

SUMMARY OF KANGAROO ISLAND

Kangaroo Island is the third largest island off the coast of Australia, situated 16 km from the tip of South Australia's Fleurieu Peninsula. Measuring 155 km long and up to 55 km wide, Kangaroo Island has an area of about 4,500 km², and supports around 4,400 people (or 0.3% of South Australia's population). Kingscote is the principal town with a population of approximately 1,500 people. Other main towns include Penneshaw, Parndana and American River.

Population

The population of Kangaroo Island has grown by 7.0% between 1995 and 2000, from 4,122 to 4,409. During the same period the State's population increased by 1.9%.

Unemployment

The unemployment rate for Kangaroo Island has decreased from 11.5% to 9.3% between 1995 and 2000. The unemployment rate for South Australia during the same period decreased from 9.8% to 8.2%.

Youth unemployed and the mature unemployed make up only a small portion of the total unemployed, indicating that the majority of unemployed are in their prime working age.

Employment

At the 1996 Census, agriculture, forestry and fishing was the largest sector in terms of employment, employing some 476 people or 29.4% of the employed labour force. The retail trade sector employed 13.1% of employed people and accommodation, cafes and restaurants employed 9.6%. Over half of the employed labour force on Kangaroo Island work in these three sectors.

Employment in nearly every industry either remained stable or increased from 1991 to 1996. The only industry to show significant decline in employment was the finance and insurance industry (from 37 people in 1991 to 19 people in 1996). With respect to the total number of employed people, there were just over 100 more people employed in 1996 than 1991.

Business by employment size

Small employers, with less than 20 employees, dominate. There are no employers with more than 50 employees on the island.

Agricultural Production

The value of agricultural production on Kangaroo Island in 1998-99 was estimated to be \$35.2 million the previous year. The sheep industry accounted for 64.5% of the total value of agricultural production on Kangaroo Island in 1998-99, with wool alone contributing \$15.9 million.

Fishing

Kangaroo Island is located in the northern rock lobster fishery zone. In 1999-00 the value of the catch of rock lobsters in this zone was \$29.8 million. About 20 boats from Kangaroo Island take part in this catch.

Manufacturing

There were eight manufacturing locations on Kangaroo Island in 1997. These locations had a combined turnover of \$5.0 million and employed 33 people. The majority of these locations were involved in the manufacture of food or beverages.

TAFE

The Onkaparinga Institute of TAFE offers courses on Kangaroo Island through a Learning Centre in Kingscote.

Local Government Finances

Local government rates on Kangaroo Island are lower than for both the State as a whole and all of Regional South Australia.

Water resources

Surface water resources comprise the majority of water resources on Kangaroo Island. The major source of reticulated water supply is the Middle River Reservoir, which provides water for two main towns on the Island – Kingscote and Parndana. A newly commissioned desalination plant provides water supplies for Penneshaw, with the balance of the region's rural settlements deriving their water supply from dams and rainwater tanks. Groundwater reserves are currently not fully assessed.

Tourism

Tourism is a major contributor to Kangaroo Island's economy. It's name and appeal as a wildlife and nature tourism experience contribute to Kangaroo Island being the most internationally recognised South Australian tourist region outside of Adelaide.

Kangaroo Island offers spectacular scenery and wildlife. Niche food products, heritage, culture and adventurous recreational activities also attract visitors.

Visitor statistics from the Bureau of Tourism Research indicate that in the financial year 1999-00 South Australian visitors stayed 219,000 nights, interstate visitors stayed 141,000 nights and international visitors stayed 63,000 nights.

ECONOMIC PROFILE
OF
KANGAROO ISLAND

February 2002

For further information, contact
Robert Munchenberg
Environment and Community Development Team
Industry Policy and Planning Division
Department of Industry and Trade
Telephone: 8303 2454
E-mail: munchenberg.rob@sa.gov.au

CONTENTS

Contents	4
List of Tables and Figures	5
Abbreviations	5
Map of Kangaroo Island	6
Introduction	7
The South Australian Context	7
Kangaroo Island Context	7
Population	9
Unemployment	9
Employment	10
Business by Employment size	11
Agricultural Production	12
Fishing	13
Manufacturing	13
TAFE	13
Local Government Finance	14
Infrastructure	14
Water Resources	15
Tourism	15
Bibliography	16

LIST OF TABLES AND FIGURES

Figure 1. Kangaroo Island	6
Table 1. Population by Local Government Area	9
Table 2. Unemployment Rates by Local Government Area	9
Table 3. Labour Market Allowance Assistance	10
Table 4. Employment By Industry	11
Table 5. Number of Business Locations by Industry and Employment Size	12
Table 6. Value of Agricultural Production	12
Table 7. Breakdown of Agricultural Production	13
Table 8. Local Government Finance	14

Abbreviations

ABS	Australian Bureau of Statistics
DC	District Council
KIDB	Kangaroo Island Development Board
SLA	Statistical Local Area
SSD	Statistical Subdivision



Figure 1. Kangaroo Island

Kangaroo Island contains just the one local government area: the District Council of Kangaroo Island, which was formed when the Dudley and Kingscote District Councils amalgamated.

INTRODUCTION

This document will assist in the strategic planning for the economic development of Kangaroo Island. It outlines an economic and statistical profile of Kangaroo Island. As such, the paper is based on data held by the Australian Bureau of Statistics and other references listed in the Bibliography.

The South Australian Context

Both urban and rural regions of the State have experienced significant economic and associated social stress in recent years, with inequality in economic prosperity. Changing conditions in world markets, and strengthened global competition, have impacted strongly on the State, as have national policy changes, often made in response to those external forces. Although this State's heavier reliance on manufacturing compared to the rest of the nation has made it vulnerable to tariff reductions and other microeconomic reform processes instituted by the Federal Government over the last decade, the tariff phase-down is now very well advanced and South Australian industry is now considerably more productive and export-oriented than it was at the beginning of the decade.

Recent economic performance for the State has shown several encouraging signs including rising investment expenditure and increases in merchandise exports, retail turnover and building approvals. Our wine and motor vehicle production industries have achieved significant penetration into the global markets, and relatively new growth industries such as electronics, aquaculture, and the export of education services have emerged strongly. Nonetheless, using the yardstick of our capacity to create jobs for all who want them, the success stories have not been sufficient to offset the declining levels elsewhere in our State's industries, especially in regional economies outside Adelaide.

Industries that have shown significant employment growth include property and business services, health and community services and retail trades. Most of this growth has occurred in the small business sector. Relatively new growth industries such as electronics, aquaculture and the export of education services have emerged as important contributors to economic growth.

A more positive picture of South Australia's future economic performance is reflected in recent economic statistics: total exports increased by 30 % in the year and State Unemployment was 7.1% in January 2002, the same as a year previously.

Kangaroo Island Context

The region consists of one local government area: the District Council of Kangaroo Island. The Council was created following the amalgamation of Dudley and Kingscote District Councils.

Kangaroo Island is the third largest island off the coast of Australia, situated 16 km from the tip of South Australia's Fleurieu Peninsula. Measuring 155 km long and up to 55 km wide, Kangaroo Island has an area of about 4,500 km², and supports around 4,400 people (or 0.3% of South Australia's population). Kingscote is the principal town with a population of approximately 1,500 people. Other main towns include Penneshaw, Parndana and American River.

The sheep industry, and in particular the production of wool, dominates the agriculture of Kangaroo Island.

Kangaroo Island's natural beauty and wildlife, along with the national and conservation parks and marine reserves, form the basis of the tourism industry. An increasing range of produce is also enhancing Kangaroo Island's reputation for locally produced gourmet foods.

Fishing is an important and established component of the economy. The commercial fishing of rock lobsters and marine scale fish are complemented by the emerging marron, oyster and abalone sectors of aquaculture.

Population

Table 1 shows how the population has changed between 1995 and 2000 on Kangaroo Island.

The population of Kangaroo Island has grown by 7.0% between 1995 and 2000, from 4,122 to 4,409. During the same period the State's population increased by 1.9%.

TABLE 1
POPULATION CHANGE
Kangaroo Island 1995 - 2000

	Population 1995	Population 2000	Change 1995-2000
Kangaroo Island	4,122	4,409	7.0%
South Australia	1,469,429	1,497,634	1.9%

Source: ABS Catalogue 1362.4

Unemployment

Table 2 shows how the unemployment rate has changed between 1995 and 2000 on Kangaroo Island.

The unemployment rate for Kangaroo Island has decreased from 11.5% to 9.3% between 1995 and 2000. The unemployment rate for South Australia during the same period decreased from 9.8% to 8.2%.

TABLE 2
UNEMPLOYMENT RATES
Kangaroo Island 1995-2000

	Unemployment Rate 1995 (%)	Unemployment Rate 2000 (%)	Change 1995-2000
Kangaroo Island	11.5	9.3	-2.2
South Australia	9.8	8.2	-1.6

Source: ABS Catalogue 1362.4

Table 3 shows the breakdown of what unemployment benefits the unemployed on Kangaroo Island are receiving.

Youth unemployed and the mature unemployed make up only a small portion of the total unemployed, indicating that the majority of unemployed are in their prime working age.

TABLE 3
LABOUR MARKET ALLOWANCE ASSISTANCE
Kangaroo Island 2000

	2000
Newstart allowance	217
Youth Allowance	81
Mature Age Allowance	7

Source: FaCS, Centrelink Customers by Postcode

Employment

Table 4 identifies employment within the broad industry categories for Kangaroo Island.

At the 1996 Census, agriculture, forestry and fishing was the largest sector in terms of employment, employing some 476 people or 29.4% of the employed labour force. The retail trade sector employed 13.1% of employed people and accommodation, cafes and restaurants employed 9.6%. Over half of the employed labour force on Kangaroo Island work in these three sectors.

Employment in nearly every industry either remained stable or increased from 1991 to 1996. The only industry to show significant decline in employment was the finance and insurance industry (from 37 people in 1991 to 19 people in 1996). With respect to the total number of employed people, there were just over 100 more people employed in 1996 than 1991.

TABLE 4
EMPLOYMENT BY INDUSTRY
Kangaroo Island and South Australia 1996

	Persons		%	
	Kangaroo Island	South Australia	Kangaroo Island	South Australia
Agriculture, Forestry and Fishing	476	33,107	28.0	5.6
Mining	9	3,506	0.5	0.6
Manufacturing	54	88,645	3.2	15.0
Electricity, Gas and Water Supply	9	4,630	0.5	0.8
Construction	66	29,301	3.9	4.9
Wholesale Trade	52	33,581	3.1	5.7
Retail Trade	212	79,007	12.5	13.3
Accommodation, Cafes and Restaurants	156	25,050	9.2	4.2
Transport and Storage	116	21,782	6.8	3.7
Communication Services	21	10,551	1.2	1.8
Finance and Insurance	19	19,306	1.1	3.3
Property and Business Services	52	49,878	3.1	8.4
Government Administration and Defence	64	24,994	3.8	4.2
Education	132	43,442	7.8	7.3
Health and Community Services	95	67,057	5.6	11.3
Culture and Recreational Services	48	12,835	2.8	2.2
Personal and Other Services	38	23,488	2.2	4.0
Non-classified / not started	81	22,347	4.8	3.8
Total	1700	592,507	100.0	100.0

Source: ABS Basic Community Profiles

Business by employment size

Table 5 shows the number of business locations on Kangaroo Island by industry and employment size.

Small employers, with less than 20 employees, dominate. There are no employers with more than 50 employees on the island.

TABLE 5

**NUMBER OF BUSINESS LOCATIONS BY INDUSTRY AND EMPLOYMENT SIZE
Kangaroo Island 1998**

	0-9	10-19	20-49	50-99	100+	Total
Agriculture	354	2	0	0	0	356
Mining	1	0	0	0	0	1
Manufacturing	10	0	0	0	0	10
Electricity, Gas, Water	2	0	0	0	0	2
Construction	17	0	0	0	0	17
Wholesale Trade	20	0	0	0	0	20
Retail Trade	37	2	0	0	0	39
Accommodation, Cafes	27	4	1	0	0	32
Transport and Storage	22	2	1	0	0	25
Communication	2	0	0	0	0	2
Finance and Insurance	3	0	0	0	0	3
Property and Business	19	0	0	0	0	19
Government Admin	5	0	2	0	0	7
Education	5	0	2	0	0	7
Health	12	0	2	0	0	14
Culture and Recreation	6	1	0	0	0	7
Personal Services	12	0	0	0	0	12
Total	554	11	8	0	0	573

Source: ABS Business Register

Agricultural Production

Table 6 shows the value of agricultural production on Kangaroo Island from 1996/97 to 1998/99.

The value of agricultural production on Kangaroo Island in 1998-99 was estimated to be \$35.2 million the previous year. The sheep industry accounted for 64.5% of the total value of agricultural production on Kangaroo Island in 1998-99, with wool alone contributing \$15.9 million.

TABLE 6

**VALUE OF AGRICULTURAL PRODUCTION I
Kangaroo Island 1996/97 to 1998/1999**

Commodity	1996-97 (\$m)	1997-98 (\$m)	1998-99 (\$m)	% of State 1998-99
Total crops for hay	1.6	2.0	1.1	2.6
Total cereal for grain	3.5	3.6	4.2	0.4
Rapeseed/Canola	0.7	0.7	2.7	3.5
Other crops	1.9	2.7	2.3	0.2
Total value of crops	7.7	9.0	10.3	0.4
Wool	20.1	20.7	15.9	6.9
Sheep/lambs	6.5	7.7	7.4	5.0
Cattle/calves	2.3	2.0	1.2	0.9
Other livestock products	0.4	0.2	0.4	0.1
Total value of livestock	29.3	30.6	24.9	2.8
Total	37.0	39.7	35.2	1.0

Source: ABS Agricultural Census and Agricultural Commodity Survey.

Table 7 shows the breakdown of Kangaroo Island's agricultural production.

TABLE 7
BREAKDOWN OF AGRICULTURAL PRODUCTION
Kangaroo Island 1998/1999

Livestock products	46.2%
Livestock slaughterings / disposals	24.5%
Cereals for grain	12.0%
Vegetables	0.1%
Fruit	0.0%
Other crops	17.1%

Source: ABS Agricultural Census and Agricultural Commodity Survey.

Fishing

Kangaroo Island is located in the northern rock lobster fishery zone. In 1999-00 the value of the catch of rock lobsters in this zone was \$29.8 million. About 20 boats from Kangaroo Island take part in this catch.

Prominent aquaculture sectors are abalone, oyster and marron. In particular, there has been significant investment in the infrastructure of the marron sector. In 1999-00 the production of marron from aquaculture in South Australia was valued at \$304,000.

Manufacturing

There were eight manufacturing locations on Kangaroo Island in 1997. These locations had a combined turnover of \$5.0 million and employed 33 people. The majority of these locations were involved in the manufacture of food or beverages.

TAFE

The Onkaparinga Institute of TAFE offers courses on Kangaroo Island through a Learning Centre in Kingscote. The Learning centre provides off-campus students with a place to access:

- quiet study
- group study
- classes by videoconference, teleconference or flexible delivery
- learning support
- tutorial groups
- computers, internet, printers, fax machines
- course information

Courses are offered when requested by the community or industry. You can register your interest in a particular subject by contacting the staff at the centre. Some of the courses

previously held include Introduction to Computing, Access Database, Cooking, Farm Skills for Women and Rural Studies.

Local Government Finances

Table 8 gives an indication of local government finances on Kangaroo Island.

Local government rates on Kangaroo Island are lower than for both the State as a whole and all of Regional South Australia.

TABLE 8

**LOCAL GOVERNMENT FINANCE
Kangaroo Island 1996-2000**

	1996	1997	1998	1999	2000
Total outlay on infrastructure (\$m)	2.5	2.8	2.2	2.9	2.4
Total outlay on environmental services (\$m)	0.3	0.3	0.9	0.4	0.8
Total outlay on other (\$m)	2.2	2.4	1.7	1.7	2.1
Total outlay on goods, services and land (\$m)	5.1	5.6	4.8	5.0	5.4
Rate revenue accrued (\$m)	1.8	1.9	1.9	1.9	2.1
Rates per rateable property (\$)	432	431	437	434	459
SA's rates per rateable property (\$)	629	649	648	662	692
Regional SA's rates per rateable property (\$)	532	551	555	561	na.

Source: ABS Catalogue 1362.4

Infrastructure

Economic activity relies on access to communications and information technology and efficient transportation links within and outside the region.

Kangaroo Island has one airport located at Cygnet River, approximately 13 km south of Kingscote. This airport is currently used for passenger services and limited freight. There are currently two airlines operating from the Island; these airlines offer frequent services between Adelaide and Kingscote where the journey is approximately 125 km one way and takes approximately half an hour.

Kangaroo Island Sealink currently operates two combined freight/ferry vessels between Penneshaw and Cape Jervis on the mainland. The Sealink services provide all the current vehicle ferry services between the mainland and the Island as well as most of the freight service, and carries about 70% of all passengers to the Island. The remaining 30% of passengers and a small volume of time sensitive freight use air services to access the Island.

There is a network of nearly 1,600 km of roads on Kangaroo Island. The major roads between Penneshaw, American River and Parndana are sealed. The South Coast and West Coast Highways now provide a sealed road ring route to access national and conservation parks.

Under the Pathway SA program, Telstra built a connection point (also called points of presence) at Kingscote to its Internet structure on Kangaroo Island during December 1999.

This enables high-performance 'wholesale' Internet connections capable of carrying large volumes without congestion.

There are also three NetWorks Centres located on Kangaroo Island (at Kingscote, Penneshaw and Parndana). These centres are located at local community facilities and seek to develop the use of the Internet with a free introduction to using the World Wide Web for personal interest and community and business development. Staff may provide awareness programs, structured training, personal assistance or business development assistance according to need.

Water resources

Surface water resources comprise the majority of water resources on Kangaroo Island. The major source of reticulated water supply is the Middle River Reservoir, which provides water for two main towns on the Island – Kingscote and Parndana. A newly commissioned desalinisation plant provides water supplies for Penneshaw, with the balance of the region's rural settlements deriving their water supply from dams and rainwater tanks. Groundwater reserves are currently not fully assessed.

A number of Water Protection Areas declared under the *Environment Protection Act 1993* exist on Kangaroo Island, where development activities are regulated to minimise potential harm to water resources.

The water resources on Kangaroo Island are primarily used for drinking water supplies; industrial, urban and rural domestic use; protection of aquatic ecosystems; aquaculture; and for dryland and irrigated agriculture.

Dryland salinity currently affects about 10,000 ha of land on Kangaroo Island. Surface water resources on Kangaroo Island, particularly Middle River and the Middle River Reservoir, are also at risk from rising levels of salinity.

Tourism

Tourism is a major contributor to Kangaroo Island's economy. It's name and appeal as a wildlife and nature tourism experience contribute to Kangaroo Island being the most internationally recognised South Australian tourist region outside of Adelaide.

Kangaroo Island offers spectacular scenery and wildlife. Niche food products, heritage, culture and adventurous recreational activities also attract visitors.

Visitor statistics from the Bureau of Tourism Research indicate that in the financial year 1999-00 South Australian visitors stayed 219,000 nights, interstate visitors stayed 141,000 nights and international visitors stayed 63,000 nights.

Expenditure by domestic overnight visitors on Kangaroo Island is estimated to have been \$28 million in 1998.

Bibliography

Australian Bureau of Statistics, *A Regional Profile: Kangaroo Island Development Board Region*, May 2001.

Australian Bureau of Statistics, *Regional Statistics South Australia 2001*, Catalogue No. 1362.4.

Planning SA, *Regional Profiles South Australia: Kangaroo Island*, July 2001.

Onkaparinga Institute of TAFE, <http://www.tafe.sa.edu.au/institutes/onkaparinga/>