



City of Port Lincoln

Draft Economic Development Strategy 2023-2026



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Barngarla People, the Traditional Owners of the land on which the City of Port Lincoln rests and their continuing connection to land, sea, culture and community. We pay our respects to Elders past, present and emerging, and we extend that respect to other Aboriginal and Torres Strait Islander people in our community.

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in conjunction with Lucid Economics

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Foreword

We are delighted to introduce Council's draft Economic Development Strategy which sets the context for Council activities in the economic development space over the coming years.

The City of Port Lincoln is a local government area (LGA) consisting of one suburb – Port Lincoln – located on the southern end of the Eyre Peninsula in South Australia. We are about 280km from Adelaide across the Spencer Gulf and 650km by road.

Port Lincoln and the broader Southern Eyre Peninsula is today famous for its seafood industry, boating and natural environmental beauty. As an emerging regional city surrounded by highly productive farmland and pristine ocean waters, the main agricultural industry of Port Lincoln itself is aquaculture. However, the City of Port Lincoln port remains the largest shipping terminal for grain export on the Eyre Peninsula.

Council plays an important role in economic development including setting the vision and strategic framework to support economic development, identifying the priorities for local economic development, and ensuring policies support the vision and the strategy.

Economic growth and opportunity and the development of a specific economic development strategy was identified as a key deliverable in Council's 2021-2030 Strategic Directions Plan. It will ultimately complement Council's other focus areas including community assets and placemaking, liveable and active communities and supporting a sustainable environment.

Some of our key roles as a council will include advocacy, community engagement, supporting local procurement, investment attraction, and addressing the current critical shortages in accommodation and workforce.

We engaged Lucid Economics to partner with Council to develop this strategy and through this process, we have identified five key themes which are the core of this strategy and our commitment to economic development. We will:

- Build Partnerships
- Plan Growth
- Develop Capacity
- Grow Business
- Seek Investment

This strategy will expand on these themes, identify the actions that we will look to implement to support the themes and improve our overall local economic performance as a community.

We look forward to working with our community, industry and businesses to support a flourishing and diversified local economy.

The overarching goal of the Economic Development Strategy is to increase the prosperity and liveability of our city.



Port Lincoln Economy

2.1 Population and Demographics

Port Lincoln is the regional service centre for greater Eyre Peninsula, increasing the local economy's reach beyond the 14,404 local residents and providing services including retail, healthcare and education to the broader regional catchment of almost 25,000 people.

Population growth within the City of Port Lincoln council boundary at first glance appears that it has been relatively stagnant since 2010, averaging just 0.2% per annum, however from 2016 to 2021, City of Port Lincoln's population increased by 360 people (2.6% or 0.5% per year). Neighbouring suburbs outside of Port Lincoln (but on the boundary) have seen strong population growth in the vicinity of 51.7% since 2016, including Boston (20.6%), Tiatukia (35.9%), Point Boston (138.5%) and Poonindie (11.7%). These new residents leverage Port Lincoln as a service centre too.

Population is an important economic driver for local economies, providing demand and growth opportunities for approximately one-third of the economy.

Other significant changes in the local population in this area between 2016 and 2021 were in:

- Seniors (70 to 84): +262 people
- Empty nesters and retirees (60 to 69): +189 people

This could be a result of people from across the region moving closer aged care facilities and services centralised in the City of Port Lincoln.

The shift in age structure not only changes the demographic make-up of the area but changes consumer expenditure patterns and demand for services, which will impact the local economy. However demand for childcare and enrolment across schools is going up, which indicates that in the service region for Port Lincoln, including the suburbs on the boundary, there is also a growing younger community.

2.2 Local Economy

The agriculture, fishing and aquaculture sectors have long been the backbones of the Port Lincoln economy.

Each industry experiences numerous challenges from regulatory issues, variable climate and shifting global markets. These factors have led to very volatile swings in the industries, which flow through to the local economy. Agriculture and fishing will remain staples of the local economy with aquaculture firming as the fastest growing livestock in Australia with 7% growth per year. The industries continue to explore avenues to ensure a long term, economically sustainable future and will continue to contribute to the regions' economic advantage.

Beyond being the home of the largest fishing and aquaculture fleet in the

southern hemisphere, Port Lincoln plays an important role as the export terminal for the Eyre Peninsula's agricultural sector, exporting an average of 1.3 million tonnes of grain. Viterria operates the port and would be one of the largest private sector employers in Port Lincoln.

The agriculture-related processing industry represents the majority of exports from the local economy and combined, the fishing and food processing industries represent 35% of the total economy and 17% of total jobs.

Over the last three years, there has been a strong growth in tourism visitors. The recent increases are likely due to closed state and international borders and other travel restrictions, which has led to a spike in intrastate tourism. While both the number of visitors and visitor nights in Port Lincoln have grown, yield (i.e. expenditure per visitor/night) has decreased. The reduction in yield may be related to the shift away from interstate and international visitors and the increased reliance upon intrastate visitors. Regardless, in 2019-20 tourism injected \$50 million into the local economy and directly supported over 500 jobs (equating to 6.5% of total employment).

The healthcare sector has grown steadily in Port Lincoln over the last five years at an average annual rate of 4.7%. The healthcare sector, like the local tourism industry, benefits from a larger catchment that extends beyond Port Lincoln and is



responsible for driving growth.

The local labour market demonstrates a number of unique characteristics. Historically, the unemployment rate has been below that of the State and the region, however, it has also been more volatile, which demonstrates the effect of the seasonal nature of tourism, agriculture, fishing and aquaculture industries as they ebb and flow. The data also reflects the relatively stagnant population, where the labour market does not change dramatically, meaning that the majority of people in the community who wish to have a job have access to one, but equally if someone loses a job, they are likely to leave the area. At the same time, the SEIFA index (a relative index of socio-economic disadvantage) shows that the area has a number of pockets of relatively high disadvantage, which typically shows up in areas of high unemployment (which is not Port Lincoln). Median income levels are below the state average, however, growth between 2011 and 2016 showed strong increases relative to inflation, which would translate to real growth in household wealth.

The COVID-19 pandemic has impacted the local housing market (as it has across regional Australia). After many years of stagnant prices, housing prices have increased since the advent of the pandemic. Stock has diminished and the length of time that a property is on the market has decreased. All of these characteristics have been witnessed across regional Australia with the demand often coming from households wishing to relocate out of a capital city (normally Melbourne and Sydney), as well as people shifting their place of residence to take advantage of greater opportunities to work remotely. At the same time, we have seen many capital city dwellers purchasing holiday homes. Regardless of the specific driver, the increased levels of demand and the price increases that they have caused in Port Lincoln have also driven building approvals 70% higher. More houses in Port Lincoln is a good thing for the economy. The supply chain issues faced by the building industry





(due to the COVID-19 pandemic) has driven the cost of building to double over the year.

Increasing the housing stock is critical to increasing the population and taking advantage of the current market conditions to grow the local population at a greater rate. At the same time, a focus on attracting investment and business to create new, full-time employment opportunities will further bolster an increase to the population, which will have numerous flow-on benefits for the local economy and community.

The City of Port Lincoln is essentially landlocked without an abundance of greenfield land, which will have a significant impact on future residential development in particular, which will need to be denser. This will mean that there should be a greater focus on cross boundary land use planning with the Lower Eyre Council and its growing communities that leverage Port Lincoln as a service centre.

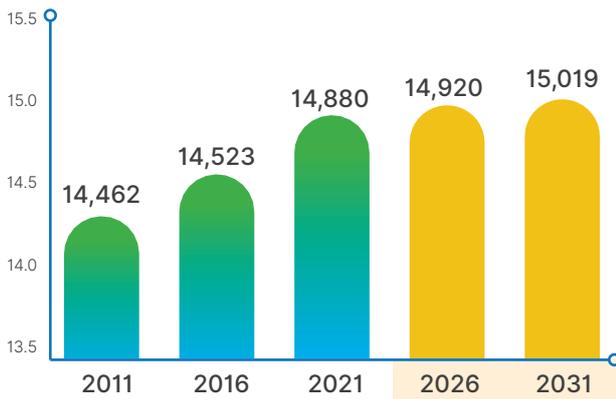
Fishing, aquaculture and the associated processing industry needs to be a strong pillar for expansion. They will build on existing capability and competitive advantages. Equally, tourism and transport can also play an important role in growing the local economy. Current trends regarding renewable energy and sustainability also need to be considered. Growing these sectors will allow the local retail, healthcare, construction, and education sectors to grow. As new businesses enter the market and grow, the reliance on the local tuna industry can be reduced, which will reduce the volatile swings that the local economy has suffered in the past.

This points to a potential opportunity to encourage diversification of the local economy, particularly towards higher value-add employing industries, through investment and employment attraction across a range of opportunities, including attracting more professionals that can now work remotely. The emerging Australian space sector presents another high valued, diverse sector.

Community Snapshot



Population



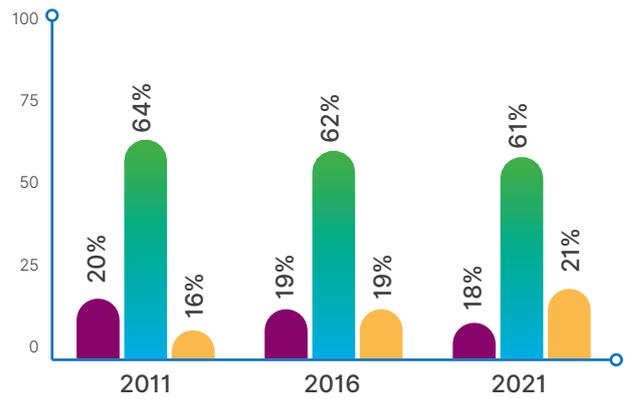
Source: Profile.ID (2022)

Source: ABS (2022); PlanSA (2022)

Age Demographics

(% of population)

● 0-14 years ● 15-64 years ● 65+ years



Source: ABS (2022)



Median Household Income (\$/week)

	2011	2016	2021
Port Lincoln	\$924	\$1,080	\$1,243
South Australia	\$1,042	\$1,204	\$1,455

Source: ABS (2022)

Housing



Median housing price (year ending August)

	2019	2020	2021	2022
Port Lincoln	\$291,250	\$294,750	\$332,250	\$357,500

Source: realestate.com.au

Residential Vacancy Rate

3.1%

Aug 2022
Lowest in four years

Source: SQM Research (2022)

Port Lincoln is affordable!

Median House Price

	2022
Port Lincoln	\$357,500
Adelaide City	\$777,500
Salisbury	\$427,250
Port Adelaide	\$560,000
Marion	\$775,500

Source: realestate.com.au

Economy

Gross Regional Product (2020-21)

\$855m

1.6% average annual growth last five years

25% of the Eyre Peninsula economy

Source: EconomyID (2022)

Biggest Industries

2020-21		2020-21	
Economic Contribution		Jobs	
Agriculture, Forestry and Fishing	\$127.8m	Health Care and Social Assistance	1,013
Health Care and Social Assistance	\$76.5m	Retail Trade	1,011
Retail Trade	\$63.6m	Construction	749
Education and Training	\$53.1m	Agriculture, Forestry and Fishing	729
Manufacturing	\$49.9m	Education and Training	676

Source: EconomyID (2022)

98% of all businesses are small businesses (less than 20 employees)

Source: ABS (2022)

Fishing and Aquaculture 2020-2021

Fishing, aquaculture and associated processing directly contributes **19%** of the economy and **13%** of all jobs

Source: EconomyID (2022)



Examples

Tuna

7,600 tonnes of production
\$91 million in export value
273 direct jobs
\$29 million in direct Gross Regional Product



Mussels

1,845 tonnes of production
\$3.7 million in export value
55 direct jobs
\$4 million in direct Gross Regional Product



Tourism

2020-21

\$63 million

Visitor expenditure

2.5% of Economy

4.2% of Jobs

Port Lincoln Port	2018	2018	2019	2020
Grain exports (million tonnes)	1.5	1.4	1.3	1.1

Port Lincoln Airport

Almost **190,000** passengers annually

14,500 aircraft movements

24 scheduled daily flights

Source: District Council of Lower Eyre Peninsula (2022)

Port Lincoln typically receives over **300,000 visitors** and over **500,000 visitor nights**. Over 20% average annual growth in visitors in the three years leading up to COVID-19

Source: TRA (2022); EconomyID (2022)



Our Strategic Goal

Port Lincoln Strategic Directions Plan 2021-2030

Goal 1: Economic Growth and Opportunity

We will be an innovative, diverse and growing local economy

The purpose of this Economic Development Strategy is to deliver on the identified goal of delivering an innovative, diverse and growing local economy from the Port Lincoln Strategic Directions Plan 2021-2030.

But what does this future goal look like?

The current state looks similar to Port Lincoln 10 or 20 years ago, if we can change and deliver an innovative, diverse and growing local economy, our future state may look very different.

Current State	Future State
Slow population growth	Accelerating population growth
Reliant upon primary industries	Diversified industry base
Limited local processing	Increase mix of locally produced, high value product
Traditional tourism sector	Strong, diverse visitor economy
Locally focused LGA	Cooperative regional partnerships
Volatile swings in the economy	A sustainable and innovative economy

Scope of the Economic Development Strategy

Local government is not the answer to all things. However, local government can (and should) play an important role to support local businesses and facilitate positive outcomes for the local economy.

The Port Lincoln Strategic Directions Plan 2021-2030 developed through thorough engagement with the community, clearly highlighted economic growth and opportunity as an important future goal for the community.

While the purpose of this Strategy is to deliver on that goal, the scope of Council's activities within it needs to be very clear:

- Council seeks to influence, encourage, support and facilitate positive economic outcomes, not be simply responsible for them
- Council will work hard with matters that are reasonably expected to within its realm of influence
- Council's specific role in each strategic action will be made clear, providing a transparent road map regarding what Council will actually do
- Some future actions are very clear, while other issues or initiatives may require further investigation, planning and scoping
- This Strategy excludes a number of other peripheral areas that are already catered for through other existing strategies, such as liveability, placemaking, Foreshore, etc.), however, these other plans are acknowledged so as to avoid duplication and maximise synergies

This Strategy is a guide for Council to undertake projects that are targeted at supporting this unique region and to inform decisions in relation to the investment of Council resources and priorities, in order to improve conditions and opportunities for residents. The strategy is Council's blueprint to provide leadership for economic development and investment attraction, and it communicates to external stakeholders Council's vision for the economy.

Council will take a proactive approach to attract investment, new business and to grow and support existing industries.



Creating the Strategy

This strategy has been created over several months and has included a review and analysis of current economic and Census data, workshops with Council elected members and staff and a range of stakeholder engagement with the broader business community.

Eight consultation workshops were attended by 50 local business people who discussed the advantages and disadvantages of doing business in Port Lincoln, future economic opportunities for Port Lincoln and Council's role in economic development.

The two word-clouds illustrate stakeholder feedback in relation to the advantages of operating in Port Lincoln (Figure 5.1) and the economic issues and barriers experienced (Figure 5.2).

The resulting strategy has been crafted after consideration of the feedback and inputs from the stakeholder engagement processes, review of available data and consideration of barriers, opportunities and aspirations.

The overarching sentiment that emerged from the consultation show that the Port Lincoln community wants an economy which:

- is inclusive, thriving, sustainable, regenerative, diverse,
- supports existing industries, creative and innovative, successful emerging industries,
- is a destination of choice for visitors, residents and businesses,
- produces higher socio-economic scores across all indicators to improve health and wellbeing for the whole community,
- provides local jobs and opportunities for our kids, and
- creates a connected community, networked with the Eyre Peninsula and the rest of the state.

Economic Themes

The Port Lincoln Economic Development Strategy is built on five themes, as illustrated in Figure 6.1: Key Themes below. The remainder of this section provides an overview of each goal including the strategy and rationale for it, priority actions and the strategic direction, which is the link to the Port Lincoln Strategic Directions Plan 2021-2030, Goal 1 – ‘Economic Growth and Opportunity: We will be an innovative, diverse and growing local economy’.

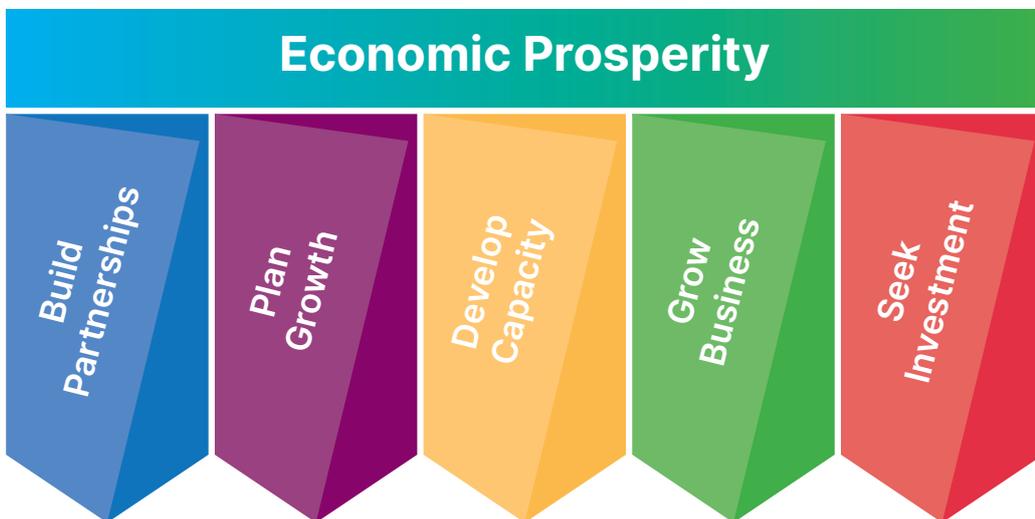


Figure 6.1: Key Themes

The Strategy is supported by a three-year action plan which is essentially the Council team’s workplan to implement the Strategy. Adjustments can be made based on the effectiveness of the action and changes can be made based on the experience from the previous year as well as changes in the market place, including emerging barriers or new opportunities. In this way, the strategy provides longer-term direction and still allows for flexibility to adapt to an ever-changing environment through adapting the action plan.

6.1 Build Partnerships

Economic development is a Herculean task and while local government must lead local economic development, it alone cannot do all that needs to be done. And nor should it. The business community, industry associations, regional development agencies, and the other spheres of government all play important roles in economic development.

Key Focus Areas

Build relationships with:

- Local Government
- State and Federal Governments
- Private Sector and Non-Government Organisations

6.2 Plan Growth

The planning scheme and the development approval process is likely Council's single largest economic development tool. This strategy is about providing a planning environment which encourages liveability, investment and jobs.

Key Focus Areas

- Regional planning
- Land use plan
- Population targets/strategy
- Housing availability

6.3 Develop Capacity

Local businesses often provide not only the basis for existing jobs, but also play a major role in new investment and job growth. Council can support existing businesses in many ways, but first must have an ongoing dialogue with local businesses, particularly large businesses.

Key Focus Areas

- Skills, training, innovation, business literacy
- Securing workforce
- Regional University Hub and educational linkages
- Availability of childcare services

6.4 Grow Business

Growing local businesses will help to grow the local economy and jobs, can also make the local economy more sustainable. Helping existing businesses access new markets or value adding opportunities will help to diversify the local economy. Attracting more visitors will help to grow existing businesses and help to attract new ones.

Key Focus Areas

- Building new markets
- Diversification
- Value adding opportunities
- Tourism destination development and marketing

6.5 Seek Investment

Council is the key to promoting the region, including attracting new businesses and industry to locate in Port Lincoln, otherwise who else will? This strategy also recognises Council's role to identify which industry sectors it wants to attract, to develop marketing materials targeting those sectors, and to engage directly with prospective business and industry.

Key Focus Areas

- Create an investment prospectus
- Create a supportive policy environment
- Identify strategic infrastructure needs
- Attract new industries, including technology (cyber) & space industry-related businesses





Photo credit: Mikaela Frick Photography

Summary Action Plan 2023-2026

WE WILL	LOOKS LIKE
BUILD PARTNERSHIPS	
Develop formal Local Government partnerships and frameworks to create a cohesive approach to future planning and economic development across the Southern Eyre Peninsula.	Common interest working group, joint projects.
Establish strong and trusted relationships with State and Federal Government.	Regular approaches to Ministers, participation in roundtables and forums. Invitations to visit Port Lincoln.
Advocate for a fair and equitable funding arrangement to enable Regional Development Australia Eyre Peninsula (RDAEP) to grow economic capacity and capability across the peninsula.	Working collaboratively with RDAEP, advocating via EPLGA for full local government participation in RDAEP funding model.
Support the Port Lincoln Chamber of Commerce to grow membership, redefine its purpose and create a clear strategy for engaging with and supporting local businesses to grow and prosper.	Collaboration on projects / programs. Co-funding or membership sponsorship program.
Maintain strong relationships based on understanding with key industry associations.	
PLAN GROWTH	
Participate in the development of the Eyre Peninsula Regional Plan in conjunction with Planning and Land Use Services (PLUS).	
Review land use zoning within Port Lincoln and consider making a code amendment to enable more appropriate planning and future growth.	

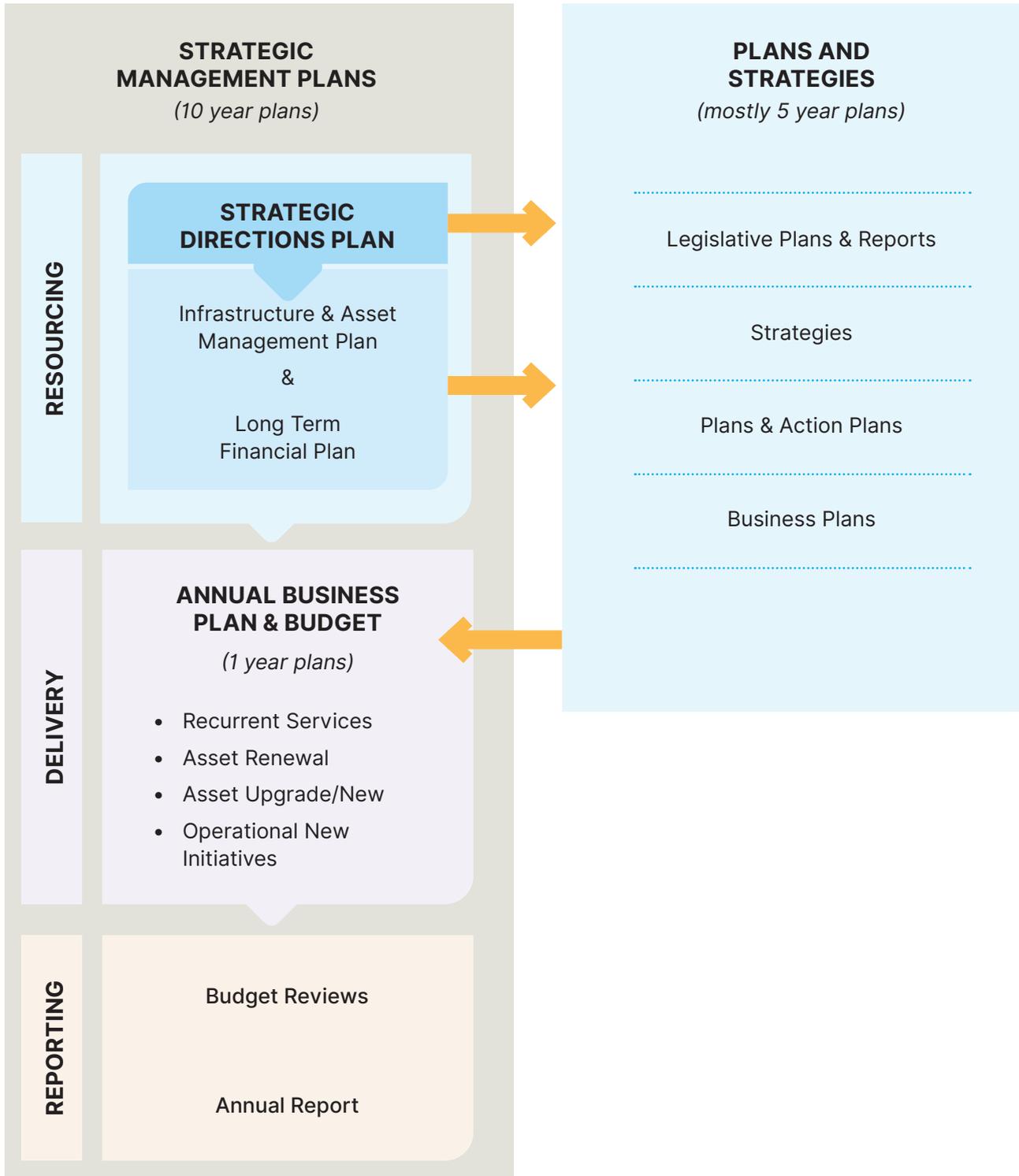


WE WILL	LOOKS LIKE
Develop a population and master planning strategy in conjunction with the Lower Eyre Council and the District Council of Tumbly Bay.	Plans that identify preferred areas for growth and urbanisation, impact and funding for services and infrastructure including water security.
Develop and support a response to local housing supply issues in Port Lincoln that works to address both short and mid-term housing availability and affordability issues.	Local Housing Action Plan.
DEVELOP CAPACITY	
Work with stakeholders, training providers and local businesses to understand gaps and local need for skill development, training and business capability.	Participate in task forces, special committees.
Participate in processes that identify and address broader workforce requirements in the short to medium term for key and growth industries such as health and aged care.	
Develop a campaign to promote the lifestyle and benefits of living in Port Lincoln to prospective employees.	
Identify opportunities for the expansion of child care services within Port Lincoln including understanding the supply/demand model and its ability to impact on the local economy including attracting and retaining workforce.	Child care needs survey, Early Childhood Services Strategy.
Support the establishment of UniHub Spencer Gulf within Port Lincoln and the Southern Eyre Peninsula and continued footprint of other tertiary institutions.	
Develop strategies to assist businesses to become 'Council ready' and become capable of compliant tendering for council and government works.	WHS education programs, tendering workshops.
GROW BUSINESS	
Facilitate conversations to identify opportunities for new market development and for product diversification, particularly regarding the fishing and aquaculture industries.	
Encourage businesses, particularly primary producers, to consider opportunities for local value to create new product offerings and create a larger local economic benefit.	Encourage business collaboration, provide awareness of innovation grants.
Work collaboratively with the RDAEP and local operators to assist with implementation of the Eyre Peninsula Tourism Destination Development Plan to develop local facilities and experiences and ultimately attract more visitors to the region.	Port Lincoln Visitor Services Strategy, Cruise Ship Program, Tourism Destination Development Plan.
SEEK INVESTMENT	
Create an online resource centre for new or existing businesses looking to invest in Port Lincoln and associated marketing campaign.	'Invest Port Lincoln' website.
Create good local policy that supports business development, growth, and investment.	Incentives for new development.
Advocate for changes to state or federal policy which would unlock growth and investment in Port Lincoln.	Streamlined development processes, tax concessions or other benefits for regional investment.
Identify key strategic infrastructure within Port Lincoln and the Southern Eyre Peninsula that needs to be upgraded to unlock further economic growth and work with stakeholders to advocate for funding and improvements.	Port Lincoln airport, road and rail network, Lincoln Cove Marina wharf, Port Lincoln Port (Flinders Ports).
Work collaboratively with RDAEP, state and federal governments to identify and attract appropriate new industry or expand existing industry to Port Lincoln that will co-exist and complement existing industries.	Information technology (cyber), space, renewables and hydrogen.

Council's Strategic Management Framework

The table below shows the hierarchy of Councils Strategic Management Plans, Annual Business Plans and other supporting documents and how they align with supporting the five major goal areas contained in the Strategic Directions Plan 2021 - 2030.

The Economic Development Strategy fits into the Plans and Strategies section of the strategic planning framework and influences both Council's Long Term Financial Plan and Annual Business Plan and Budget.





Economic Scorecard

9.1 Measuring Long Term Progress

While economic diversification (through business attraction) and lifestyle are the goals of the strategy, Council does not have direct control over these outcomes. For this reason, it will be important to track Council's progress regarding the action plan every year.

Adjustments can be made based on the effectiveness of the action and changes can be made based on the experience from the previous year as well as changes in the market place, including emerging barriers or new opportunities. In such a way, the strategy provides longer-term direction and still allows for flexibility to adapt to an ever-changing environment.

Because economic diversification and lifestyle are the main goals of the strategy, it will also be important to track changes in the economy. An annual economic and industry evaluation should be completed, which will also help to inform annual planning of the action plan. The results of this economic and industry evaluation should also be shared with stakeholders.

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