



LIMESTONE COAST REGIONAL GROWTH STRATEGY TECHNICAL REPORT

JUNE 2018



**REGIONAL
AUSTRALIA
INSTITUTE**

**PATHFINDER
INITIATIVE**

Navigating opportunities for growth



Naracoorte Lucindale Council
Better by Nature



RESEARCH PARTNERSHIPS

The Pathfinder project is a partnership between the Regional Australian Institute (RAI) and the Limestone Coast Local Government Association (LCLGA), with support from Regional Development Australia Limestone Coast (RDALC), and each of the seven local councils of Grant, Kingston, Mount Gambier, Naracoorte-Lucindale, Robe, Tatiara and Wattle Range.

The RAI developed Pathfinder to help regional leaders cut through complexity and focus on the initiatives that can have the greatest impact for their region. It is designed to inform local leaders on the strengths and weaknesses of the region's economy and quantifies the anticipated benefits if constraining issues are addressed.

ACKNOWLEDGEMENTS

The RAI team acknowledges all the people and organisations who have contributed feedback and ideas during the development of this report. We have included a list of key informants - however this represents just a small fraction of the local time, effort and thought that has supported the development of this work. We are indebted to everyone for their input.

Independent and informed by both research and ongoing dialogue with the community, the RAI develops policy and advocates for change to build a stronger economy and better quality of life in regional Australia – for the benefit of all Australians. The RAI was established with support from The Australian Government.

DISCLAIMER AND COPYRIGHT

This research translates and analyses findings of research to enable an informed public discussion of regional issues in Australia. It is intended to assist people to think about their perspectives, assumptions and understanding of regional issues. No responsibility is accepted by RAI, its Board or its funders for the quality of advice or decisions made by others based on the information presented in this publication.

RAI RESEARCH AND POLICY

Project Team:

David Spear
Ben Vonthethoff
Dr Kim Houghton

CONTENTS

Appendix A: Priority Impact and Assessment Report.....	4
<i>Executive Summary.....</i>	<i>4</i>
<i>Delivering future growth potential for the Limestone Coast Region.....</i>	<i>6</i>
<i>Payoff Scenarios for the 6 priority areas.....</i>	<i>7</i>
<i>Invigorate the working age population.....</i>	<i>8</i>
Current Situation.....	8
Challenges.....	11
Payoff Estimate.....	11
Potential Action Areas.....	11
<i>Build on the region's competitive advantage in agribusiness.....</i>	<i>13</i>
Current Situation.....	13
Challenges.....	14
Payoff Estimate.....	14
Potential Action Areas.....	15
<i>Capture expected gains in the healthcare and social assistance sector.....</i>	<i>16</i>
Current Situation.....	16
Challenges.....	17
Payoff Estimate.....	17
Potential Action Areas.....	18
<i>Support the development of a vibrant business ecosystem.....</i>	<i>19</i>
Current Situation.....	19
Challenges.....	19
Payoff Estimate.....	20
Potential Action Areas.....	20
<i>Collaborate to build tourism capacity in the region.....</i>	<i>21</i>
Current situation.....	21
Challenges.....	21
Payoff Estimate.....	22
Potential Action Areas.....	22
<i>Securing investment to deliver regional infrastructure priorities enabling growth.....</i>	<i>23</i>
Current situation.....	23
Challenges.....	24
Potential Action Areas.....	24
<i>Scenarios and potential next steps.....</i>	<i>25</i>
<i>Note on Modelling Methodology.....</i>	<i>27</i>
Appendix C: Method.....	28
Appendix E: Limestone Coast Pathfinder Discussion Paper.....	31
<i>Growth Factors that will drive the Limestone Coast Region's growth.....</i>	<i>31</i>
Context.....	33
Findings.....	33
On the agenda.....	33
Data.....	34
Contacts and further information.....	35
Appendix F: Regional Megatrends.....	36
<i>Digital Disruption.....</i>	<i>36</i>
<i>Changing Climates.....</i>	<i>36</i>
<i>An Ageing World.....</i>	<i>36</i>
<i>New Food Boom.....</i>	<i>36</i>
Appendix G: Stakeholders Engaged in Pathfinder Limestone Coast.....	37
References.....	38

APPENDIX A: PRIORITY IMPACT AND ASSESSMENT REPORT



EXECUTIVE SUMMARY

The Limestone Coast region is undergoing a structural shift in employment growth. Traditional industries like agriculture and manufacturing are expected to remain strong drivers of the economy, while the majority of new jobs are expected to come from service based roles.





Growth drivers for the region will be continued competitiveness in the agribusiness sector, as well as capturing expected employment gains from the healthcare and social assistance industry, developing a more coordinated tourism market, and lifting the region's business capability. The Pathfinder project has identified that a period of strong performance could grow the region from approximately \$3.4 billion Gross Value-Added per annum in 2018 to \$4.1 billion by 2026¹.

However, this potential is constrained by demographic changes to its ageing and working age population, lower levels of skilling in the region, and critical infrastructure constraints.

This report highlights the opportunities, challenges, and estimated payoffs for 6 priorities to grow the region through to 2026.

 <p>INVIGORATE WORKING POPULATION</p>	<p>Invigorate the working age population</p> <p>Aim: Attract and retain at least 2000 people into the region by 2026 to support a sustainable working age population.</p> <p>Key Action: Develop a targeted migration strategy to support attraction and retention of more people to the region.</p>
 <p>AGRIBUSINESS COMPETITIVE ADVANTAGE</p>	<p>Build on the region's competitive advantage in agribusiness</p> <p>Aim: To take advantage of growing global demand for sustainable, high quality agricultural produce by building on strong reputation for red meat, dairy, wine, horticulture and fishing, as well as forestry production.</p> <p>Key Action: Develop better linkages across the supply chains of the region's diverse agribusiness sector and lift SME capability through the region with an emphasis on value-adding and small business skilling.</p>

¹ Sourced from PWC's GEM model "Base Case" scenario

 <p>HEALTHCARE & SOCIAL ASSISTANCE GAINS</p>	<p>Capture expected gains in healthcare and social assistance sectors</p> <p>Aim: Increase local employment in healthcare and social assistance by 2026.</p> <p>Key Action: Promote the value of healthcare and social assistance as a high growth industry and support the attraction and development of health and social assistance skills within the region.</p>
 <p>VIBRANT BUSINESS ECOSYSTEM</p>	<p>Support the development of a vibrant business ecosystem</p> <p>Aim: Develop a vibrant business community to lift business capability and foster a more entrepreneurial region.</p> <p>Key Action: Promote entrepreneurial activity in the region and support region-wide access to business upskilling and mentoring for SMEs.</p>
 <p>BUILD TOURISM CAPACITY</p>	<p>Collaborate to build tourism capacity in the region</p> <p>Aim: Grow the region's tourism industry through greater regional coordination, more developed products and experiences and lift capability in the region.</p> <p>Key Action: Resource and strengthen the capability of the Limestone Coast's regional tourism framework, enabling strong management and coordination of regional tourism activities.</p>
 <p>FACILITATE ECONOMIC GROWTH</p>	<p>Securing investment to deliver regional infrastructure priorities enabling growth</p> <p>Aim: Develop a coordinated approach to lobby and advocate for key regional infrastructure enabling economic growth, positioning the Limestone Coast as the investment destination of choice.</p> <p>Key Action: Ensure the delivery of the Regional Infrastructure Audit identifies and prioritises the hard (physical) and soft (social) infrastructure needs of the Limestone Coast.</p>

DELIVERING FUTURE GROWTH POTENTIAL FOR THE LIMESTONE COAST REGION

The Pathfinder project has identified that a strategically coordinated Limestone Coast (LC) regional economy has the potential to grow from \$3.4 billion per annum in GVA to \$4.1 billion by 2026.

The Pathfinder project is a partnership between the RAI and the Limestone Coast Local Government Association (LCLGA), with support from Regional Development Australia Limestone Coast (RDALC), and each of the seven local councils of Grant, Kingston, Mount Gambier, Naracoorte-Lucindale, Robe, Tatiara and Wattle Range in South Australia. The project aims to inform local leaders and enable them to make decisions about the future of their region based on the best data available, knowledge, local ideas and a clear understanding of the current job environment.

This initiative aims to build on the current direction of strategies and leadership already in the region, assessing the trajectory of the region's economy, highlighting strengths and weaknesses and quantifying anticipated benefits if constraining issues are addressed. This report blends economic analysis with local input, and presents a set of priorities under a common metric of potential jobs to give regional leaders a foundation to agree upon actions that are likely to achieve the greatest impact.

After a period of stable growth across the regional economy, it's clear that in more recent years the situation has turned around. Overall growth has been relatively flat in recent years while the economy is undergoing a structural shift as employment share in traditional industries like agriculture and manufacturing decline and employment in service sectors grows. This shift is driven by a combination of factors. Technological change means agribusiness industries are becoming less labour intensive, at the same time demand for services is growing nationally. Therefore, while the region's agribusiness sector will likely remain as an important driver for the local economy, gains in employment are more likely to be generated by other industry sectors.

The region does face a number of key constraints. Low levels of skills in key sectors, as well as an ageing demographic, means that filling new job opportunities will be a challenge going forward. Infrastructure constraints are also prevalent across the region. Access to reliable and affordable power remains the biggest issue for communities and businesses throughout the Limestone Coast. The region has a history of supporting new energy technologies and there is considerable potential for bioenergy projects, however these are in early stages of development. Access to effective telecommunication and lack of adequate road infrastructure for freight needs also present significant barriers. The final Regional Growth Strategy sits alongside the RDALC led Infrastructure Audit that aims to catalogue and address these key infrastructure constraints. Overcoming these barriers will be important steps in facilitating future growth, encouraging businesses to invest in the region and unlock emerging opportunities.

With new opportunities emerging, capability must meet potential to ensure the region is well placed to grow over the next 10 years. To deliver on this growth potential, the following priority areas have been assessed as areas likely to support broad economic development across the region. Each priority scenario builds current and future potential enabling projects to drive job growth and demonstrate a well-rounded picture of the regional economy.

Based on data analysis, future economic projections, consultation with stakeholders across the region and discussions with LCLGA and the Regional Growth Strategy project leadership group, there are six clear priorities for the region.

These are focused on:

- Attracting and retaining more people across the region to fill key skills gaps and support vibrant and sustainable regional communities
- Build on the region's competitive advantage in agribusiness
- Capturing employment opportunities in growing sectors like healthcare and social assistance
- Support the development of a vibrant business ecosystem
- Collaborating across the region to develop a more coordinated tourism market
- Develop a coordinated approach to lobby and advocate for key regional infrastructure to enable infrastructure

Each of these is examined in the following sections of this report, and we include estimates of the employment payoffs in scenarios where the constraints are addressed.

PAYOFF SCENARIOS FOR THE 6 PRIORITY AREAS

The priority scenario modelling described below has been constructed from a combination of data analysis and stakeholder engagement across the region. While certain priorities will likely be more strategically important for certain LGAs, these are areas which have the potential to lift up the region as a whole and provide the foundations to create a plan of attack for local leaders.

The priorities outlined build upon the extensive previous work done across the region in various capacities by different organisations in recent years. The priorities selected here are designed to deliver a set of priorities for the region as a whole, cross-referencing initiatives that in the next 5 – 10 years will make a significant impact on growing the Limestone Coast region. These six key priority areas are comprised of four major industry drivers including building on the region's competitive advantage in agribusiness, capturing healthcare and human services growth potential, boosting the region's business dynamo and developing a more coordinated regional tourism product, as well as an overarching enabling priority of supporting population growth in the region to attract skills, jobs, and retain people in the community, and attracting infrastructure investment into the region. As a broad enabling priority, infrastructure needs have been assessed through regional engagement, documenting the current situation and challenges faced, and as such have not been modelled in payoff terms.



INVIGORATE THE WORKING AGE POPULATION

Aim: Attract and retain at least 2000 people into the region by 2026 to support a sustainable working age population.

Current Situation: Between 2011 and 2016, five out of seven of the region's Local Government Areas saw either flat growth or a decline in the local working age population. A combination of out-migration and an ageing demographic will have significant long-term implications for a region seeking to grow. Without a sustainable working age population, the region will increasingly have a smaller labour pool with the necessary skills from which to draw on to support business and industry growth.

Key actions: Develop a targeted migration strategy to support attraction and retention of more people to the region.

CURRENT SITUATION

By 2026, SA State Planning expects Mount Gambier to be the only LGA to have an increase in the total working age population in the region, with the working age population of the Limestone Coast region collectively expected to decline by approximately 2000. To enable industry and job growth across the region in subsequent priority areas, the region will need a strong pool of human capital from which to draw upon. Population growth is a current SA state priorityⁱ and the Limestone Coast will need to work to develop strategies to attract and retain more working age people to ensure the region has access to skilled workers and foster vibrant communities.

Between 2011 and 2016 the overall population of the Limestone Coast grew marginally. LGAs like Grant, Mount Gambier and Naracoorte-Lucindale have increased in total, yet the region's other areas of Kingston, Robe, and Tatiara, and Wattle Range have either stalled or declined. The LGAs of Grant and Mount Gambier are the only two LGAs in the region close to the non-metro SA average population growth rate (as shown in figure 1 below). Looking forward to 2026, the overall population growth rate of Limestone Coast is expected to be well below the non-metro SA rate.

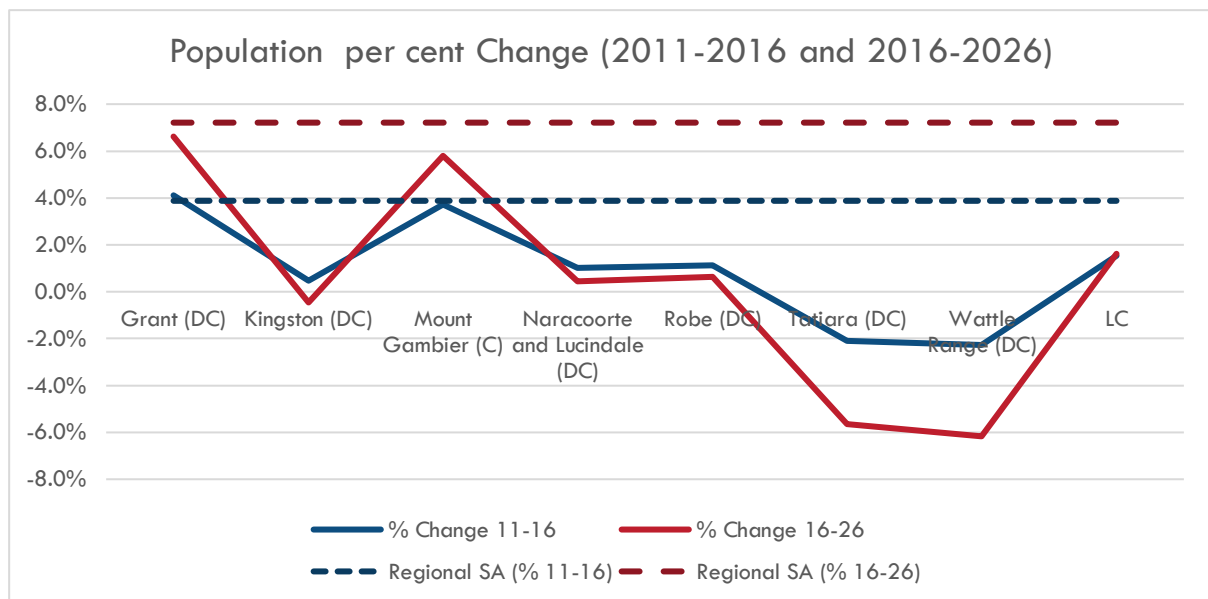


Figure 1: Population changeⁱⁱ

More significantly, a combination of increasing numbers of aged people in the region and limited retention of those migrating into the region is resulting in a hollowing out of the working age population.

Over the last 5 years, the senior dependency ratio² has increased significantly in the region. In LGAs like Kingston and Robe, the proportion of those over the age of 65 is over 40 per cent, while in Wattle Ranges, Mount Gambier and Naracoorte-Lucindale it accounts for approximately a third of the working age population. Despite this growth, most LGAs are below the non-metro South Australian average of 34 per cent. However, it does mean that overall dependency rates are high across the region, such that, dependent population (0-15 and 65+) account for half or more of the working population.

Out-migration of young adults and in-migration of seniors is playing a significant role in increasing the dependency ratio. Although the region has a good history of incorporating overseas migrants into the region, this remains concentrated in places like Naracoorte-Lucindale and Mount Gambier. At a regional level, international migration into the region is lower than comparable regions and the non-metro SA levels. International migration can often play an important role in supporting population and economic growth, filling skilled vacancies as well as starting up new businesses in the region.

Looking more closely at migration rates, it's clear that the region is attracting a significant proportion of working age people. Approximately a third of people between the ages of 24-45 (as shown in figure 2) who lived in the region in 2016 come from outside the region in the five years from 2011. However, while the region attracts people in, it faces a challenge in retaining these same people. These demographic changes are impacting each of the LGAs in the region (as shown by table 1 below).

² Dependency ratio is calculated as the sum of dependent people (aged 0-14 and 65 years and over) divided by the number of people aged 15-64 years, multiplied by 100

Percentage change of key demographics 2011-16

LGA	Working age pop	Youth	Senior
Grant	2.4 per cent	-6.7 per cent	35.3 per cent
Kingston	-7.4 per cent	0.8 per cent	32.4 per cent
Mount Gambier	0.9 per cent	-0.6 per cent	23.2 per cent
Naracoorte-Lucindale	-1.8 per cent	-0.6 per cent	20.4 per cent
Robe	-7.9 per cent	-14.8 per cent	31.9 per cent
Tatiara	0.2 per cent	-11.7 per cent	19.8 per cent
Wattle Range	-4.0 per cent	-7.4 per cent	24.9 per cent
LC	-0.7 per cent	-4.1 per cent	24.7 per cent
Regional SA	-0.3 per cent	-3.8 per cent	22.9 per cent

Table 1: Percentage change in youth, senior and working age populations

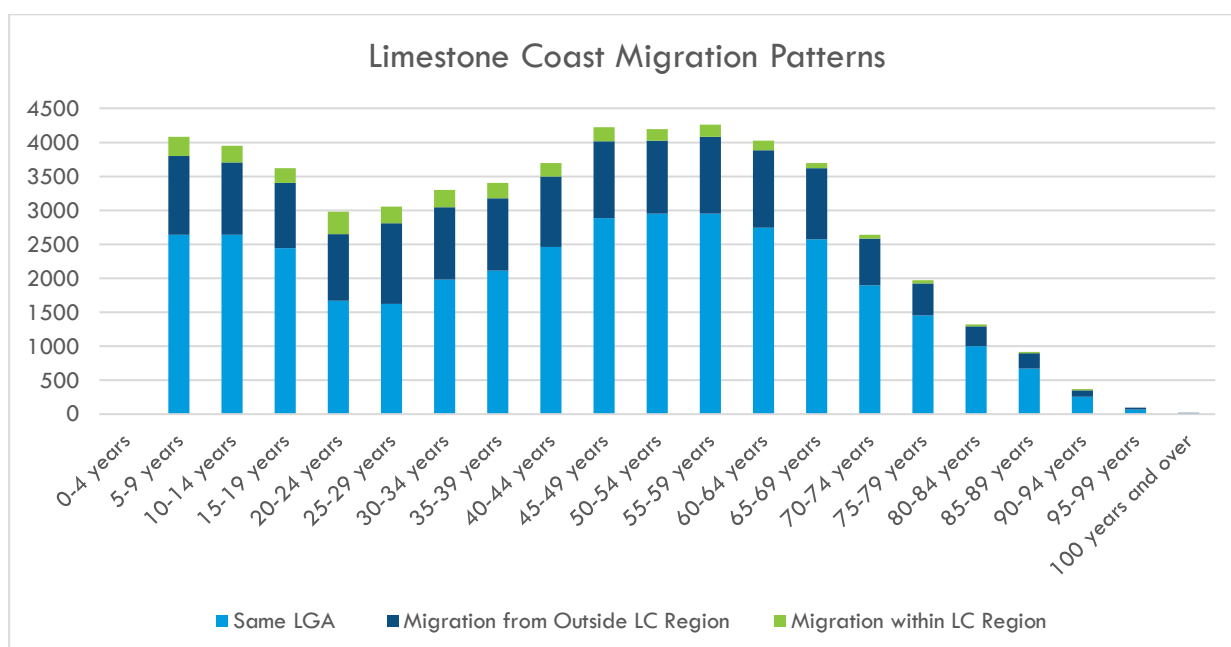


Figure 2: in-migration to LC LGAs from in and outside the region (usual address 5 years ago).

With a continued decline in the working age population, the region will face significant challenges to realise growth potential. A sustainable working age population means that the region has adequate skills to draw upon to fill new job roles, remain competitive and respond to changes in the economy. Attraction and retention of migration into the Limestone Coast will be crucial to supporting this sustainable working age population.

CHALLENGES

Across the region, a range of key issues were raised in relation to growing the working age population. Lack of job opportunities for partners of workers brought into the region, seasonal employment changes, shortages of suitable housing for new arrivals, as well as a concentration of in-migration into Mount Gambier has meant that benefits of in-migration have not been experienced by the broader region.

PAYOFF ESTIMATE

Looking forward to 2026, the shrinking size of the working age population will have significant impacts on the region's ability to take advantage of new growth opportunities. The State Government provides age and sex population projections at several levels which are updated every five yearsⁱⁱⁱ. These figures provide an estimate of the size of the working age population across the Limestone Coast in 2026. The RAI estimates that for the region to maintain its current level of working age population, it will need to attract and retain at least 2000 people to ensure a sustainable regional workforce.

POTENTIAL ACTION AREAS

1.1 Collaborate across the region to develop a targeted migration strategy that includes:

- Addressing labour shortages and skill needs across the region;
- Establishing a matching system creating direct links between employers and potential migrant workers;
- Developing a systematic and integrated approach to settlement taking into account the needs for initial and ongoing settlement support; and
- Advocating for additional resources to build local capacity and support services for settlement communities and new arrivals.

Case Study: Tasmania Department of State Growth

The Tasmanian Department of State Growth has developed a population growth strategy with the aim of attracting and retaining an additional 135,000 people over 40 years. The plan sets out 50 actions against three key pillars of job creation and workforce development, migration and liveability.

Example actions include attracting new businesses to Tasmania, working with the University of Tasmania to align higher education programs to workforce needs, assist Tasmanian businesses to sponsor overseas migrant, undertake a targeted marketing campaign to promote the state's liveability, and investing in growing creative industries and cultural attractions.

iv

1.2 Support the development of social infrastructure including hard (eg. health, education, arts and culture, sports and recreation facilities) and soft (eg. child care, community networks, cultural and arts activities), to maintain and improve the liveability of the Limestone Coast.

- 1.3 **Enable greater retention of the region's youth** by fostering stronger links and partnerships between local industries and regional students, exposing them early in their career decision making processes to local pathways.
- 1.4 **Encourage older workers to remain active in the workforce** beyond traditional retirement age to mitigate increasing workforce and skills shortages. This may include encouraging transitional arrangements such as moving to part time, casual work and volunteering activities that sustain and build the regions social and human capital.



BUILD ON THE REGION'S COMPETITIVE ADVANTAGE IN AGRIBUSINESS

Aim: To take advantage of growing global demand for sustainable, high quality agribusiness product, including food and timber produce.

Current Situation: The region has a strong competitive advantage in the agribusiness sector, with specialisations in production, processing and services, as well as highly productive environmental conditions. Global demand for agribusiness products – especially premium produce and goods from regions with strong reputations for “clean and green” products – is set to grow substantially over the next decade. The region has significant potential to take advantage of this increased demand.

Action: Develop better linkages across the supply chains of the region's diverse agribusiness sector and lift SME capability through the region with an emphasis on value-adding and small business skilling.

CURRENT SITUATION

Agribusiness – which includes agriculture, forestry and fishing, as well as food, beverage and wood manufacturing industries – is a key driver for the region's economy. It accounts for more than 8000 jobs across the seven LGAs, and more than \$3 billion in regional output^v. Combined, the agribusiness sector accounts for approximately a third of total employment in the region. As well as its size in the region, the agribusiness sector across the Limestone Coast is incredibly diverse. Goods produced include timber, livestock, processed meats, dairy and milk related products, cereal crops, horticulture and vegetable as well as wine production.

When comparing to other regional areas, the Limestone Coast has a significant competitive advantage in agribusiness sectors. For example, Tatiara, Naracoorte-Lucindale, Wattle Range, and Grant all feature in the top 50 LGAs across the country for agribusiness processing. More specifically, Grant, Wattle Range and Mount Gambier are in the top 10 LGAs across the country in wood manufacturing, while Tatiara, Naracoorte-Lucindale and Wattle Range are in the top 40 for food manufacturing.

Agribusiness is a sector expected to growth substantially in the coming years at a national level. Rising incomes in overseas markets are expected to drive increases in demand for Australia's high-quality produce as well as emerging opportunities in new markets such as exporting wine into China. With a reputation for a clean and green product, as well as a major producer of quality timber products, the region is well placed to take advantage of this growth. In particular, beef and dairy products are forecast to grow substantially^{vi}. The Limestone Coast boasts significant natural assets and a growing reputation for producing premium products for international markets. Maintaining effective supply chains and promoting greater collaboration between and within industries to explore potential areas for value-adding and increased efficiency will be critical in taking advantage of this increased demand.

CHALLENGES

There are currently three major challenges for the agribusiness sector across the region. A shortage of adequate skills in the region is likely to be one of the biggest impediments to growth for this sector. Lack of access to skilled workers was highlighted across all LGA stakeholder discussions as a serious problem, with few training options for the agriculture industry located in the Limestone Coast region. Collaboration across industry groups is also a key challenge for the region. Although positive steps have been made, for example through the Red Meat Cluster initiative, collaboration across the industry to explore new opportunities is lacking. Lastly, while the agribusiness industry is forecast to grow, much of this growth will be driven by increased export demand. With only a few major producers taking advantage of this, ensuring SMEs and family businesses have the business training and ability to grow to become export ready will be crucial.

PAYOFF ESTIMATE

The agribusiness sector is expected to grow by 4.06 per cent nationally over the next 15 years^{vii}, due to increased global demand, with value-added food products making up a significant proportion of this growth. If the region's agribusiness sector were to meet this growth rate, value-added output is estimated to grow to \$2.02 billion per annum from \$1.36 billion in 2015/16^{viii}. Overall this growth rate has the potential to deliver 1 260 jobs to the region by 2026 or approximately 158 jobs annually over that same period (estimated jobs by 2026 by LGA shown in table 2 below). Continual improvements in productivity across primary production industries like agriculture, forestry, and fishing means that while these sectors will remain important for driving growth, the majority of new jobs are expected in areas further down the value-chain including agriculture, forestry, and fishing services, food product and beverage manufacturing, as well as wood product and pulp and paper product manufacturing.

LGA	Total New Jobs
Grant (DC)	173
Kingston (DC)	62
Mount Gambier (C)	260
Naracoorte and Lucindale (DC)	240
Robe (DC)	30
Tatiara (DC)	218
Wattle Range (DC)	273

Table 2: Estimated job payoff by 2026 by LGA

POTENTIAL ACTION AREAS

- 2.1 Lift SME capability throughout the region** with an emphasis on value-adding and small business skilling. With the vast majority of businesses in the region family operated or small to medium in size, it is critical they have the tools and skills to explore new opportunities, adapt to changing circumstances and reach their full potential.
- 2.2 Foster greater collaboration along the supply chain** to support diversification, research and development, and innovation in the agribusiness industry. This includes building stronger networks and industry clusters to improve the capability of agribusiness SMEs across the Limestone Coast region.
- 2.3 Partner with industry and regional agribusinesses** to investigate and implement industry led approaches to addressing skills and training needs. With a gap in the provision of quality, locally available training options, creative approaches are needed to meet existing and new demand for industry skills and education programs in the region.

Case Study: Pre-Ag program at Mansfield Secondary College

In response to an ageing population and difficulties attracting younger generations into agribusiness, Mansfield Secondary College has introduced a program to deliver hands on experience with primary producers and promote careers in agriculture. Students completing the course receive a Certificate II in agriculture, learning a range of skills throughout the year. Since the inception of the program 75 per cent of people enrolled in the course received their Certificate II, while 25 per cent of students who completed the course enrolled in further agriculture related industry courses.

Case Study: Queensland Agriculture Workforce Network (QAWN)

QAWN is part of a suite of government funded initiatives to support the state's agriculture labour and skills needs. The initiative is aimed at improving the image of farm employment, as well as raising awareness if the variety of employment options available and what qualifications and skills are necessary to access them. In partnership with strawberry growers, and a few regional councils, the network implemented a marketing campaign attracting over 1400 job seekers for harvest work.

ixx

- 2.4 Collaborate to increase awareness of the region's quality agricultural produce** by delivering coordinated, strategically focused marketing and regional branding of locally made value added produce. This includes building and applying brand management frameworks to ensure 'clean, green, high quality' brand values are consistently strengthened and clearly differentiate the Limestone Coast's value added produce in domestic and international markets.



CAPTURE EXPECTED GAINS IN THE HEALTHCARE AND SOCIAL ASSISTANCE SECTOR

Aim: Increase employment in healthcare and social assistance by 2026.

Current Situation: The region is undergoing a structural change in terms of employment share moving away from traditional industries towards more service based jobs like healthcare and social assistance. Nationally, employment in sectors like community and personal care, aged care services and retirement living, preventative health and wellness, as well as disability services due to the roll-out of the NDIS, are all forecast to grow strongly. The Limestone Coast has potential to capture employment growth in these sectors too. Access to tertiary training and NDIS workforce strategies aligned to these sectors means there is potential to develop a workforce with the right skills to translate potential into reality.

Action: Promote the value of healthcare and social assistance as a high growth industry and support the attraction and development of health and social assistance skills within the region.

CURRENT SITUATION

Healthcare and social assistance accounts for approximately 3200 jobs or 10.9 per cent of total employment across the Limestone Coast. Between 2011 and 2016, the industry grew at 2.2 per cent annually, a faster rate than non-metro South Australia's 0.8 per cent annually. Moreover, the majority of this growth was driven by private sector jobs, with an overall split of 86.5 per cent private jobs and 13.5 per cent public jobs (as shown in table 3). With a high rate of private jobs in the region, healthcare and social assistance should be seen as a positive contributor to the regional economy.

<i>Public/Private Sector Jobs by LGA</i>	<i>Public Sector</i>	<i>Private Sector</i>
<i>Grant (DC)</i>	6.3 per cent	93.8 per cent
<i>Kingston (DC)</i>	29.5 per cent	70.5 per cent
<i>Mount Gambier (C)</i>	8.5 per cent	91.5 per cent
<i>Naracoorte and Lucindale (DC)</i>	17.4 per cent	82.6 per cent
<i>Robe (DC)</i>	26.1 per cent	73.9 per cent
<i>Tatiara (DC)</i>	30.3 per cent	69.7 per cent
<i>Wattle Range (DC)</i>	20.3 per cent	79.7 per cent
<i>Limestone Coast</i>	13.5 per cent	86.5 per cent
<i>Regional SA</i>	16.9 per cent	82.9 per cent

Table 3: Public and private sector job split in healthcare and social assistance

Demand for healthcare and social assistance services are likely to grow significantly in the Limestone Coast region. An ageing demographic means growing demand for a range of health and other services, both within retirement communities, as well as delivering more specialised services across the region^{xi}. The ability to capture this growth will rely on having professionals in the region to meet these needs.

Demand for aged care will likely grow in terms of services supporting ageing in place for people in their “early” old age, shifting to more intensive services in “later” stages, with much of aged care services concentrated on those who are over 80. These services will include more than just doctors and nurses, but services across allied health like optometry, psychology, occupational therapy and physiotherapy will be in high demand too^{xii}. In addition, the rollout of the NDIS will also support growth in the delivery of health services in the region.

CHALLENGES

Future growth will depend on the increases in demand for health services being met by a steady supply of skilled workers and professionals to fill these roles. A range of LGAs highlighted the challenge in attracting and retaining health professionals into the region, while the region also faces challenges in promoting healthcare and social assistance as viable long-term career pathways for current students in the Limestone Coast. With a small and dispersed population base, the region is likely to face challenges and will have to think creatively to deliver services required.

PAYOFF ESTIMATE

If growth continues at the rate that has been forecast for the region over the next few years³ (3.1 per cent per annum across the South East, between 2017 and 2022) there will be a number of new jobs to be filled. Projecting this growth out to 2026, employment in these sectors is expected to grow by approximately 1050 jobs by 2026 or 120 jobs annually between 2018 and 2026. A significant share of this employment growth is likely to be concentrated in the Mount Gambier LGA, given its role as the region’s service hub. Part of this growth will be supported by NDIS rollout, however the disability sector only represents a fraction of the healthcare industry, with employment increases supported by growth in the broader industry. The split in public and private jobs in the region means that the majority of these jobs for each LGA will be in the private sector.

³ South East region industry projections from Department of Jobs and Small Business Labour Market Information Portal

POTENTIAL ACTION AREAS

- 3.1 Promote the value of Healthcare and Social Assistance as a high growth industry to the region.** As demand for different healthcare services change, it is critical to ensure the community understands and recognises the importance of these new opportunities as potential career paths.
- 3.2 Build stronger pathways** between schools, training organisations and the regional health and aged care industry to meet growing demand for health services skills across the industry. In addition, explore the potential for older workers in the region to retrain or upskill in the health services sector to meet growing regional demand.

Case Study: Geelong region Careers in Community Services & Health Program

The Careers in Community Services and Health Program is an entry level workforce development program aimed at school-aged young people to provide work experience, accredited training and career exposure to the growing health and social assistance sector in the Geelong region.

In partnership with local industry leaders and the region's schools, the program aims to raise awareness of potential careers in the sector, and provide learning to employment pathways for students interested in pursuing further training.

Between 2014-2017, almost 900 students have engaged in the program, with 82% of participants expressing an interest in pursuing a career in the industry.

- 3.3 Coordinate effort across the region to attract medical and allied health professionals** to overcome skills shortages. A whole of community approach from local leaders and businesses is required to support targeted recruitment and ensure positive experiences to encourage long-term retention.

Case Study: Border Medical Recruitment Taskforce (BMRT) Model

To combat skills shortages, regional areas are setting up recruitment taskforces with the aim of providing practical support for medical professionals that have recently moved. The Central Victorian Medical Recruitment Taskforce has been modelled off the Albury Wodonga BMRT, which focused on attracting professionals early in their careers and supporting existing recruitment pathways. Common activities included finding placements and opportunities for career development.

xiii

- 3.4 Facilitate NDIS rollout initiatives** such as the NDIS Workforce Development Hub supporting service providers, stimulate local service provision across each LGA, and promote the disability (and aged care) sectors as rewarding career paths.
- 3.5 Support the attraction of retirees and investment in aged care infrastructure,** including marketing as an 'age-friendly' region with business opportunities available in a broad range of associated health, accommodation and recreation services.



SUPPORT THE DEVELOPMENT OF A VIBRANT BUSINESS ECOSYSTEM

Aim: Develop a vibrant business community throughout the region to lift business capability and foster a more entrepreneurial region.

Current Situation: The Limestone Coast region lags behind comparable regions and regional South Australia in terms of business dynamism measures. With lower rates of new business entries compared to non-metro SA, as well as fewer knowledge-intensive business services (KIBS) to support business growth in the region.

Action: Promote entrepreneurial activity in the region and support region-wide access to business upskilling and mentoring for SMEs.

CURRENT SITUATION

While some individual LGAs perform strongly in terms of business dynamism measures, as a collective the Limestone Coast region could perform better. For example, Grant and Robe each have new business entry rates above the non-metro SA average (9.2 and 10.6 per cent per annum compared to 8.9 per cent respectively), while Naracoorte-Lucindale and Mount Gambier each have a higher proportion of knowledge-intensive business services (KIBS) – businesses that help other business grow – compared to the non-metro SA average (3.3 and 2.8 per cent compared to 2.5 per cent, respectively).

However, as a collective the Limestone Coast's rate of new business entries is below the non-metro SA average (8 per cent compared to 8.9 per cent). Additionally, when compared to higher performing individual LGAs with similar industry mixes from around the country, the region fares comparatively worse. For example, places like Warrnambool and Augusta-Margaret River both have new business entry rates above 10.7 per cent.

A high level of business entries suggests a greater entrepreneurial spirit in the region, as well as a supportive business environment that encourages the region to bring new innovation into the area. Furthermore, higher proportions of KIBS across a region suggests not only a skilled workforce, but the availability of services to support other businesses in more specialised professional knowledge.

CHALLENGES

The region is dominated by small to medium businesses, with 85 per cent of total businesses in the region either self-employed or employing 1-4 people. This means that a significant proportion of the region's businesses are likely to have less resources available to lift their capability than their larger counterparts. Engaging these small businesses and demonstrating the value of undertaking new business skilling will be an integral step.

PAYOFF ESTIMATE

If the business entry rates amongst the Limestone Coast LGAs were each to reach the non-metro SA average of 8.9 per cent per annum, and Mount Gambier were to reach the same rate as higher performing regional centre such as Augusta-Margaret River, then the region would see an additional 164 businesses each year. This corresponds to a total of more than 1300 potential new businesses across the region above the business as usual scenario over the projected period to 2026. At a conservative average of two workers per business, achieving these potential new business entry rates could deliver new jobs each year, or a total of more than 2630 jobs over the projected period.

POTENTIAL ACTION AREAS

- 4.1 Promote entrepreneurial activity in the region** by producing engaging stories about local businesses innovating, value-adding, or doing things differently to inspire a regional culture of entrepreneurship.
- 4.2 Support region-wide access to business upskilling and mentoring for SMEs.** Ensuring that programs to lift business capability are delivered regionally and tackling connectivity constraints (both physical and digital) will be critical to lifting the region's 'business dynamo'.
- 4.3 Encourage businesses across the region to position themselves as 'employers-of-choice';** for example - by developing training and career pathways for prospective employees and fostering an appealing workplace culture in order to retain regional talent.
- 4.4 Raise the level of digital skilling across the region** to ensure businesses are able to take advantage of digital economy growth opportunities, respond to the challenges of increasing online competition globally, and emerging trends towards automation. While lack of digital connectivity can be a constraint, ensuring regional businesses have the technology and technological knowledge required to participate in the digital economy when they are connected (eg. online marketing, software as a service, and e-commerce) will be vital.
- 4.5 Expand awareness and take-up of programs lifting business performance,** including those delivered by local, state and federal governments; such as grants, assistance packages, industry development and export programs throughout the Limestone Coast.



COLLABORATE TO BUILD TOURISM CAPACITY IN THE REGION

Aim: Grow the region's tourism industry through greater regional coordination, more developed products and experiences and lift capability in the region.

Current situation: The region has relatively high visitor numbers, yet these are predominantly domestic drive tourists who stay for a short time. To retain these visitors for longer, local areas will need to develop stronger connections to deliver a regionally significant offering, moving past a siloed approach.

Action: Support and strengthen the existing Regional Tourism Framework that coordinates the regions destination marketing efforts, development of more competitive local products and experiences, and manage demand across seasons.

CURRENT SITUATION

Between 2011 and 2016 tourism employment grew by 4.2 per cent, however this was slower than tourism employment growth across non-metro South Australia which grew at roughly 10.0 per cent. Although employment grew at the regional level, this was highly variable across each of the individual LGAs. Between 2011 and 2016 tourism employment in places like Grant increased significantly by 80.9 per cent from a low level of initial employment, while Robe (30.7 per cent), Kingston (18.3 per cent) and Naracoorte-Lucindale (17.6 per cent) all experienced strong growth. Conversely, Wattle Range experienced an 11.2 per cent decrease, with Tatiara also experiencing a smaller decrease of 1.7 per cent.

Between 2006 and 2015, the region had an average of 540,000 overnight visitors per year, while regional expenditure has grown by 4.5 per cent annually over that same period, with a total of \$214 million spent in 2015/16. Although the region experiences a significant number of visitors, the majority of visitors are domestic day visitors, or domestic overnight visitors with short average stay duration.

Tourism has been highlighted as a state priority, with an emphasis on building a more collaborative industry. The Limestone Coast region has significant potential for growth. Situated at the halfway point between Adelaide and Melbourne, there is opportunity to attract visitors traveling along the Great Ocean Road, as well as developing more coordinated products and experiences in partnership with the region's premium food and wine industries and natural attractions.

CHALLENGES

Although the region boasts significant natural assets, a fragmented approach to developing the region's tourism market is a significant impediment to future growth potential. Management of local tourism markets within the region is highly siloed within each of the respective councils, with lack of coordination and collaboration a challenge to delivering a truly regional tourism offering. Ensuring there is adequate capability in the region, from skills to demand management in particular between peak and off-season, will also be important.

PAYOFF ESTIMATE

The South Australian Tourism Strategy aimed to increase regional tourism expenditure to \$3.55 billion by 2020, a 6.7 per cent annual increase since 2013. Projecting this growth rate forward, if the Limestone Coast region were to grow at the state plan rate, compared to its current rate, the RAI estimates that tourism employment would grow by 805 jobs by 2026 or 101 jobs annually. Additionally, if the region were able to retain existing visitor numbers for an extra night, it would bring in an estimated \$67 million in added regional expenditure per year.

POTENTIAL ACTION AREAS

- 5.1 **Resource and strengthen the capability of the Limestone Coast's regional tourism organisational framework (RTO)**, enabling strong leadership, management, coordination and delivery of regional tourism activities lifting visitor numbers, length of stay and spend per head.
- 5.2 **Through the RTO, deliver regionally coordinated destination marketing activities**, clearly targeting highest priority domestic and international opportunities for growth, aligned with well-defined regional 'hero experiences' and associated high quality local tourism offerings.
- 5.3 **Deliver regionally coordinated tourism destination and industry development activities**, through the RTO, in partnership with the South Australian Tourism Commission (SATC), Limestone Coast region councils and local tourism businesses.
- 5.4 **Seek investment in regional tourism infrastructure, marketing, destination and industry development activities** that are aligned to strategic goals and lift the overall quality, variety and packaging of offerings available to visitors in domestic and international markets.



SECURING INVESTMENT TO DELIVER REGIONAL INFRASTRUCTURE PRIORITIES ENABLING GROWTH

Aim: Develop a coordinated approach to lobby and advocate for key regional infrastructure enabling economic growth, positioning the Limestone Coast as the investment destination of choice.

Current situation: The Limestone Coast has the potential to become one of the most dynamic and diverse economic regions in South Australia. To achieve this, the region must address a range of essential services and connectivity constraints. Regional engagement highlighted a spectrum of hard and soft infrastructure challenges.

Action: Ensure delivery of the Regional Infrastructure Audit identifies and prioritises the hard (physical) and soft (social) infrastructure needs of the region, enabling a regionally coordinated approach to securing required investment.

CURRENT SITUATION

The Limestone Coast has significant potential to become one of the most dynamic and diverse economic regions in South Australia. To achieve this, the region must work together at all levels to address a range of essential services and connectivity constraints, as well as services strengthen its community. Combined these create foundations for economic growth and can be considered in terms of both 'hard' (physical) and 'soft' (social) infrastructure needs. Key priority areas include:

Hard Infrastructure

- Energy generation, storage and supply
- Connectivity by road, rail, air, intermodal, mobile phone and the internet
- Resource efficiency, recovery and waste management
- Education and training facilities
- Medical, allied health, aged care and child care facilities
- Arts and cultural facilities
- Sports and recreation facilities

Soft Infrastructure

- Education and training services
- Medical, allied health, aged care and childcare services
- Arts and cultural activities and programs
- Sports and recreational activities and programs

For the region to maintain its competitiveness, the Limestone Coast will need to establish a coordinated and proactive approach to securing state, federal and private investment in infrastructure. This will require a strong and united regional voice to lobby effectively for the money to build the critical infrastructure the region needs most.

CHALLENGES

Lack of investment in hard and soft infrastructure will put significant pressure on the Limestone Coast's ability to maintain a dynamic and vibrant economy.

Ensuring an efficient, reliable and cost effective energy supply is a key issues in the region. This is not only central to ensuring a competitive operating environment for businesses, but also to creating the confidence and capacity required for future investment and growth.

Investment in transport links and freight networks is vital, ensuring the region's residents, tourism industry and high quality produce continue to have safe and efficient access to markets. Increasing digital connectivity is also critical, not only to ensure the region can fully participate in the digital economy, but also to respond effectively to global competition for goods and services online.

The decline in locally provided training facilities, such a TAFE, has also been identified as a constraint limiting the region's ability to reskill and adapt to changing circumstances and needs.

Lack of investment in soft infrastructure puts the region at a significant disadvantage attracting and retaining the population and skilled workforce it needs to sustain and build its economy. Investment in the arts and cultural vibrancy of the region, health care and social assistance services, availability of aged and childcare services, sports and recreation facilities and programs - all support a strong sense of community confidence and pride in place. This works as a magnet to both attract and retain people and investment in the Limestone Coast.

POTENTIAL ACTION AREAS

- 6.1 **Ensure delivery of the Regional Infrastructure Audit** identifies and prioritises the hard (physical) and soft (social) infrastructure needs of the Limestone Coast, enabling a regionally coordinated approach to securing the investment required for implementation.
- 6.2 **Ensure the development and launch of the Regional Investment Prospectus** is responsive to the priorities identified in the Limestone Coast Regional Growth Strategy and Infrastructure Audit, and takes a regionally coordinated, market focused approach to investment prospecting, promotion and implementation.
- 6.3 **Coordinate regional advocacy and lobbying efforts** to speak with one voice in pursuit of highest priority 'hard' and 'soft' infrastructure investment needs.
- 6.4 **Leverage State and Federal Government initiatives** to secure the investment required to maintain and upgrade existing regional infrastructure facilitating economic growth.

SCENARIOS AND POTENTIAL NEXT STEPS

Scenario	Payoff
Invigorate the working age population to sustain current levels	To support a sustainable working age population, the region will need to attract and retain at least 2,000 working age people by 2026 to maintain current levels.
Strengthen the region's competitive advantage in agribusiness to meet nationally forecasted annual growth rate of 4.06 per cent	Achieving the national growth rate could grow the agribusiness sector to \$2.02 billion in value-add and deliver roughly 1,260 more jobs to the region by 2026.
Capture expected employment growth of 3.1 per cent per annum across the South-East region in healthcare and social assistance	Meeting the expected growth rate for the South-East region could deliver up to 1,050 more jobs by 2026, of which a large proportion are expected to be in the private sector.
Improve business capability and foster a more entrepreneurial region to match rates in non-metro South Australia	Lifting the Limestone Coast's new business entries to 8.9 per cent per annum (10.8 per cent for Mount Gambier) could generate an additional 1,300 businesses or roughly 2,600 jobs by 2026.
Develop a more coordinated tourism market to grow at the state strategy rate of 6.7 per cent per annum.	Growing at the target rate has the potential to deliver 805 additional jobs to the region projecting out to 2026, while retaining visitors to the region for an extra night would bring in an estimated \$67 million in additional regional expenditure.
Develop a coordinated approach to lobby and advocate for key regional infrastructure.	Attracting investment to address critical infrastructure constraints will be an enabling factor in supporting potential growth outlined above. This includes both soft and hard infrastructure the supports access to essential services as well as improving regional connectivity.

These six scenarios have been developed to provide the LCLGA and partners with a clear way to prioritise actions for the Limestone Coast Pathfinder project. Based on initial data analysis, quantitative modelling and stakeholder consultation, they provide a snapshot of future potential in terms of job growth. Under each of these scenarios it is clear that improving the region's business environment is likely to yield the greatest gains, while the scale of working age population change needed is significant. They also highlight that strengthening the region's agribusiness sector and capturing expected healthcare employment growth rank above developing the region's tourism market in terms of likely jobs impact.

Importantly, these scenarios and modelled payoffs must be considered in the context of the region's current capacity and interest in driving these priorities, as well as risks these face from external factors outside the region's control. For example, current regional initiatives such as the Limestone Coast Red Meat Cluster and eNVision business incubator align strongly to these priorities, while the workforce development plan driven by RDALC will support identifying skills gaps across core industries. However, while agribusiness sector growth is estimated to deliver a greater overall number of jobs compared to projected growth in healthcare and social assistance, it is highly dependent on the ability of the region's agribusinesses to meet growing export demand.

The next stage of this project will require regional leaders to engage in discussions on these priority scenarios to understand and agree on what needs to happen to reach these expected payoffs. These discussions should focus on what the desired outcomes are for the region as well as the extent to which each of these priorities can be influenced. Under each scenario for example, how best can local leaders partner with industry groups to pool resources, coordinate to avoid duplication and ensure benefits are realised across the region? What resources are needed to drive these forward? And keeping in mind there have already been achievements to date, what further projects need to be considered?

These discussions play a key role in formalising a set of agreed priorities and provide the foundations for developing an action and implementation plan to guide the region going forward.

NOTE ON MODELLING METHODOLOGY

INVIGORATING THE WORKING AGE POPULATION

Population projections by age and LGA were sourced from the Department of Planning, Transport and Infrastructure, updated every five years following release of final ABS Census of Population and Housing figures.

Source:

http://www.saplanningportal.sa.gov.au/data_and_research/population_projections_and_demographics#small-area-population-projections-2011-2031

BUILD ON THE REGION'S COMPETITIVE ADVANTAGE IN AGRIBUSINESS

Data on worker productivity across industry sector by year sourced from id. and the National Institute of Economic and Industry Research (NIEIR). Projecting industry growth forward at benchmark rate outlined by Deloitte Access Economics and applying historical productivity changes produces an estimate for future employment.

Source:

<https://economy.id.com.au/rda-limestone-coast>

CAPTURE EXPECTED GAINS IN HEALTHCARE AND SOCIAL ASSISTANCE SECTOR

Employment projections by industry at SA4 level sourced from The Department of Jobs and Small Business Labour Market Information Portal. Using current employment levels in Healthcare and Social Assistance provided by ABS Census of Population and Housing and projecting these forward at expected rate of growth provides an estimate of future employment levels.

Source:

<http://lmip.gov.au/>

SUPPORT THE DEVELOPMENT OF A VIBRANT BUSINESS ECOSYSTEM

ABS provide counts of Australia Businesses, including Entries and Exits by LGA from which the RAI calculates rates of new business entries. Projecting forward at a different benchmark rate of business entries – taking into account entries and exits – produces an estimate of total new business in across future years.

Source:

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8165.0Main+Features1Jun%202013%20to%20Jun%202017?OpenDocument>

TOURISM

Tourism Research Australia provides key tourism metrics such as total visitors, nights, and average spend per trip and ABS Census of Population and Housing provides total employment of the Limestone Coast region in tourism related roles using the ABS Tourism Satellite Accounts method. Based on a benchmark target expenditure growth rate outlined in the South Australian Tourism Plan 2020 and an estimate of tourism jobs per regional expenditure, added employment to the region's tourism industry can be projected over future years based on additional spending levels.

Source: <https://www.tra.gov.au/Research/Regional-tourism/tourism-regional-profiles>

APPENDIX C: METHOD

The Pathfinder Initiative is a strategy development process led by communities and informed by the Regional Australia Institute's (RAI's) research. It identifies the most important areas for action to support economic growth in the region, as well as delivering the evidence base for action and investment.

The process helps bring leaders together to focus on long-term priority areas, building a shared vision for the region, and creating a unified set of strategic actions for the region to collaborate on. This provides the Limestone Coast with a common platform to understand drivers of change affecting their region, how these might make an impact over the next 5 to 10 years, and the actions needed to ensure the region reaches its full potential.

RAI's pathfinder process brings together quantitative economic analysis supplemented by consultation with local leaders. This approach delivers the insights needed to frame a way forward to enhance regional growth prospects.

The Pathfinder process is developed through local involvement and engagement from leaders in the business and broader community. As such, the work builds on current direction, strategies and leadership already in the region.

The Limestone Coast Pathfinder has been developed in partnership with the Limestone Coast Government Association (LCLGA), with support from Regional Development Australia Limestone Coast (RDALC), and the region's seven local councils of Mount Gambier, Grant, Wattle Range, Naracoorte-Lucindale, Tatiara, Robe and Kingston. Leadership groups from respective councils have provided significant support in the form of local knowledge, while the LCLGA and project steering committee have been key facilitators throughout the project.

The process is outlined and summarised in the process below.



INITIAL TELECONFERENCE

Once agreement has been reached and a contract put in place, the RAI convened an initiation teleconference to plan project implementation.

INITIAL ECONOMIC ASSESSMENT

RAI reviewed existing research on the economies of the Limestone Coast region, including any economic strategic planning and economic impact analysis of relevant capital investment to ensure that the analytical work adds value to that already undertaken.

ASSESSMENT OF PRIORITIES

While there are hundreds of different activities that can be undertaken in regional growth, in a region such as the Limestone Coast there are a few areas of change that can make a big difference to future outcomes. These growth factors are big change drivers and should be targeted as a first priority.

This assessment explored the competitiveness profiles across the region, population and demographic trends, local economic structure and industry sector positioning and performance. The RAI also drew on its wider expertise surrounding key economic changes happening across regional Australia, drawing on previous work developed through local insights and data analysis.

Out of this process, a set of growth factors were identified for discussion with key stakeholders in the region.

REGIONAL ENGAGEMENT ROUND 1

In partnership with the LCLGA, the RAI conducted a range of stakeholder engagement consultations across the Limestone Coast region. These consultations discussed the growth factors identified, as well as local opportunities and constraints to growth impacting different communities. A full list of stakeholders engaged throughout the project have been included in Appendix D.

GOAL SETTING AND PRIORITY REVIEW

Following the first round of regional engagement, the RAI explored future scenarios for the region to describe how the region could change over the next five to ten years. These scenarios were designed to help leaders think about a range of possible outcomes as well as their preferred situation.

Each priority area has been modelled through a pay-off analysis (available in Appendix B) to estimate the likely impact for the region. These pay-off analyses outline the current trajectory of the region within that priority area, the challenges to growth, the potential impact in terms of job growth should the region achieve range of benchmark growth rates, as well as a range of strategic directions to support achieving this potential for each priority area.

In partnership with LCLGA, the RAI convened a priority setting meeting with the project steering committee to reach agreement on these priority areas, completing the initial prioritisation process, and identify any refinements.

REGIONAL ENGAGEMENT ROUND 2

The RAI returned to the Limestone Coast for a second round of workshops with local leaders to identify initial steps and potential projects necessary to deliver on the six agreed priority areas.

Leaders in the region were asked to make decisions about where they will focus efforts to promote economic development across the region. These decisions were limited to:

- The six priority areas
- Projects that can be incorporated under each of the priority strategic directions
- Clear framework for prioritising projects, including local leaders, supporting stakeholders and potential timelines

STRATEGY REFINEMENT

Collective knowledge was then compiled to produce the Final Regional Growth Strategy and Action Plan documents outlining the strategic rationale for each priority area and the supporting strategic directions and corresponding actions.

REPORT PRODUCTION

The final component of the project delivered the following products to LCLGA Board and Regional Growth Strategy Steering Group at its Board Meeting on 16 June 2018;

- Final Limestone Coast Growth Strategy
- Final Limestone Coast Action Plan
- Final Limestone Coast Pathfinder Technical Report (this report)

APPENDIX E: LIMESTONE COAST PATHFINDER DISCUSSION PAPER

The Limestone Coast regional economy is projected to add 3,800 jobs by 2022. To realise this potential, the region will have to build on competitive strengths and support enabling factors.

The Limestone Coast is undergoing structural change in its economy, with employment growth in traditional industries like agriculture, forestry and fishing and manufacturing projected to fall behind growth in service industries. Long term economic prosperity will be based on the enduring competitiveness of these foundations, alongside creative approaches to ensuring that Limestone Coast residents are well placed to pick up the best of the anticipated growth in service industries.

ABOUT THE PROJECT

This discussion paper provides background insights and suggestions for how to manage regional economic growth. It is a start to the conversation, but only a start.

To know more and engage with the discussion about Limestone Coast Growth Strategy contact us and be part of Pathfinder.

But what are the new growth areas and how do we support regional industries to produce more jobs and opportunities for all people living in the Limestone Coast region?

GROWTH FACTORS THAT WILL DRIVE THE LIMESTONE COAST REGION'S GROWTH

Growth factors are the set of core issues that must be addressed to ensure that a region's full potential is reached.

GROWTH FACTOR	RATIONALE
Build on industries with a competitive advantage and future growth potential with global mega-trends	The region has a clear specialisation in agriculture and food manufacturing. Combined, these industries account for approximately 30 per cent of total employment and align to global trends such as increasing demand for high quality agribusiness products. But these industries have had fluctuating growth since 2011, and agriculture's share of international exports has declined overall during this same period. Supporting opportunities for value-adding, connecting with global supply chains and expanding market access will be critical.
Stimulate emerging industries in the region such as healthcare and social assistance	By 2022, the healthcare and social assistance industry is expected to grow by another 16.7 per cent across the south east. The increase in expected job numbers is greater than both agriculture and manufacturing combined. With a growing dependent population and increasing consumer expectations, the delivery of health services by local people with the right skills is a key growth opportunity.

Accelerate the region's business ecosystem	Performance in the RAI's Business Dynamo Index is average compared to regional South Australia. Across the Limestone Coast, there are comparatively fewer new business entries and limited knowledge-intensive business services in LGAs other than Mount Gambier, pointing to lower levels of entrepreneurial activity and business support. Ensuring a vibrant business and entrepreneurial environment in the region will be an important factor in helping regions translate opportunities into outcomes.
Encourage greater skilling to support industry and business growth	The region currently has significantly lower levels of people with both university and technical qualifications compared to regional South Australia. In addition, more than a third of current jobs in Mount Gambier like clerical admin and sales roles are highly vulnerable to automation. While there is a lot of uncertainty around what kinds of jobs will be available in the future, we do know that the demand for skilled workers will increase and access to upskilling opportunities will be crucial to building a resilient and adaptive workforce.
Invigorate working age population	A combination of low population growth, ageing population and out-migration is creating challenges for supporting a sustainable working population. The working age population in 5 of the 7 LGAs showed no growth or decline between 2011 and 2016. The region must address attraction and retention of workers, including support for international migration.
Leverage regional strengths to promote regional tourism	On average, tourism employment accounts for 14 per cent of all jobs across the Limestone Coast region. Yet the influence of tourism on local employment is highly localised. In places like Robe it accounts for 30 per cent of total employment, while in Tatiara it only represents 9 per cent of all jobs in the region. Moreover, visitors are predominantly day visitors or domestic overnight visitors with lower levels of expenditure. Supporting regions to attract more international visitors, as well as encouraging domestic overnight visitors to extend length of stay in region will be important to creating a sustainable tourism industry in the region.
Supporting the development of enabling infrastructure	Across the region, key common infrastructure needs have been identified to support economic growth. For example, road developments for improved freight, increased telecommunications for new business and education opportunities, and exploring new power generation options to help businesses remain competitive. These types of enabling infrastructure will be important to facilitating future growth, but will have to be prioritized.

CONTEXT

The Limestone Coast region of South Australia is made up of 7 local government areas; Mount Gambier, Grant, Kingston, Robe, Tatiara, Naracoorte-Lucindale and Wattle Ranges. The regional economy is predominantly reliant on agriculture, forestry and fishing and manufacturing of agricultural products. However, the diversity within these sectors is significant, including production in horticulture, viticulture, dairy, grain, seafood and timber. The region is in transition – economic growth across the region is highly variable and demographic changes are putting pressures on the working age population. The job mix is also shifting with employment in industries like retail trade, construction and accommodation and food services falling, and growing in industries like healthcare and education. In this context, what findings do we have to start to prioritise the future opportunities to grow the Limestone Coast region?

FINDINGS

WHAT ARE LIMESTONE COAST'S COMPETITIVE ADVANTAGES?

- The region has competitive strengths in labour market efficiency, with generally low levels of unemployment and high participation rates compared to regional South Australia, as well as significant advantages in natural resources.
- The region boasts a high proportion of private jobs across industries, as well as a high number of owner-managers compared to regional South Australia.
- The region has specialisations in agribusiness production and services, including food, wood and textile manufacturing.
- Future jobs are projected in industries like healthcare and social assistance, administrative and support services, agriculture, forestry and fishing, education and training, public administration and safety, rental, hiring and real estate services, manufacturing, and professional, and scientific and technical services.

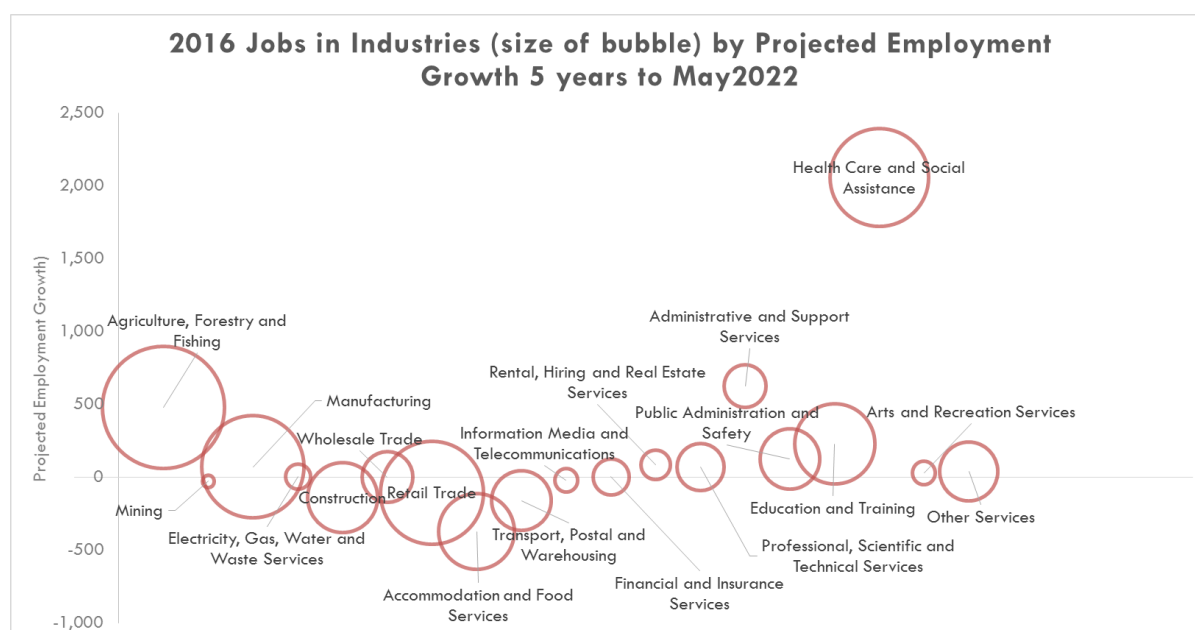
ON THE AGENDA

Across the Limestone Coast region, a number of strategic priorities and actions have been put forward. Many of these reflect the issues raised in this briefing document. For example, continued support for the Limestone Coast Red Meat Cluster will likely play an important role in agriculture value-adding, while the Limestone Coast Regional Tourism Organisation Framework (RTO) promotion of regional tourism will support in expanding the industry across the region. Similarly, the formation of the Limestone Coast eNvision start-up incubator to support new business entries is an important development in supporting business skilling across the region.

Together the Limestone Coast's seven local government areas form a diverse region, each with their own identity, strengths and challenges. As the region transitions, how can the region as a whole take advantage of emerging opportunities and address the challenges ahead? And, who will be the key drivers – stakeholders, regional groups, and local champions – to push initiatives forward?

DATA

Key information that has helped inform this briefing include local strategies and economic data analysis. Below are some key data charts that have influenced the project.



Source: 2016 jobs in industries from ABS Census 2016 & Department of Employment Labour Market Information Portal Projected Employment Growth.

% CHANGE OF KEY DEMOGRAPHIC GROUPS 2011-16			
	Working age pop (15-64)	Youth (0-15)	Senior (65+)
Grant	2.4%	-6.7%	35.3%
Kingston	-7.4%	0.8%	32.4%
Mount Gambier	0.9%	-0.6%	23.2%
Naracoorte-Lucindale	-1.8%	-0.6%	20.4%
Robe	-7.9%	-14.8%	31.9%
Tatiara	0.2%	-11.7%	19.8%
Wattle Range	-4.0%	-7.4%	24.9%
LC	-0.7%	-4.1%	24.7%
Regional SA	-0.3%	-3.8%	22.9%

Source: ABS 2016 Census of Population and Housing

CONTACTS AND FURTHER INFORMATION

- This briefing is part of the ongoing Limestone Coast Regional Growth Strategy project.
- If you would like to be further engaged contact Michaela Bell at Limestone Coast Local Government Association (E: projects@lclga.sa.gov.au) or Ben Vonthethoff at Regional Australia Institute (E: info@regionalaustralia.org.au).

APPENDIX F: REGIONAL MEGATRENDS

Megatrends are powerful trajectories of change reshaping our world. Whether these changes appear distant or more immediate, regions across Australia need to understand how these shifts are likely to impact their region and how best to respond.

DIGITAL DISRUPTION

The way we work and live is increasingly driven by new digital technologies. The global growth of internet connected devices has enabled businesses to work more efficiently, create new products and reach new markets. At the same time, there is a rising bar of necessary skilling, with certain jobs at risk of automation and most others requiring higher skill levels^{xiv}. For the Limestone Coast agricultural sector in particular, the potential for incorporating new technologies into farming practices – from big-data systems to risk management – will be significant. Ensuring the industry has the skills to take advantage of these new developments will be critical.

CHANGING CLIMATES

Regional Australia is no stranger to changing climates. Across many parts of Australia, climate change will continue to have major impacts on climate volatility, both in terms of extreme weather events and prolonged periods of drought. While the Limestone Coast has more advantageous climatic conditions to support its strong agricultural sector, estimates predict over the next decade the region can expect more frequent heatwaves, less rainfall and recharge to groundwater, and increase bushfire risk^{xv}. Climate change adaptation will continue to be crucial to mitigating environmental risks and supporting a more resilient region for the Limestone Coast.

AN AGEING WORLD

Much like the rest of the world, Australia's regional population is ageing at a rapid rate. In certain places, those over the age of 55 account for almost 20 per cent of the population^{xvi}. As Australia's ageing demographic continues to grow to live longer and healthier lives, regions will have to address issues such as the provision of aged care services and increasing working age population gaps. At the same time, people are living healthier and more productive lives than any previous generation and have a wealth of skills, knowledge and wisdom to offer if regions can fully utilise the potential of our oldest citizens.

NEW FOOD BOOM

Global demand for food and fibre are expected to grow substantially due to increasing population and the rising number of middle class consumers in developing countries. For Australia's agribusiness sector, this means new opportunities to increase exports into expanding global markets and acknowledging its place in the global food economy. Demand is forecast to be driven by increasingly health conscious consumers, as well as a preference for a more diverse range of food products. Australia's comparative advantage lies in its strong reputation for quality and sustainable produce, strong R&D sector and a globally focused industry. In order to reap the benefits of this growing demand the Limestone Coast will need to differentiate itself while maintaining its reputation for its clean and green produce^{xvii}.

APPENDIX G: STAKEHOLDER ENGAGEMENT

The Pathfinder process is built around active local involvement and engagement from leaders in business and the broader community. This involvement must be driven locally, and the Pathfinder process relies on the support of a local project officer building connections and engagement, exploring options, drawing in stakeholders from 'beyond the usual suspects' and managing local reference, leadership and implementation groups and associated meetings.

As part of the Pathfinder process members of the RAI engaged with stakeholders right across the Limestone Coast region, building shared knowledge and understanding of challenges and opportunities for growth, and setting the foundations for networks to collaborate more closely on implementation of the Regional Growth Strategy and Action Plan. The RAI is grateful for the valuable contribution and input they have all made to the success of the project. They include (but are not limited to) the following organisations and people:

LCLGA

Dominic Testonic
Michaela Bell
Biddie Shearing
Rob Forgan
June Saruwaka
Tony Elletson

RDA LIMESTONE COAST

Liz Perkins
David Weaton
David Furness

GRANT DISTRICT COUNCIL

Richard Sage
Graeme Maxwell
Nicole Dodds
Marianne Tucker
Peter Mitchel
Ian Fritsch
Jayne Miller
Mike Ryan
Jane Featherstonhaugh
Leith McEvoy
Adrian Schutz

CITY OF MOUNT GAMBIER

Andrew Lee
Mark McShane
Judy Nagy
Bruce Rodda

COONAWARRA GRAPE & WINE

Pete Bissel
Olivia Munn

NARACORTE-LUCINDALE COUNCIL

Ericka Vickery
Trevor Smart
Fiona Stringer

TATIARA COUNCIL

Anne Champness
Graham Excell
Liz Goossens
Ken McInerney
Karen Hunt
Brigitte Densley
Rae Campbell
Mark Murphy
Maureen Oliver

KINGSTON SE COUNCIL

Andrew MacDonald
Reg Lyon
Kingston SE Tourism Group

DISTRICT COUNCIL OF ROBE

Roger Sweetman
Peter Risley
Deb Mackey
Adam Brooks
Patricia Yeo

WATTLE RANGE COUNCIL

Peter Gandolfi
Ben Gower
Steve Chapple

REGIONAL LEADERS

Peta Crewe, PIRSA
Gillian McGinty, Boandik Lodge
Ben Hood, HelloFriday
Kent Comley, The Barn
Ian McKay, University SA
Trevor Schiller, JBS
Callena Rawlings, AusIndustry
Marcus Kuller, DTTI
Willie Van Niekerk, One Forty
One Plantations
David Millar, Barry Maney
Group
Brenton Lewis, GTE
Julie Howe, MEGroup Training
Alvaro Cambor, Mondaleze
International (Kraft)
Barry Crimmin, Midfield Meats
Meg Bell, Limestone Coast Red
Meat Cluster

REFERENCES

-
- i <http://saplan.org.au/targets/45-total-population>
 - ii <https://www.saplanningportal.sa.gov.au/population-projections-and-demographics>
 - iii <http://www.saplanningportal.sa.gov.au/data-and-research/population-projections-and-demographics#small-area-population-projections-2011-2031>
 - iv https://www.stategrowth.tas.gov.au/_data/assets/pdf-file/0014/124304/Population-Growth-Strategy-Growing-Tas-Population-for-web.pdf
 - v <https://economy.id.com.au/rda-limestone-coast/industry-sector-analysis>
 - vi <https://www2.deloitte.com/au/en/pages/consumer-business/articles/where-are-growth-opportunities-australian-agriculture.html>
 - vii <https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/positioning-for-prosperity.html>
 - viii <https://economy.id.com.au/rda-limestone-coast>
 - ix <http://www.regionalaustralia.org.au/home/2017/02/budding-high-schoolers-next-crop-farmers/>
 - x <https://www.qff.org.au/projects/rural-jobs-skills-alliance/queensland-agricultural-workforce-network-qawn/>
 - xi <https://home.kpmg.com/content/dam/kpmg/au/pdf/2017/ndis-shaping-the-future-of-south-australia-report.pdf>
 - xii <https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/positioning-for-prosperity.html>
 - xiii <http://www.grllen.com.au/projects/careers-in-community-services-and-health-program>
 - xiv <https://data61.csiro.au/en/Our-Work/Future-Cities/Planning-sustainable-infrastructure/Tomorrows-Digitally-Enabled-Workforce>
 - xv <http://www.naturalresources.sa.gov.au/southeast/about-us/our-regions-plan/Planning-for-climate-change>
 - xvi <http://www.regionalaustralia.org.au/home/wp-content/uploads/2017/10/RAI-Ageing-and-work-in-regional-Australia-report-1.pdf>
 - xvii <https://www.csiro.au/en/Do-business/Futures/Reports/Food-and-Agribusiness-Roadmap>