

THE REGIONAL VOICE

KANGAROO ISLAND



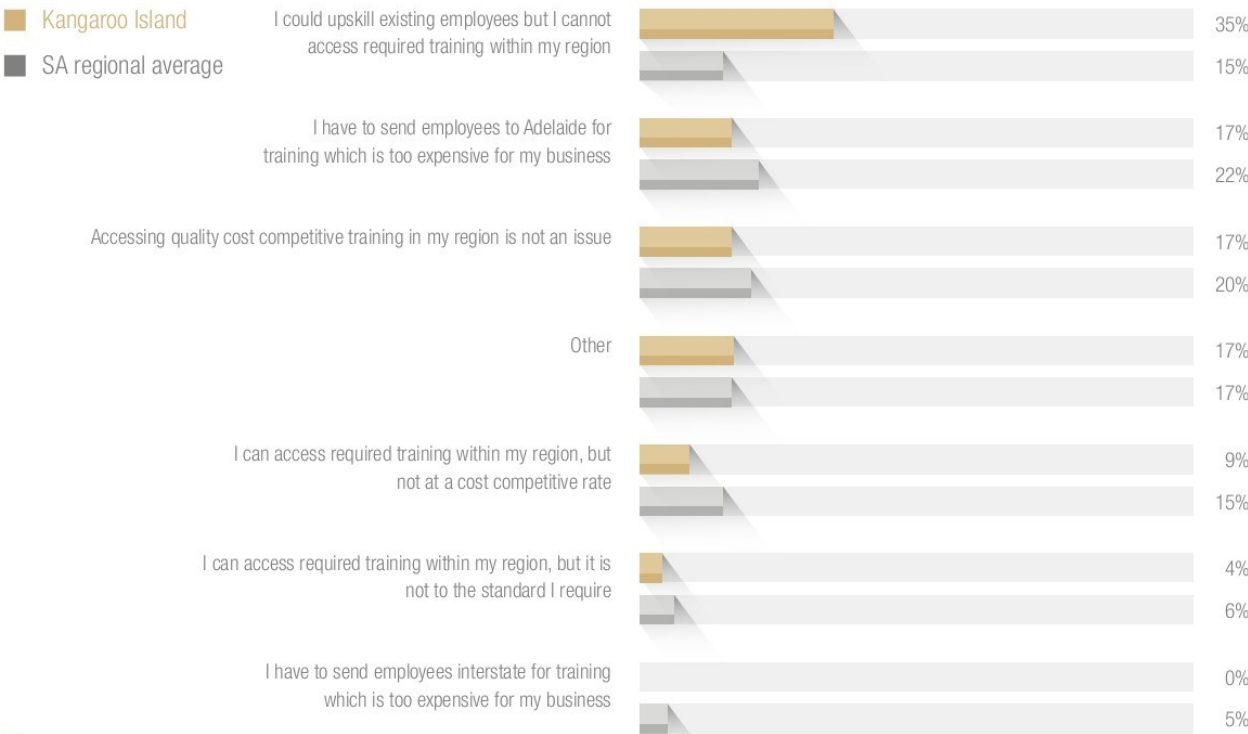
KEY ISSUES

Unlike most regions, economic infrastructure requirements rated as the top issue for individual Kangaroo Island businesses, with the broader regional priority of electricity costs ranking second. This aligns with Kangaroo Island’s unique geographic situation and reliance on air or sea transport to reach the mainland.

Respondents recorded a similar result when rating the top issues of importance for Kangaroo Island regional businesses more broadly, where economic infrastructure requirements ranked higher than electricity costs. Across these two questions, comments relating to freight and travel costs were frequently cited; clearly demonstrating the impact of the challenges Kangaroo Island businesses face.

The most commonly selected tax, rate or levy constraining business growth was council rates. Personal income tax rates and the company tax rate followed closely: *“Company tax payments hurt when you have to pay for the results of a previous good year when having a poor year.”* Overall, costs of Work, Health & Safety compliance, training costs, payroll tax and Award conditions were the top labour cost challenges: *“Businesses in regional Australia do not have the critical mass that metro businesses have and should therefore have different Award rates/penalty rates to reflect the restricted revenue opportunities. Most people in regional Australia would prefer more hours and a flat rate than having their hours cut as businesses aren’t financially sustainable if they open on weekends and public holidays.”*

PRIMARY CHALLENGE REGARDING ACCESS TO TRAINING IN KANGAROO ISLAND



85%

of businesses have issues accessing skills.

POPULAR TOPICS

There was strong support for a government policy to specifically promote regional population growth. However, as one respondent noted, population growth is only one part of the solution:

“Population growth is not just about numbers, attracting professional services and residents who will contribute to economic growth by bringing skills and services, not adding to ongoing unemployment and reliance on government-based services.”

As with the previous Regional Voice survey, the majority of Kangaroo Island businesses did not think amalgamation of their council with other nearby regional councils would lead to better outcomes for Kangaroo Island, particularly given the island’s geographic isolation from other councils.

NEEDS

Respondents strongly reported that investment in economic infrastructure, such as roads and ports, should be the focus of additional government support, with 55 per cent of respondents selecting this as a first preference. Respondents particularly noted the benefit a deep-sea wharf facility would have for the growth of Kangaroo Island’s blue gum timber industry.

OTHER CONCERNS

Access to skills was an issue for more than 85 per cent of respondents, with difficulty attracting workers the most significant issue – even when offering competitive rates of pay. This was exacerbated by a lack of community infrastructure and access to necessary services on Kangaroo Island.

Similarly, access to training was an issue for more than 80 per cent of respondents. Interestingly, 35 per cent of Kangaroo Island businesses reported their top training challenge being a will to upskill existing employees but lacking access to required training, a scenario which was well above the regional average of 15 per cent.

BUSINESS PRIORITIES FOR GOVERNMENT SUPPORT



- Economic infrastructure / 55%
- Focus on lowering overall costs to support business / 14%
- Provision of local training / 9%
- Social infrastructure / 5%
- Research and development to support industry growth / 5%
- Other / 12%