



South Australian Centre for Economic Studies

## **Kangaroo Island: Monitoring Economic Progress**

Report commissioned by:

**Office of the Commissioner for Kangaroo Island**

Department of Planning, Transport and Infrastructure  
Government of South Australia

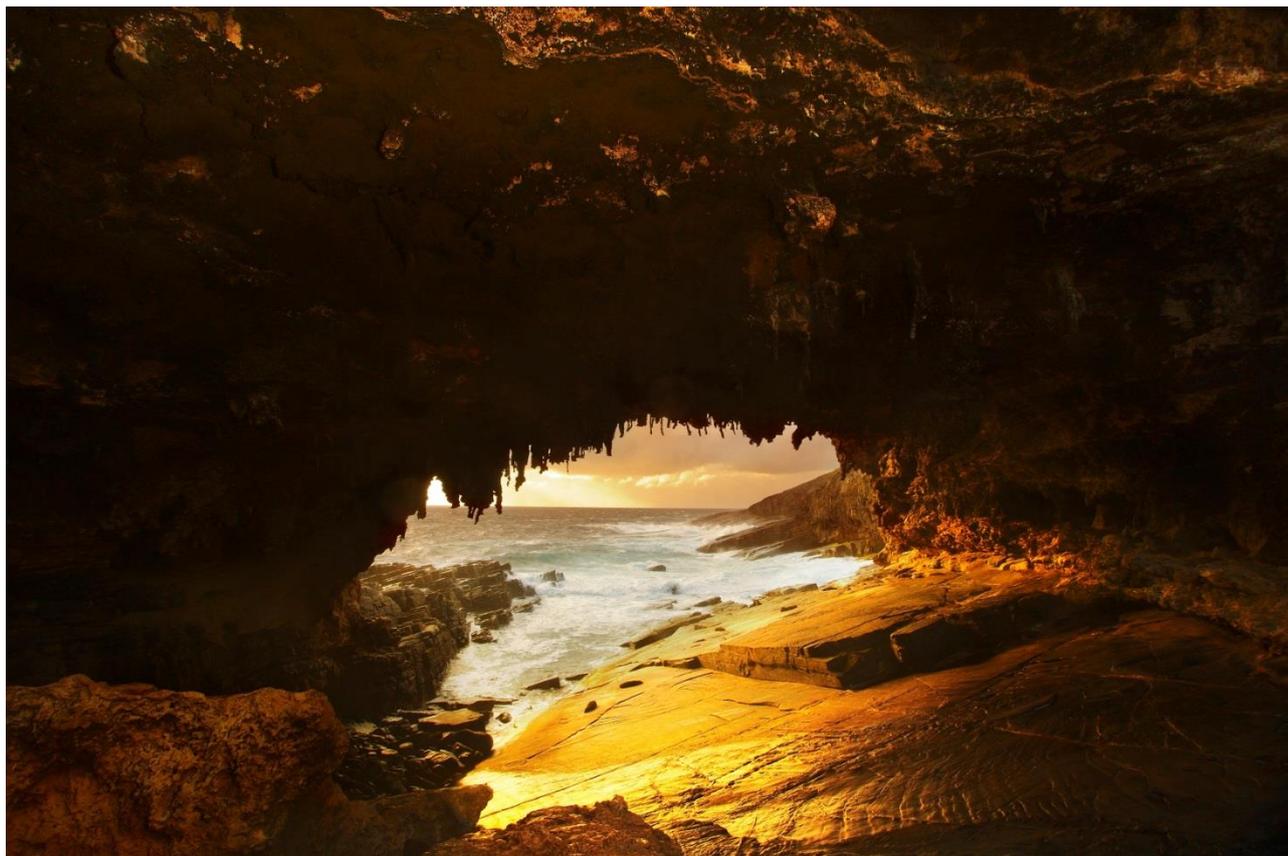
Report prepared by:

**The South Australian Centre for Economic Studies**

University of Adelaide

**September 2017**

## Admiral's Arch: Flinders Chase National Park, Kangaroo Island



*Image courtesy of Brand Kangaroo Island*

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## Executive Summary

The Office of the Commissioner for Kangaroo Island has sought to develop a set of evidence-based economic, social and environmental indicators to monitor the progress of sustainable development in Kangaroo Island. Broadly, these indicators would inform and guide decisions of government, business and community in their strategies for Kangaroo Island's future development.

Kangaroo Island's economic baseline is described below based on the latest available evidence to date. Each indicator's accompanying details are provided in Chapter 3.

In 2016, Kangaroo Island's population was approximately 4,800. Population growth had been particularly strong over the five years to 2016, averaging at 1.4 per cent per annum higher than the state average at 0.9 per cent. This is a welcomed development especially in comparison to weak growth rates recorded in the prior first half of the decade which averaged 0.6 per cent. The recent strong growth was in part, the result of a recent favourable declining trend in outward migrant departure rates since 2012/13, contributing a small and positive increase in population.

Compared to the state average, Kangaroo Island's demographic structure is older and is ageing faster. Over the decade to 2016, Kangaroo Island's median age increased by 6 years (i.e. from 43 years in 2006 to 49 years in 2016) compared to the state average increase of just one year (39 to 40 years).

An important indicator of the economic dividend that comes from the prime workforce age cohort is the relative size of this group.

Kangaroo Island's population share of its 'prime working age' group is relatively narrow, with residents aged between 25 to 54 years accounting for 34 per cent of the population compared to the State average of 39 per cent. The Island has an unemployed rate, that is approximately half the State average but is likely to experience underemployment and hidden unemployment in the non-peak tourism months.

Over the five year period to 2011 the total number of employed persons has been very stable with a net addition of some 21 persons only. Looked at another way, the employment generation capacity of the Island in the period 2006-11 has been virtually zero.

'Agriculture, Forestry and Fishing' is the most notable industry in Kangaroo Island. With 306 operating businesses accounting for 40 per cent of Kangaroo Island's operating businesses in 2014/15, the industry employed around 22 per cent of the workforce. Among Kangaroo Island's agricultural commodities produced in 2015/16, sheep and lamb livestock along with wool products recorded the largest gross value at \$54 million. This is 62 per cent of the total gross value of all agriculture produced on the Island.

Residents from the surrounding Fleurieu Region appear to be relatively reluctant to commute in and out of Kangaroo Island for work. Only 0.3 per cent of Kangaroo Island's workforce commute to Kangaroo Island for work while residing in the surrounding Fleurieu Region. Coupled with relatively low unemployment rates (3.8 per cent in March 2017) and a small 'prime working age' population, future employment needs arising from the *Transformation Project* will likely have to be met from elsewhere.

Relative to the State average, Kangaroo Island employees had lower average incomes (i.e. from wages and salaries) along with a slightly higher degree of income inequality. In 2014/15, Kangaroo Island employees' median gross earning income was \$30,522 compared to the State average of \$45,316. After accounting for other income sources (i.e. earnings from businesses, investment, annuity, etc.) the degree of income inequality in Kangaroo Island was slightly higher than the state average, reporting a Gini coefficient of 0.49 compared to the State average at 0.45.

Some 120,000 overnight visitors spent a total of \$81 million in Kangaroo Island in 2014/15. The ratio of overnight visitors to own population (120,000/4,635) is 26:1. In contrast, over 5 million overnight visitors to South Australia spent over \$5.3 billion in the State. The ratio of overnight visitors to own State population (5 million/1.7 million) is 3:1, confirming the importance of tourism to the economy of Kangaroo Island.

Around 120 tourism businesses serviced the industry in 2013/14 and room accommodation takings averaged at \$341 per night in June 2014, double the State average. As the *Transformation Project* phases in the strong focus on tourism will further boost the industry in 2017 and beyond.



## 1. Background

Kangaroo Island is currently undergoing an economic transition with investment development projects valued over \$171 million either proposed, approved or under planning assessment expected to be delivered over the next five years beginning 2017. Led by the Office of the Commissioner for Kangaroo Island, the *Transformation Project* aims to deliver these developments to benefit local businesses, industry and the local workforce<sup>1</sup>, with a strong focus on tourism related initiatives and upgrading infrastructure.

The Office of the Commissioner for Kangaroo Island has sought to develop a set of evidence-based economic, social and environmental indicators to monitor the progress of sustainable development in Kangaroo Island. Broadly, these indicators would inform and guide decisions of government, business and community in their strategies for Kangaroo Island's future development.

The Office of the Commissioner for Kangaroo Island commissioned the South Australian Centre for Economic Studies of the University of Adelaide (SACES) to first develop a set of economic indicators to monitor the economic progress in Kangaroo Island. It is important to note these indicators are **economic in nature** and only **partially** capture the elements within sustainable local development (see Figure 2.1). While these indicators are at its core 'economic' in nature, it is natural for some of the indicators to **overlap**, partially capturing other elements within sustainable development (i.e. social and environmental).

This report – "Kangaroo Island: Monitoring Economic Progress" – is a further component of the Kangaroo Island's Economic Growth project. SACES provided an earlier report "Kangaroo Island: Initial Assessment of Economic Impacts of the Transformation Project" in which we reviewed some 17 key announced and proposed projects.

The Kangaroo Island's Economic Growth project is described as:

"With anticipated population increases, tourism and economic activity forecast for the Island over the next five years, it will be valuable to determine the current economic situation on the Island, develop projections and assess the capacity of the Island to meet the projected economic needs. This project will establish baseline data on Kangaroo Island's economy, against which economic growth can be measured. The findings of this project will inform the *Transformation Project* and the potential areas of business development."

The report is structured as follows.

Chapter 2 describes the underlying approach and considerations taken in developing the indicators for the purposes of monitoring economic progress towards Kangaroo Island's sustainable local development. It discusses the framework underpinning the indicators, the coverage of key themes and accompanying data caveats. Chapter 3 presents the set of economic indicators along with the details of relevance to monitoring Kangaroo Island's economic progress relative to its baseline.

<sup>1</sup> [http://kangarooislandcommissioner.sa.gov.au/projects/transformation\\_project](http://kangarooislandcommissioner.sa.gov.au/projects/transformation_project)

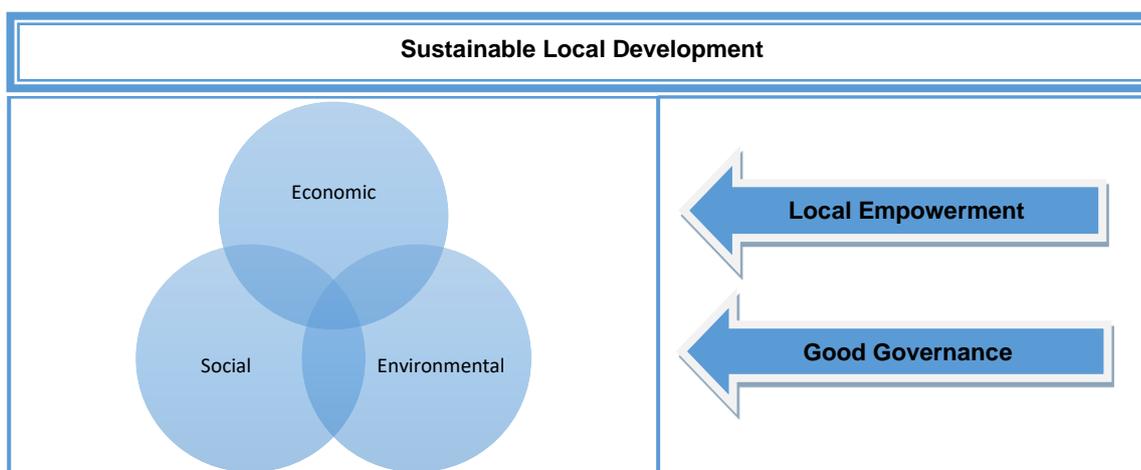
## 2. Monitoring Economic Progress Towards Sustainable Local Development

### 2.1 What is sustainable local development?

The OECD (2001, p.25) defines sustainable local development as strategies that “maximise human welfare and provide a sound economic, social and environmental base for both present and future generations”. It 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 ‘sustainable local development’, that is, 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 indicators are at its core ‘economic’ in nature, 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 ‘Stage 1’ 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

The continuous process of monitoring and evaluation framework is presented below by stages. While it appears that the framework consists of three distinct stages, it is in reality, a seamless continuous process, rather than a one-off discrete exercise.

Stages	Description of Process
1. Developing Indicators	Gather available and relevant evidence, develop indicators and present a baseline assessment
2. Monitoring Progress	Update evidence, monitor progress and assess changes from the baseline
3. Evaluation and Review (Inform Strategy and Objectives)	Evaluate, review and appraise local development strategies, objectives, policies and programs informed by up-to-date evidence (i.e. evidence based policy making). Findings from this stage can further feedback to earlier stages (Stage 1 and 2).

Source: Adapted from OECD (2001).

## 2.3 Selection of economic indicators

Indicators presented in Chapter 3 have been selected based on availability, publication at regular intervals and insights provided at a regional level. While we have included some indicators that do not meet these criteria, inclusion is based on ultimate relevance to Kangaroo Island's economy when analysed in context to other indicators.

As the *Transformation Project* is likely to transform Kangaroo Island's economic landscape, we have placed an emphasis on including indicators that are relevant to key themes – investment, development of tourism-related initiatives and infrastructure upgrades.

Given the issues surrounding small area estimation, estimates should be interpreted with a level of caution.

With these considerations, Table 2.1 summarises the economic indicators provided in Chapter 3.

**Table 2.1 Summary of Economic Indicators**

Themes	Indicator
Demography	<ul style="list-style-type: none"> <li>Estimated Resident Population Growth</li> <li>Age Structure</li> <li>Regional Migration flow</li> </ul>
Industry and Businesses	<ul style="list-style-type: none"> <li>Employing Industries</li> <li>Operating Business by employment size</li> <li>Operating Businesses by Industry</li> <li>Building Approvals</li> <li>Value of Agricultural Production</li> </ul>
Labour Force	<ul style="list-style-type: none"> <li>Kangaroo Island Residents and Workforce</li> <li>Unemployment and Labour Force</li> <li>Growth in employment by industry</li> </ul>
Income earnings and Distribution	<ul style="list-style-type: none"> <li>Employee Incomes and Total Incomes</li> <li>Income distribution</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>Kangaroo Island Visitors</li> <li>Tourism expenditure and overnight visitors</li> <li>Tourism Accommodation – Capacity, Revenue and Utilisation</li> <li>Tourism Business</li> <li>Aviation Activity, Capacity and Utilisation</li> <li>Ferry Passenger Movements</li> </ul>

### 3. Kangaroo Island Economic Indicators

This chapter presents the set of economic indicators developed for monitoring Kangaroo Island's economic progress. Indicators inform trends in demography, industry and business, labour force, income earnings and tourism. Accompanying each indicator is the details of its relevance, an analysis of its progress thus far, and a summary of 'potential outcomes' arising from a successful implementation of the *Transformation Project*.

#### 3.1 Demography

##### *Resident population growth*

**Definition:** Annual growth in estimated resident population.

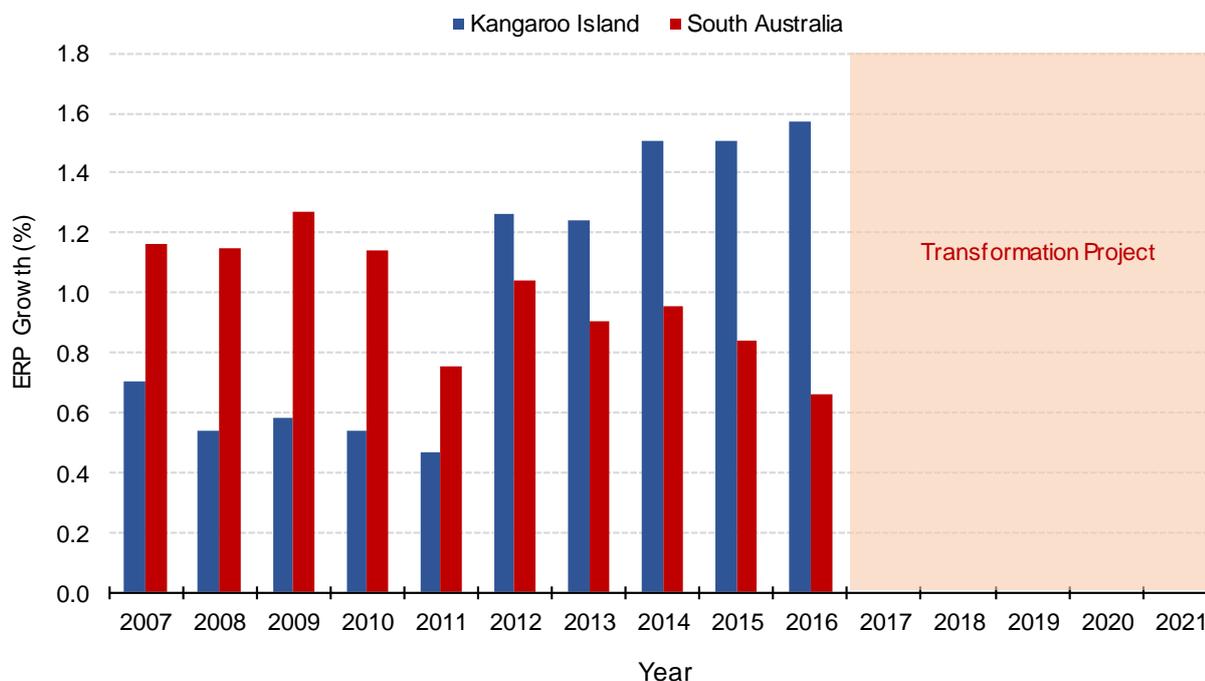
**Purpose/Relevance:** Monitor the population size and annual population changes.

**Frequency of Data:** Annual.

- In 2016, Kangaroo Island's estimated resident population (ERP) was 4,852 persons, accounting for 0.3 per cent of the State's total.
- Kangaroo Island's population grew by 1.6 per cent in 2016, more than double the State average at 0.7 per cent. Growth had been particularly strong and steadily increasing over the 5 years to 2016. During this period, annual population growth averaged 1.4 per cent, higher than the state average of 0.9 per cent. This is a welcomed development especially in comparison to weak growth rates recorded in the prior first half of the decade where annual growth was at 0.6 per cent compared to the state average at 1.1 per cent.
- **Potential outcome:** it is likely that future employment needs from Transformation Projects would translate to an increase in the population growth rate from migration arrivals. This is provided that internal migration departure rates follow previous trends (Figure 3.4). Kangaroo Island's relatively narrow 'prime working age group' (i.e. aged 25 to 54) suggests that its likely growing employment needs would have to be met from elsewhere. Given past evidence of Kangaroo Island employee's relative reluctance to commute to Kangaroo Island for work while residing elsewhere (Table 3.3), Kangaroo Island employees will likely take up residence in Kangaroo Island particularly if long-term employment growth is sustainable.

**Figure 3.1 Annual growth rate in estimated resident population**

Kangaroo Island and South Australia, 2007-2016, annual growth rate, per cent



Source: ABS, *Regional Population Growth, Australia*, 2016.

## Age structure

**Definition:** Population age structure by age and sex.

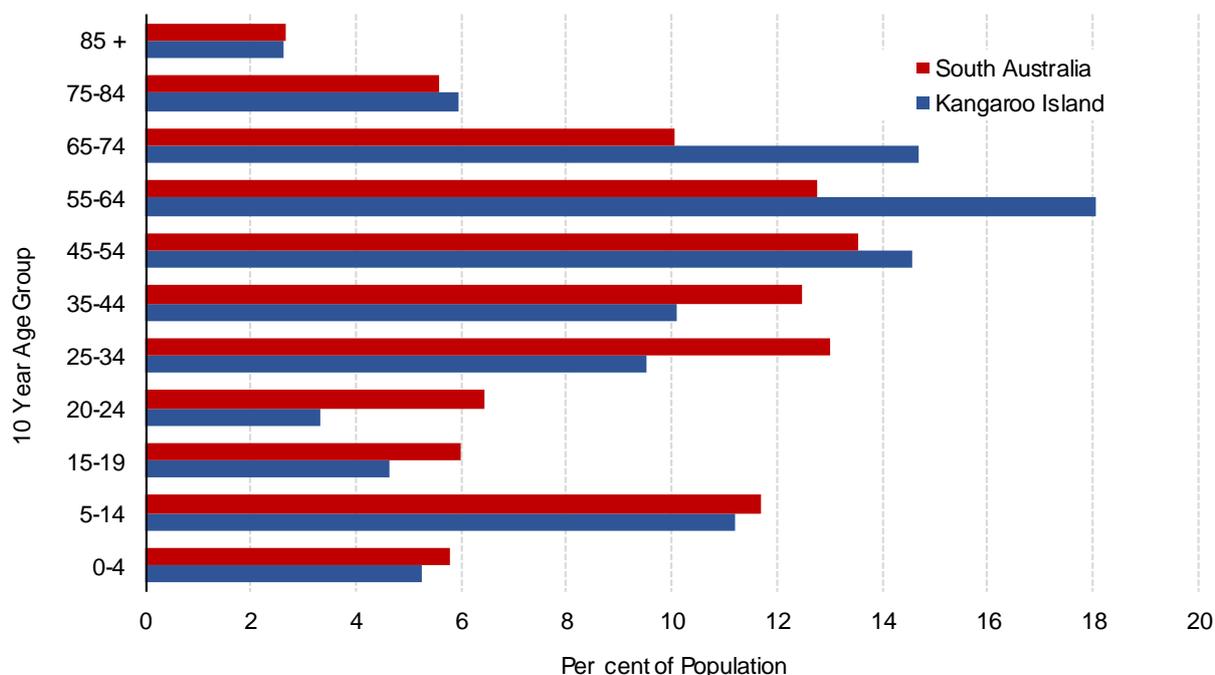
**Purpose/Relevance:** Monitoring the population structure and changes in the composition by age and sex. Indicate changes in population needs as different age and sex groups are likely to require different needs.

**Frequency of Data:** Every 5 years.

- Kangaroo Island has a relatively older demographic when compared to the State average. In 2016, the median age of persons residing in Kangaroo Island was 49 years of age, higher in comparison to the State average of 40.
- Kangaroo Island is also aging at a faster rate compared to the State. Over the decade, Kangaroo Island's median age increased by 6 years (i.e. from 43 years in 2006 to 49 years in 2016) compared to the State's increase of 1 year (39 to 40 years).
- Kangaroo Island has a relatively narrower base of those aged in 'prime age working group' (i.e. 25 to 54 years). Compared to the State average in 2016, Kangaroo Island has a lower share of those aged '25 to 54 years' (34 per cent vs 39 per cent) and a higher share of aged '55 to 74 years' (33 per cent vs. 23 per cent)
- Over 2006 to 2016, the age group which recorded the largest increase were those aged '65 to 74 years', increasing by 7.3 percentage points, from a share of 7.4 per cent in 2006 to 14.7 per cent in 2016. In contrast, those aged '35 to 44 years' recorded the largest contraction of -5.2 percentage points, from a share of 15.3 per cent in 2006 to 10.1 per cent in 2016.
- Kangaroo Island's population structure does not appear to indicate any potential gender imbalance, recording a male to female ratio averaged at 1 across age groups in 2016.
- **Potential outcome:** It is hard to ascertain if the potential population increase driven by future employment needs will translate to an increase in those within the 'prime working age group'. New residents could likely relocate (individually or as a family unit) across the age groups. While changes may well be equally distributed across the age and sex profiles, monitoring this indicator will inform if there are any likely significant changes in Kangaroo Island's population and workforce needs.

**Figure 3.2 Population age structure**

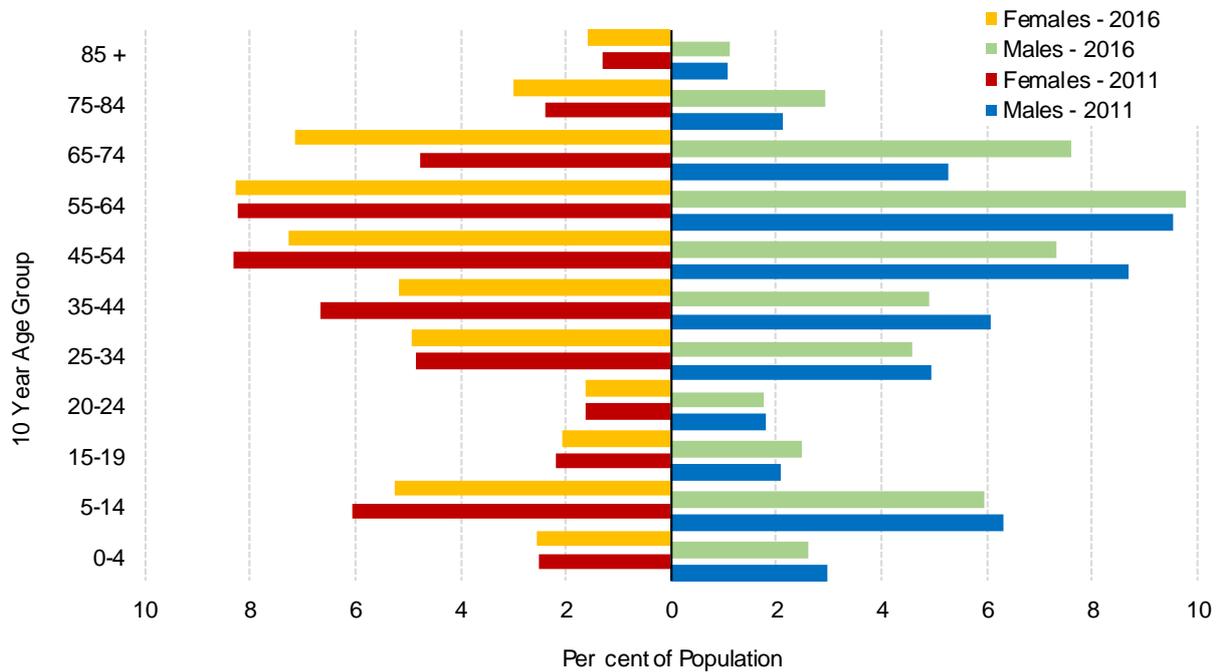
Kangaroo Island and South Australia, 2016 - share of population, per cent



Source: ABS, *Census of Population and Housing*, 2016.

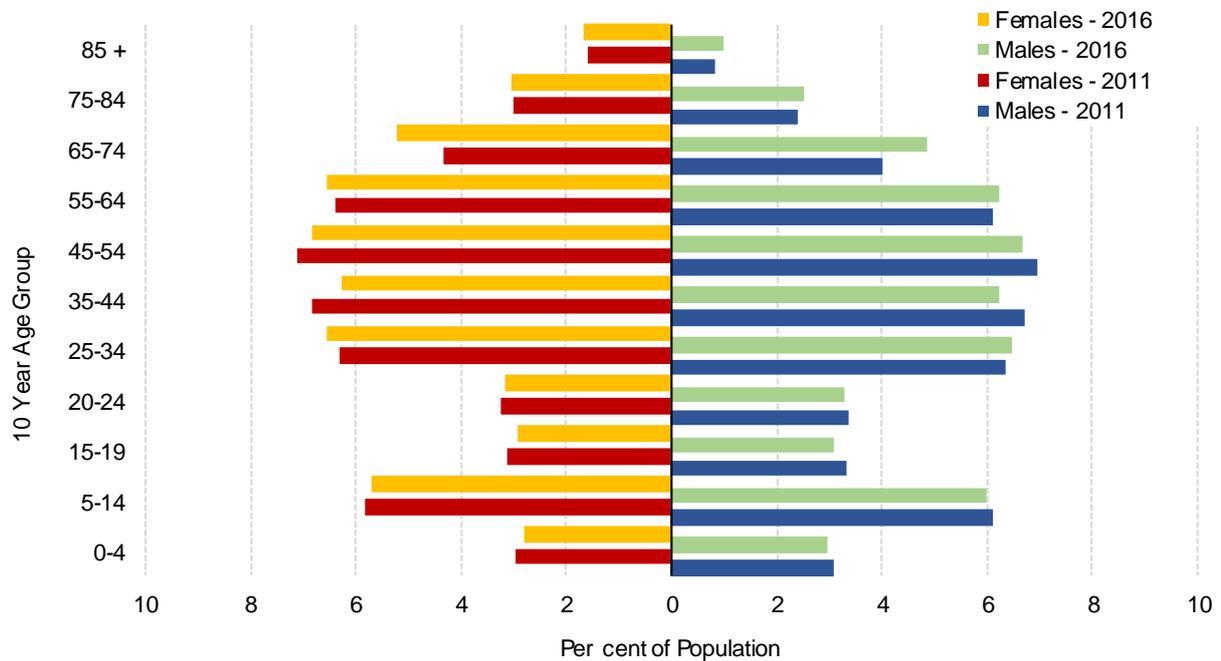
**Figure 3.3 Population age structure**  
Kangaroo Island and South Australia, 2011 and 2016 - share of population, per cent

**Kangaroo Island**



Source: ABS, Census of Population and Housing, 2011 and 2016

**South Australia**



Source: ABS, Census of Population and Housing, 2011 and 2016

### Regional migration flows

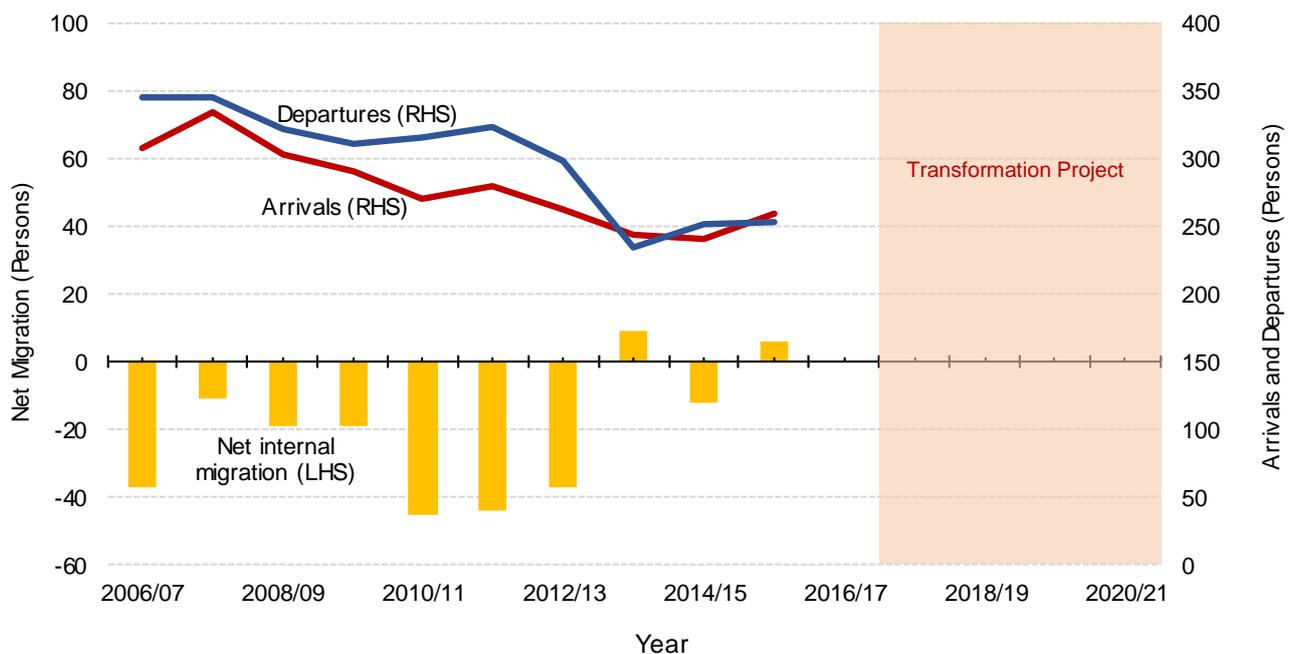
**Definition:** Regional internal migration estimates.

**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. The decade average net outflow (departures exceeding arrivals) was 21 persons. The most recent data indicates the possibility of arrivals to exceed departures in future years.
- **Potential outcome:** Given potential future employment needs resulting from the Transformation Project, it is possible that this will translate to an increase in migrant arrivals. Past evidence suggest that Kangaroo Island employees are relatively reluctant to commute to Kangaroo Island for work while residing elsewhere. Coupled with a narrow 'prime working age' population base, potential future employees would have to come from elsewhere. As to whether the increase in migrant arrivals would translate into a higher growth rate will depend on the likelihood of the rate of departures stabilising at a lower rate than arrivals. Migration flows are also influenced by whether those involved are in the family formation stage or migrate as a family unit and are highly dependent on prospects of future employment.

**Figure 3.4 Regional internal migration<sup>(a)</sup>**  
Kangaroo Island, 2006/07 to 2015/16 - persons



Note: These estimates are not directly comparable to estimated resident population (ERP) estimates due to different underlying methodologies.  
Source: ABS, Migration, Australia, 2015-16

### 3.2 Industry and business

#### Employing industries (by share of total persons)

**Definition:** Share of employed persons by Industry.

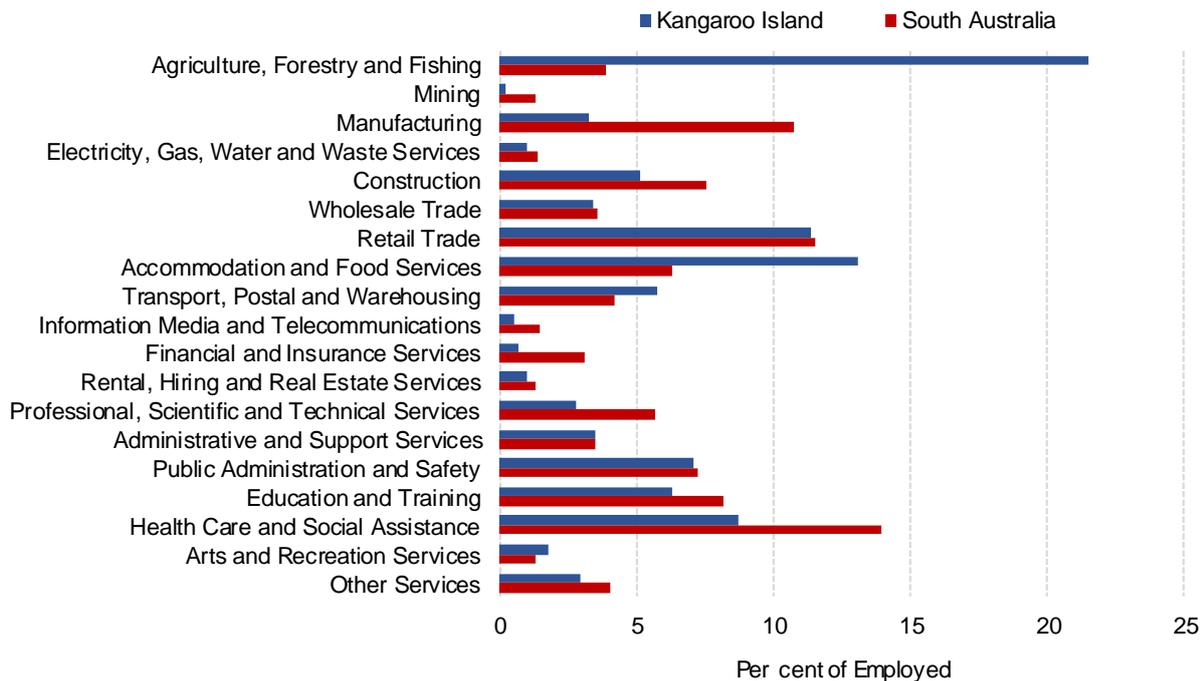
**Purpose/Relevance:** Monitoring structure of employing industries.

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

- Kangaroo Island’s employing industry structure is different to South Australia’s. Agriculture, forestry and fishing industry was the main employer in Kangaroo Island in 2011, accounting for 22 per cent of Kangaroo Island’s employed persons. This is followed by ‘Accommodation and Food Services’ (13.1 per cent) and ‘Retail Trade’ (11.4 per cent).
- Considering the relative size of its operating businesses (Table 3.1), ‘Accommodation and Food Services’ and ‘Retail Trade’ were relatively large employers while ‘Construction’ was a relatively small employer. In 2011, ‘Accommodation and Food Services’ and ‘Retail Trade’ together accounted for only 13.1 percent of Kangaroo Island’s operating business but employ a quarter of Kangaroo Island’s total employed. ‘Construction’ accounted for 12.7 per cent of Kangaroo Island’s operating businesses but employs only 5.1 per cent of Kangaroo Island’s employed persons.
- **Potential outcome:** The *Transformation Project* is largely focussed on initiatives directed to tourism and/or infrastructure construction. As such, it is likely that future employment needs will be focussed on industries of ‘Retail Trade’, ‘Accommodation and Food Services’, ‘Rental, Hiring and Real Estate Services’ and ‘Construction’. Given the 5 year frequency of this data release, the next update is also likely to inform the ‘medium term’ sustainability of Transformation Project’s employment contribution to Kangaroo Island.

**Figure 3.5 Employing industries<sup>(a)</sup>**

Kangaroo Island and South Australia, 2011, share of employed persons<sup>(a)</sup>, per cent



Note: Enumerated persons by Place of Work.  
 Source: ABS, *Census of Population and Housing* 2011.

## Operating businesses by industry and employment size

**Definition:** Number of operating business by industry and employment size.

**Purpose/Relevance:** Monitor the stock and survival rates of Kangaroo Island's operating business by industry and employment size.

**Frequency of Data:** Annual.

- In 2014/15, there were 703 businesses in Kangaroo Island. 'Non-employing business' were the majority, accounting for 63 per cent of total businesses. Other employing business were '1 to 4 employees' (25.1 per cent), '5 to 19 employees' (11.3 per cent) and '20 or more employees' (0.6 per cent).
- The majority of Kangaroo Island's operating business were concentrated in 'Agriculture, Forestry and Fishing' (44 per cent) and 'Construction' (12.7 per cent). The structure of operating business by industry appear to be relatively unchanged since 2011.
- **Potential outcome:** The indicator is likely to inform if the net impact of the *Transformation Project* will generate new businesses or if, it is displacing other uncompetitive (and likely smaller) ones. Industries of interest include 'Retail Trade', 'Accommodation and food services', 'Rental, hiring and real estate services,' 'Construction' and tourism services businesses that currently do not exist or are in embryo.

**Table 3.1 Number of operating businesses by industry and employment size**  
Kangaroo Island, 2010/11 to 2014/15

### Industry

Year	Transformation Project									
	2010/ 11	2011 /12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20
Agriculture, forestry and fishing	333	317	303	300	306					
Mining	3	3	3	3	3					
Manufacturing	17	20	17	16	19					
Construction	81	86	84	82	89					
Wholesale trade	12	12	11	12	12					
Retail trade	34	37	39	42	41					
Accommodation and food services	53	53	49	50	51					
Transport, postal and warehousing	37	36	34	30	32					
Financial and insurance services	15	14	13	13	12					
Rental, hiring and real estate services	46	44	44	45	47					
Professional, scientific and technical services	23	25	27	26	27					
Health, education, utilities and police <sup>(a)</sup>	28	28	27	25	27					
Other service industries <sup>(b)</sup>	35	32	30	36	37					
<b>Total <sup>(c)</sup></b>	<b>717</b>	<b>707</b>	<b>681</b>	<b>680</b>	<b>703</b>					

### Employment size

Year	Transformation Project									
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
non-employing	441	420	406	418	441					
1-4 employees	173	181	171	169	176					
5-19 employees	96	98	96	90	79					
20 or more	6	6	8	4	4					
<b>Total <sup>(c)</sup></b>	<b>716</b>	<b>705</b>	<b>681</b>	<b>681</b>	<b>700</b>					

Note: (a) Includes industries 'Electricity, Gas, Water and Waste services', 'Public Administration and Safety', 'Education and Training' and 'Healthcare and Social Assistance'.  
(b) Includes industries 'Information Media and Telecommunications', 'Administrative and Support Services', 'Arts and Recreation Services' and 'Other Services'.  
(c) Totals may differ due to the confidentialising process of small cells. It perturbs data in such a way that the data presented at detailed levels will not always be additive.

Source: ABS, *Counts of Australian Businesses, including Entries and Exits 2016*

### Building Approvals

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

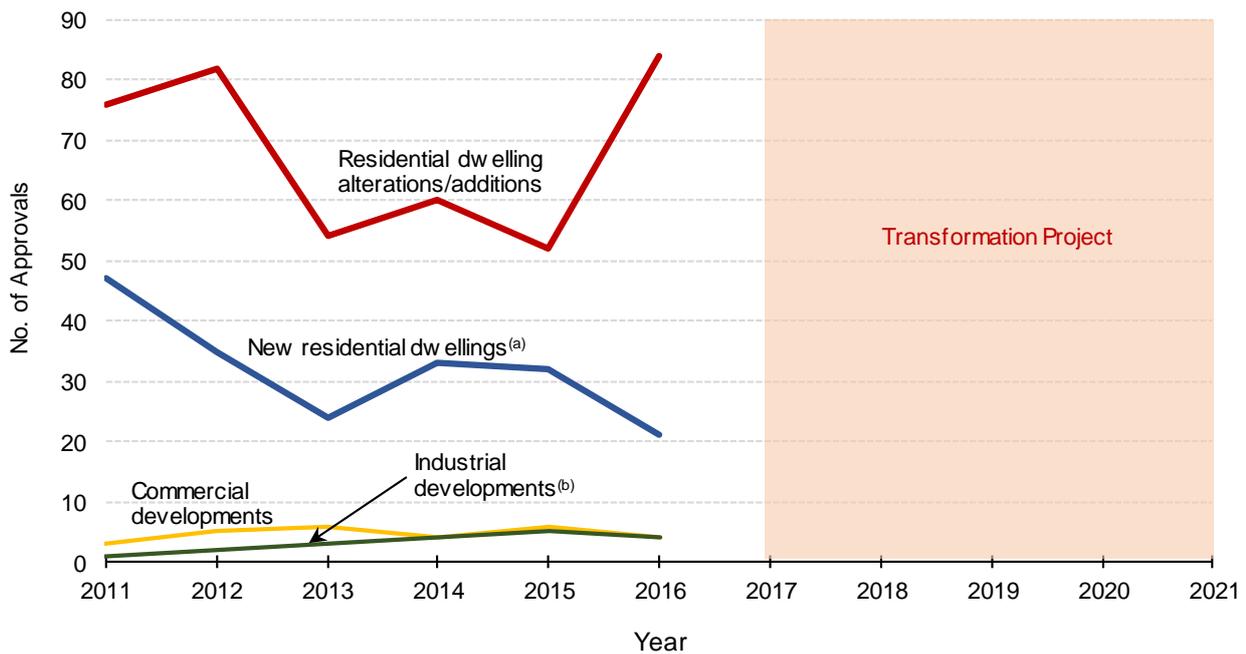
**Purpose/Relevance:** Monitor the trend in residential, commercial and industrial building approvals.

**Frequency of Data:** Annual.

- Construction approvals appear to be lower in 2016 compared to a year earlier. Construction approvals across categories fell except for 'residential dwelling alterations and additions' which increased from 52 to 84 (six year average has been 68). 'New residential dwellings' decreased from 32 to 21 (six year average has been 32), 'commercial developments' decreased from 6 to 4 while 'industrial developments' decreased from 5 to 4.
- 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 any 'overload' in construction activity in Kangaroo Island for the year.

It is likely that future employment needs from Transformation Projects will translate to an increased rate of migration arrivals who are likely to require housing. In expectation of increased demand, this may well translate to additional residential building construction approvals. The key to new residential dwelling will be the sustainable increase in employment opportunities on the Island particularly with population growth in the prime working age groups.

**Figure 3.6 Number of residential, commercial and industrial approvals**  
Kangaroo Island Council, 2011 to 2016



Note: (a) New residential dwellings are for financial years ending 30th June. All other indicators are for calendar years (i.e., 1st December to 31st December).  
(b) Includes school developments.

Source: ABS, *Building Approvals*, Kangaroo Island Council Data, unpublished

### Value of agricultural produce

**Definition:** Value of Kangaroo Island's agricultural produce.

**Purpose/Relevance:** Monitor the gross value of agricultural commodities produced in Kangaroo Island as agriculture, forestry and fishing is Kangaroo Island's most notable industry to date.

**Frequency of Data:** Annual.

- In 2015/16, Kangaroo Island's gross value of agricultural commodities produced was estimated at \$87.5 million. Livestock and livestock products were most notable, with sheep and lambs valued at \$29.4 million and wool at \$24.9 million.
- **Potential outcome:** Agriculture is still the most significant industry on Kangaroo Island. Monitoring the value of Kangaroo Island's agricultural produce is likely to inform the state of Kangaroo Island's economy including any diversification in commodities produced. Changes in gross value are likely to be driven by commodity prices or unexpected weather leading to changes in yields.

**Table 3.3 Gross value of agricultural commodities produce – selected crops<sup>(a)</sup>**  
Kangaroo Island, 2015/16, \$m

Gross Value	2015/16	2016/17	Transformation Project			
			2017/18	2018/19	2019/20	2020/21
All crops	17.8					
Broadacre crops	9.9					
Wheat for grain	3.3					
Oilseeds-Canola	2.1					
Hay	4.7					
Grapes	0.2 <sup>(b)</sup>					
Wine production	0.2 <sup>(b)</sup>					
Vegetables	2.9 <sup>(b)</sup>					
Livestock products	26.3					
Wool	24.9					
All Livestock	43.3					
Sheep and lambs	29.4					
Cattle and Calves	11.3					
Poultry	1.9					
<b>Total Agriculture</b>	<b>87.5</b>					

Note: (a) There is a change in scope from 2015-16 publication. Estimates may not be directly comparable to estimates published in previous years. Gross value is the value placed on recorded production at wholesale prices realised in the market.

(b) Estimate has a relative standard error of 10% to less than 25% and should be used with caution.

Source: ABS, *Value of Agriculture Commodities Produced, 2015-16*.

### Value of commercial wild fisheries

**Definition:** Value of commercial wild fisheries catch (\$m) in the waters around Kangaroo Island.

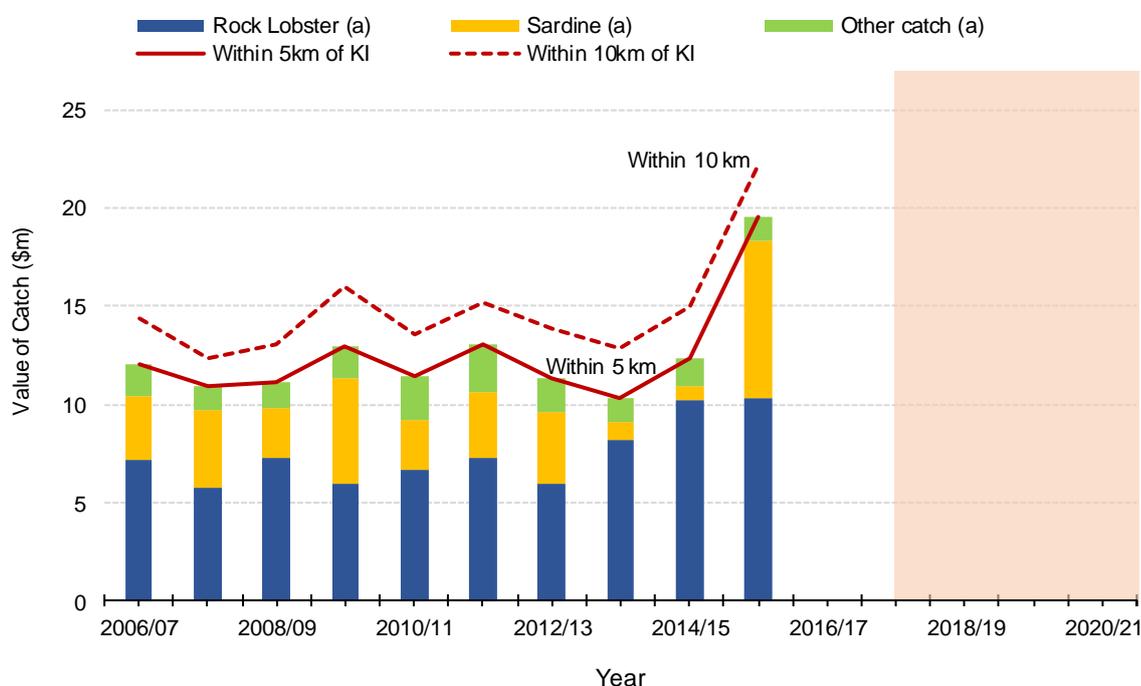
**Purpose/Relevance:** Monitor commercial fishing activity and the diversity of catch in the waters around Kangaroo Island. Note that the data refers to the catch in the waters around Kangaroo Island and do not necessarily translate to catch landing on Kangaroo Island. While it may not directly contribute to Kangaroo Island's fishing industry, it does contribute to the industry elsewhere and highlights the significance of the location of Kangaroo Island's waters for commercial fishing activity and the industry.

**Frequency of Data:** Annual

- The gross value of commercial fisheries catch within 10 km of Kangaroo Island's waters was estimated to be \$22.2 million in 2015/16. A large proportion of the value of the catch was within 5 km of Kangaroo Island, valued at \$19.6 million (88 per cent of the value within 10 km of Kangaroo Island). Rock Lobsters and Sardines are the most notable catch, both accounting for 93 per cent of the value of catch within 5 km, at \$10.3 million and \$8 million respectively.
- Fishing activity in the waters around Kangaroo Island waters recorded a notable growth in 2015/16, with the value of catch within 5 km of Kangaroo Island waters increasing by 59 per cent from \$12.3 million in 2014/15. This was largely due to a 13-fold increase in Sardine catch volumes, resulting in a total increase of 791 per cent in 2015/16 values.
- Potential outcome:** Kangaroo Island's surrounding waters is a notable location for fishing activities. Monitoring the value of commercial wild catch is likely to inform the variability in fishing activities in the waters around Kangaroo Island, including any diversification in the most notable species caught (i.e. Rock Lobsters and Sardines).

Note that these estimates refer fishing activity in the waters around Kangaroo Island and may not necessarily translate to a direct economic contribution to Kangaroo Island's fishing industry (i.e. commercial catch may not land on Kangaroo Island). These estimates also do not indicate the sustainability of the fisheries stock surrounding Kangaroo Island. Changes in gross values are likely to be driven by variations in catch species, catch volumes and price movements.

**Figure 3.7 Value of Commercial Wild Fisheries Catch – Within 10 km and 5 km of Kangaroo Island**  
Kangaroo Island, 2006/07 to 2015/16, \$m



Note: Estimates refer to the value of catch in the waters around Kangaroo Island.  
Source: PIRSA, *Commercial Wild Fisheries Catch and Value, South Australia 2015/16*.

### 3.3 Labour force

#### Residents and workforce

**Definition:** Residents by place of employment.

**Purpose/Relevance:** Monitor the stock of potential employees in Kangaroo Island and where they reside; and the relative mobility of residents from the surrounding region to be employed in Kangaroo Island.

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

- The majority of Kangaroo Island's workforce are Kangaroo Island residents.
- In 2011, 1,842 of Kangaroo Island residents were employed within Kangaroo Island. This accounts for almost 90 per cent of Kangaroo Island residents with just six Kangaroo Island residents working around the Fleurieu and 210 Kangaroo Island residents working elsewhere in South Australia.
- Likewise, the bulk of Kangaroo Island's workforce are Kangaroo Island residents accounting for 98 per cent of Kangaroo Island's workforce, and only six persons residing in the Fleurieu and just 38 persons from the rest of South Australia.
- There is relatively low employment mobility from residents in the surrounding Fleurieu region which is principally due to current employment and occupational offerings of the local labour market.
- **Potential outcome:** Given the relatively low mobility of residents in the surrounding regions to commute to Kangaroo Island for work and a relatively narrow 'prime working age' population base (Figure 3.3), potential future employees for the Transformation Projects would have to come from elsewhere. If projects are "long-lived" and/or offer on-going employment this will encourage workers to take up residence on Kangaroo Island. This could translate to a direct increase in migrant arrivals.

**Table 3.4 Residents by place of employment**  
Kangaroo Island and surrounding regions, 2011, persons

Place of Employment	Place of Usual Resident							
	Kangaroo Island	Goolwa - Port Elliot	Strathalbyn	Strathalbyn Region	Victor Harbor	Yankalilla	Rest of Fleurieu & Kangaroo Island	Rest of South Australia
Kangaroo Island	1,842	0	0	0	3	3	6	38
Rest of Fleurieu and Kangaroo Island	3	2,337	1,375	1,516	3,072	1,334	2,112	153
Goolwa - Port Elliot	0	1,531	21	133	386	41	1,485	557
Strathalbyn	0	53	1,159	244	26	3	1,305	381
Strathalbyn Region	0	69	162	997	60	17	3,497	290
Victor Harbor	3	658	29	123	2,522	165	1,235	244
Yankalilla	0	26	4	19	78	1,108	9,640	3,511
Rest of SA	210	969	1,428	1,656	1,059	672	5,784	695,578

Note: The ABS have randomly adjusted cells in this table to avoid the release of confidential data. No reliance should be placed on small cells.  
Source: ABS, *Census of Population and Housing 2011*

## Unemployment and labour force

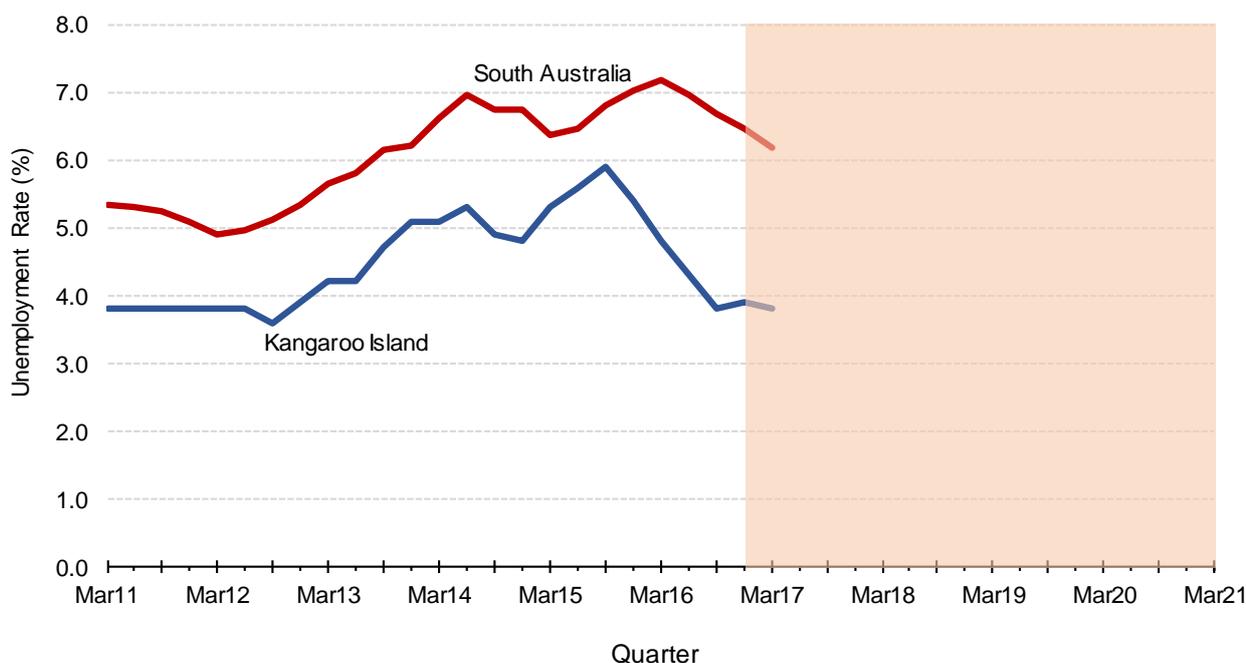
**Definition:** Unemployment rate, annual change in unemployed persons and labour force.

**Purpose/Relevance:** Monitoring trends in the unemployment rate, change in unemployed persons and change in labour force.

**Frequency of Data:** Quarterly.

- In the March quarter 2017, Kangaroo Island's estimated unemployment rate was 3.8 per cent, with 99 unemployed persons in a labour force of 2,600 persons. This was significantly lower than the state average, at 6.2 per cent.
- Since March 2011, Kangaroo Island's unemployment rate averaged around 3.8 per cent before increasing to a peak of 5.9 per cent in September 2015. It has recently fallen to 3.8 per cent.
- The fall since the September 2015 peak reflects a decrease in the number of unemployed persons by 47 with a concurrent increase to Kangaroo Island's stock of labour force of 106 persons (Figure 3.9). Due to dependence on tourism there will always be a degree of seasonality in employment/unemployment trends and underemployment in the non-peak tourism months.
- **Potential outcome:** The quarterly indicator will inform if the *Transformation Project* has contributed to a lower unemployment rate. It is likely that Kangaroo Island's labour force will increase over time with an increase in migration arrivals (Figure 3.4).

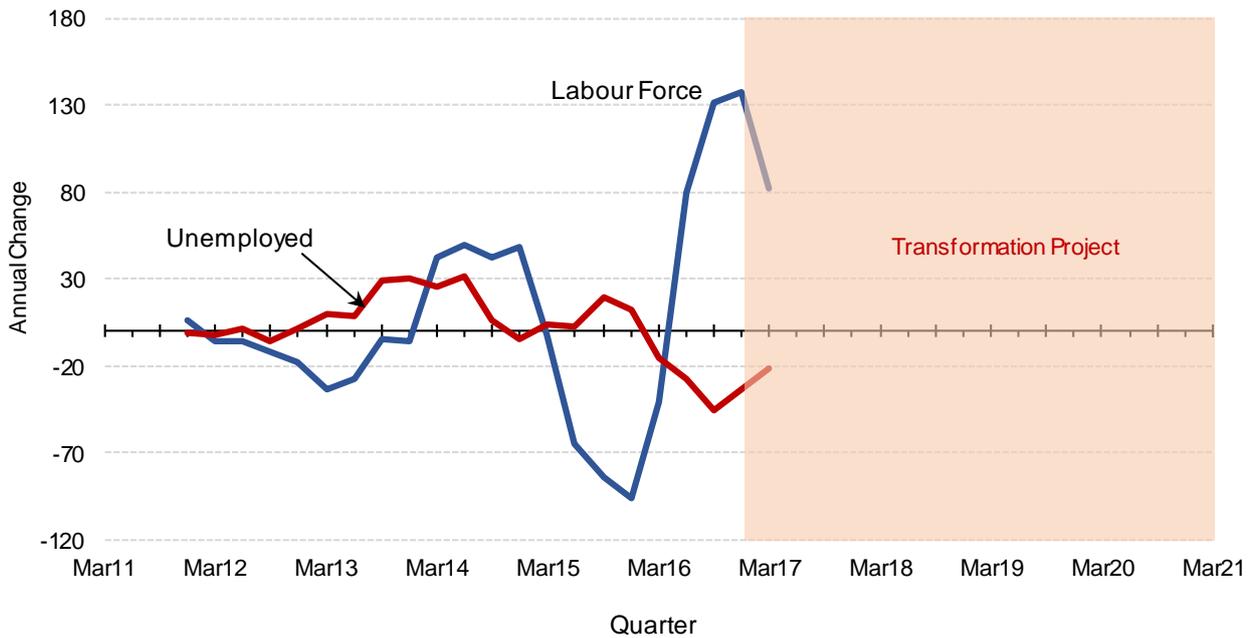
**Figure 3.8 Unemployment rate**  
Kangaroo Island and South Australia – quarterly rate<sup>(a)</sup>, per cent



Note: (a) DoE publishes estimates averaged over the four quarters due to variability inherent in small area estimates. Annual change is difference in the quarterly estimate compared to the same quarter a year earlier.

Source: Department of Employment, *Small Area Labour Markets, March Quarter 2017*.

**Figure 3.9 Unemployed and labour force**  
 Kangaroo Island – annual change<sup>(a)</sup>, persons



Note: (a) DoE publishes estimates averaged over the four quarters due to variability inherent in small area estimates. Annual change is difference in the quarterly estimate compared to the same quarter a year earlier  
 Source: Department of Employment, *Small Area Labour Markets, March Quarter 2017*.

### Employed persons by industry

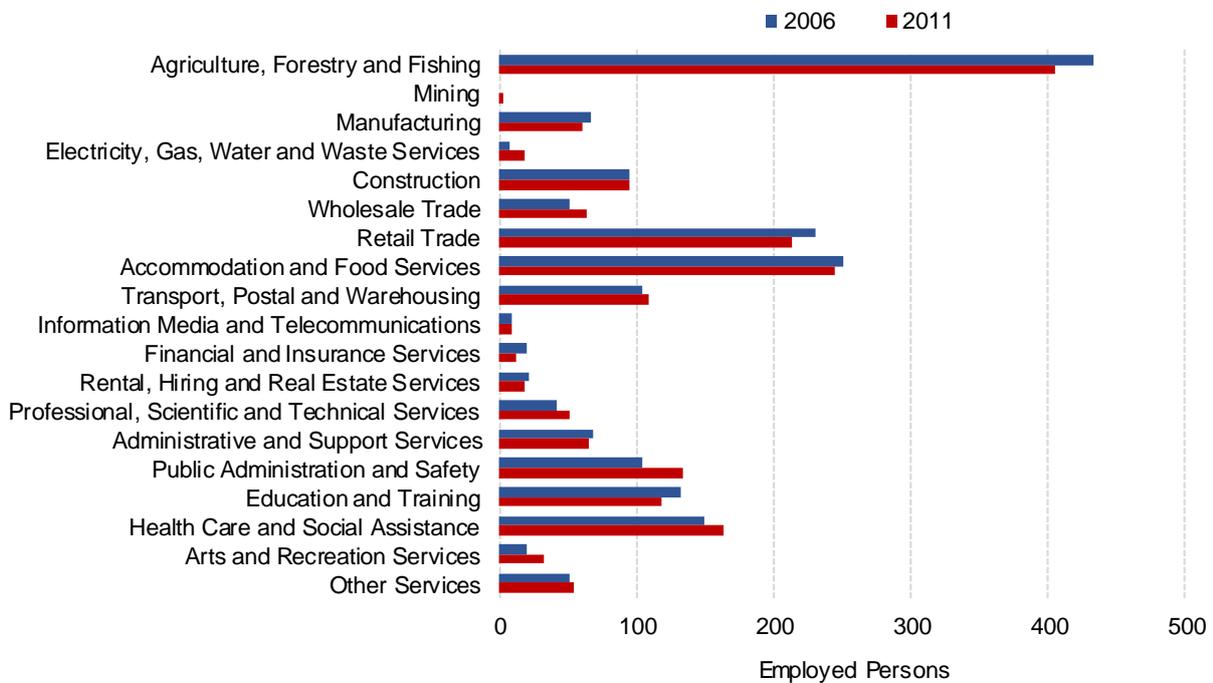
**Definition:** Employed persons by industry.

**Purpose/Relevance:** Monitor change in structure of employed persons by industry.

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

- Over the five year period to 2011 the total number of employed persons has been very stable with a net addition of only 21 persons. Taken another way, the employment generation capacity of the Island has been virtually zero. Industries in Kangaroo Island with the largest net additions to employment were Public administration (29 persons) and Healthcare (14 persons). Industries with the largest net falls over the same period were Agriculture (less 29 persons), Retail trade (less 17 persons) and Education (less 14 persons).
- Potential outcome:** The *Transformation Project* is largely focussed on initiatives directed to tourism and infrastructure construction. As such, it is likely that future employment needs will be focussed on industries 'Retail Trade', 'Accommodation and Food Services', 'Rental, Hiring and Real Estate Services', 'Construction', and tourism services. Given the 5 year frequency of this data release, the next update is also likely to inform the 'medium term' sustainability of the project's employment contribution to Kangaroo Island.

**Figure 3.10 Employed persons by industry**  
Kangaroo Island, 2011 and 2006, persons by place of work



Source: ABS, Census of Population and Housing 2011

### 3.4 Income earnings and distribution

#### Incomes

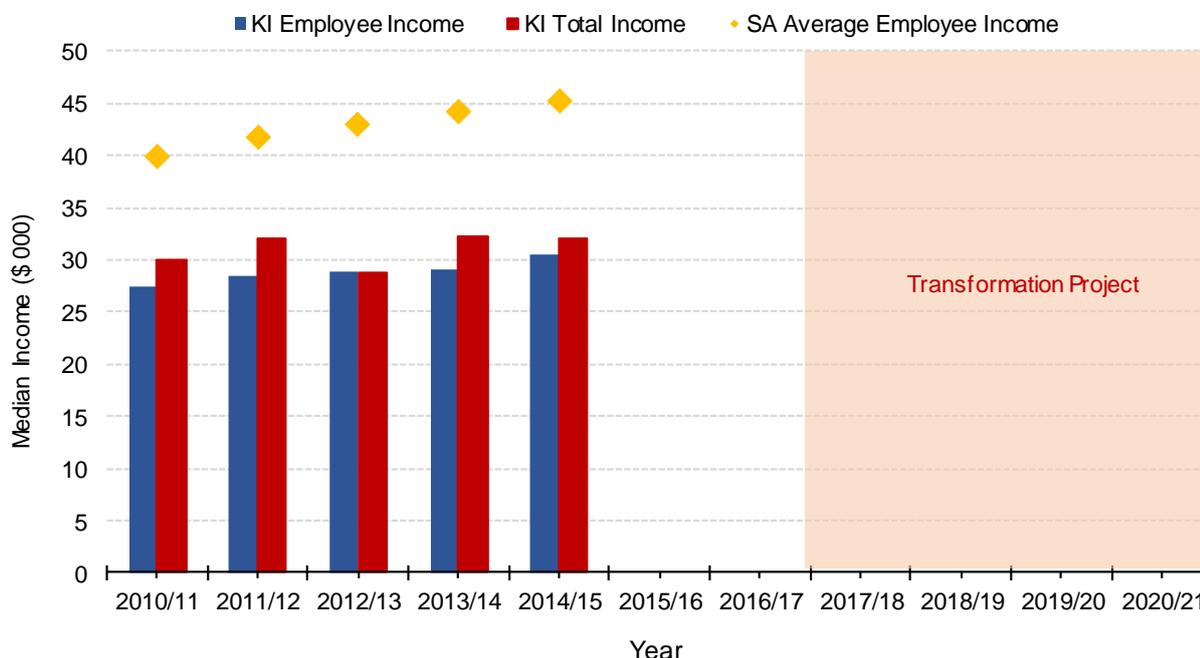
**Definition:** Estimates of Personal Income.

**Purpose/Relevance:** Income estimates are one of the indicators to illustrate the economic well-being of Kangaroo Island residents.

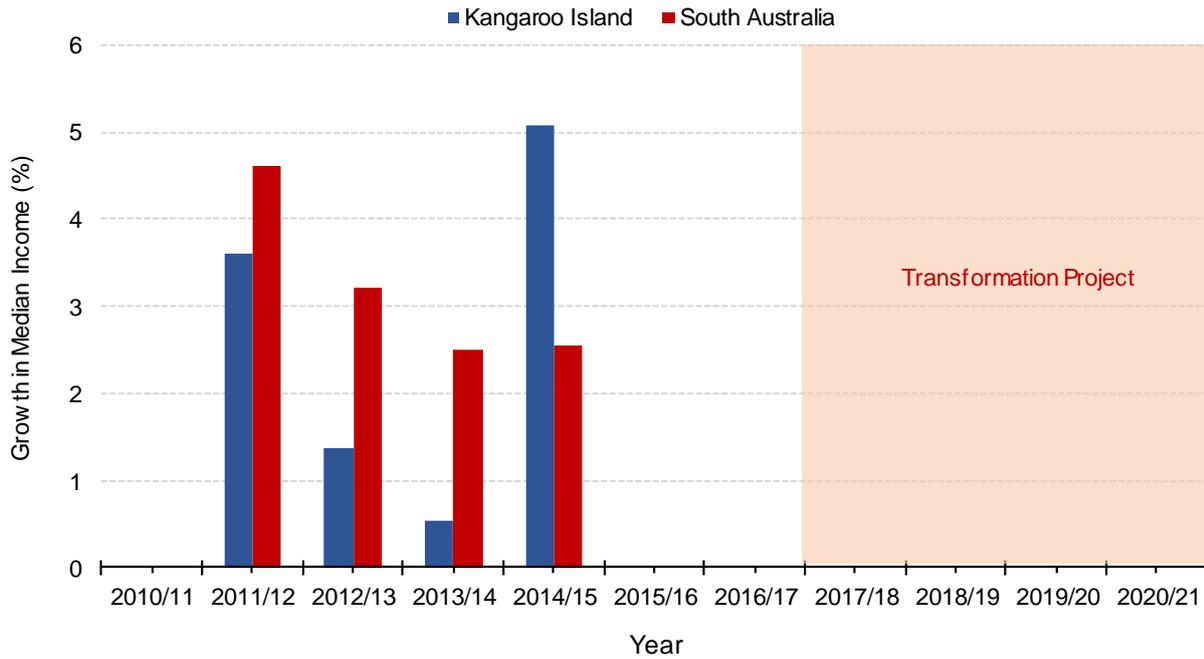
**Frequency of Data:** Annual.

- Income estimates are sourced from all individuals who had lodged a tax return with the ATO. Note that there is an under-coverage of certain income groups due to tax exemptions and people under the tax free threshold.
- In 2014/15, Kangaroo Island had 2,119 employee income earners (i.e. those employed earning wages and salaries) with a median income of \$30,552. Accounting for additional income from own unincorporated business income, investment income, superannuation and annuity income, other income (excluding Government pensions and allowances), Kangaroo Island had a total of 2,607 total income earners with a median income of \$32,102.
- Kangaroo Island's median incomes are lower than the state average. In 2014/15, the state average median employee income was \$45,316 and total income at \$45,445.
- Since 2011/12, Kangaroo Island's median employee incomes have recorded positive annual growth. In 2014/15, Kangaroo Island recorded an annual growth rate of 5.1 per cent, double the rate of the state annual growth rate.
- Potential outcome:** Aside from the likely Transformation Projects direct impact of increasing employment (or decreasing unemployment), the effect on Kangaroo Island resident's economic well-being is through their incomes. The desirable outcome would be an increase in median incomes, particularly employee incomes. This also will indicate if the economic benefits of the Transformation Projects have translated to Kangaroo Island's residents.

**Figure 3.11 Median incomes<sup>(a)</sup> – employee income<sup>(b)</sup> and total income<sup>(c)</sup>**  
Kangaroo Island and South Australia, 2010/11 to 2014/15, \$'000



**Figure 3.12 Annual growth in employee income median incomes<sup>(a),(b)</sup>**  
 Kangaroo Island and South Australia, 2010/11 to 2014/15, per cent



Note:

- (a) When interpreting these results, it should be noted that some low income earners may not be present in the data, as they may not be required to lodge personal tax forms (e.g. those receiving Government pensions and allowances, or those who earned below the tax free threshold - which rose from \$6,000 to \$18,200 in 2012-13). Other individuals may not lodge a tax return even if required. Care should be taken in interpreting the data as well as comparing the data in this publication with other income data produced by the ABS.
- (b) Employee income is the gross income received as a return for labour from an employer or from a person's own incorporated business (when they are employed by this business) (i.e. wages and salaries). It is a subset of total income.
- (c) Total income is a sum of employee income earnings, own unincorporated business income, investment income, superannuation and annuity income, other income (excluding Government pensions and allowances).

Source: Australian Tax Office (ATO), *Taxation Statistics* and ABS, *Estimates of Personal Income for Small Areas*.

### Income distribution

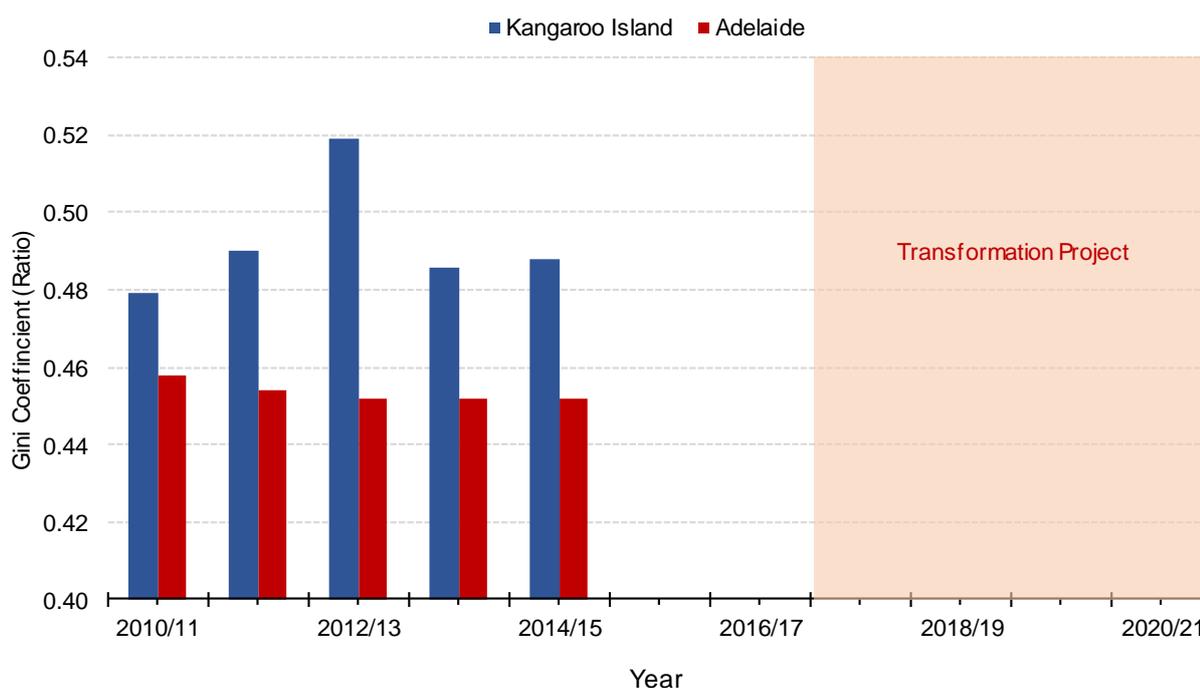
**Definition:** Gini coefficient of estimated total income (excluding government pensions and allowances).

**Purpose/Relevance:** Gini coefficient is a summary indicator of the degree of inequality in income members of the tax form lodging population. It lies between 0 and 1 and values closer to 1 represent greater inequality. This monitors if the benefits of the Transformation Project are shared across different income groups of Kangaroo Island residents.

**Frequency of Data:** Annual.

- In 2014/15, Kangaroo Island's Gini coefficient for total incomes was at 0.49, slightly higher than the state average at 0.45. This suggest there is slightly greater income inequality in Kangaroo Island compared to the state average. Relative to a year earlier, Kangaroo Island's Gini coefficient had risen slightly, by 0.4 percent.
- In 2014/15, there was a 1.5 percentage points rise in the share of Kangaroo Island's total income in the lowest quartile (i.e. those earning less than \$21,929) while that in second quartile decreased by 0.6 percentage points, a 0.7 percentage points decrease for third quartile and a 0.4 percentage points decrease for those in the highest quartile.
- **Potential outcome:** While the outcome of the Transformation Projects is likely to be positive, it is important that the economic benefits are distributed across the entire workforce. This will be captured by this indicator.

**Figure 3.13 Gini coefficient of total income<sup>(a),(b)</sup>**  
Kangaroo Island and South Australia, 2010/11 to 2014/15, ratio

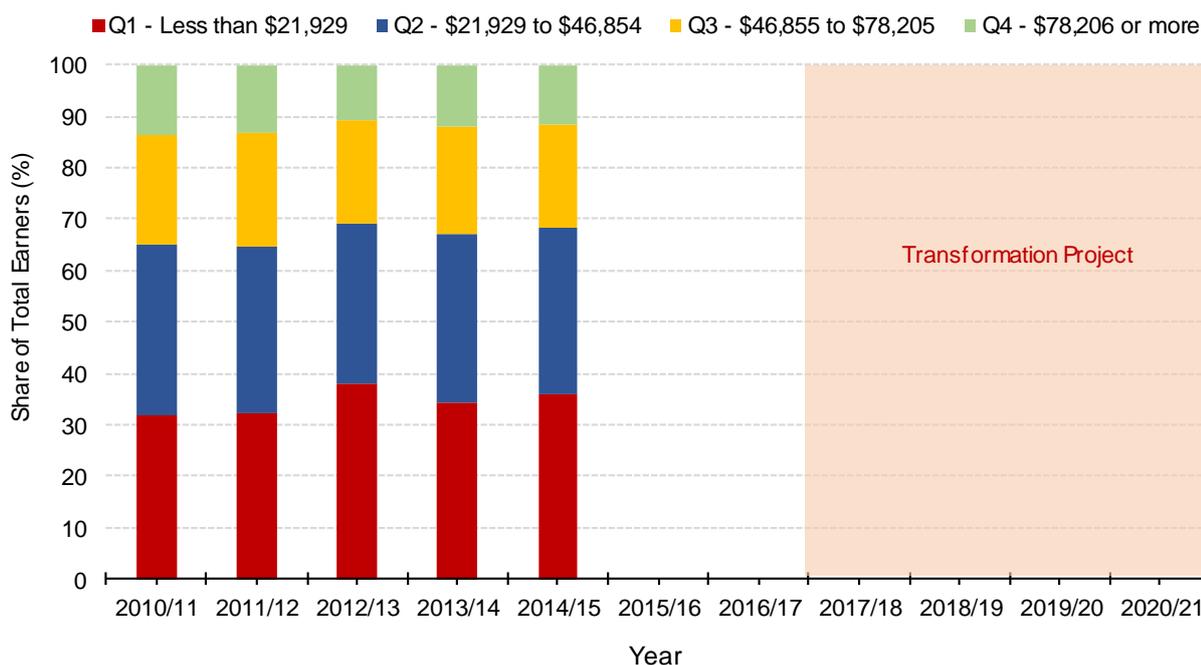


Note: (a) Total Income excludes government pensions and allowances. Gini coefficient here are calculated as gross personal income and should not be directly compared to other ABS measures.  
 (b) There is an under-coverage of certain income groups in taxation data due to tax exemptions, and people being under the tax free threshold (e.g. people aged 60 and above who are most dependant on superannuation income, and those most reliant on government pensions and allowances may be missing from the tax data. Note that the tax free threshold - which rose from \$6,000 to \$18,200 in 2012/13.

Source: Australian Tax Office (ATO), *Taxation Statistics* and ABS, *Estimates of Personal Income for Small Areas*.

**Figure 3.14 Distribution of total income<sup>(a),(b)</sup>**

Kangaroo Island and South Australia, 2010/11 to 2014/15 – share of Kangaroo Island total earners (per cent) within Australia's quartile ranges<sup>(c)</sup>



Note: (a) Total Income excludes government pensions and allowances. Gini Coefficient here are calculated as gross personal income and should not be directly compared to other ABS measures.  
 (b) There is an under-coverage of certain income groups in taxation data due to tax exemptions, and people being under the tax free threshold (e.g. people aged 60 and above who are most dependant on superannuation income, and those most reliant on government pensions and allowances may be missing from the tax data. Note that the tax free threshold - which rose from \$6,000 to \$18,200 in 2012/13.  
 (c) Australia's quartile ranges are used to calculate the distribution. Each of the quartile represent 25 per cent of Australia's total income in ascending order.

Source: Australian Tax Office (ATO), *Taxation Statistics* and ABS, *Estimates of Personal Income for Small Areas*

### A note on interpretation<sup>2</sup>

The Gini coefficient in this report is used to report on income distribution of the Kangaroo Island tax form lodging population. The coefficient is a measure of income distribution/income equality so that a coefficient of zero would mean that all residents had the same income. It is thus a measure of income equality – zero, perfect equality; a score of 1, perfect inequality. A Gini coefficient increasing from 0.70 → 0.90 would imply a higher level of economic and social inequality.

The intent of the Kangaroo Island Transformation Project is to boost the economy, increase investment, tourism and employment and one desired outcome is to boost incomes and employment for local residents. We want to see those in the lowest quartiles increase their share of income and employment as the whole economy grows so that the Gini coefficients declines towards zero.

<sup>2</sup> A Gini coefficient can be used to report on wealth distribution but that is not the case here.

### 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.

- Domestic overnight visitors are the largest contributor to Kangaroo Island’s tourism industry. In 2015, Kangaroo Island had 101,000 domestic overnight 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 tourists is a “first order” indicator of the impact of the *Transformation Project*.

**Table 3.5 Visitors to Kangaroo Island, 2015**

Year	2015	2016	After Transformation Project			
			2017	2018	2019	2020
<b>Visitors ('000)</b>	<b>np</b>					
International	41					
Domestic Overnight	101					
Domestic day	np					
<b>Nights ('000)</b>	<b>551</b>					
International	171					
Domestic Overnight	380					
Domestic day	-					
<b>Spend (\$m)</b>	<b>np</b>					
International	21					
Domestic Overnight	64					
Domestic day	np					
<b>Average spend per trip (\$)</b>	<b>np</b>					
International	512					
Domestic Overnight	636					
Domestic day	np					
<b>Average spend per night (\$)</b>	<b>154</b>					
International	123					
Domestic Overnight	169					
Domestic day	-					

Note: 'np' = the estimate is unreliable and cannot be published.  
Source: Tourism Research Australia, *Tourism Region Profiles*.

### Tourism expenditure and overnight visitors

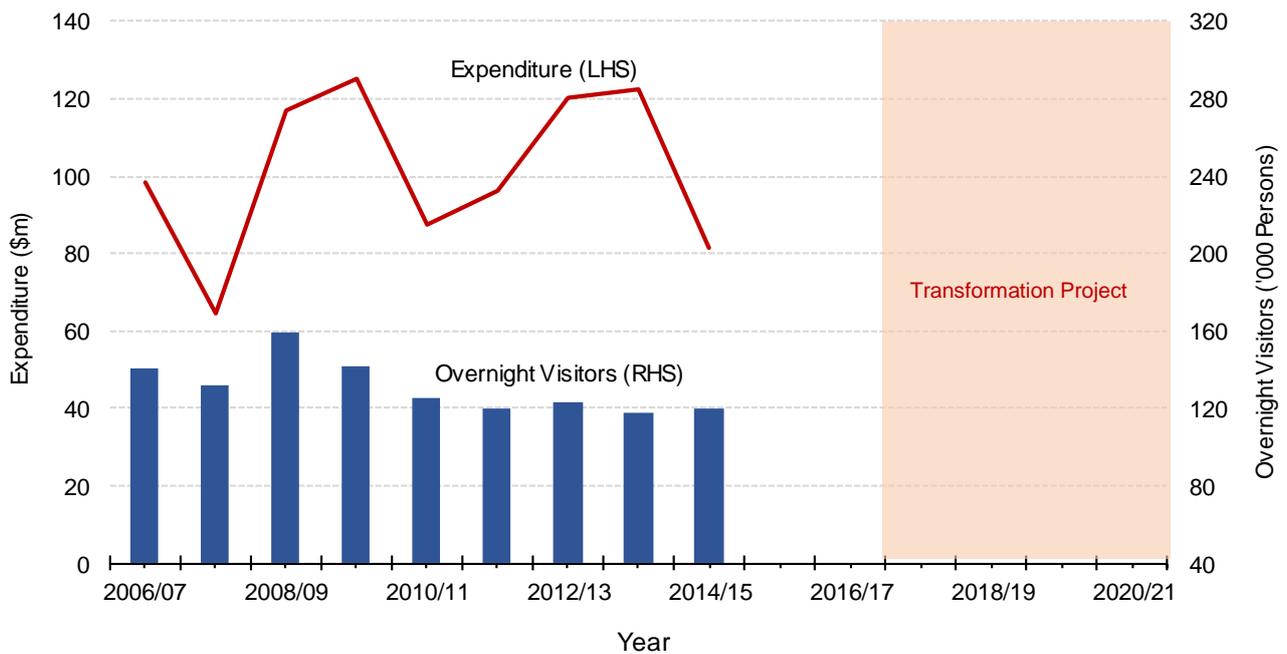
**Definition:** Tourism expenditure and overnight visitors.

**Purpose/Relevance:** Monitoring the trend in expenditures and overnight visitors.

**Frequency of Data:** Annual.

- In 2014/15, Kangaroo Island visitors spent \$81 million with 120,000 overnight visitors. This was lower than the average for the period 2006/07 to 2014/15, with \$102 million in expenditures and 131,000 overnight visitors.
- Kangaroo Island's market share of expenditure and overnight visitors (as a share of total Adelaide) is 2.7 per cent of expenditure and 4.5 per cent of Adelaide's overnight visitors. Compared to other South Australian regions, Kangaroo Island also recorded the lowest tourism expenditures and overnight visitors in 2014/15.
- However, tourism is notably more important to Kangaroo Island's economy when compared to other regions. In 2014/15, Kangaroo Island recorded a visitor to population ratio of 27.4 compared to Adelaide at 2.8 and the average of the remaining regions at 8.4. This confirms that Kangaroo Island is more reliant on tourism.
- **Potential outcome:** the *Transformation Project* has a strong focus on 'tourism-related' initiatives. It is likely that this will translate to a direct increase in the number of overnight visitors and their accompanying expenditures in Kangaroo Island.

**Figure 3.15 Tourism expenditure and overnight visitors<sup>(a)</sup>**  
Kangaroo Island, 2006/07 to 2014/16 – \$m and '000 persons



Note: (a) Tourism expenditure include expenditures from international visitors, domestic overnight visitors and domestic day trip visitors. Overnight visitors include international visitors and domestic overnight visitors.  
Source: Tourism Research Australia, *Tourism Region Profiles 2014/15*.

### Tourist accommodation – capacity and utilisation

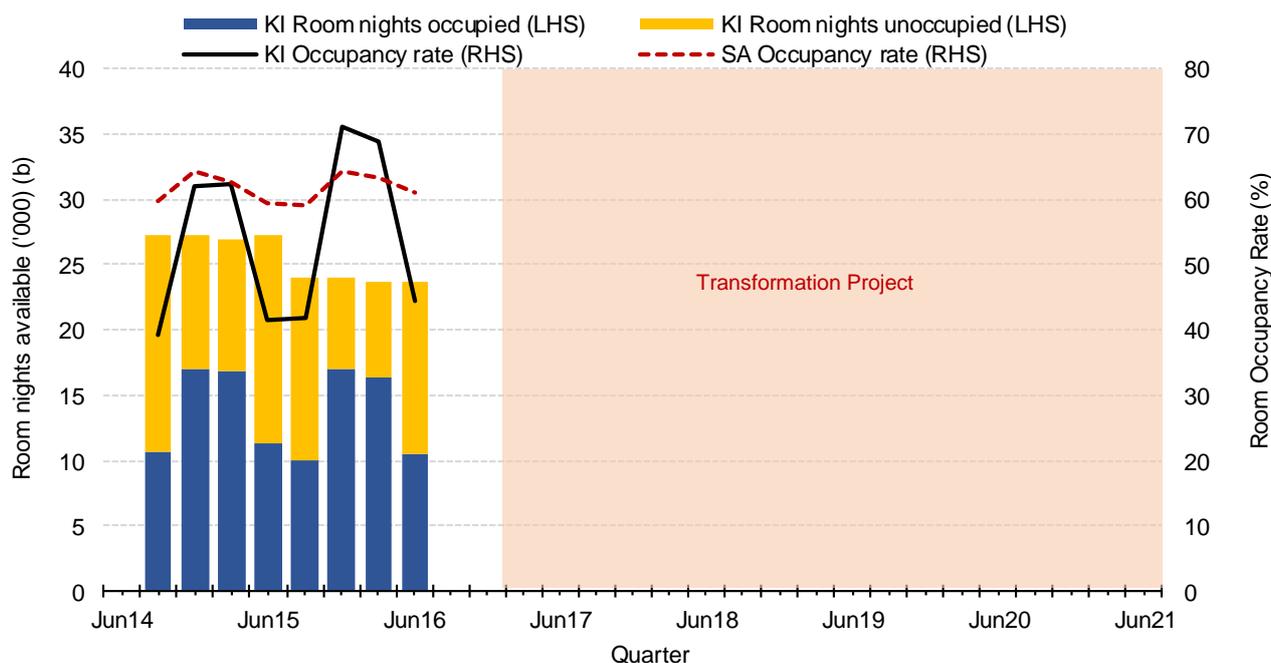
**Definition:** Total room nights available (i.e. total room capacity) and room occupancy rates.

**Purpose/Relevance:** Monitoring room capacity and occupancy rates.

**Frequency of Data:** Annual.

- As at the June quarter 2016, Kangaroo Island had nine accommodation establishments (i.e. hotels, motels or serviced apartments with 15 or more rooms) with over 23,700 room nights available with an occupancy rate of 44 per cent. Compared to the state average, occupancy rates are relatively low.
- Compared to the June quarter a year earlier, occupancy rates have increased by 2 percentage points (i.e. from 42 per cent to 44 per cent). This is in line with the state average increase from 59 per cent to 61 per cent over the same period.
- Occupancy rates in Kangaroo Island are relatively seasonal. High average occupancy rates occur throughout the warmer months, December and March quarter (i.e. high season) with lower average occupancy over the June and September quarters.
- Potential outcome:** With more tourism facilities proposed (i.e. America River Resort, Acacia apartments, Aurora Ozone Hotel, Emu Bay Housing Development and Holiday Village), this will directly translate to increased room availability. This has the potential for accommodation and tourism operators to promote special packages, engage in competitive discounting and boost visitor nights – in short boost competition to increase occupancy rates.

**Figure 3.16 Tourist accommodation<sup>(a)</sup> – room availability<sup>(b)</sup> and occupancy rates<sup>(c)</sup>**  
Kangaroo Island, September 2014 to June 2016 quarter – '000 Rooms and per cent



Note: (a) A methodology change in 2014–15 resulted in the addition of 17,800 rooms not previously accounted for (i.e. series break). Hence, 2014–15 data cannot be compared to previous years. During the processing of 2015-16 some of the new additions to the sample were duplicates that lead to the overstatement of 2014-15 estimates. Data for 2015-16 is not affected by the duplicated records. Caution should be exercised in interpreting estimates between 2014-15 and 2015-16.  
 (b) Room nights available is the number of rooms/units available multiplied by the number of days for which they are available to paying guests. It is the sum of room nights occupied and unoccupied by paying guests.  
 (c) Room occupancy is expressed as a percentage of total room capacity.

Source: ABS, *Tourist Accommodation, Australia 2015-16*.

### Tourist accommodation – revenue

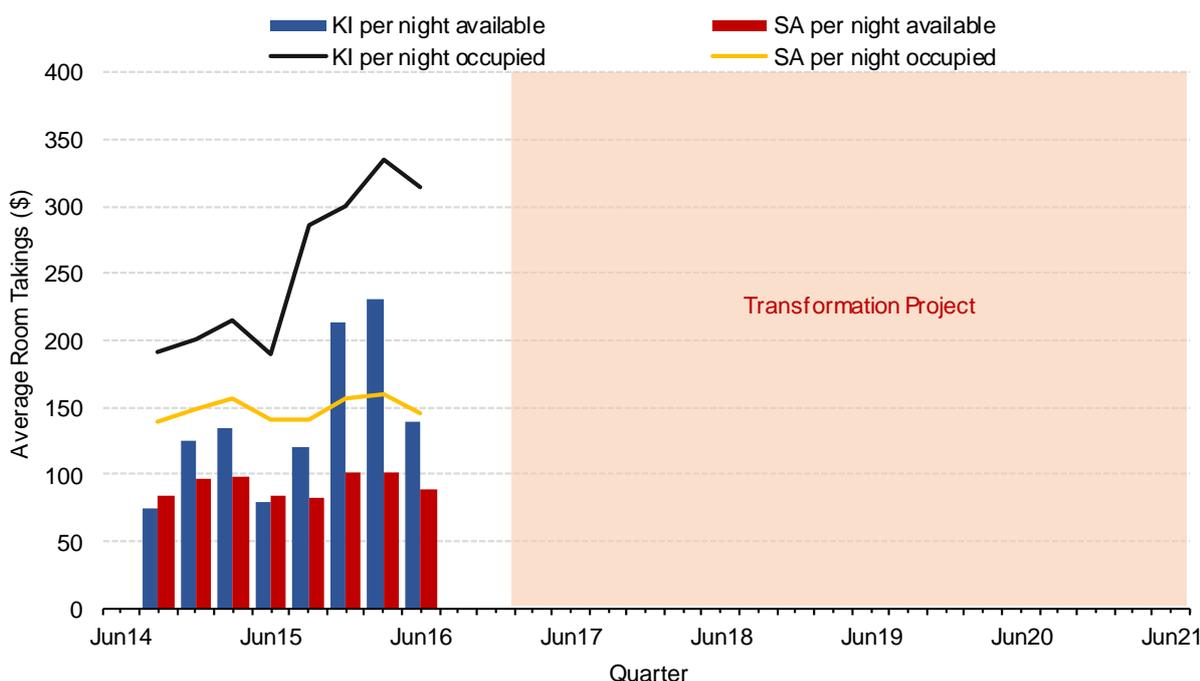
**Definition:** Average takings per room night occupied and per room night available (i.e. room capacity).

**Purpose/Relevance:** Monitoring the changes in the average revenue received from the provision of accommodation and revenue received given the stock of accommodation available (i.e. room nights available). This indicates revenue received for occupied rooms and revenues received given the supply of available rooms.

**Frequency of Data:** Annual.

- As at the June quarter 2016, Kangaroo Island's total accommodation takings was \$3.3 million. This accounted for 3.0 per cent of the state average with approximately only 1.9 percent room nights available.
- Despite having lower occupancy rates than the state average, Kangaroo Island received higher revenues per room occupied (i.e. per room occupied) and generates revenue more efficiently given the stock of rooms available (per room available). In June 2016, Kangaroo Island's average takings per room night occupied was \$314 per room occupied, more than double the takings at the state average of \$145.
- **Potential outcome:** The increase in the supply of accommodation (i.e. America River Resort, Acacia apartments, Aurora Ozone Hotel, Emu Bay Housing Development and Holiday Village) and likely increased occupancy rates, will put downward pressure on average takings through increase competition. The wider impact will be to increase the affordability of visiting and staying overnight on the Island.

**Figure 3.17 Average room takings – per room night occupied and per room night available<sup>(a)</sup>**  
Kangaroo Island, September 2014 to June 2016 quarter – \$ per room night occupied



Note: (a) Takings from accommodation is the revenue received from the provision of accommodation. Average takings per room occupied is the revenue received from the stock of total room nights available (i.e. room capacity).

Source: ABS, *Tourist Accommodation, Australia 2015-16*.

### Tourism businesses

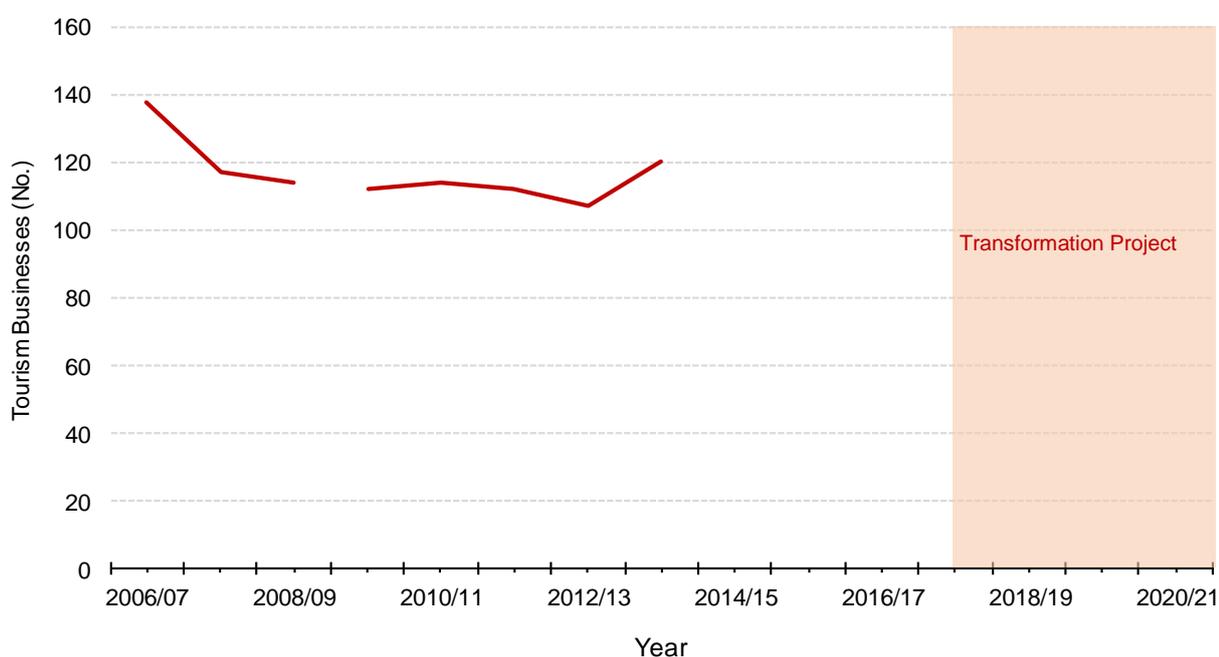
**Definition:** Number of businesses engaging in the tourism industry.

**Purpose/Relevance:** Monitoring the stock and changes in Kangaroo Island’s tourism business.

**Frequency of Data:** Annual.

- In 2013/14, Kangaroo Island had a total of 120 tourism business, accounting for about 1 per cent of the Adelaide’s average (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 scale economies.

Figure 3.18 Kangaroo Island Tourism Businesses, 2006/07 to 2014/15<sup>(a),(b)</sup>



Notes: (a) 2014/15 estimate not yet available.  
 (b) From 2009/10, there was a methodology change to the definition of 'tourism businesses'. This has resulted in lower numbers from 2009/10 onwards.  
 Source: Tourism Research Australia, *Tourism Region Profiles*.

**Aviation: air passengers and aircraft movements**

**Definition:** Total of air passenger and aircraft movements.

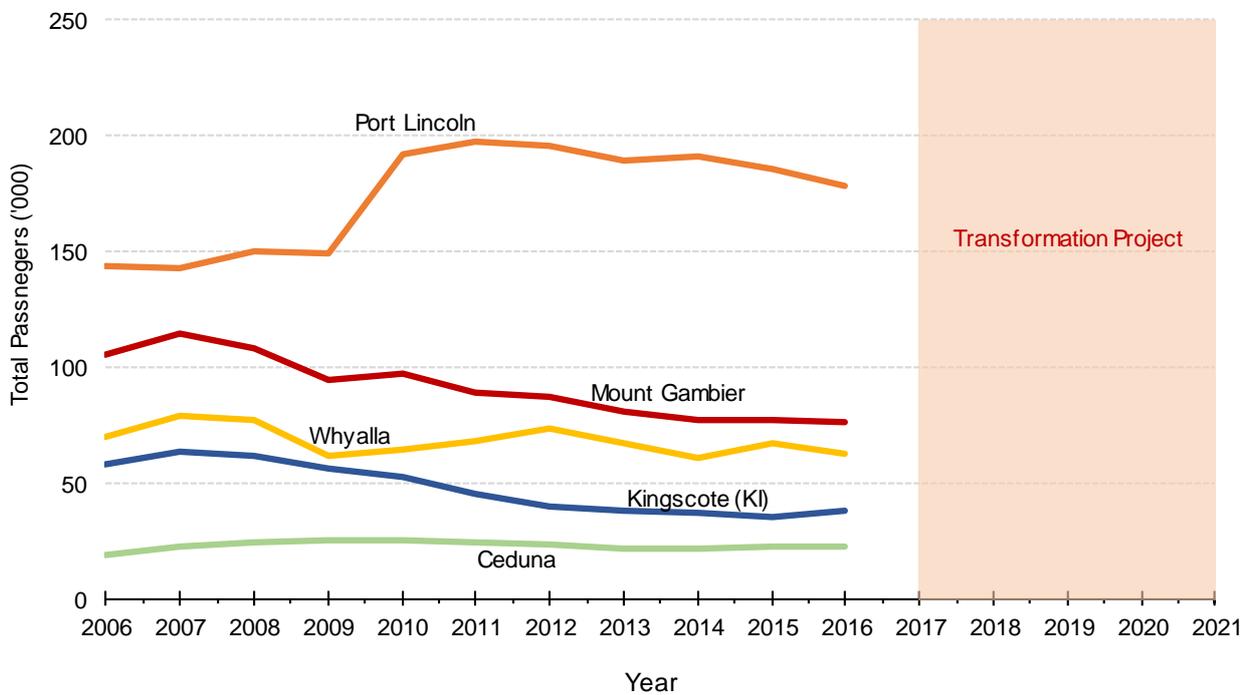
**Purpose/Relevance:** Monitoring air passenger and aircraft movements in Kingscote relative to other regions.

**Frequency of Data:** Bi-annual.

- After a decade of declining air passenger movements, Kingscote recorded a 9 per cent growth in passengers in the year to 2016. Passenger numbers were recorded at 38,200.
- This was accompanied by reduced aircraft movements in and out of Kingscote Airport. Total flight movements in 2016 were at 2,152 movements, less than half the number of flights in 2007 at 5,943.
- **Potential outcome:** The completion of the proposed Airport upgrade and direct flights from interstate are projected to translate into an increase in the number of air passenger and aircraft movements.

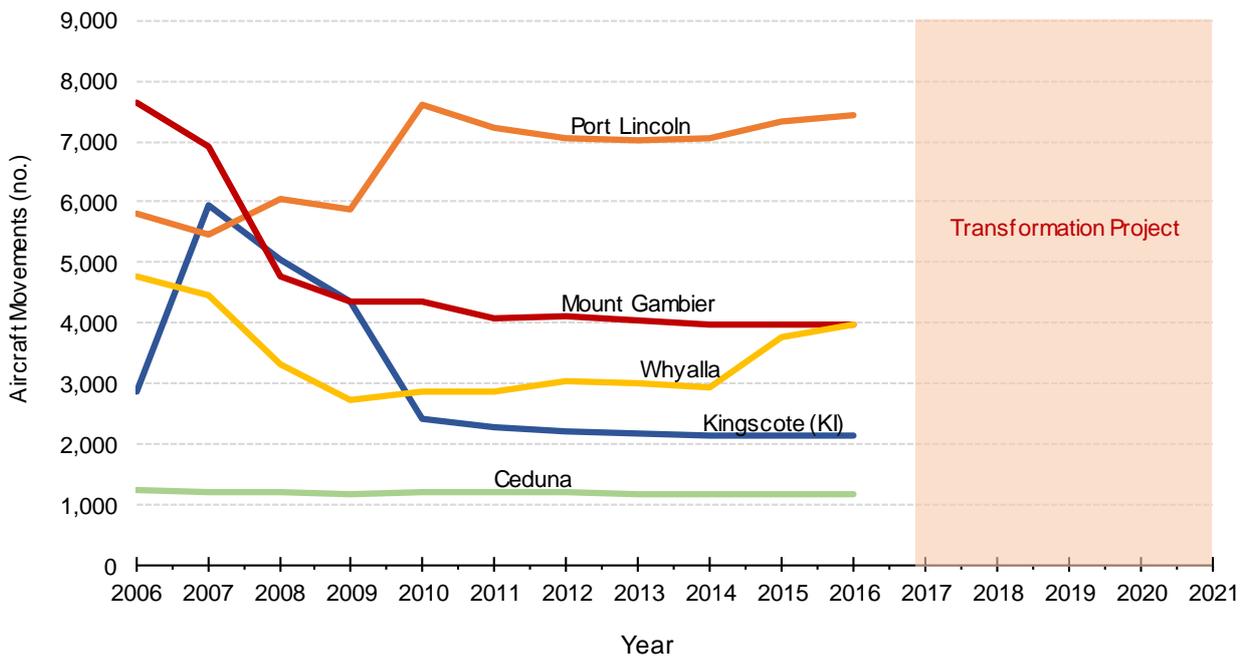
**Figure 3.19 Passenger movements to Kingscote<sup>(a)</sup>**

Kingscote and other major regional airports in South Australia<sup>(a)</sup>, 2006 to 2015-16



Note: (a) Total passenger movements is the sum of inbound and outbound passengers for each airport.  
 Source: Department of Infrastructure and Regional Development, *Airport Traffic Data*.

**Figure 3.20 Aircraft movements<sup>(a)</sup>**  
 Kingscote and other major regional airports in South Australia<sup>(a)</sup>, 2006 to 2015-16



Note: (a) Total aircraft movements is the sum of inbound and outbound flights.  
 Source: Department of Infrastructure and Regional Development, *Airport Traffic Data*.

### Aviation: capacity and utilisation

**Definition:** Aviation capacity and seat utilisation.

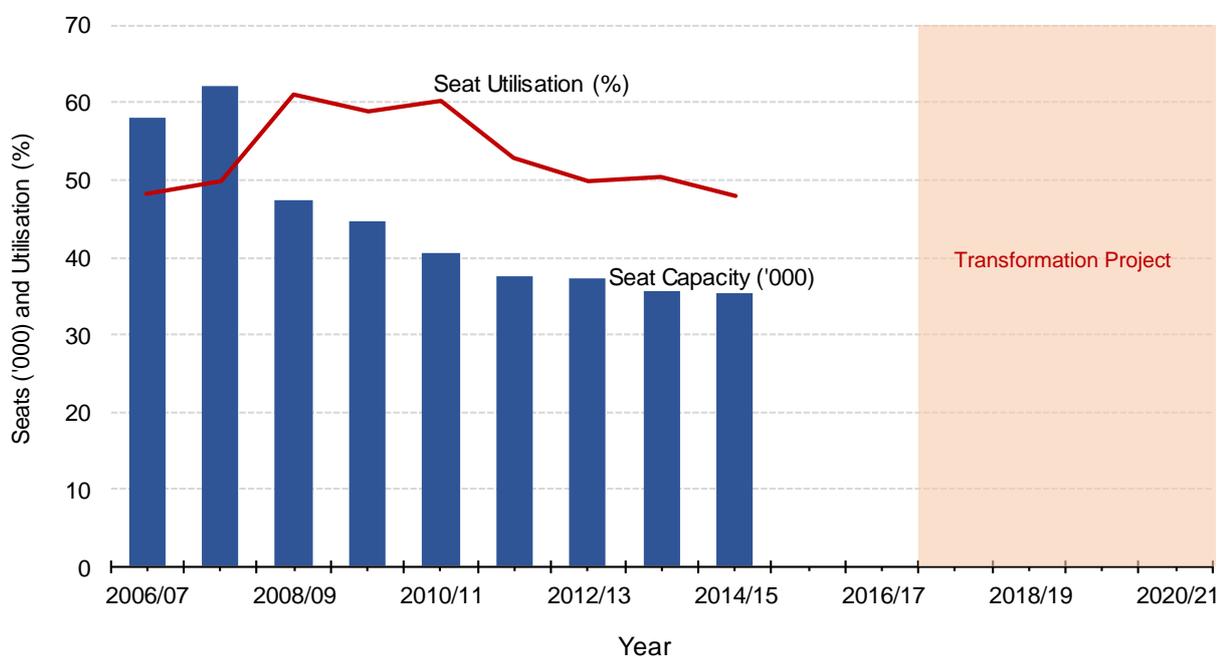
**Purpose/Relevance:** Monitoring in-bound seat capacity and seat utilisation to Kingscote Airport.

**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.
- **Potential outcome:** Outcomes upon the completion of the Airport upgrade is likely to translate to higher seating capacity. Seat utilisation are dependent on the demand by visitors to fly into Kangaroo Island. A higher seat utilisation rate is desired. Too high a rate can indicate unmet demand and is a competitive market signal to respond to air passenger demand.

**Figure 3.21 Aviation Capacity and Seat Utilisation**

Kingscote Kangaroo Island, 2006/07 to 2014/15



Notes: (a) Capacity is the number of available seats available going to Kingscote Airport.  
 (b) Seat utilisation is the number of inbound passengers to Kingscote Airport divided by the total number of seats available.

Source: Tourism Research Australia, *Tourism Region Profiles*.

### Ferry passenger movements

**Definition:** Growth in one-way ferry passenger movements.

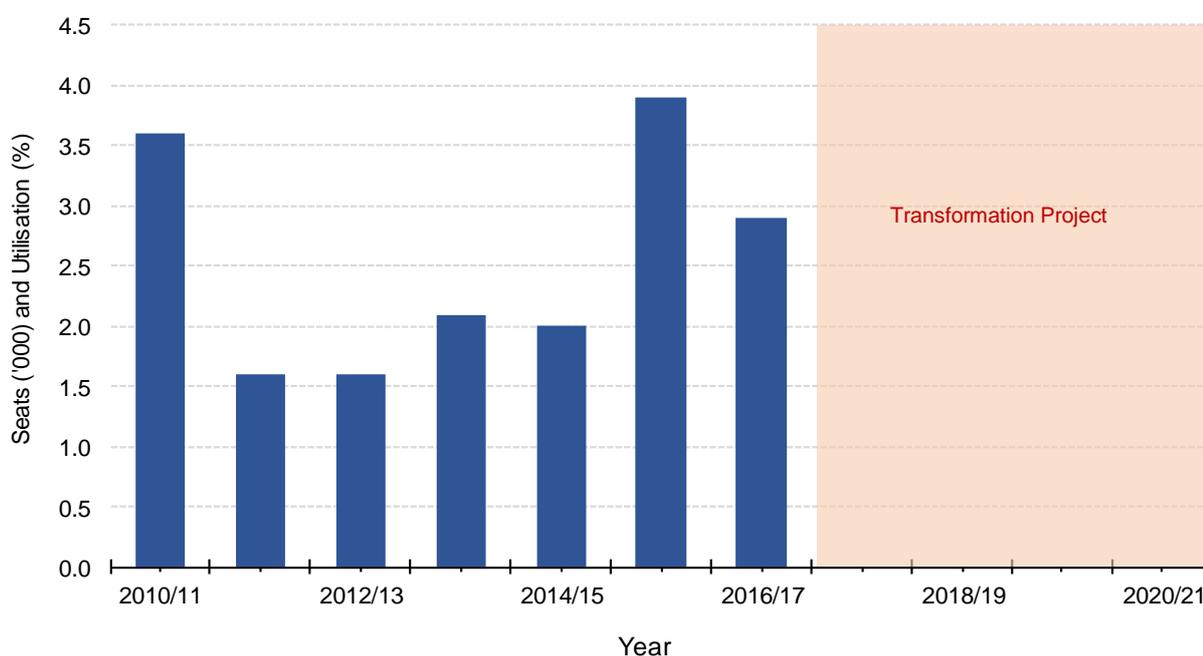
**Purpose/Relevance:** Monitoring ferry passenger movements in Kingscote.

**Frequency of Data:** Bi-annual.

- Over the year to 2016/17, ferry passenger movements recorded a 2.9 per cent increase. However, this is lower than the growth rate recorded a year earlier, at 3.9 per cent.
- Ferry passengers movements account for approximately 90 per cent of passenger movements; air passenger movements 10 per cent and this has been relatively stable over the 5 years to 2016/17. The highest months for all passenger movements are the warmer months of October to February.
- Non-regular passenger transport (i.e. private charter planes) have increased by more than 50 per cent (CAGR: 8.5 per cent) since 2011/12.

**Figure 3.22 Growth in Ferry Passenger Movements<sup>(a)</sup>**

Kangaroo Island, 2010/11 to 2016/17



Note: (a) One-way passenger movements passenger movements into Kangaroo Island.  
 Source: Sealink data provision, 2017, unpublished.

## References

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### Remarkable Rocks, Flinders Chase National Park, Kangaroo Island



*Image courtesy of Brand Kangaroo Island*