, attract inbound investment and lift business tourism. The Bureau gives a worldwide voice to Australian businesses whether they are large, medium or small.

Experienced and skilled journalists tell the stories in a way that readers will want to read, and publishers will want to publish.

Directly providing 20 new jobs for experienced editors, journalists and contributors locally, based in each state and territory, while the indirect jobs created would be significant, almost limitless from the increased trade, inbound investment and business tourism. We estimate the creation of more than 15,000 new jobs over the next 5 years.

Marketed copyright free for international and national use in relevant media, and local stakeholders such as government departments and industry bodies will have full access to utilise for their own content needs.

A minor investment when compared to current tourism marketing and advertising.

With Business News' experience and relationships built over the last 25 years, we can reach more than 5,000 international publishers and editors - providing rapid delivery of objectives.

PROPOSED INVESTMENT AND PERFORMANCE

Investment (\$m)	Year 1 (WA Proof of Concept)	Year 2 (National Rollout)	Year 3	Year 4	Year 5
New Direct Jobs Created	3	14	1	1	1
Total Direct Jobs	3	17	18	19	20
Total Indirect Jobs*	250	1200	2100	4600	6850
Content Production Costs	0.3	1.7	1.8	1.9	2.0
Platform, Reporting and System Costs	0.4	0.4	0.2	0.2	0.2
Administration	0.1	0.1	0.1	0.1	0.1
Margin	0.0	0.1	0.1	0.1	0.1
Total	0.8	2.3	2.2	2.3	2.4

Performance					
Anticipated Earned Media (\$m)					
TOTAL	6.3	51.1	59.7	69.9	81.8
Comment- Earned media growth due to experience and efficiency within The Bureau operations over time.					
Multiplier (\$m)					
(Earned Media/Total \$ Spent)	8.0	22.1	27.1	30.3	33.9
Comment					
The multiplier rises from more than 8 times to almost 34 times value of The Bureau's cost as the first 2 year's establishment cost is capitalised upon.					

SAMPLE STORY



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Lobster is caught and delivered on the coast.

Photo: Geraldton Fishermen's Co-operative

From ocean to plate, it's favoured in Asia



2

It is then placed in tanks at the Welshpool export facility.

Photo: Gabriel Oliveira

\$500m

Economic value of lobster industry to WA economy, 2017

Source: ACIL Allen

Hard work, a lean supply chain and premium quality help make WA lobster a popular delicacy in China.

Story by Matt McKenzie

Peter Stanich has loved lobster fishing for as long as he can remember, braving early starts and long days on the ocean.

"There's been nothing else I've ever wanted to do," Mr Stanich told *Business News*.

His family owns one of the 226 boats that fishes for western rock lobster off the Western Australian coast, and while both Mr Stanich's father and grandfather were lobster fishers, he said there had been a dramatic shift for the industry in recent years, with a massive new market growing in China.

Mandurah-based Mr Stanich meets his three crew at the boat at 2:30am, and they head out to sea.

They can spend anywhere between 10 to 16 hours on the ocean, four to five days a week.

"I like the quiet," Mr Stanich said. "I like the phone not ringing."

"It's you and your boat and your crew."

According to ACIL Allen, the lobster industry added about \$500 million of economic value to the WA economy in the 2017 financial year, directly employing 878 full-time equivalent roles.

Mr Stanich said he was particularly proud of one of those 878.

"I've got one guy, he's been with me 14 years," he said.

"He left school at 14, he's been with me ever since."

"I don't think he looks like he's going to go anywhere, he's part of the family."

When Mr Stanich's crew returns to shore, the lobster change hands to **Geraldton Fishermen's Co-operative**, which eventually takes them to markets such as China, Japan and the US.

The lobster are trucked from receipt points along the coast to a new export facility in Welshpool.

Chief executive Matt Rutter told *Business News* the cooperative had invested more than \$20 million in the facility, which was commissioned in 2017.

The 4,000 square metre premises can hold up to 220 tonnes of lobster while the seafood rests for periods of at least four days.

Mr Rutter said refrigerated tanks helped maintain the seafood at optimum quality, while having a hub close to the airport lowered supply chain costs.

The cooperative moves about 60 per cent of the lobster caught in WA, and more than 90 per cent is sent overseas.

Most flies to China, sent live to 12 cities.

That means direct flights from Perth to China were significant for the cooperative, Mr Rutter said. It had strongly advocated for China Eastern Airlines' trial of flights from Perth to Shanghai starting in January next year, in addition to the existing China Southern Airlines direct route to Guangzhou.

Once the crates arrive, they are auctioned via an online portal to a group of 100 customers, including **Shenzhen Datang Food Company**.

That company has worked with the cooperative since October 2018 and distributes the lobster to venues such as the Shangri-La Hotel chain.

Datang general manager Mengqiu Tang told *Business News* his customers were full of praise for the WA lobster, which fetched up to \$300 per kilogram on the plate.

Colossal China

Total Chinese seafood imports reportedly grew 44 per cent year on year to be \$US11.9 billion in 2018.

In 2004, WA earned about \$40 million revenue from lobster exports to China, while in 2014, that number was more than \$300 million, a big rise in demand that reflects broader trends in Chinese society as the level of wealth grows.

Around the middle of that period, the management of the western rock lobster fishery was changed and production levels dialled down to ensure long-term sustainability.

In 2015, the China Australia Free Trade Agreement started, leading to a further surge in exports.

It also meant companies like the cooperative could enter China directly rather than via other countries in a so-called grey market.

The combination of strong demand and a quota-managed fishery means the cooperative takes an unusual tack when navigating the Chinese market, because in-

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creasing the amount caught is not an option.

Mr Rutter said about 12 million lobster were shipped to China annually.

"More and more Chinese are affluent enough to afford lobster," he said.

"It's very much a niche market. The challenge for us is to increase the value of the product ... we can't necessarily increase supply but we can increase value."

That means making lobster a premium offering, highlighting the quality and the fishery's sustainability certification.

For Mr Stanich, the FTA was a big win.

"Things look good, a lot better since we've had a free trade agreement [with China]," Mr Stanich said.

"We're getting into more places in China ... there are more options to sell the product."

"I'm planning on expanding my business."

"Trying to buy more quota, with a bit of optimism around, good strong markets, people are planning now to start spending money, building boats, that's a snowball effect of an industry going well."

"I'd like to upgrade my boat."

Other seafood producers had also felt the benefits of the FTA with China.

Ocean Grown Abalone founder Brad Adams said it had boosted his aquaculture business.

OGA harvested 55 tonnes of abalone in 2018-19 from its Augusta ocean ranch, with 90 per cent of the company's product headed to Asia and more than half to China.

"Considering what it was like five years ago, it's been a quantum change," Mr Adams said.

"Five years ago the borders were closed, product was being smuggled, it was losing its brand identity."

"There's no tariffs any more."

"It was a total game changer."

There are expansion plans in train, too, with Mr Adams saying he was confident about the market.

A 500t land-based hatchery in Esperance is in the pipeline, with a concept study completed in early November.

Mr Adams said it would create 60 jobs.

Hungry for growth

Many foods make their way from WA to the state's northern neighbours.

Fremantle-based **Austral Fisheries** sold its first shipment of carbon neutral fish to Chinese companies Hai Bao International

and Sunkfa International, and US-based Mark Foods, in June 2016.

In the Pilbara, Singaporean retail magnate Bruce Cheung is planning a big expansion of **Pardoo Beef Corporation**, hoping to lift cattle numbers from 11,000 head in 2015 to 100,000 in 2030.

Pardoo has begun irrigating land at the Pardoo Station, creating green circles against an arid backdrop to feed a bigger herd.

Mr Cheung has also brought in a famed Japanese expert in Wagyu genetics, Shogo Takeda, to help breed the best-quality animals.

Brownes Dairy and **Kallis Bros** have been acquired by Chinese businesses.

After Shanghai Ground Food Tech bought Brownes in November 2017, the company has stepped up sales to China, with 800t of cheese reportedly shipped north in the 2019 season.

KB Food came under the control of Legend Holdings in 2016, which planned to develop Chinese and other international markets.

Incoming

Seafood can also be a tourism attraction.

Indian Ocean Rock Lobster general manager Peter House said the company's Lobster Shack restaurant in Cervantes could seat up to 750 people.

The business has been owned by the Thompson family since 1966, but a recent change to lobster licensing laws enabled a new opportunity in on-water tourism.

Lobster Shack has been running the Shack Attack boat for a couple of years, giving tourists a chance to pull cray pots or go for deep sea fishing trips.

That sails three times per day, with customers eating the lobster they catch.

From the end of November, Lobster Shack will expand its opening hours to offer food service on Friday, Saturday and Sunday nights.

Mr House said tourists would usually visit the nearby Pinnacles and stop at the Shack, with an increase in star gazing trips creating the opportunity for expansion.

He estimated that more than half of diners were from Asia.

The company is also ordering a new boat, *Seal of Approval*, which will seat 45 people for seal watching expeditions. ■

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Packed for the journey.

Photo: Gabriel Oliveira



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-Matt Rutter

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On the plate.

Photo: Geraldton Fishermen's Co-operative



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LETTERS OF ENDORSEMENT AND SUPPORT

After telling industry and business leaders about The Bureau the support has been resounding and in only in just the last couple of months Business News has received letters of support from across many business advocacy groups; small, medium and large businesses; family, independent, private and public businesses; as well as community and political leaders.

A small proportion of these letters include:

- Kevin Brown – Chief Executive Officer, Perth Airport
- Eleni Evangel - Chief Executive Officer, The 500 Club
- Jared Fitzclarence - Managing Director, KAW Engineering
- Ben Hames – Founding Partner & Design Director, Axiom
- Ben Lisle - Director, Linc Property
- Neville Pozzi - Chief Executive Officer, REIWA
- Bianca Sandri - Director, Urbanista Town Planning
- Damian Collins - Managing Director, Momentum Wealth
- Tony McDowell - Managing Director, Armada
- Daniel Bosveld - Managing Director, Coastline Kitchens
- Natasha Atkinson - Chief Executive Officer, Fremantle Markets
- Jeff Ash - WA Chairman, Family Business Australia & New Zealand
- Nathan Blackburne - Managing Director, Cedar Woods Properties
- Hon. Albert Jacob JP - Mayor, City of Joondalup
- Clinton Byrne - General Manager WA Partnerships, Bupa
- Greg Hebble - Chief Executive Officer, Foodbank
- Hendrik DeJonge - Director, Premier Cabinet Doors
- Luke Campbell - Director, Wallbridge Gilbert Aztec
- Marion Fulker - Chief Executive Officer, Committee for Perth
- Sherif Andrawes - Head of Global Natural Resources, BDO
- Steve Harris - Chair and Chief Executive Officer, The Brand Agency
- David Barnes - Director, LPC Cresa
- Simon Creek - Executive Chairperson, HHG Legal
- Warrick Hazeldine - Managing Director, Cannings Purple
- Paul Everingham - Chief Executive Officer, Chamber of Minerals and Energy of WA
- Stephen Moir - Group Chief Executive Officer, Motor Trade Association of WA
- Bradley Woods – Chief Executive Officer/Executive Director, Australian Hotels Association
- Carol Adams OAM - Mayor, City of Kwinana
- Hon. Mia Davies MLA - Leader of The Nationals WA
- Hon. Liza Harvey MLA - Leader of the Opposition, Liberal Party of WA

