



South Australian Centre for Economic Studies

Kangaroo Island: Monitoring Economic Progress

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Report prepared by:

The South Australian Centre for Economic Studies
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Admiral's Arch: Flinders Chase National Park, Kangaroo Island

Image courtesy of Brand Kangaroo Island

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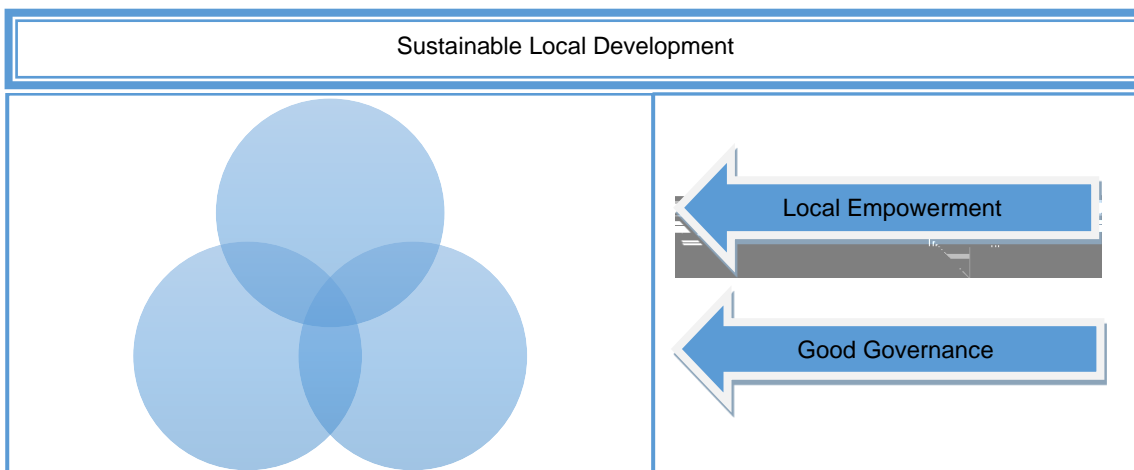
2.1 What is sustainable local development ?

The OECD (2001, p.25) defines sustainable local development as

entails balancing the three dimensions of sustainable development, that is, economic, social and environmental objectives of society; and integrating them wherever possible, through mutually supportive policies and practices, and making trade-offs where it is not possible. This includes, in particular, taking into account the impact of present decisions on the options of future generations (OECD, 2001).

Figure 2.1 summarises the elements for economic, social and environmental objectives built on consensus emerging through good governance and local empowerment.

Figure 2.1 Elements of Sustainable Local Development



Source: Adapted from OECD (2001).

2.2 Economic indicators within the 'monitoring and evaluation' framework

This report presents a set of economic indicators towards monitoring sustainable development in Kangaroo Island. There are two important points to note with regard to the indicators presented in this report.

First, the indicators are **economic in nature** and only **partially** capture the elements within sustainable local development (see Figure 2.1). While these it is natural for some of the indicators to **overlap**, partially capturing the other elements within sustainable development (i.e. social and environmental).

Secondly, indicators developed in this report are **underpinned by a monitoring and evaluation framework** and as such, characterise this report as a **'live document'**. Based on the framework in Box 2.1, the process of monitoring and evaluation is continuous. Indicators developed in this report serves as an initial baseline (i.e. Stage 1 Developing Indicators) and require updates thereafter as the latest data becomes available (i.e. Stage 2 Monitoring Progress). Data updates provide additional information to the baseline such that progress can be continually monitored, evaluated, assessed and appraised. This allows for any stakeholder - government, business and community to continually review their sustainable development policies and strategies based on the latest available evidence (i.e. evidence based policy making, Stage 3 Evaluation and Review).

This report is focussed on of the framework, developing a set of economic indicators and setting an economic baseline for Kangaroo Island. Chapter 3 presents the economic indicators with the latest available data along with the details of its relevance to monitoring economic progress in Kangaroo Island.

Box 2.1 Monitoring and Evaluation Framework

Source: Adapted from OECD (2001).

2.3 Selection of economic indicators

Indicators presented in Chapter 3

Regional migration flows

Definition: Regional internal migration estimates.

Purpose/Relevance: Monitoring movement of persons migrating from or to interstate and intrastate.

Frequency of Data: Annual.

In 2015/16, Kangaroo Island had a net inflow of 6 persons from intrastate and interstate, with 259 arrivals and 253 departures.

Over the past decade, Kangaroo Island had recorded negative rates of net internal migration, with higher departures relative to arrivals.

3.2 Industry and business

Employing industries (by share of total persons)

Definition: Share of employed persons by Industry.

Purpose /Relevance : Monitoring structure of employing industries.

Frequency of Data: Every 5 years Next release October 2017.

Building Approvals

Definition: Number of residential, commercial and industrial building approvals (2011-2016).

Purpose/Relevance: Monitor the trend in residential, commercial and industrial building approvals.

Frequency of Data : Annual.

Construction approvals appear to be lower in 2016 compared to a year earlier. Construction approvals across categories increased from 52 to 84 (six year average has been 68).
32 to 21 (six year average has been 32) 6 to 4 while

It is likely that Transformation Projects will provide a direct increase in approval numbers, notably for commercial and industrial developments. Due to the temporary nature of construction projects, it is unlikely that increase in approvals would be sustained for a long time period.

Potential outcome: Approvals are an early indicator of construction activity. This indicator will likely inform the type of construction that is likely to occur in the near future and also inform if there was

3.3 Labour force

Income distribution

Definition:

3.5 Tourism

Kangaroo Island visitors

Definition: Kangaroo Island visitors number, nights spent, expenditure, average expenditure per trip and per night.

Purpose/Relevance: Monitoring key summary statistics of visitors to Kangaroo Island.

Frequency of Data: Annual.

Kangaroo Island had 101,000 domestic oversight visitors spending \$64 million and 41,000 international visitors with expenditure of \$21 million.

Domestic overnight tourists are likely to spend slightly more at \$636 per trip compared to international tourists at \$512.

Potential outcome: With efforts underway to increase accessibility to Kangaroo Island (e.g. airport upgrade and increased tourism facilities), we would expect to see a direct increase in the number of visitors and expenditure over time. We would also expect to see employment growth in tourism and related sectors. An increase in the aggregate number of domestic and international
Transformation Project.

Table 3.5 Visitors to Kangaroo Island, 2015

Year	2015	2016	After Transformation Project			
			2017	2018	2019	2020
Visitors ('000)	np					
International	41					
Domestic Overnight	101					
Domestic day	np					
Nights ('000)	551					

Kangaroo Island:

Tourism businesses

Definition: Number of businesses engaging in the tourism industry.

Purpose/Relevance:

Frequency of Data: Annual.

In 2013/14, Kangaroo Island had a total of 120 tourism business, accounting for about 1 per cent of (11,944).

Compared to a year earlier, net entries and exists of tourism business resulted in 13 additional tourism businesses in Kangaroo Island.

Potential outcome: The *Transformation Project* has a strong focus on tourism and tourism related business investment. On the balance of probabilities it is likely that the number of tourism businesses will increase. However, the exit of uncompetitive business enterprises and/or amalgamations and consolidation could see a reduction in the number of tourism businesses and emergence of greater

Aviation: capacity and utilisation

Definition: Aviation capacity and seat utilisation.

Purpose/Relevance: Monitoring in-bound seat capacity and seat utilisation to Kingscote Airport.

Frequency of Data: Bi-annual.

Declining aircraft movements (Figure 3.20) reduced the in-bound seat capacity to Kingscote Airport. Since its peak in 2007/08 with 62,000 in-bound seats available to Kingscote, seat capacity has reduced to 35,000 in 2014/15.

With decreased in-bound seating capacity to Kingscote, seat utilisation also fell, from 50 per cent in 2007/08 to 48 per cent in 2014/15.

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