



Office of the Commissioner for Kangaroo Island

SUBMISSION TO THE INFRASTRUCTURE SOUTH AUSTRALIA 20-YEAR STATE INFRASTRUCTURE STRATEGY DISCUSSION PAPER – JUNE 2019

August 2019

FOREWORD

Kangaroo Island continues to undergo economic transition with over \$226 million in developments proposed for the Island in the coming years.

Building on work undertaken by the Kangaroo Island Futures Authority, the Office of the Commissioner for Kangaroo Island (OCKI), established as a result of the *“Commissioner for Kangaroo Island Act, 2014”*, identified challenges that are unique to the Island and in part can be attributed to its geographic isolation. Positive outcomes have been achieved through the work of OCKI by assisting individuals, businesses and developers and providing access to government programs, agencies and grants. In addition, a suite of issues have been raised with the Commissioner that reflect the diverse needs of the Island community particularly in relation to service delivery and infrastructure provision.

This submission goes some way in answering the question posed in the Infrastructure SA Discussion Paper, June 2019, *“what strategies should the government adopt to ensure the necessary infrastructure is in place so our regions can thrive?”*

The submission is focussed on Kangaroo Island.

The issues addressed within the submission have been raised because they have been highlighted to date during the term of office of the Commissioner and through consultations or interactions with the community, developers, businesses, local council, region and various state government agencies and authorities as part of the role of Commissioner.

52 recommendations are included for consideration of the Infrastructure SA Board and its CEO.

There are challenges and opportunities identified on Kangaroo Island that are also present in other regions of South Australia. These include skills development, health services, social services, youth development, housing affordability and accessibility, and employment.

Kangaroo Island has a number of developments undergoing assessment as part of the major projects process such as:

- KI Plantation Timber proposals for a wharf at Smith Bay;
- the Cliffs Development - golf course;
- American River Resort.

There are also proposals from:

- KI Connect to build a structure in Penneshaw to enhance their loading/unloading of passengers and to enhance the Cape Jervis loading/unloading;
- Bickford’s Craft Distillery and Microbrewery;
- KI Wilderness Trail accommodation.

In addition there are a range of other proposals and developments underway or in the planning phases.

In total it is estimated that there are over \$226m of developments going through various approval and development stages.

In addition, the government plans to go to market for the delivery of the ferry service that is currently being offered by SeaLink, given the contract expires in the next few years.

The nature of living, visiting or conducting business on an Island brings with it additional challenges to those often experienced in other isolated country locations, the most common is the ability to leave the Island to deal with urgent business or personal matters given the transport modes are via ferry or flights and residents, tourists and businesses are confined or constrained to operating times.

Kangaroo Island's industries span: agriculture, forestry and fishing; tourism and hospitality; viticulture and horticulture; construction; restaurants and cafes; recreation and sport; rental, hiring and real estate services; transport; retail trade; professional, scientific and technical services; financial and insurance services; healthcare and social assistance; wholesale trade; administrative and support services.

Industry associations on the Island are actively supporting their industry sectors through research, advocacy, professional development, training and gaining grants to support their operations.

Since establishing OCKI over \$3m of funding and in kind support has seen a range of initiatives to support the Island in the form of research; professional development, training and coaching support; conduct of events and expos to assist in business networking and engagement; sponsorships for various industry and progress association events. Some of this funding has come about through part contributions from OCKI towards grant applications to the Australian Government.

The Island has social, environmental and economic challenges supported by soft and hard infrastructure and this submission seeks to identify key issues for the Island and to provide supporting evidence that may be of interest to the CEO and Board of Infrastructure SA.

Yours sincerely,

[DELETED]

Wendy Campana

Commissioner for Kangaroo Island

INTRODUCTION

Kangaroo Island (KI) is located off the South Australian coast, 112 kilometres southwest of Adelaide. It is the third largest Island in Australia. The Island has over 500 kilometres of coastline and covers an area of 4,416 square kilometres. With a resident population of 4,852, KI hosted around 226,000 annual visitors in 2017-2018¹ with an additional 28,000 visitors disembarking from cruise ships. The number of cruise ship visitors is expected to grow to 60,000 for the 2018-2019 season. Agriculture and tourism are the Island's largest industries, however aquaculture, viticulture, retail and services make an equally significant contribution to the Island's economy.

Kangaroo Island embodies unspoiled nature, immersive natural experiences, purity and quality of food and wine and sustainable development. The Island has seen more than \$50 million in investment projects completed since 2015 including a \$22 million airport and terminal upgrade and a \$6 million wilderness trail in the Island's west. With another \$226 million of investments proposed for the Island in the near future, the Island continues to undergo economic transition with hundreds of jobs anticipated to service new developments and growing industries, which will also provide indirect benefits to the Island's existing businesses. This period of high economic activity is positioning Kangaroo Island as an ideal place to invest or expand.

The Commissioner for Kangaroo Island was appointed in May 2015 to fulfil the responsibilities set out in the [Commissioner for Kangaroo Island Act, 2014](#) (the Act). The primary functions of the Commissioner are to:

- Improve the management and delivery of services and infrastructure by government agencies;
- Provide assistance to businesses and residents dealing with government agencies; and
- Assist the improvement of the local economy of Kangaroo Island.

The Commissioner has been working closely with the Government of South Australia, the Kangaroo Island Council, industry bodies, individuals and businesses to achieve these objectives. O has initiated a number of projects seeking to increase the capacity of businesses to meet a growing demand for products and services. Through business coaching, leadership development, workforce planning and industry collaboration local businesses are in good stead to maximise the benefit that this period of growth will yield.

Future Directions: Investment and Economic Growth for Kangaroo Island sets out opportunities for future economic development on the Island. Importantly, this document indicates the stakeholders and government agencies responsible for progressing the priorities outlined. It also updates the [Kangaroo Island Economic Development Outlook](#) published in 2016.

RECOMMENDATIONS:

Population Growth:

1. ***Ensure that government agencies responsible for service delivery and infrastructure provision on KI are anticipating and prepared for the increased population projected by the economic growth scenario. Particular priority areas are:***
 - ***Aged care provision***
 - ***Disability services***
 - ***Education***
 - ***Emergency services***
 - ***Public housing***
 - ***Social services for youth***
 - ***Drug and alcohol support services***
 - ***Domestic violence support services***
2. ***Ensure that workforce needs are assessed against growth needs and appropriate programs are in place with support for assessments and accreditation, as required.***
3. ***Governments and businesses engage with KI industry associations to map needs, develop recruitment and retention strategies, including the use of traineeships and apprenticeships.***

Regional Development:

4. ***Ensure the government's Regional Development Strategy includes across government collaboration in supporting the development of regions.***
5. ***Adopt criteria for determining support to regions in infrastructure funding, program and service delivery and use this criteria in determining funding and grant support. The criteria should be made available to the regions and be addressed in funding/grant applications.***
6. ***Increase awareness and uptake of government grants to ensure industries and businesses look more long term at their infrastructure and service delivery and the contributions they make to the social, environment and economic growth of their areas and their regions.***

Government Engagement:

7. ***Establish case managers for all developments that have an impact (social, environmental and economic) with the case manager having sufficient authority to be able to ensure cross agency responsiveness to private sector investment and development proposals.***
8. ***State government appointed "case managers" to prepare project management plans, in consultation with developers and agencies. Across government teams should also be established and meet at appropriate intervals to problem solve and keep projects on track.***

Case managers to be sufficiently senior enough to be able to seek and expect engagement across agencies.

9. *Use the State Government Productivity Commission to investigate opportunities for better collaboration between state and local governments when communities are facing large growth or decline with all parties bringing resources into the management of the issues identified.*
10. *Ensure grant programs of state governments recognise that small businesses sometimes struggle to meet a 50% contributions and review minimum funding allocations to recognise the small nature of these operations.*
11. *Governments, including local government, recognise and engage with industry based organisations in regional areas on economic growth issues and opportunities or challenges being faced by their sectors.*

Transport & Infrastructure

12. *In considering ferry services to the Island, consideration be given to matters of affordability, reliability, impact of competition (or lack of it), freight needs and other identified issues.*
13. *Determine a collaborative approach to the construction of roads that recognises local expertise, job opportunities and economy of scales to be achieved through joining up contracts between state and local government, including work on the management of native vegetation.*
14. *Establish long term plans for the management of state and local government infrastructure, where these plans would assist with supporting businesses and jobs growth.*

Telecommunications:

15. *Keep under review the need for telecommunications infrastructure for the purposes of safety, business development, education etc. and identify innovative solutions for response, in collaboration with industry and governments, including local government.*
16. *Identify models to collaborate between state, local government, community and industry to establish economies of scale in the provision of telecommunications infrastructure.*

Energy & Mining:

17. *Explore options for the design and investment of renewable energy projects on the Island, including through public/private partnerships.*
18. *Explore green bond and debt opportunities for capital raising for energy projects.*

19. *Ensure community education and engagement on proposals for drilling in the Great Australian Bight, including the role of NOPSEMA.*

Tourism:

20. *Identify activities and approaches to continue to attract nature based tourism developments, including with the support of local government and the tourism industry association.*
21. *Continue to leverage Tourism Australia campaigns to provide international marketing.*
22. *Encourage the local council to work with local tourism operators and their industry body to find a solution to the provision of tourist information servicing.*
23. *Develop a tourism infrastructure and products strategy for the Island, informed by the State Government's Regional Visitor Strategy and highlight partners ie: governments (all spheres) and the tourism sector.*

Primary Industries:

24. *Continue to support local research into agriculture yields through working with local and peak industry associations and utilising government grants.*
25. *Explore the provision of a small kill facility or abattoir for the Island along the lines of the recently released government research report.*
26. *Work with industry and governments to secure the oyster industry on the Island and across SA.*

Food & Beverages:

27. *Support local cellar doors and producers to grow the size of their organisations and the promotion of their produce.*

Education & Retention of Youth:

28. *Develop a small kill facility or service to support local sales and consumption of meat products, reduce freight costs and improve local promotion of KI products.*
29. *Support the promotion of shared distribution models to realise economies of scale and greater commercial opportunities whilst boosting local employment.*

30. *Create exclusive food and beverages experiences through collaboration between producers and hospitality businesses.*

Jobs & Skills Development:

31. *Continue to promote access to training, education, professional development and mentoring programs designed to support local businesses and increase job opportunities.*
32. *Encourage collaboration between TAFE and RTOs to provide targeting training and sharing facilities, including using local producers and operator's premises.*
33. *Address the increased costs that Island businesses are increasingly facing to support off island training as part of apprentice programs by increasing subsidies or finding local solutions.*
34. *Consider regulatory and policy reforms to improve the potential to address local skills shortages, particularly in seasonal industries.*
35. *Explore collaboration between regions to address skills shortages and seasonality.*

Environment:

36. *Monitor the impact of marine park zones on the fishing industry on the Island.*
37. *Monitor the outcomes of the Qantas MOU and the leverage it gives to managing the environment.*
38. *Continue to support projects and work with industry on the management of feral animals.*
39. *Continue to enhance the understanding within communities regarding the process, application, benefits and constraints of SEB.*
40. *Continue to engage with communities and industries on environmental management and ensure engagement processes are genuine.*

Housing:

41. *Continue to progress housing projects on the Island for KI Community Housing Association and the KI Community Club, ensuring that the projects provide appropriate governance and deliver affordable housing options for their target groups.*
42. *Continue to implement the Housing Management Plan prepared by OCKI.*

- 43. *Identify strategies to offset costs for the building of houses on KI in association with the building and construction industry on the Island.***
- 44. *Support innovation in building design to support costs of a KI build.***

Trade:

- 45. *Explore options to enhance the delivery of educational experiences for international students, identify infrastructure requirements, including through work placement with relevant industries.***

Cultural & Heritage

- 46. *Provide guidance and support to ensure the business case for the Arts Museum meets its objectives and options for funding (not limited to government grants).***
- 47. *Clarify the role of governments, including local government in the arts and culture space and explore partnerships with industry on the Island.***

Human Services & Well Being:

- 48. *Work with Country Health SA to improve the availability of consulting health professionals visiting the Island and providing on ground services.***
- 49. *Promote opportunities for service providers to ensure health packages are being delivered through NDIS and My Health Care.***
- 50. *Work with governments to secure additional child care for the Island, including in Parndana consistent with emerging needs.***
- 51. *Increase the capacity of aged care facilities on the Island through working with the KI Health Service and the KI Community Housing Association.***
- 52. *Work with sporting clubs and health providers on the Island to develop innovative approaches to supporting people dealing with drug and alcohol and domestic violence issues.***

POPULATION GROWTH

Between 2010 and 2015, Kangaroo Island's population has been steadily increasing at a rate of 1.4%, which is greater than the state average of 0.9%. However in 2016, with an estimated resident population of 4,852 the rate climbed to 1.6%, which was double the state average.

Previously, projections of population growth for Kangaroo Island did not factor in the growth tied to proposed developments. The Commissioner determined that, given the housing challenges and employment opportunities tied to development, it was important to better understand the potential growth.

The Department of Planning, Transport and Infrastructure (DPTI) was asked to assist in determining the possible population growth and respective housing needs should the developments proceed as planned. This was set out in the *Kangaroo Island Demography Report*, which outlined 'Business as Usual' and 'Economic Growth' scenarios of population change. The results showed that - should the developments proceed - there would be an increase of 1,746 residents on the Island by 2031. Demographic profiling suggests that this increase in residents would require an additional 890 dwellings.

The difference in projections can be seen in the below graph.

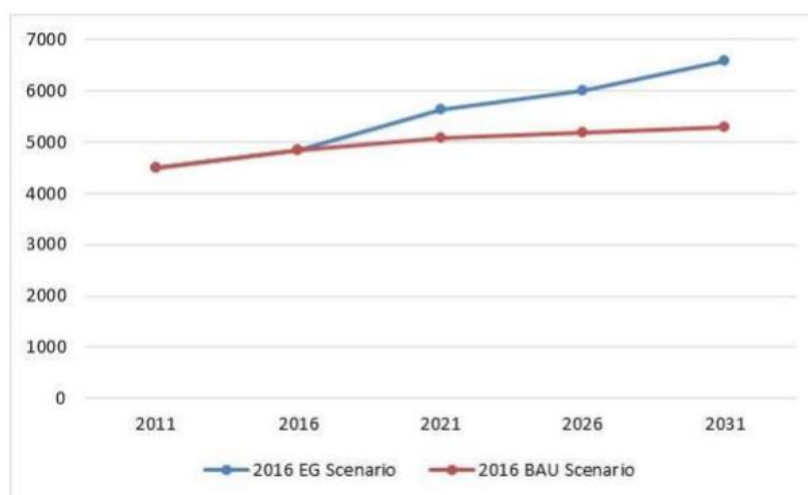


Table 1. Kangaroo Island Population (Actual / Projected)

A [Kangaroo Island Demography Report](#) was prepared by DPTI in September 2017. The report shows the likely demographic changes and population growth emerging as a result of the millions of dollars of proposed developments occurring on the Island, including tourism accommodation, a golf course, the airport upgrade, and forestry. Should the proposed developments proceed, then the predictions for growth between 2016-2031 are:

- A sharp increase in population growth from 2016 to 2021 due to assumed increase in jobs;
- Between 2021 and 2026 population growth but at a slightly lower rate due to the completion of the construction phase of developments seeing these workers leave the Island;
- A slowing of the relative age of the working population; and
- A demand for about 890 additional private dwellings.

Currently within townships, there are large tracts of land already suitably zoned for urban growth, notably at Kingscote, Penneshaw, American River and Parndana.

With proposed developments taking place on the Island, it is expected housing infrastructure will need to increase to accommodate future growth.

It was noted that Kangaroo Island's low unemployment rates would increase the in-bound migration to fill job roles required by the proposed developments.

Given the potential for a 35% increase in the Island's resident population in 15 years, it is important that plans to provide adequate infrastructure and services to the Island consider the higher growth scenario.

With some infrastructure and services on the Island already under strain, it is important that local and state governments and the Australian Government work collaboratively to ensure key services are adequately provided.

Australia's population is expected to grow to nearly 40 million by 2054-2055 according to the *2015 Intergenerational Report: Australian in 2055* reflecting a 1.3% population growth rate. These projections are highly dependent on net overseas migration projections, which can change frequently.

South Australia, and in particular regional South Australia, could benefit from interstate and international inbound migration. The opportunities to support regional development through temporary and long-term migration is clear with challenges experienced on Kangaroo Island in attracting and retaining skilled staff. A number of occupations are already listed on the South Australian 'state nominated occupation' list for which there are shortages on the Island including accommodation and hospitality managers. Opportunities exist for South Australian employers to nominate skilled migrants for a permanent visa from outside Australia or skilled temporary residents who live and work in South Australia to fill skill shortages in their business.

Any plans to increase migration to Kangaroo Island to support the Island's economic growth must consider the existing and planned infrastructure and services. It is also important that migration strategies address skills gaps from the local workforce and do not deter local employees from filling positions, particularly young people returning to the Island to work.

Work undertaken by OCKI in the preparation of a Workforce Plan for KI and the Skills Audit conducted of the current workforce suggest that:

- Attraction and retention strategies are required;
- Critical job areas such as cleaners; drivers' accreditation; hospitality; forestry; and those with truck licenses.

Recommendations:

- 1. Ensure that government agencies responsible for service delivery and infrastructure provision on KI are anticipating and prepared for the increased population projected by the economic growth scenario. Particular priority areas are:***

- ***Aged care provision***

- ***Disability services***
 - ***Education***
 - ***Emergency services***
 - ***Public housing***
 - ***Social services for youth***
 - ***Drug and alcohol support services***
 - ***Domestic violence support services***
2. ***Ensure that workforce needs are assessed against growth needs and appropriate programs are in place with support for assessments and accreditation, as required.***
 3. ***Governments and businesses engage with KI industry associations to map needs, develop recruitment and retention strategies, including the use of traineeships and apprenticeships.***

REGIONAL DEVELOPMENT

KI geographically sits alongside the Fleurieu Peninsula and Adelaide Hills (the 'Region') with a common Federal political boundary as the seat of Mayo. The Regional Development Australia (RDA) boundary includes the Adelaide Hills, Fleurieu Peninsula and KI where there are intrinsic freight and tourism linkages.

For the Region, KI's unemployment rate is consistently low and its participation rate, consistently high. In the June quarter 2018, unemployment was 2.9% - an improvement from 3.5% in the same quarter in 2017. The biggest employers are agriculture, forestry and fishing which employ more than 35% of total employment and more than 30% of full-time employment. Tourism also employs a significant proportion of the Island's employees. In 2016-2017, the Island's tourism industry employed 800 people directly with an additional 300 jobs associated to the visitor economy.

KI has the lowest rate of access to GP services (460 per 1,000 population) compared to the region (536) and the state (535). Interestingly, and possibly due to the shortfall in health services, the percentage of the population of KI on an Age Pension is equal to the state at 12%, compared to 19-27% in neighbouring mainland council areas. The Island is also equal with the state in other areas of income support including disability, single parent and unemployment benefits.

From the perspective of the Community Adaptive Capacity Index, Kangaroo Island has many strengths including housing costs relative to income levels, low unemployment, a high number of females in non-traditional jobs, and high levels of voluntary work (the highest in the region at 38%).

Recommendations:

4. ***Ensure the government's Regional Development Strategy includes across government collaboration in supporting the development of regions.***
5. ***Adopt criteria for determining support to regions in infrastructure funding, program and service delivery and use this criteria in determining funding and grant support. The criteria should be made available to the regions and be addressed in funding/grant applications.***

- 6. *Increase awareness and uptake of government grants to ensure industries and businesses look more long term at their infrastructure and service delivery and the contributions they make to the social, environment and economic growth of their areas and their regions.***

GOVERNMENT ENGAGEMENT

A key observation of the Commissioner in relation to addressing economic growth is that industry and government are generally not aligned early enough in the development of projects and other opportunities - whether it is investment, infrastructure development, new or expanded tourism product, primary production, aquaculture investment or viticulture.

Government decision-making processes require an assessment of the environmental, social and economic impacts for the Island and influence whether projects are approved or not.

Projects generally require approval or input from several agencies, departments or authorities and often lack quality 'up front' case management to assist with the various areas of consideration in a timely fashion. Kangaroo Island Council, depending on the nature of the development, can require input from various government agencies before providing approvals.

Developers become frustrated about the time taken to progress elements of the approval process. There is also a lack of understanding, in some cases, of the South Australian government decision-making processes by the developers and the likely timeframes required to satisfy criteria associated with projects. Some government officers appear to not appreciate, or have regard to, the time and cost invested by developers in the approval process.

The State Government's Joyce Report recognises the need to sharpen the focus of government in supporting industry and developers to meet the economic growth target for the state of 3%.

Adopting a 'case management coordination' process for all major or large developments within government would contribute to providing confidence in the system and a sense of appreciation about the investment being made in SA by developers.

Decision-making processes often involve a degree of community consultation. It is imperative to get the process right and for community engagement to be genuine, informed and timely.

KI businesses are primarily micro or small in nature, although there is an increasing number of medium to larger businesses in the tourism and hospitality industry. There are also examples of 'joined-up' businesses working together in formal structures to capture export opportunities.

These micro and small businesses are keen to work with government on promotional and other activities that will deliver growth opportunities for the Island but due to their size, need reasonable lead times and sometimes resources (financial and personnel) to collaborate.

The Island is unique in that many South Australian rural communities and regions have one or two dominant industry sectors. In order of contribution to GRP, the industries on Kangaroo Island are:

- Agriculture, forestry and fishing
- Tourism and hospitality
- Viticulture and horticulture
- Construction

- Restaurants and cafes
- Recreation and sport
- Rental, hiring and real estate services
- Transport
- Retail trade
- Professional, scientific and technical services
- Financial and insurance services
- Health care and social assistance
- Wholesale trade
- Administrative and support services

Industry associations on the Island are active supporters of their members and rely heavily on grants and collaboration to support growth outcomes. With recent support from OCKI and the Australian Government industry mergers to achieve greater collaboration and to use resources more effectively have occurred. 5 industry groups have now gone to 3.

The Island's industry associations are an invaluable source of information and expertise for government in terms of policy and program development and delivery, especially in relation to industry specific matters.

Recommendations:

- 7. Establish case managers for all developments that have an impact (social, environmental and economic) with the case manager having sufficient authority to be able to ensure cross agency responsiveness to private sector investment and development proposals.***
- 8. State government appointed "case managers" to prepare project management plans, in consultation with developers and agencies. Across government teams should also be established and meet at appropriate intervals to problem solve and keep projects on track. Case managers to be sufficiently senior enough to be able to seek and expect engagement across agencies.***
- 9. Use the State Government Productivity Commission to investigate opportunities for better collaboration between state and local governments when communities are facing large growth or decline with all parties bringing resources into the management of the issues identified.***
- 10. Ensure grant programs of state governments recognise that small businesses sometimes struggle to meet a 50% contributions and review minimum funding allocations to recognise the small nature of these operations.***
- 11. Governments, including local government, recognise and engage with industry based organisations in regional areas on economic growth issues and opportunities or challenges being faced by their sectors.***

TRANSPORT AND INFRASTRUCTURE

As part of the construction and operation of developments taking place on the Island, there is anticipated demand for efficient transport and freight options. The transport of construction materials, goods and consumables to service these developments opens opportunities for freight providers to meet a growing demand.

In addition, there is a significant quantity of freight (grain, fertiliser, livestock etc.) associated with KI agricultural production that currently needs to be transported to the mainland via the existing ferry service and then onwards to mainland export ports. There is a major project before the state government to build a wharf to take forestry product off the Island. Should this proceed to approval, an opportunity may emerge for this facility to accommodate bulk and break-bulk shipping services and the government has indicated that it sees the wharf being available for the movement of other products.

For visitors to the Island, the newly upgraded airport opens up more transport options, SeaLink continues to provide a service for passengers, including those travelling with cars. The new ferry operator, KI Connect, has started a service between Cape Jervis and Penneshaw and American River, providing a passenger service for up to 90 people with hire cars available.

Ferry Operations

In October 2018, the Government of South Australia announced that the contract for the operation of the ferry service and use of associated infrastructure will be subject to a competitive tender process. The current contract expires in 2024 and SeaLink will continue to provide the service until the new contract takes effect.

The Yankalilla and Kangaroo Island Councils are working with DPTI and the Island ferry operators on issues associated with the marshalling areas at Cape Jervis and Penneshaw. The involvement of an additional ferry operator, KI Connect, and the interaction with cruise ship passengers disembarking and embarking in Penneshaw, places additional pressure on the area. The wharves, marshalling areas and parking infrastructure at Cape Jervis and Penneshaw require urgent reviews and upgrades to ensure safe operation, improved access during winter months, ease of passenger loading and ensure the facilities can cope with the increased growth in visitation.

KI Connect is also preparing proposals for the modification and building of infrastructure in Cape Jervis and Penneshaw respectively to enhance the loading/unloading of passengers for the ferry operations.

The state government has invested in improvements to the small craft landing structure on the Penneshaw jetty and the Council has done the same at its Christmas Cove Marina facilities. With the growth in both cruise ship and domestic visitation expected over the next one to three years, further pressure will be applied to the Penneshaw town infrastructure, during an already heightened peak season for tourism.

Airport

The recent upgrade of the Kangaroo Island Airport allows larger passenger aircraft landings, and supports expanded air-freight capacity between the mainland and the Island. Regional Express (REX) operates flights from Adelaide to the Island on a daily basis. In late 2017, Qantas introduced direct

flights to Kangaroo Island from Adelaide with additional services flying directly to the Island from Melbourne during the peak tourism season. A second year of Qantas flights from Adelaide and Melbourne has been secured. The airport upgrade is likely to be of benefit for the Island's higher value and perishable food producers, allowing them to access markets directly to the east coast, which have been difficult to reach.

Roads & Road Safety

Since 2011, the state government has provided \$2 million per year for unsealed road upgrades on the Island. With the exception of 2017-18 the work has been project managed by the Council on behalf of the state. In addition, the Council hold the basic maintenance contract for the state's sealed road network but for larger works the state employs mainland based contractors. These are works that the Council or Island contractors have the skills and capability to perform – without the excessive costs of mobilisation and accommodation that mainland operators incur. The Council has in the past initiated discussions with the state government on the potential for a 'one Island' approach to roads management with both the Council and state road maintenance programs managed centrally on the Island by the Council.

In addition, native vegetation management on roadsides is a key issue that again could achieve economies of scale through a joint state and local government approach. Local contract management and utilisation of local businesses would provide confidence for business growth if joint longer-term infrastructure and asset management plans were put in place.

Should the proposed development by Kangaroo Island Plantation Timbers go ahead, there will be increased road usage by the forestry industry. Current proposals for the haulage route for forestry uses both sealed and unsealed roads, owned by the state government and the Kangaroo Island Council. The project proponents are in discussions with the Council and state government to develop strategies for road upgrades and maintenance as part of the development approval process.

The Kangaroo Island Road Safety Committee, which was formed several years ago by the community, has undertaken a series of surveys to identify issues of importance to the community and established priorities such as:

- signage for tourists regarding turning lanes and driving on the correct side of the road;
- overtaking lane locations;
- speed limits;
- adequate removal of native vegetation from roadsides; and
- addressing accident 'hot spots'.

Public and Community Transport

A survey of the transport needs of the Island's community was undertaken by the Commissioner. The survey revealed the challenges in a small regional community for those seeking to attend medical appointments, go shopping, and meet with friends and travel to work. This drew attention to the Rockhopper Service, which declined in use in 2018. The Rockhopper services have since ceased.

A review of local transport options on the Island would be beneficial to determine the best use of local and state government funds. Such options could consider the potential for using school bus transport, which has established routes across the Island and could make use of vehicles that otherwise lay idle during parts of the day.

In addition, there is scope to explore options for providing pick-up and drop-off services for those completing the Kangaroo Island Wilderness Trail.

Bike & Walking Trails

Visitor experiences such as bike trails have been identified as a market gap, and maintenance of the current walking trails will be an important ongoing infrastructure management issue for the Island.

A Kangaroo Island bike trail is proposed by the Department for Environment and Water (DEW), which would complement other eco-tourism attractions such as the Kangaroo Island Wilderness Trail, which opened in 2016. It is proposed that the bike trail circumnavigates the Island taking five to ten days to complete. The trail could make a significant contribution to the Island's visitor economy.

Kingscote Wharf

The Kingscote wharf precinct, owned by the state government, has been deemed surplus to requirements and is now on the market for sale.

There are currently a number of businesses who have rental or lease arrangements for the conduct of their businesses in the Wharf area. These arrangements are coming to the end of their term and businesses at the Wharf are seeking certainty for the future of the site. The wharf presents an opportunity for development with connectivity to the Kingscote shopping precinct.

Water Security

Water security is a key issue for residents and businesses on Kangaroo Island and as in any regional community, economic development cannot occur without secured water resources.

In 2018, SA Water undertook a review of its Long Term Water Supply Plan for Kangaroo Island. With the support of OCKI, SA Water conducted a year-long consultation process to assist with the review. It was a timely review in light of the number of major development proposals on the island and feedback from the local community about water security.

As part of the review, SA Water:

- updated the demand and supply projections;
- revisited options to increase supply;
- confirmed the preferred supply augmentation option; and
- considered alternative augmentation options.

The updated Plan addresses current stakeholder issues and concerns, and provides a roadmap for how SA Water will continue to service the Kangaroo Island community through to 2043. The Plan also provides strategic direction for capital, maintenance and operational requirements and is adaptable to meet the needs of current and future generations.

The Kangaroo Island Long-term plan is available on the [SA Water website](#).

Recommendations:

- 12. *In considering ferry services to the Island, consideration be given to matters of affordability, reliability, impact of competition (or lack of it), freight needs and other identified issues.***
- 13. *Determine a collaborative approach to the construction of roads that recognises local expertise, job opportunities and economy of scales to be achieved through joining up contracts between state and local government, including work on the management of native vegetation.***
- 14. *Establish long term plans for the management of state and local government infrastructure, where these plans would assist with supporting businesses and jobs growth.***

TELECOMMUNICATIONS

For economic growth on the Island there is a clear need for access to low-cost, high-volume, reliable data and voice communication, particularly for businesses.

Voice communication is principally a Telstra service with some Optus infrastructure now being deployed.

The installation of the replacement undersea cable by SA Power Networks has provided an opportunity to negotiate a fibre optic solution to enhance telecommunications services on the Island.

Data services are provided by Telstra and other wireless providers with the National Broadband Network (NBN) providing fixed wireless services to the Island's townships via a microwave backbone and satellite access for the rest of the Island.

There are other scalable systems that can add value to the existing Telstra solution, however more work is needed to ensure services, like the one provided by NBN, are comparable to the services offered on the mainland.

The state government's *South Australian Regional Visitor Strategy*, released in mid-2018, identifies telecommunication black spots as a priority. It is important to note that on Kangaroo Island, 80% of tourists visit Flinders Chase National Park, which has little to no coverage.

A recent assessment of telecommunications black spots gathered by OCKI identified priority mobile black spot areas for Island residents. A map of the mobile black spot areas is included below.

A survey was also conducted by OCKI to understand the impacts on business and the community of limited telecommunication. The survey revealed that the major black spots occur around the north coast, south coast and western end of the Island. 37.31% of respondents to the survey indicated that they work in mobile black spot areas and encountered telecommunications difficulties and 38.9% advised they live in a mobile black spot area.

When asked about the economic impact on their businesses on an annual basis in direct time and other costs, the following results emerged:

- 24% of respondents incur \$1000 - \$5,000 costs annually;
- 16% of respondents indicated a \$21,000 cost impost;
- 16% could not estimate a cost impact.

When survey respondents were asked to rank the perceived concerns around mobile black spots in order of priority, the results were:

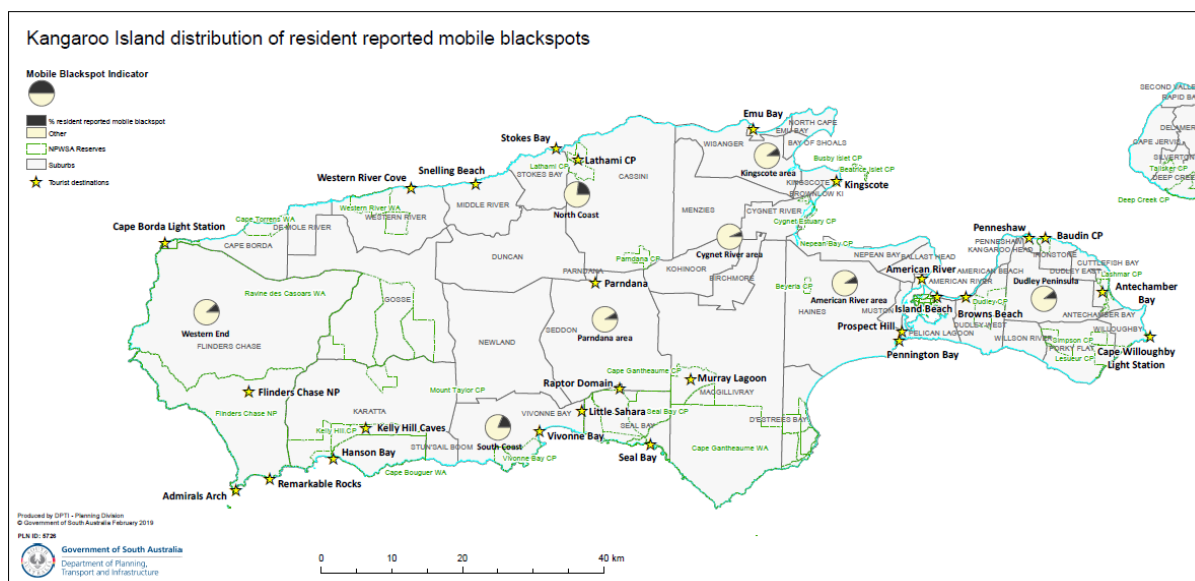
1. Safety
2. Economic Impact
3. Tourism
4. Education
5. Social

Kangaroo Island is a significant and growing tourism location in South Australia and these mobile black spots create direct impediments to this industry.

Most importantly, respondents reported difficulty in accessing basic essential services, such as police, ambulance, fire, water and utility companies via telecommunication.

In addition, more than 40% of respondents to the survey indicated that they also had concerns with accessing online educational materials.

The state government has announced mobile black spot funding of \$10 million in the 2018-19 budget and forward estimates for the state of South Australia. Improvements in this key infrastructure on Kangaroo Island will increase connectivity, make regional businesses more productive, open tourism opportunities and improve the lives and safety of those living in and travelling through our regions.



Recommendations:

- 15. *Keep under review the need for telecommunications infrastructure for the purposes of safety, business development, education etc. and identify innovative solutions for response, in collaboration with industry and governments, including local government.***
- 16. *Identify models to collaborate between state, local government, community and industry to establish economies of scale in the provision of telecommunications infrastructure.***

ENERGY AND MINING

Improving energy resources and distribution on the Island will provide significant benefits for business development and future investment opportunities. Utilising renewable energy options on Kangaroo Island is consistent with the community's desire to maintain its global reputation of being clean and green and preserving its pristine environment.

Kangaroo Islanders recognise that renewable energy generation and storage options will play a major role in minimising costs and enhancing network capacity, reliability, security and quality on the Island.

In late 2018, more than 700 solar power systems are in operation on the Island, producing 2,000 KW of electricity. With 25% of the businesses and residences on the Island using renewable energy, the Kangaroo Island community is demonstrating it is actively embracing renewable energy.

Looking beyond fossil fuel reliance will position Kangaroo Island as a leader in greenhouse gas emission reduction. This widespread acceptance of renewable energy will further enhance the Island's position as a destination for tourism and an attractive place to live and work.

Following a process with the Australian Energy Regulator, SA Power Networks has laid a new cable between Cape Jervis (on the mainland) and Cuttlefish Bay (east of Penneshaw). The previous cable was reaching a point where energy security could not be assured and SA Power Networks has invested \$25 million in replacing the cable.

There is strong support among the Island community and businesses for renewable energy and energy storage projects – as a complement to, rather than as a substitute for, a connection to the national grid and the National Energy Market.

Through the 'Visible Solar Project' the Council, together with Renewables SA and Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island, has installed 50 KW of solar generation at the airport and 15KW at the Council offices in Kingscote and there were plans under the previous Council to expand this further.

The Council also commissioned an off-grid 50 KW hybrid solar PV / Battery / diesel power solution for the Penneshaw wastewater treatment plant. This approach recognises the long-term operational cost savings that will be delivered compared to a standard augmentation and ongoing 'black' power solution. Operational cost savings in this situation translate directly into cost savings for the community through reducing pressure on service charges.

The previous Council also undertook feasibility studies into the establishment of an organisation 'Kangaroo Island Energy', proposed to be a public/private partnership for a sustainable social, economic and environmental energy solution for the Island. It recognised the potential to partner with Kangaroo Island Plantation Timbers to use residual product to support bio-energy projects including:

- the production of domestic and exported electrical energy;
- exportable hydrogen renewable energy in the form of ammonia;
- production of urea fertiliser for on Island use and export;
- the creation of biochar as a by-product; and
- the use of waste heat to thermally distil seawater to create an alternate supply of potable water for the Island.

From a mining perspective the exploration of the Great Australian Bight remains an issue that is gaining a lot of attention by businesses and the community on Kangaroo Island. In any project in the Bight it is clear that consultation with the community, where economic, environmental and safety concerns must be strongly considered, will be an integral part of the decision making process.

Recommendations:

- 17. Explore options for the design and investment of renewable energy projects on the Island, including through public/private partnerships.***
- 18. Explore green bond and debt opportunities for capital raising for energy projects.***
- 19. Ensure community education and engagement on proposals for drilling in the Great Australian Bight, including the role of NOPSEMA.***

TOURISM

Kangaroo Island is a unique and authentic tourism destination where visitors are surrounded by amazing experiences, not just water. There is an abundance of wildlife, nature, coastal and adventure experiences for visitors to enjoy along with exceptional local food and beverages. The Island has a range of distinctive accommodation venues, from remote heritage lighthouse cottages, 5-star luxury hotels, cliff top retreats, beach side cottages, glamping, tentage and backpacker hostels.

There are more than 300 tourism related business operators offering a variety of experiences for the more than 220,000 annual visitors. Remarkably, more than 40% of the Island is covered in native 'old-growth' bushland, and more than 30% is protected wilderness areas or national park. The industry promotes environmental stewardship, innovative and sustainable tourism practices, ensuring the authentic nature based experience you see today will be the same in the future.

Examples of some experiences on offer on Kangaroo Island include:

Adventure and outdoor action <ul style="list-style-type: none">• Quad biking, kayaking and sand boarding.• Cycling• Walking/hiking Ocean experiences <ul style="list-style-type: none">• Meet the locals at Seal Bay• Marine tours and ocean safaris• Fishing charters• Snorkelling/diving• Swimming and enjoying pristine beaches and landscapes• Beach, rock and jetty based fishing• Surfing• Sailing	Nature <ul style="list-style-type: none">• Interactive tailored experiences with native wildlife including 'in-flight' birds of prey demonstrations and personal interaction with koalas and kangaroos.• Walking and hiking adventures on the Kangaroo Island Wilderness Trail• Limestone caves• National and Conservation Parks - Admirals Arch, Remarkable Rocks, Seal Bay• Stokes Bay
---	---

According to data collected by Tourism KI through the Tourism Optimisation Management Model (TOMM) tool, Kangaroo Island welcomed 226,000 visitors in the 2017-2018 financial year.

Visitation to the Island has increased steadily over the past seven years, with total visitation up 16% and expenditure up 43%. The Island hosts 30% of the 500,000-plus international visitor nights in South Australia. It is known that a majority of visits to the region are for overnight stays by Australians alone, but with a total cost of \$123 million and an average nightly spend of around \$246, it is predicted that tourism expenditure will grow by 27% by 2020.

In 2016-2017, the tourism industry contributed an estimated \$102 million to Kangaroo Island's regional economy and directly employed 800 people.

Kangaroo Island is a key contributor to the state economic tourism target and a Regional Visitor Strategy (RVS) has been developed to deliver specific actions for the region. Key tourism actions for the Island include:

- Domestic and international promotions, including increased public relations and media opportunities;
- Attendance at travel trade events targeting key international markets such as the United Kingdom, Europe, the United States of America and South East Asia;
- Developing tourism products supporting local produce;
- Supporting industry capability initiatives for tourism operators; and
- Upgrading accommodation facilities.

The recent upgrade of the Kangaroo Island Airport has allowed increased air transport to the Island. The direct service by Qantas from Melbourne to the Island during December – January and its additional services between Adelaide and the Island throughout the year are proposed to bring, in the long term, a significant increase in international and domestic visitation. With the addition of new flight routes to the Island, there is scope for additional products, experiences and infrastructure to cater for the increased demand.

There are also a number of major projects going through the planning system resulting in new infrastructure, tourism facilities, and hotels. Another ferry operator, KI Connect, has entered the market adding to the SeaLink experience.

It is predicted that visits to the Island are expected to grow by at least 10% by December 2020.

Kangaroo Island is one of the most appealing destinations for domestic and international markets and is one of Australia's strongest tourism assets. It has the potential to grow without sacrificing its consumer appeal as 'Australia's Galapagos' and already has a large number of saleable tourism products ready for international distribution.

In the 2012-2013 season, there were three cruise ship visits with 2,714 passengers and crew. This has increased to 21 ship visits in the 2017-2018 season and 28,000 passengers and crew. Revenue exceeded \$600,000 in 2012-2013 and \$2.16 million in 2017-2018 from these cruise ship arrivals. Revenue and growth continued to increase with 28 cruise ship visits (carrying more than 60,000 passengers and crew) proposed in the 2018-19 season.

A collaborative effort between the Kangaroo Island Industry and Brand Alliance and Tourism Kangaroo Island has established a portal of digital assets to assist the promotion of Kangaroo Island. The portal (www.seasonalkangarooisland.com.au) was established in September 2016 and houses more than 200 photos plus a series of fact sheets, videos and training tools for businesses. Some fact sheets are translated into Italian and Chinese and a driving safety video appears in seven languages. These assets are free to access after a simple registration process. They are being used by local operators, travel agents around Australia and internationally, as well as media. The 265 registered users come from 22 different countries. By the beginning of November 2018, the website Seasonal Kangaroo Island achieved 17,426 page views and 1,669 assets were downloaded from the site.

Prospect Hill Stairs is a tourism hero experience that has been upgraded with modern infrastructure. The project has received funding from the Australian Government's Building Better Regions Fund (\$750,000), state government's Open Spaces Program (\$125,000) and Kangaroo Island Council (\$125,000). This project was managed by the Council.

Located at the head of Pelican Lagoon, on the main road approximately mid-way between Penneshaw and Kingscote, the steps meander up the side of Prospect Hill to a look-out strategically located at the top, providing panoramic views of Pelican Lagoon to the north and the Southern Ocean to the south. It is a relatively easy walk and is popular with the community and visitors alike as a great way of getting a birds' eye view of this beautiful part of Kangaroo Island.

The recent closure of the Penneshaw Visitor Information Centre, managed over the last 10 years by Tourism KI (TKI), has brought into question the role, of any, of the Council in providing/supporting the provision of tourism information. The Council had previously provided this service. It is a widely recognised role of Councils across Australia and in South Australia to support tourist information via a Tourism Information Centre or other appropriate servicing model. An options paper was funded by the OCKI to support discussions between the KI Council and the TKI. At the time of writing this document no final decision had been formally adopted by the Council in relation to its role or support for tourist information servicing.

Recommendations:

- 20. *Identify activities and approaches to continue to attract nature based tourism developments, including with the support of local government and the tourism industry association.***
- 21. *Continue to leverage Tourism Australia campaigns to provide international marketing.***
- 22. *Encourage the local council to work with local tourism operators and their industry body to find a solution to the provision of tourist information servicing.***
- 23. *Develop a tourism infrastructure and products strategy for the Island, informed by the State Government's Regional Visitor Strategy and highlight partners ie governments (all spheres) and the tourism sector.***

PRIMARY INDUSTRIES

Agriculture

Kangaroo Island has more than 300 farms producing wool, prime lamb, cattle, pigs, canola, cereal and legume crops, free-range eggs, marron, seed potatoes and a range of other horticultural crops including vegetables, figs, garlic, olives and wine grapes. The gross value of agriculture commodities produce was \$84 million in 2016-2017, with livestock and livestock products making the largest contribution to total value.

There are more than 600,000 sheep and lambs, 17,000 head of beef cattle and 81,000 free range chickens on the Island producing about 12.5 million eggs annually.

Of the 250,000 lambs born each year, 100,000 are for the production of merino wool for garments highly prized in countries such as Japan and Italy. Some of this wool is used in branded *Kangaroo Island Wool* garments with full traceability back to individual farms.

Sheep, cattle and pig producers supply major processors with prime lamb, beef and pork which is exported around the world. All livestock are currently exported from the Island via the existing ferry service for sale or slaughter as there is no local kill facility. The State Government has undertaken a research project, in consultation with farmers and retailers, which demonstrates an interest and potential business case for the provision of a facility.

Kangaroo Island farmers have responded to an increasing global demand for clean, traceable goods. They are blessed with a remarkable agricultural setting and unpolluted air in an environment protected from many diseases and pests. They can grow non-GM produce in an idyllic temperate climate.

Island farmers have a unique connection to their natural environment, balancing the elements, sustainability and conservation with traditional farming practices and innovative new technology.

The Island also produces certified seed potatoes that are used to generate commercial crops in other potato-growing regions.

Kangaroo Island's crop growers market canola and beans internationally, under the *Kangaroo Island Pure Grain* brand. Almost 4,000 tonnes of canola, 14,000 tonnes of wheat, 5,000 tonnes of beans and 3,000 tonnes of barley were produced on the Island in 2015-2016.

Aquaculture & Fisheries

The waters surrounding Kangaroo Island are home to a wide variety of eating fish, shellfish and crustaceans including King George whiting, crayfish, snapper, giant crabs, lobster, calamari, garfish, sardines, abalone, prawns and oysters.

In 2016-2017, more than 11 million kilograms of seafood was caught within a 10 kilometre radius of the Island. This equated to a market value of almost \$20 million; an increase of more than \$5 million in catch value since 2006-2007.

Kangaroo Island Community Education - Parndana Campus is a Primary and Secondary school of 168 students and is located in the centre of Kangaroo Island in the rural township of Parndana.

Strong academic and vocational pathways are encouraged as well as a focus on being community minded and being a valuable citizen. Agricultural Science is a major curriculum focus.

In 2004, the Skills Centre was opened to develop aquaculture into the learning programme as a focus of the Parndana school community for Kangaroo Island Community Education (KICE). The Centre is a 're-circulating aquaculture system' in which Barramundi are farmed. The Centre allows students to engage in real life learning with transferable skills. The areas of 'aquaponics' (aquaculture plus hydroponics) and sustainability are explored by students through their learning programs. KICE supplies their farmed barramundi and herbs to local Island restaurants, including Southern Ocean Lodge.

The South Australian aquaculture industry is facing a serious and urgent threat from Pacific Oyster Mortality Syndrome (POMS), which has been spreading westwards through southern Australia. POMS causes rapid and high mortality in farmed oysters and has resulted in a shortfall of spat to the SA industry from hatcheries in Tasmania.

Kangaroo Island oyster farmers have until recently farmed the introduced Pacific Oyster, and with the shortfall of spat, an opportunity presents to transform the industry from reliance on Pacific Oysters to the native *Ostrea angasi*, which is not effected by POMS. The native Angasi has been trialled by Island farmers for 12 months and have performed well. Competitive market advantages are clear by transitioning to a native oyster that can be branded as environmentally friendly, capitalise on changing market forces and withstand environmental threats.

The oyster farmers on the Island are now devising a strategy for transitioning to sustainable practices, which includes:

- Species diversification;
- Continued research and development of Angasi;
- Implementation of a micro farm hatchery;
- Processing development;
- Wild spat collection; and
- Growing methods.

Native Angasi commercialisation provides opportunities for possible reef restoration projects within South Australia and on Kangaroo Island. An application has been submitted to the Australian

Government's Regional Land Partnerships funding program to develop niche, provincial native oyster industries for Kangaroo Island to adapt and restore coastal ecosystems. As a cornerstone, native oyster reef ecosystems would be re-established to support abundant marine life, high biodiversity and fisheries production, regulating water quality and protecting coastal landscapes.

Another key variety of shellfish produced on the Island is abalone. Kangaroo Island is home to abalone producer Yumbah, whose four on-shore abalone farms located across Australia collectively produce the largest amount of abalone in the Southern Hemisphere.

A large portion of the abalone produced on Kangaroo Island is exported internationally. In particular there is demand for the Island's abalone in Japan, the United States and Canada. The exported abalone is snap-frozen to ensure that the product's quality is conserved in transit.

Yumbah was established in south-west Victoria in 1999. The business employs more than 80 full time employees across Australia and has an expected turnover of \$27 million in 2018. In addition to Kangaroo Island, Yumbah produces abalone at Port Lincoln (SA), Narrawong (Victoria) and Bicheno in Tasmania.

With Yumbah's Kangaroo Island farm Situated in Smith Bay, the company have a direct interest in the wharf development proposed by Kangaroo Island Plantation Timbers (KIPT). Yumbah submitted to the Environmental Impact Statement prepared by the KIPT.

Currently, Yumbah's Kangaroo Island farm employs 25 employees and produces 160 tonnes of Abalone annually. Yumbah are considering the expansion of its current operations to its licenced capacity of 400 tones. This could see another 50 employees employed at the farm. The decision to expand will be determined following the outcome of the KIPT wharf proposal.

Global demand for plantation timber is growing and logging native forests is increasingly untenable and undesirable. Timber supply world-wide is diminishing. Sustainably grown, environmentally certified timber is in high demand.

There are almost 20,000 hectares (ha) of timber plantations on Kangaroo Island, mainly in the western part of the Island. The largest grower – Kangaroo Island Plantation Timbers (KIPT) – owns about 15,000 ha, most of which is ready to harvest. With the plantations of the 12 independent growers, it is expected that almost six million tonnes of timber will be harvested over the next 12-14 years, equating to a 7% increase in Australia's timber exports. Environmentally certified timber and chip could be exported from the Island to national and international markets from the proposed multi-purpose wharf at Smith Bay, by project proponent KIPT. This facility has 'major project' status under the state government planning approval processes.

About 160 operations jobs are proposed to be created in forestry and related activities should the project be approved. It is anticipated that the project would also generate an additional 74 indirect jobs on Kangaroo Island. During the construction period an additional 22 direct and indirect jobs would be created. New demand on housing would likely be 100 additional dwellings to accommodate the workforce.

The plantation estates can sustainably produce 500,000 tonnes of timber and wood chip a year, valued at \$60 million annually, providing a significant boost to South Australia and Kangaroo Island's economy.

KIPT has signed a Memorandum of Understanding with international trading house Mitsui, which gives Mitsui access to the Kangaroo Island timber products to sell to international markets.

An independent environmental impact statement (EIS) is being finalised for the proposed Smith Bay wharf. Adequacy checks are required before the formal public consultation process begins.

Recommendations:

- 24. *Continue to support local research into agriculture yields through working with local and peak industry associations and utilising government grants.***
- 25. *Explore the provision of a small kill facility or abattoir for the Island along the lines of the recently released government research report.***
- 26. *Work with industry and governments to secure the oyster industry on the Island and across SA.***

FOOD & BEVERAGES

Kangaroo Island produces a broad range of high-quality food and beverages. The Island's remoteness, unique environment and the community's connection to the natural world have influenced producers to deliver unmistakable quality, purity and flavour. Their emphasis on ethical, traceable, non-Genetically Modified (non-GM) food production is an understandable extension of the community's values, which are increasingly sought after by the world's markets. The Island's iconic and diverse food and beverage offerings include:

- Wine, apple cider, beer, spirits and other premium beverages;
- Honey and bee products (wax, honeycomb, propolis);
- Olives, extra virgin olive oil, figs and garlic;
- Hydroponic lettuce;
- Pastured free range eggs;
- Prime lamb, beef, free range pork and poultry;
- Eucalyptus and lavender oil and products;
- Jams, condiments and other value-added niche food products;
- Non-GM grains including canola, wheat, cereals and pulses; and
- King George whiting, snapper, garfish, southern calamari, lobster, oysters, abalone, freshwater marron and barramundi.

The Island was officially declared an Australian wine region in 2001, acknowledging its place alongside some of the world's best winemakers. The Island's temperate, coastal climate is ideal for growing grapes and produces wines with a purity and restraint that makes them a perfect match to the region's artisan food. There are 12 wineries operating on the Island, many offering cellar doors. Varieties produced on the Island include:

Red	White
Shiraz	Sauvignon Blanc
Cabernet Sauvignon	Pinot Gris
Grenache	Riesling

Merlot	Chardonnay
Pinot Noir	Savagnin
Cabernet Franc	Semillon
Malbec	Viogner
Sangiovese	

Opportunities exist with the Island's wineries to expand their cellar door experiences to cater for local and international visitors seeking wine-based activities.

KI also produces a range of premium beverages including handcrafted boutique spirits, beer and cider – many of which use local seasonal botanicals to provide flavours distinct to the Island. Pure KI bottled rain water is also widely available.

The Island's farmers run about 700,000 head of livestock including sheep, which are bred for prime lamb and wool production, free range pigs, cattle and other livestock including chickens. The Island is well known for its pastured free range chickens producing free range eggs. This industry has set a standard for themselves through the Kangaroo Island brand, with a stocking density of 750 hens per hectare. Maremma stock guardian dogs live with the hens on farms and protect them from predators such as eagles and feral cats. KI free range eggs are highly sought after and in high demand in SA and interstate.

KI honey is produced by the world's purest remaining strain of Ligurian bees brought to the Island in the early 1880s, and now protected by the Island's official bee sanctuary status. The honey's distinct flavours, derived from the diverse range of native vegetation, is in high demand from consumers and is used as a food and also as an ingredient in beverages, beauty products and pharmaceuticals.

KI produces a variety of quality seafood from the surrounding pristine waters using sustainable practices. A small number of marine scale fishers operate out of Kingscote, mostly aligned with larger fish processing companies. Several lobster fishers operate from the small harbour of Vivonne Bay on the south coast. Many farmers have stocked their dams with marron, a delicate freshwater crayfish with a number of larger marron farms supplying local domestic markets.

An oyster farm and an on-shore abalone farm, grow and harvest the shellfish for local, national and international markets.

Once a major industry, eucalyptus oil distilling is now a preserved part of Australia's heritage. Production of pure essential oils from one species, the native KI Narrow Leaf Mallee (*Eucalyptus cneorifolia*) is on full display, and a growing industry. Likewise, lavender distillation occurs on the Island, and has been identified as a growing niche market for international trade.

Growers and producers of condiments and other niche foods are eager to tell their story and encourage sampling of their wares which are steeped in nearby habitats, climates and soils. Many take on the flavours of the seasons, and well-known brands have grown to be household names, and are continuous staples of chefs and cooks.

Recommendations:

- 27. *Support local cellar doors and producers to grow the size of their organisations and the promotion of their produce.***

EDUCATION & RETENTION OF YOUTH

KI is well placed to work with the private sector, community and governments to develop and refine an agenda for research, development, education and innovation that will benefit the Island and the state.

The Island setting provides a 'one stop shop' to explore disciplines such as marine biology, coastal management, ecology, animal science, agriculture, aquaculture, viticulture, apiary and environmental management. By establishing facilities or campuses to accommodate the delivery of tertiary education, which would cater for local and international students, Kangaroo Island could provide experiential learning for both students and academics, through the provision of tailored education programs and support of research and development agendas.

Educational opportunities will emerge over the short to medium term as the Island's economy continues to grow. Vocational training is expected to expand to meet the demands of new developments and the 750 additional workers anticipated to fill newly created roles. The new developments and the expansion of local businesses benefiting from growth will see additional needs for apprenticeships/traineeships in industries such as retail, tourism, services and hospitality and skills associated with the forestry industry.

In addition, the increase in visitation and population growth over the coming years will also create educational, vocational and employment opportunities across several industry areas.

As the winner of the Regional School of the Year at the 2018 Australian Education Awards, Kangaroo Island Community Education (KICE) provides an innovative and responsive model of education. Developing close links with industry and business has been paramount in the delivery of education on the Island. With campuses in Penneshaw, Parndana and Kingscote, the curriculum structure at KICE allows for transition to career paths via university, trades and apprenticeships. A rural production facility at the Parndana campus supplies sustainably farmed barramundi and hydroponic herbs to Southern Ocean Lodge.

KICE provides trade training centres focusing on hospitality, engineering and automotive, civil construction and food processing in addition to agriculture, aquaculture, tourism and business Vocational Education and Training (VET) programs.

The following graphs demonstrated the movement of students into study from KICE.

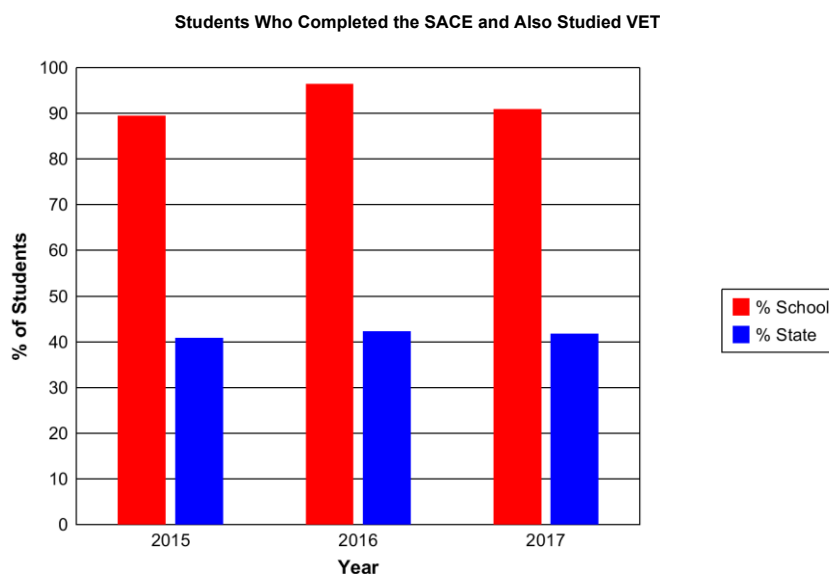


Table 2. *Students who completed the SACE and also Studied VET.*
School Leaver Destination Data, Kangaroo Island Community Education

KICE is actively engaged in the School Based Apprenticeship (SBA) system via a variety of industry areas. There are a high percentage of students transferring from SBAs to full time apprenticeships when transitioning from KICE. All of these programs support skills development in young people and adults to ensure those seeking employment will be equipped to take advantage of future work opportunities on the Island.

Student Leaving Data shows that students are primarily either staying on island for employment or going to university for further study.

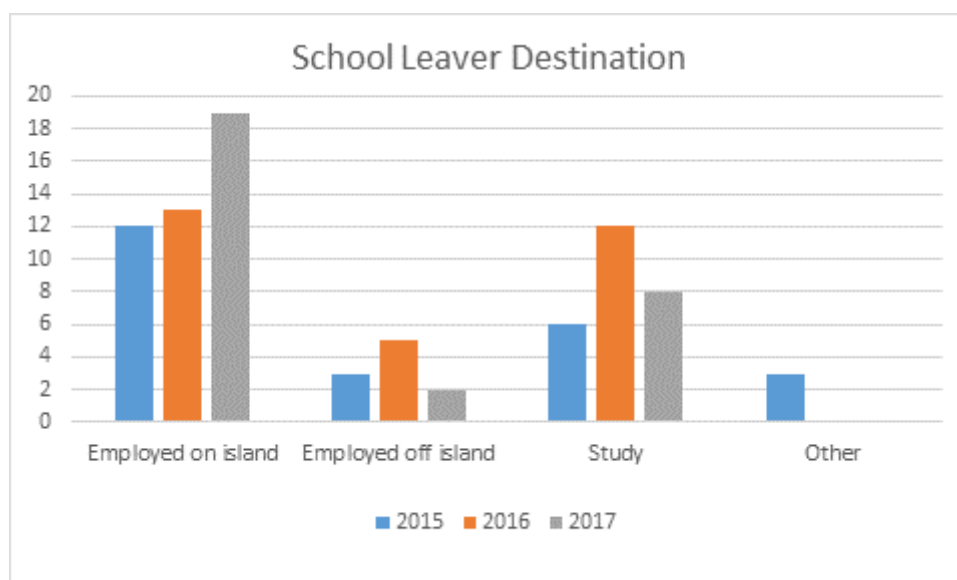


Table 3. *School Leaver Destination Data, Kangaroo Island Community Education*

Youth unemployment is not as high on Kangaroo Island as many other areas across regional South Australia. Retaining youth on the Island for the jobs of the future is a key objective for the school and industry associations. Some youth will leave the Island to gain higher education, however given

the diverse range of industry career opportunities available, they should continue to be encouraged to return to contribute their skills and expertise. This is the case in the agricultural sector where many young farmers have left the Island to advance their skills and qualifications and returned to enhance the farming practices of their family businesses.

The Island delivers career development opportunities for youth through exposure to a range of industry experiences. The challenge is to match career expectations of the Island's youth, and have higher education partnerships to support youth aspirations with local industry needs. A key area of activity in career development could be achieved by connecting the Island's youth to government employees and programs, particularly in environmental and agricultural disciplines – both interstate and internationally. In addition, the presence of hotels and motels that are part of larger domestic and international 'chains' could present valuable vocational experiences for young people that could expand opportunities in the future.

Retaining youth also requires a high level of engagement about their expectations of community life as well as work options. Work undertaken by OCKI with students at KICE identified that they would like to be consulted and engaged on issues that impact them and decisions which impact their employment opportunities on the Island.

Recommendations:

- 28. *Develop a small kill facility or service to support local sales and consumption of meat products, reduce freight costs and improve local promotion of KI products.***
- 29. *Support the promotion of shared distribution models to realise economies of scale and greater commercial opportunities whilst boosting local employment.***
- 30. *Create exclusive food and beverages experiences through collaboration between producers and hospitality businesses.***

JOBS & SKILLS DEVELOPMENT

There are more than 700 businesses on Kangaroo Island and most are very small enterprises.

With more than \$226 million of developments approved or proposed on the Island and anticipated growth in forestry, tourism and hospitality industries, recent demographic profiling suggests that the Island doesn't have enough workers to fill the roles required by the developments.

The unemployment rate on the Island is 2.9% – one of the lowest in regional South Australia.

Over the past two years, work has been underway through the Council, industry associations and OCKI with funding from the state government and the Australian Government to offer programs of support in areas such as:

- Mentoring and coaching for business growth;
- Investment attraction support and referrals;
- Workforce planning;

- Leadership development;
- Industry association collaboration; and
- Media and promotion.

All of these initiatives have been designed so that KI businesses and the current and future workforce can benefit from the economic growth on the Island.

A Workforce Planning project has been undertaken to identify current and future needs, especially given the projected employment from new developments and the current low unemployment rate on the Island. The project sought to determine where new employees are likely to come from and what skill base will be needed. The project was supported by the then Department for Industry and Skills (DIS) and was developed in consultation with industry associations, new developers, current businesses and includes a number of recommendations.

With the support of funding from the Building Better Regions Fund, a workforce skills audit has been undertaken. The skills audit provides valuable information on the movement of workers between industries, the current age profile, career aspirations and other demographic data.

The information gained from the skills audit will inform the nature of promotion and career development required to attract workers.

A project undertaken by OCKI, about the manner in which hospitality and tourism training could be provided on the Island, has revealed a strong level of support among local employers to provide their facilities for training purposes. It is also clear that the various certificate and diploma courses on offer are not sufficiently flexible to meet micro, small and medium business needs where tailor made training and skill development is required.

TAFE SA now has a stronger presence on the Island following work supported by OCKI to reconnect the organisation with industry groups and local employers. Registered Training Organisations (RTOs) are not demonstrating a strong presence on the Island at this stage which is most likely due to small class sizes. This has an impact on delivery models and costs for employers. The Island's hospitality businesses remain committed to working together to assist in design and delivery of training that meets industry needs.

Apprenticeship and traineeship models need work in both relevance and delivery to ensure that assessment processes are cost effective. Recent experiences have suggested that some RTOs are seeking to undertake additional assessments offsite that will be costly for employers in the long term. This may impact on the ability of businesses to retain or grow their apprentice workforce.

The proposed developments and major projects are anticipated to create more than 750 during development and new jobs on the Island. The promotion of employment opportunities, training and development for identified skills needs will be a key initiative for the Island. Collaboration with TAFE SA and RTOs to deliver targeted training that is affordable for Islanders and business operators will be required to meet training and development needs.

In addition, Mobo Group has secured a contract with the Council to run the airport café. Mobo provide employment and related support services to people living with a disability. There is scope to increase the engagement of prospective employees with special needs who may be able to fill a number of emerging job opportunities on the Island.

It will be important to ensure adequate services on the Island such as retail, medical, social and educational to support the attraction and retention of staff for businesses. A lack of rental accommodation has previously hindered the retention of staff, particularly in more remote locations.

Recommendations:

- 31. Continue to promote access to training, education, professional development and mentoring programs designed to support local businesses and increase job opportunities.***
- 32. Encourage collaboration between TAFE and RTOs to provide targeting training and sharing facilities, including using local producers and operator's premises.***
- 33. Address the increased costs that Island businesses are increasingly facing to support off island training as part of apprentice programs by increasing subsidies or finding local solutions.***
- 34. Consider regulatory and policy reforms to improve the potential to address local skills shortages, particularly in seasonal industries.***
- 35. Explore collaboration between regions to address skills shortages and seasonality.***

ENVIRONMENT

Natural Resources Management

Kangaroo Island has its own Natural Resources Management Board (KI NRM Board), and collected \$385,000 in the 2017-18 financial year from the Natural Resources Management (NRM) levy. This is among the lowest levy collections of any NRM Board in SA. The KI NRM Board relies heavily on state government contributions and grants from the Australian Government to undertake work consistent with the NRM objectives.

Natural Resources Kangaroo Island - a regional branch of the Department for Environment and Water (DEW) delivers on both the Board's priorities, including contracted projects, and DEW's regional priorities.

At the time of writing, the state government has proposed a policy that would see the establishment of a new Landscape Board, which is intended to work more directly with communities. The new framework proposes to enhance community engagement with local autonomy and accountability given to the boards and their staff. The responsibilities of DEW and the boards would be separated under the proposed policy.

Kangaroo Island will seek assurances that its lack of ability to raise the necessary funds will guarantee a strong contribution by the state government to the work of the local Board.

Native Vegetation

The Commissioner established a Local Advisory Board for Native Vegetation under the Act that focussed on the key issues for the community relating to native vegetation management. The result

of the Board's work was a Community Information Paper that sets out the issues raised, concerns specific to the Kangaroo Island context, and information regarding the legislative, regulatory and policy frameworks that impact native vegetation. The [Native Vegetation Management on Kangaroo Island: Community Information Paper](#) is available on the OCKI website.

With around 48% of the Island covered by native vegetation, Kangaroo Island has the greatest area of native vegetation in South Australia's agricultural zone. The Island has a long history of participation in Landcare management programs designed to protect and enhance native vegetation management. Islanders understand that protecting native vegetation is important for the protection of threatened species, enhancing the Island's pristine environment, and sustainable agricultural production.

There are a range of threatened species unique to the island and continued pressure on conserving these species through improved native vegetation management comes from the community and environmental groups on the Island.

The key issues addressed in the Information Paper are:

- Comparisons between the native vegetation coverage on Kangaroo Island and other regions, including native vegetation type and condition. This includes ascertaining the relative costs of managing native vegetation on the Island compared to other regions;
- Roadside vegetation challenges regarding costs for removal of vegetation, visibility issues, management of threatened species, and the preparation of management plans;
- Bushfire management including clearance requirements, shared responsibilities of governments and residents, the protection of homes and properties;
- Sustainable management of land including weed and pest control, scattered trees, application of the Significant Environmental Benefits (SEB) policy, conservation, and the economic and environmental costs of native vegetation management;
- The consideration of native vegetation issues throughout development and planning approval processes; interaction between various agencies and the Council in development approvals; and communication and information provision for proponents and land holders about the management and protection of native vegetation;
- Education and communication with the community and landholders about rights and responsibilities for native vegetation management; and
- The application of government guidelines, policies, codes and regulations and the provision of information sessions by government to promote community understanding of native vegetation management.

The Board found that a lack of clear communication and public information was inhibiting the effective management of native vegetation on the Island. There is scope to increase the engagement between, community members, landowners, local government and state government to ensure consistent and effective management of native vegetation on Kangaroo Island.

Feral Pigs

With the support of officers from Natural Resources Kangaroo Island, DEW and Agriculture KI, OCKI undertook a survey into the economic impact of the Island's feral pigs on farmers. The survey revealed a negative economic impact of \$1.6 million during the period 2015 to 2017 caused by damage or loss of fencing and 6,418 hours spent by farmers managing feral pigs on their properties during this two year period.

An additional survey is being conducted by Agriculture KI to further assess the economic impacts of feral pigs particularly regarding the regeneration of primary production land.

Marine Parks

There are four state marine parks and two national marine parks adjacent to Kangaroo Island, which provide a range of protections for local marine habitats and wildlife, as well as ongoing opportunities for sustainable use.

In 2017, the Department for Environment and Water prepared *South Australia's Marine Parks 5-Year Status Report 2012–2017* (the Status Report), which assessed the first five years of progress by the Marine Parks Program since implementing marine park management plans. The Status Report covers the period between 2012 and 2017, and includes background information on the program, including ecological and socio-economic monitoring.

Included in the Status report is a case study relating to Rock Lobster (*Jasus edwardsii*) in the Cape du Couedic Sanctuary Zone (CDCSZ), which lies within the Western Kangaroo Island Marine Park (WKIMP) and forms part of the WKIMP management plan.

The 2017 survey estimates of relative biomass (catch per unit effort [CPUE]), kilograms per pot lift) and abundance (CPUE, number lobster per pot lift) of legal size lobsters (≥ 105 mm carapace length) were 4.4 and 3.5 times higher, respectively, inside the CDCSZ compared to outside. Since the 2013–2014 fishing season, when fishing was last permitted in that zone, there has been positive population responses within the CDCSZ. There was an 81.1% increase in relative biomass, 42.2% increase in relative abundance, and 4.1% and 12.5% increases in the size of legal female and male lobsters. There was no evidence that historical catch rates were different inside versus outside the CDCSZ.

SA's marine parks network was designed to minimise potential negative impacts on businesses and the fishing industry, and to result in positive benefits by providing opportunities for education, public appreciation, business, and nature-based tourism.

A series of indicators were identified based on advice from the South Australian Centre for Economic Studies and an expert panel convened by the Goyder Institute, which were summarised according to eight broad categories: local businesses and communities, coastal recreation, tourism, cultural heritage, transport and infrastructure, aquaculture, recreational fishing, and commercial fishing.

Two indicators in the Status report state:

- Local business and communities - based on the socio-economic indicators that were tracked, there is no evidence of negative regional impact that correlates with the implementation of marine park management plan.
- Commercial fisheries are stable and valuable:
 - In the two years since implementation of fishing restrictions in sanctuary zones, the quota has been reached in both years in the Northern Zone Rock Lobster Fishery;
 - The total catch of marine scale fish in the two years since sanctuary zones were implemented is comparable to the previous two years;
 - The trend in catch is also reflected in the retail price of locally caught and sold fish as there was no evidence from the monitoring of fish prices (which included prices of King George whiting, snapper, garfish, calamari, yellowfin whiting and snook) that local consumers are on average paying more for locally caught fish.

Comparatively, The Sanctuary Zones Regional Impact Assessment for Kangaroo Island, published in October 2015, states:

- Loss of marine scale fish production in respect of Bay of Shoals alone is estimated at \$153,750 per year, and includes job losses;
- Increase in fuel costs as had to drive/boat further to reach alternative fishing sites, with subsequent fuel usage increased from 15 litres per day to 40 litres per day;
- Safety concerns regarding access to alternative sites, and safety issues with diving;
- Reduced production flow impacted on local seafood retailer/wholesaler, who closed (temporarily);
- Reduced export income capacity due to reduced quotas;
- Rock lobster met quotas, however experienced lower productivity and higher input costs;
- Number of days spent fishing increased and fuel usage rose up to 4.1%;
- Productivity with the total rock lobster catch declined by eight to 14%;
- One rock lobster vessel relocated off the Island which involved relocating two jobs; and
- Wholesale prices rose as a consequence of a reduction in KGW catch. Combined catch down 40%.

In terms of mitigating the economic and social impacts of the sanctuary zones, KIMAP identified several options, including adoption of:

- Pilot areas;
- Multi-use zones; and
- Setting aside an area for a period of time and gathering agreed environmental and economic data during that period.

No nature-based tourism activity inside the sanctuary zones has been established on Kangaroo Island to date. Little opportunity for tourism activities has been identified due to the cold waters and exposed nature.

The state government's pre-election commitment was to review the management plans and zone classifications within the state's 19 marine parks.

Carbon Neutrality

DEW entered into a Memorandum of Understanding with Qantas Airways Limited to support the development of an ambitious carbon neutral and carbon offset opportunity for KI, including strengthening the Island's position as a world class environmentally sustainable destination.

Qantas is supporting tree plantings on the island by purchasing the offsets they generate. This will offset the emissions from Qantas direct flights servicing the Island. Qantas' existing portfolio of carbon offsets will be used in the meantime to make all flights carbon neutral from launch. This will make KI Qantas' first complete carbon neutral destination with fully offset flights.

KI was also selected by DEW for the Biodiverse Carbon Credit Pilot Project. This project seeks to provide incentives for landholders to plant or regenerate native vegetation to be used as Australian Carbon Credit Units (ACCUs). Activities that store carbon or reduce emissions can generate credits, which can then be sold to provide an additional revenue stream for the landowner.

KI was selected for the pilot for its potential carbon yield and land availability, as well as soil and rainfall conditions.

Information on progress with this MOU is now being sought.

Feral Cats

The goal of the Kangaroo Island Feral Cat Eradication Program is to eradicate feral cats from the Island by 2030. This timeframe may need to be adjusted depending on the progress that is made, the level of resourcing made available, and the effectiveness of current and emerging tools and technologies. The program is being led by the KI NRM Board with support from DEW and the Council. It is supported by both the state government and the Australian Government.

Feral Cats pose a risk to both the nature-based tourism industry, the Island's reputation as a last refuge for many threatened species, and the Island's livestock industry. Feral cats spread livestock diseases (sarcocystis and toxoplasmosis) that impact primary production and profitability, causing an economic cost of about \$2 million annually. Toxoplasmosis can lower fertility in farm animals, while sarcosporidiosis (caused by sarcocystis) leaves cysts on the muscle tissue of sheep, cattle and pigs, leading to a downgrading of the meat at the abattoir.

Feral cat predation is a major threat to the Island's valuable and endemic fauna, with up to 50 native animal species at risk.

The cat eradication program is part of a Australian Government plan to cull cats on five islands — Christmas Island, Bruny Island, French Island, Dirk Hartog Island and Kangaroo Island. With phase one (research, trials and monitoring) coming to an end, the second phase will slowly start eradicating feral cats from the Dudley Peninsula (as the trialling of tools and technologies is still underway), with a third phase to focus on eradicating feral cats from the rest of the island.

Recommendations:

- 36. Monitor the impact of marine park zones on the fishing industry on the Island.**
- 37. Monitor the outcomes of the Qantas MOU and the leverage it gives to managing the environment.**
- 38. Continue to support projects and work with industry on the management of feral animals.**
- 39. Continue to enhance the understanding within communities regarding the process, application, benefits and constraints of SEB.**
- 40. Continue to engage with communities and industries on environmental management and ensure engagement processes are genuine.**

HOUSING

Under the *Commissioner for Kangaroo Island Act*, a Management Plan was adopted in late 2016 to address the housing challenges on the Island. With an expected growth in population over the coming years, Kangaroo Island's housing stock does not meet the anticipated needs in terms of affordability and suitability. This is the case for both home ownership and private rentals. With major developments taking place, it is important to look at the relationship between the migration of labour to the Island and housing availability and affordability.

The [*Management Plan for Housing on Kangaroo Island*](#) addresses some of the key priorities for Kangaroo Island. In particular, it looks at defining the anticipated housing demand on the Island in the coming years and then sets out options to meet this demand that consider financial and non-financial models, housing for vulnerable persons in the community and service delivery.

Through the implementation of the Plan, work was undertaken to identify the demographic changes facing Kangaroo Island and the resulting housing needs. This work revealed that affordable housing will be a priority for the Island, with a projected increase of 890 private dwellings required by 2031 should all developments proceed.

Research has also been undertaken into the private housing rental market to determine current usage of houses on the Island (i.e. for permanent dwellings or holiday homes). This work will determine the potential economic benefits for owners of tourism rentals and holiday homes to make their properties available for residential rentals. A tool to assist property owners to calculate the rental revenue for a change in use has been developed and is available on the Council's website.

It has been determined that the cost of building houses on the Island can be up to 30% more than in metropolitan areas. This is locally known as the 'Kangaroo Island tax' and relates to the additional costs of accessing products, services and transport. Freight costs play a key part in these increased costs.

Through the work of the Local Advisory Board for Housing formed under the Act some clear opportunities for housing and services on Kangaroo Island have become apparent:

- South Australian Housing Authority rental properties, including upgrades needed, waiting lists and new stock;
- Aged care housing, including the provision of housing by SA Health and the Kangaroo Island Community Housing Association;
- Increasing the stock of affordable housing available for rental or purchase;
- Parndana housing proposal initiated by the Kangaroo Island Community Club which is seeking government land and offering land and housing options;
- Private sector housing initiated by individuals or housing construction companies for investment and/or sales;
- Housing for workers migrating to the Island, including government employees;
- Provision of services by government and community based organisations through supported residential facilities;
- Enhanced service provision by government and community organisations targeted at youth, victims of domestic violence, those experiencing drug and alcohol addiction and the aged.

Recommendations:

- 41. Continue to progress housing projects on the Island for KI Community Housing Association and the KI Community Club, ensuring that the projects provide appropriate governance and deliver affordable housing options for their target groups.***
- 42. Continue to implement the Housing Management Plan prepared by OCKI.***
- 43. Identify strategies to offset costs for the building of houses on KI in association with the building and construction industry on the Island.***

44. Support innovation in building design to support costs of a KI build.

TRADE

Kangaroo Island products, such as food, wine and wool, are exported to Japan, China, Taiwan, Singapore, Hong Kong, Malaysia, Vietnam, Indonesia, the United States of America and other parts of the world. Many of the producers use the 'Authentic Kangaroo Island' brand to protect and promote the authenticity and uniqueness of the product. Producers actively seek other opportunities for trade. To ensure that the "'Authentic Kangaroo Island' brand is protected, further registration of the trademark across international jurisdictions is required.

There are opportunities to increase the export of Island's products and its education and tourism services.

Growth in services exports over the past 10 years has been driven by international demand and opportunities. South Australia's largest service export in 2016-2017 was education related travel at the cost of \$1.47 billion, while the exports of technical, trade-related and other exports stood at \$145 million in 2016-2017.

The Commissioner has undertaken research that indicates there is potential for the Island to engage in student experiences through the state's universities and in collaboration with overseas providers. The potential exists for an international tertiary education program on the Island that would provide a vocational training facility and accommodation for visiting students. The curriculum could include agriculture, horticulture, viticulture, aquaculture, apiary and environmental management and draw on the expertise of local operators.

Recommendations:

45. Explore options to enhance the delivery of educational experiences for international students, identify infrastructure requirements, including through work placement with relevant industries.

CULTURE & HERITAGE

In 2017 the visual arts community was surveyed by OCKI to determine the needs, aspirations and opportunities of the arts community on the Island. The top six priorities identified through the survey included:

1. Establishment of a Kangaroo Island arts website;
2. Establishment of a Kangaroo Island art trail/open studio program;
3. A facilities audit;
4. Opportunity for professional/artistic development;
5. Development of a Kangaroo Island art collection; and
6. Shared arts space or facility.

Workshops highlighted a real need for support for the Island's arts community, and the appointment of an Arts and Cultural Development Officer was supported.

The Art Museum of Kangaroo Island Establishment Association is planning to build and open the Art Museum of Kangaroo Island. The art museum is proposed to be a new building that is a work of art

in itself and located to take advantage of a spectacular Island vista. It is proposed to house a permanent collection of art from and of Kangaroo Island, and include space for temporary and travelling exhibitions and for art workshops. The proposed surrounding outdoor area will accommodate art installations in a garden of Kangaroo Island native plants.

There were a number of initial meetings with senior DEW officers and the previous Council in respect to the potential for an Indigenous Cultural Centre at Murrays Lagoon following some initial interest from the Ramindjeri Group. Discussions have been held with the Indigenous Land Corporation, which has expressed an interest in becoming involved as long as the proposal is inclusive of the four language, tribal and nation groups which have a connection to Kangaroo Island from a traditional sense - Ngarrindjeri, Ramindjeri, Narrunga and Kaurna.

Recommendations:

- 46. Provide guidance and support to ensure the business case for the Arts Museum meets its objectives and options for funding (not limited to government grants).***
- 47. Clarify the role of governments, including local government in the arts and culture space and explore partnerships with industry on the Island.***

HUMAN SERVICES, HEALTH & WELL BEING

It is important to ensure that for communities experiencing growth, that government, community groups and service providers are anticipating the needs of a growing population, particularly for human and health services. This is certainly the case for KI where some services are already under pressure and not meeting existing needs. The costs associated with servicing the Island can affect the frequency and reliability of services.

Access to medical practitioners, specialists and hospital services are critical to the wellbeing of communities. In addition, the availability of services may impact the decisions of those looking to relocate to the Island for work or other reasons, especially those with families. Priority service needs include:

- Aged care;
- Drug and alcohol support;
- Mental health for all ages; and
- Health transport.

Social issues such as drug and alcohol addiction, domestic violence and child protection are confronting all communities particularly in regional South Australia. It is important that adequate services and support are available to communities, individuals and their families to address these issues. On KI, short-term and temporary accommodation for those experiencing domestic violence can be limited and young people often turn to 'couch surfing'.

The Regional Public Health Plan for the Southern and Hills Local Government Association includes priorities for KI and health service providers. The KI Council has previously shown a commitment to supporting and managing public health issues consistent with its role and this is currently achieved through environmental health services and community development initiatives.

A partnership approach among government and non-government providers is essential to advocate for resources from the state government and Australian Government to enable health providers and community groups to continue to respond to public health issues facing the community.

Providing a safe environment for young people has been a key issue for the Island. OCKI, in association with the Youth Affairs Council of South Australia (YACSA), conducted a survey of young people at KICE to determine priority issues important to them and to look at ways to improve opportunities for young people on the Island. The survey found that young people were looking for a space to meet and interact after school and occasionally on the weekends – especially those young people not involved in sport. Junction Australia has now established such a space, which is located in Kingscote. In addition, young people are seeking a voice with decision makers on projects and activities being undertaken that impact them.

Young people aged between 18 and 24 were not captured in the work undertaken by the Commissioner's Office and an engagement process needs to be progressed.

KI also has an ageing population. In 2016, 22% of the working population was aged 65 years or older. Demographic projections prepared by DPTI suggest that there will be an increase to the working age population if the development proposals on the Island proceed. The proportion of over 65 year olds in 2031 is projected to fall from almost a third of the population to a quarter given the nature of jobs created through the developments and age groups likely to take up this work.

However, aged care facilities are not currently meeting demand. Aged care bed occupancy data from the Kangaroo Island Service Profile, March 2018, indicates there is a growing need for the service on KI. Average occupancy continues to be higher than the available bed numbers, applying pressure on the adjacent hospital.

Year	Number of Beds	Average Occupancy
2016-2017	36	37.7
2015-2016	24	38.8
2014-2015	24	34.7

Stay-at home care options for older Islanders is critical and supply is currently not meeting the demand in addition to residential care.

KI's emergency services, like many other regional areas, rely heavily on volunteers - particularly for ambulance and country fire services. Staff and volunteers provide exceptional services across the Island, however pressures exist on services during peak tourist seasons. The arrival of cruise ships can also put a strain on services where large numbers of visitation will descend on the Island for limited periods. Cruise ships arrive in summer when the risk of heat stroke and dehydration of visitors is high as is the risk of bushfire.

It is important that the potential demand for emergency services is anticipated during peak seasons. Further, with projections of increasing population on Kangaroo Island, consideration must be given for the need to increase salaried staff to ensure adequate service provision particularly in the unfortunate event of multiple casualties / incidents.

Childcare is also a key issue for workers currently on the Island and demand will rise as new developments are completed and new workers are engaged. Without childcare services available at the western end of the Island, parents and carers can travel long distances to access short and long

term care. The costs and time spent in transporting children to childcare can prevent parents and carers commencing employment or returning to work following a period of leave.

The Parndana Childcare Working Committee cited the negative impacts that a lack of childcare has including:

- Challenges for parents / carers returning to work;
- A lack of respite for parents/carers and the impact this has on mental health and relationships; and
- Social isolation of children.

The Parndana Childcare Working Committee are seeking to establish a part-time childcare service in the Island's centre, which would better accommodate families living in the Island's west.

In addition, workforce retention and attraction is an existing issue within the sector itself, which has impacts on the level of childcare available.

Recommendations:

- 48. Work with Country Health SA to improve the availability of consulting health professionals visiting the Island and providing on ground services.***
- 49. Promote opportunities for service providers to ensure health packages are being delivered through NDIS and My Health Care.***
- 50. Work with governments to secure additional child care for the Island, including in Parndana consistent with emerging needs.***
- 51. Increase the capacity of aged care facilities on the Island through working with the KI Health Service and the KI Community Housing Association.***
- 52. Work with sporting clubs and health providers on the Island to develop innovative approaches to supporting people dealing with drug and alcohol and domestic violence issues.***