Adelaide Hills
COUNCIL

Economic Development Plan
2020 to 2024

Council's Prosperous Economy Aspiration

Our region's economy is diverse and sustainable with a reputation for quality, niche products, services and experiences underpinned by a culture of creativity and innovation.

Strategic Plan 2020-24 – A brighter future

Glossary of Economic Terms

Output

Output is the result of an economic process resulting from the use of Land, Labour and Capital (inputs).

Input

Are the factors of production Land, Labour and Capital used to create economic activity (outputs).

Gross Regional Product

Is a measure of economic activity of a region. It is calculated as the total value of the region's output minus the cost of the region's inputs.

Gross State Product

Is a measure of economic activity of a state. It is calculated as the total value of the State's outputs minus the cost of the state's inputs.

Gross Domestic Product

Is a measure of economic activity in a Country. It is calculated as the total value of the countries' outputs minus the cost of the Countries' inputs.

Comparative Advantage

Comparative advantages are advantages that are born out of differences in social, political, and economic conditions.

Competitive Advantage

Competitive advantages are advantages that were gained through active action or positioning by the competitor.

Unemployment

Unemployment is a term referring to individuals who are employable and actively seeking a job but are unable to find a job.

Underemployment

Underemployment is a term referring to individuals who are employed but are wanting to work more hours.

Productivity

The relationship between inputs and outputs as a measure of efficiency of production.

SME Small Medium Enterprise

According to the Australian Tax Office a Small Medium Business is one that has an aggregate turnover of less than $10,000,000.

The Australian Bureau of Statistics use the following definitions:

- Micro-business employs between 0-4 persons
- Small business employs between 5-19 persons
- Medium business employs between 20 and 199 persons.

Disruptors

A disruptive innovation is an innovation that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances.

E-Commerce

Ecommerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

Innovation

The Organization for Economic Cooperation and Development (OECD) defines innovation as "the implementation of a new or significantly improved product (good or service), process, a new marketing method, or a new business practice, workplace organisation or external relations".

Introduction

Business (including primary production activities) is an important part of the Adelaide Hills community, with over 4,000 registered businesses operating in the region. Supporting sustainable long-term economic growth through the retention of existing business, and the attraction of new business and investment, encourages greater economic diversity, local job opportunities and is a key element to enhancing our community's quality of life.
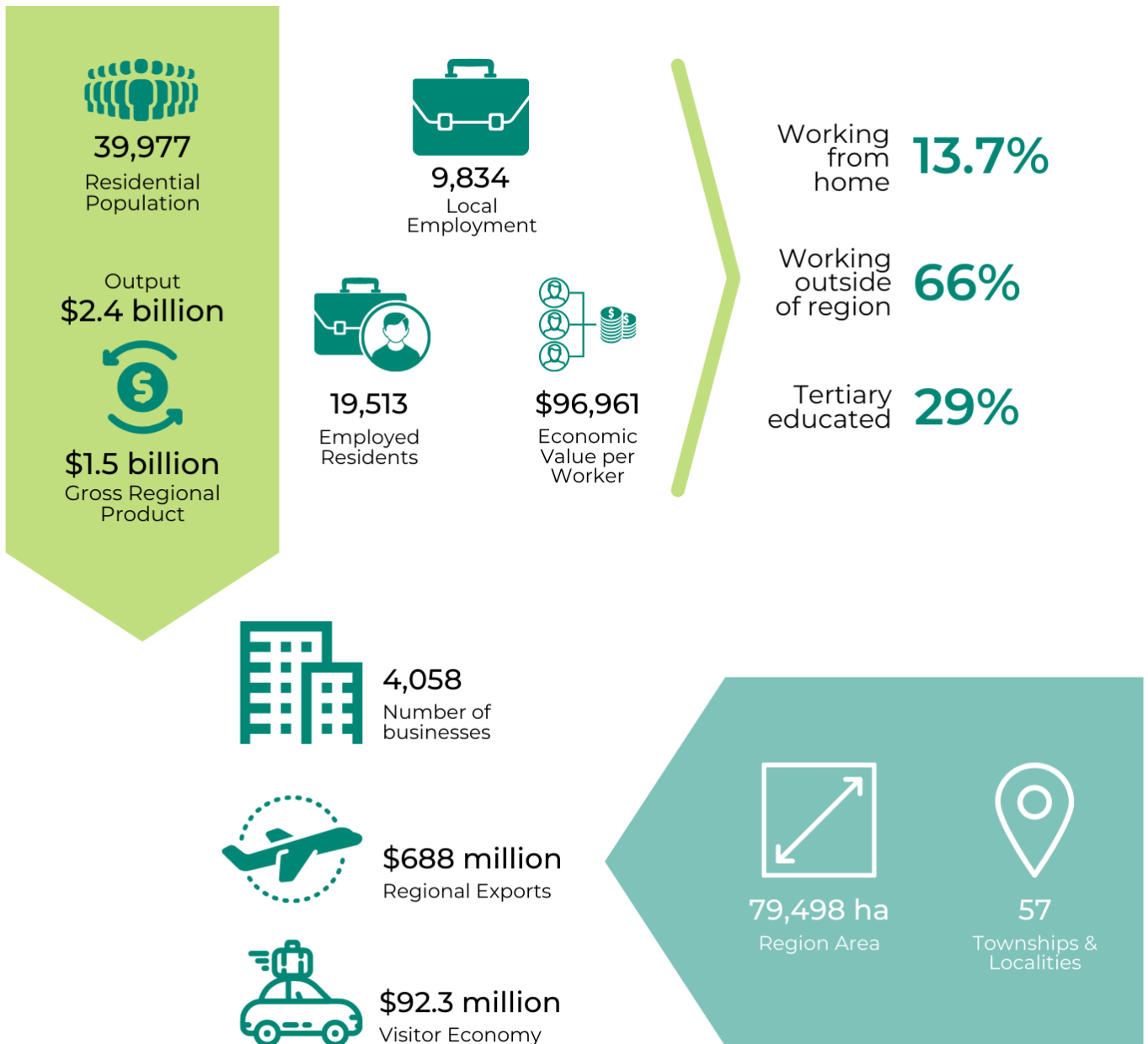
Economic prosperity is necessary for the region to be competitive in both a national and international context. As our economy evolves from predominantly primary production to one that includes services innovation and creativity, it is important that we change in a way that strengthens our industries, creates good jobs and encourages investment in the region. Economic development is not pursued for its own sake but rather for what it contributes to community wellbeing in all its dimensions.

It is recognised that economic development is a dynamic process that is evolutionary and path-dependent with the possibility of new pathways opening up through interrupters such as disruptive technologies, pandemics and climatic events. Like many regional areas, the economic environment within which Adelaide Hills operates is changing, and rapidly. This presents challenges, but also opportunities for our economy to become more diverse and innovative. While many factors are beyond the direct influence of Council, we can help to remove barriers and create the conditions necessary to make it easier for business to seize opportunities as they arise.

In 2020 the Adelaide Hills Council released our *Strategic Plan 2020-24 – A brighter future* where a Prosperous Economy was identified by our community as one of the five key goals. With the above in mind, this Economic Development Plan outlines Council's actions to support the development of our region's economy and to deliver the objectives and priorities identified in the Strategic Plan.

Fast Facts

39,977
Residential Population

Output $2.4 billion

$1.5 billion
Gross Regional Product

9,834
Local Employment

19,513
Employed Residents

$96,961
Economic Value per Worker

Working from home **13.7%**

Working outside of region **66%**

Tertiary educated **29%**

4,058
Number of businesses

$688 million
Regional Exports

$92.3 million
Visitor Economy

79,498 ha
Region Area

57
Townships & Localities

Source: www.economy.id.com.au/rda-ahfki

The Adelaide Hills has a range of comparative advantages including:

- Convenient access to Adelaide
- A highly skilled workforce
- Agreeable climate for both lifestyle and agriculture
- Enviable lifestyle
- Friendly local people
- Widely available entertainment and leisure opportunities

Role of Council

The South Australian *Local Government Act 1999* outlines a range of functions that councils need to provide for their communities. The function most relatable to economic development is:

> *To promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism.*

Undertaken at the regional level and actively involving the region's community, addressing regional problems and issues through a systematic and well-defined change process is more likely to improve living standards and generate better value for money.

The role for Council in economic development is essentially one of facilitating economic activity and growth by identifying opportunities and challenges and responding to these by improving the flow of information and bringing relevant parties together (including business, industry representative groups, all levels of government) to use this information for greater economic benefit.

The demand for information and advice on a wide range of economic development issues in the region – workforce development, infrastructure requirements and projects, grants and business support requirements, industry development needs etc– has escalated significantly and it is expected that this will continue as all levels of Government look towards community-led recovery (from both bushfire and COVID-19). Having a good understanding of and being well connected with the region's business community ensures Council is best placed to provide the type of advice and advocacy that ensures that the right programs and services are being provided to our business community, particularly during these difficult times.

In developing the action plan, the proposed role of Council has been identified using the following guide:

Council Role	Description
Advocate	Formally or informally speaking or writing in favour of/supporting a recommendation of
Inform/Promote	Giving or distributing knowledge and information
Invest/Provide	Contributing financially or in-kind including through purchase, interest, or income to achieve something
Lead	Owning and undertaking actions directly (e.g. developing, maintaining or improving something)
Partner/Connect	Working alongside other organisations/government/non-profits/businesses etc. to achieve something
Research	Undertaking inquiry or investigation or evaluation
Regulate	Specific role in response to legislation & compliance
Review	Inspecting or looking at or discussing
Support	Providing assistance using existing resources to develop, maintain, or improve, bring together stakeholders to collectively pursue a shared interest, service or resolve an issue.

Success Through Partnerships

Many of our challenges and opportunities exist on a regional level and are therefore best addressed by adopting a "no boundaries" approach. In delivering and contributing to the region's economic prosperity, Council works with a number of key strategic partners including:

- Adelaide Hills Tourism
- Adelaide Hills Wine Region
- Apple and Pear Grower's Association
- Cherry Growers SA
- Commonwealth Government – AusIndustry, Department for Education, Skills and Employment, AusTrade, Department of Infrastructure, Transport, Regional Development and Communications
- Local Government - Neighbouring councils, Local Government Association, Greater Adelaide Region Organisation of Councils, Southern Hills Local Government Association
- Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island
- South Australian Government – South Australian Tourism Commission, PIRSA, Department for Trade and Investment, Department for Innovation and Skills
- Stirling Business Association
- Woodside Commerce Association

To assist our economic development activities in the region we have formal funding arrangements with the following:

Regional Development Australia Adelaide Hills, Fleurieu and Kangaroo Island is a partnership between the Australian, State and Local Governments to support the growth and development of region. This non-profit, community-based organisation builds partnerships between governments, local businesses, community groups and key regional stakeholders to provide strategic and targeted responses to economic, environmental and social issues affecting the region.

Adelaide Hills Tourism is the State Government recognised Regional Tourism Organisation for the Adelaide Hills Tourism Region. AHT provides leadership, strategic projects and market intelligence, coordinates marketing and provides connectivity between tourism operators and government. It is directed by a Board comprising tourism operators, industry sector and regional stakeholder representatives and the main funding partners – Adelaide Hills Council and Mount Barker District Council.

Stirling Business Association is funded through a separate rate on commercial property in the village to provide a central point of contact for Council, businesses and others to:
- Represent the views of the Stirling business community
- Facilitate a shared vision for the village and collaborate with key stakeholders to realise the vision
- Further the economic development of the village and encourage further investment in the village
- Oversee key marketing, promotion and communication activities and
- Build relationships among the village business community, community groups, Council and other levels of Government.

Action Plan

Directly connected to the objectives (E1 to E4) and priorities (E1.1 to E4.4) in our Strategic Plan, the Action Plan suggests the outcomes and actions required to make A Prosperous Economy goal a reality. The Plan has been developed with a whole-of-council approach in mind and actions will be achieved in collaboration with key partners in business, community and government. Reflecting the collaborative intent of the Plan, relevant strategic documents have been drawn upon and Council's role to assist has been considered. These include:

- Regional Visitor Strategy
- Horticulture Strategy
- Creative Industries Strategy
- Food, Wine and Agribusiness Plan for Growth
- The South Australian Visitor Economy Sector Plan 2030

Listening to and getting feedback from our business community as well as analysing demographic, growth and visitor data will help to track how our services are assisting local businesses and overall economic prosperity. The Plan will also be reviewed annually to ensure our progress is understood, while providing the flexibility to address emerging challenges and new opportunities.

The Actions have been collated under four key themes, however it is recognised that these are not mutually exclusive with overlaps and dependency between the themes.

Our Industries

When thinking about the region's economy it is useful to classify industries as:

- **Engines** – industries that bring money into the region and that drive the local economy. In the Adelaide Hills these are predominantly viticulture, horticulture and tourism.
- **Enabling** – industries that support the engines such as agronomy,
- **Population serving** – industries that support the local population such as real estate agents, trades, health care, education and retail sector.

Many people in the Adelaide Hills are employed in the population servicing industries. However, typically the fortunes of both the population-servicing and the enabling industries depends on the success of the engines, and therefore, to drive growth and prosperity, it is important to focus on the engine sectors.

However, as sectors change and adapt to market pressures our engines of growth are also likely to change over time. Indeed, international studies attribute one-fifth to one-half of economic growth to changes in industry composition (PC, 2012). An economy cannot raise productivity without change – whether through doing new things or doing old things better. Facilitating innovation and enabling investment is therefore critical to supporting a competitive and productive region.

The Economic Development Plan recognises the existing strengths of the region and describes the strategies and actions for building on those strengths.

> " Local economic development is a process that builds up the economic capacity of the local area to improve its economic future and the quality of life for all. It is a process by which public, business, government and non-government sector partners work collectively to create better conditions for economic growth and employment generation. Economic development focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive "

The World Bank, 2013

E1 - Support and grow our region's existing and emerging industries

Outcome	How	Council Role
E1.1 - Support and encourage a compelling reason for both intrastate, interstate and international tourists to visit the Adelaide Hills		
Adelaide Hills Tourism is recognised as the lead body to deliver industry led projects and programs.	Implement three-year funding agreement with Adelaide Hills Tourism. Provide advice and support to Adelaide Hills Tourism to develop and implement their strategic priorities.	Promote/ Educate Lead/Empower Partner Support Invest/Provide
Residents engage with the region to enhance the visitor experience for their visiting friends and relatives.	Support Adelaide Hills Tourism to implement programs focussed on the Adelaide Hills community.	Promote/Educate Partner Support
Visitor needs are serviced across a range of print and digital platforms.	Support and advise Adelaide Hills Tourism's development, implementation and evaluation of digital servicing tools.	Partner Support
Improved partnerships between local tourism operators.	Promote collaboration and encourage businesses through identification of opportunities and individual support.	Promote/ Educate Support
E1.2 - Take advantage of the full potential of our region's primary production and associated value adding activities		
Primary Production businesses have grown their markets domestically and internationally.	Facilitate connections between Primary Production businesses and agencies/programs that assist with export services and capability development including R&D and production efficiencies.	Partner Support
There is a reduction in complaints from residents about Primary Production activities.	Support development of "Living in Harmony" campaign to promote co-existence of industry and residents.	Promote/Educate Support
Adelaide Hills has pest free zone status.	Advocate and support regulation requirements for pest control and support community messaging campaigns.	Promote/Educate Advocate
E1.3 - Support and encourage the growth and development of our region's creative industry micro businesses		
Develop creative industry co-working space at Fabrik.	Research and review creative industry hub models, scope up the role of a business hub at Fabrik and seek external funding and support.	Research Lead Partner
There is an increase in the number of Creative industries businesses linked to the Fabrik development and creating textile/fashion business ecosystem.	Promote collaboration opportunities to industry partners and creative businesses.	Research Partner
Micro creative industry businesses improve business skills	Facilitate links between Adelaide Hills based creative industry businesses and business support services and programs.	Partner Support

Outcome	How	Council Role
E1.4 - Promote, support and encourage our existing and emerging businesses to respond to economic changes by being creative, innovative productive and resilient to unexpected impacts		
Businesses are using e-commerce and new technology to build markets and increase productivity.	Promote information to businesses on the use of e-commerce and new technology. Identify and facilitate access through referral to programs.	Promote/Educate
Manufacturing and Service provision businesses are increasing in number and growing their markets domestically and internationally.	Promote business support services which build resilience and capability in response to adverse events including climate change and disruptors.	Promote/Educate
There is an increase in the number and retention of start-up businesses.	Promote and facilitate connections to business start-up support services. Identify and develop relationships with Aboriginal and Torres Strait Islander businesses in the region.	Promote/Educate
E1.5 - Engage and assist our region's key business and industry groups to be resilient, proactive and successful		
Business and Industry Associations are active, resilient, sustainable and successful.	Support industry associations with information, advice and training.	Partner Support
Businesses have the skills and support needed to maintain and grow their capability.	Promote small business support services. Support business resilience training program.	Promote/Educate Advocate
E1.6 - Encourage and facilitate local supplier participation in all level of Government tendering processes		
More Adelaide Hills businesses are successful in winning work to supply goods and services to Local, State and Australian Government.	Local businesses are informed of and assisted to register with the SA Government Industry Capability Network. Councils explores joining the Small Business Commissioners Friendly Council initiative by developing a procurement register and training program for local suppliers.	Promote/Educate Lead

Our Infrastructure

Infrastructure services, including transport, communications, energy and water, provide platforms for production and innovation and the costs and quality of these services strongly influences the regions competitiveness. Without ongoing investment in infrastructure, any competitive advantage is quickly eroded.

Telecommunications remains an ongoing challenge for the region with the added complexity of the fast-moving pace of the sector. Poor telecommunication services in regional areas are a significant contributor to the rural/urban divide.

A large proportion of residents commute for work, educational purposes and general services making our road networks crucial infrastructure for the region. When transport systems are efficient, they provide economic and social opportunities and benefits that result in positive multiplier effects such as better accessibility to markets, employment, and additional investments.

The Economic Development Plan recognises the importance of infrastructure as a key enabler to our region's development and describes the strategies and actions required to encourage timely and efficient provision of infrastructure services.

> **"**
>
> Let's go invent tomorrow instead of worrying about what happened yesterday.
>
> **"**
>
> Steve Jobs
> *Co-founder, Apple*

E2 - Provide local infrastructure to drive growth and productivity

Outcome	How	Council Role
E2.1 - Work with all levels of Government to ensure the region's infrastructure needs are understood and prioritised		
There is sufficient high quality broadband internet and phone communication services coverage across the region through fixed and mobile platforms to meet business's needs.	Identify blackspots/service gaps and advocate for improvements to regional quality broadband internet and phone communication through fixed and mobile platforms to address these.	Research Advocate
Transport infrastructure meets the needs of businesses and residents.	Identify gaps in both passenger and freight transport systems and advocate for improvements. Adopt co-design principles that engage our residents with disability, their families and carers, in the ongoing management, maintenance and replacement planning of public infrastructure (including roads, bridges, signage, footpaths) through consultation processes. Advocate for rapid transit transport solutions for residents and businesses.	Research Advocate
Increased usage of recreational infrastructure such as trails.	Promote and support the upgrade and improvement in the region's trails.	Lead
E2.2 - Explore and advocate for the opportunities that new technologies could bring to our region		
There is an increase in the number and productivity of businesses using new technologies in the Adelaide Hills.	Identify and promote services for hi-tech businesses including training and University partnerships. Investigate opportunities to develop Hi-Tech hub in region.	Research Promote/Educate
E2.3 - Support changes to planning and development that leverages and encourages sustainable economic development		
Planning processes and procedures meet the needs of business and community in a timely and efficient manner.	Advocate for effective processes to be included in the new planning code and for it to be implemented. Provide education for businesses and community members on the requirements and processes involved in the new planning code.	Advocate Lead Review Promote/Educate Regulate
E2.4 - Manage and maintain Council assets to maximise their utilisation and benefit to the community		
Free Camping facilities are provided within the Adelaide Hills region.	Investigate free camping opportunities and requirements within the Adelaide Hills.	Research Lead Invest
Pop-Up ventures are supported and add vibrancy to the regions towns and economy.	Opportunities for Pop-Up ventures are identified and supported by planning processes.	Research Regulate
Tourism and Community recreation infrastructure supports local businesses and economies.	Community Halls, Sporting and Recreation Facilities are maintained with the aim of generating income for communities where possible.	Lead Invest Support

Our People

From a quality of life perspective, the region offers many advantages to residents and workers including: good local services, natural amenity, diversity of employment opportunities (from first job to own your own business) and a strong sense of community. Recognition of the region's strengths in terms of providing a high quality standard of living will likely increase as people seek alternative lifestyles to support recent workforce changes such as working from home.

The Adelaide Hills is the traditional lands of the Peramangk and Kaurna peoples. A number of Adelaide Hills residents identify as Aboriginal or Torres Strait Islander and live, work and raise their families here. There is an opportunity to build on the relationship that Traditional Custodians have with this area through education and promotion to the broader community and visitors to the region.

As markets shift, the productivity and worker efficiency become increasingly more important. Customers are also becoming more particular about how they spend their money and the service they receive. A skilled workforce is therefore a necessity, not a luxury.

The Economic Development Plan recognises the importance of supporting the employment and working needs of the region and describes a range of strategies and actions required.

> " Economic development is about creating places where people want to invest, work and live. It's about making connections between people, companies, institutions, and communities. "

Jeff Finkle
CEO, International Economic Development Council

E3 - Encourage, attract and retain a creative, talented and skilled workforce in our region

Outcome	How	Council Role
E3.1 - Attract and encourage professional and business development and networking activities		
Young Business Leaders are growing and inspiring entrepreneurship in the region.	Research models, scope interest, support interested young business leaders to implement a support network.	Research Partner
Increased attendance at workshops and seminars for business within the region.	Opportunities for workshops are identified and local delivery facilitated. Workshops will be promoted through the quarterly business e-newsletter and through Business and Industry Associations.	Promote/Educate
E3.2 - Understand the nature of skills our region's businesses will require to prosper into the future		
Local industry and business are well connected to enable them to access the workforce that they need.	Assist identification of local workforce needs and connect these to services and funding opportunities. Identify and promote services that assist industries that have an ageing ownership and workforce profile. Assist employment service providers to connect with local industry, schools and youth support services. Advocate for employment outcomes for Aboriginal and Torres Strait Islander recruitment, retention and professional development. Advocate for local business and organisations to consider the benefits and requirements of employing people with disability.	Partner Support Promote/Educate Advocate
E3.3 - Work with our local communities and businesses to create active, attractive and vibrant places		
Mainstreets are vital and active places that attract businesses and people.	Using consistent planning guidelines work with local businesses and developers to develop Mainstream Masterplans and attract investment.	Lead Regulate Support
Communities are working together to identify and develop projects that activate and energise the region.	Scope up and implement a targeted program using coordinated planning and grants to assist communities to activate their towns and communities. Explore opportunities to engage with Aboriginal and Torres Strait Islander stakeholders in open space planning and use.	Research Support
E3.4 - Enable start-ups and home based business through services, information and networking opportunities		
Home based businesses in the Adelaide Hills are connected to and supported by Council.	Undertake a needs analysis of home based businesses to assess interest in receiving assistance. Promote the region as an attractive place to maintain a quality lifestyle while working or conducting business from home.	Research Support Advocate
Home based businesses in the Adelaide Hills region have access to the infrastructure needed to be successful and sustainable.	Council advocates for improved high quality broadband internet and phone communication through fixed and mobile platforms and transport linkages into the region.	Advocate

Our Identity

Sustainable regional economic development is the result of the interaction of the place-specific *hardware* (economic-spatial factors), *software* (social-cultural factors), *orgware* (government and governance) and *mindware* (image and self-image). Regional branding is a tool to bring the mindware of a place in line with its hardware, software and orgware. It helps to identify those aspects that makes a region unique (e.g. landscapes, offerings, products etc.), creates product differentiation and then takes a collaborative approach to marketing and branding the region for these attributes.

The Economic Development Plan proposes to work with key stakeholders in the region to create a stronger sense of place for the region.

> A brand is a living entity – and it is enriched or undermined over time – the product of a thousand small gestures.
>
> Michael Eisner
> *CEO, Disney*

E4 - Cultivate a clear, unique and consistent regional identity that can be leveraged to attract national and international attention

Outcome	How	Council Role
E4.1 - Develop a realistic, yet inspiring, collective vision to connect the region and its industries		
Develop a regional identity	Workshop with key stakeholders to gauge interest in developing a collective vision for the region. Prepare a scoping paper to identify potential brand partners and scopes out brand application and opportunity. Work with brand partners to define the region and its attributes. Investigate funding opportunities to support brand development and implementation.	Partner Support
E4.2 - Encourage co-ordinated and strategic regional projects that enhance and support the regional identity		
Regional opportunities are identified and implemented.	A list of Strategic Projects and priorities is developed to inform funding applications and legislative reform.	Lead Support
E4.3 - Support and encourage events that supports the region's identity and generates social, cultural and economic benefits		
Events that celebrate the region's authentic offering will be delivered.	Support and encourage new and existing events.	Partner Support
E4.4 - Support the continued development and community engagement for the World Heritage nomination of the region		
Adelaide and the Adelaide Hills are recognised as a World Heritage location.	Explore the opportunity to develop a joint bid with the central Adelaide area.	Advocate Partner