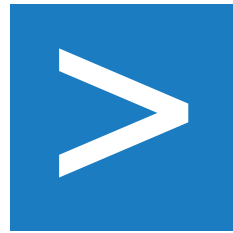
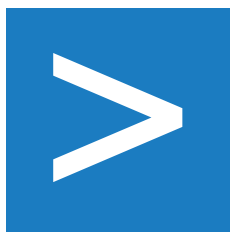


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**A
 NEW
 ECONOMIC
 FUTURE**



**THINK
 SOUTH**

> Welcome to an exciting partnership



Tom Phillips
Chairman, Southern Adelaide
Economic Development Board

I am delighted to have the opportunity to be part of the partnership for economic growth in Southern Adelaide and to chair the newly formed Southern Adelaide Economic Development Board. My involvement is based on a strong belief that the region offers tremendous opportunities for growth in the industries of the future. Southern Adelaide has demonstrated a track record of good employment growth and boasts a diverse industrial and commercial base, including a growing service sector, innovative advanced technology businesses and, of course, world-class McLaren Vale wines.

The Board has already identified a number of priorities which we believe

will make a real difference and build the momentum for the achievement of a new economic future. Most importantly, we are acting on these priorities in partnership with our other key stakeholders.

The business sector's backing of this plan for a New Economic Future is critical for its objectives to be met. The Cities of Marion and Onkaparinga are committed to working closely with the business community in implementing the plan. The Board members and I look forward to working closely with all partners to secure our future prosperity in Southern Adelaide.



Felicity-ann Lewis
Mayor, City of Marion

Southern Adelaide is an incredibly diverse and vibrant region, stretching from close to the Adelaide CBD to the southern beaches and the McLaren Vale. It is home to almost a quarter of metropolitan Adelaide's population, contributes significantly to the economy of the State and is an area characterised by partnership and innovation.

Growing prosperity in the region is vital to achieving a better quality of life for the community in Southern Adelaide. In order to realise the full economic potential of the region, the Cities of Marion and Onkaparinga have formed a partnership to produce an economic blueprint to guide future development and create a new economic future for Southern Adelaide.

We cannot build a strong future for our two cities without collaboration from all stakeholders, whether they are business, community or local, state and federal government.

'A New Economic Future' sets the framework and actions to achieve prosperity for Southern Adelaide over the next two decades and we invite you to participate in this exciting challenge.



Lorraine Rosenberg
Mayor, City of Onkaparinga

In preparing the plan we have been delighted by the enthusiastic participation of our regional business leaders and their willingness to work together for our future – a key asset of Southern Adelaide.



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> Vision for Southern Adelaide

In 2025, Southern Adelaide is a vibrant area with a thriving and diverse economy built around knowledge, innovation and high value-added manufacturing and service industries.

It is a highly desirable area in which to live, work and run successful businesses. It offers an enviable lifestyle where environmentally sustainable development is successfully applied.

It is serviced by fast, efficient transport links allowing easy access to other parts of metropolitan Adelaide, including Adelaide Airport, Port Adelaide and on to the rest of Australia.

There is a high degree of communication and collaboration between individual businesses and business groups facilitated by leading-edge telecommunications infrastructure.

The region's educational institutions work hand in hand with industry to develop and maintain a highly skilled workforce and globally competitive products and processes.

The business and residential communities actively work to grow the region with enthusiasm and confidence. There is a highly collaborative approach, facilitated by leading-edge telecommunications infrastructure.

The region's enthusiasm and confidence is plain to see.



> Think South



A New Economic Future

The Cities of Marion and Onkaparinga have recognised that a partnership approach is vital to maximise the future economic development potential of Southern Adelaide. Although initially driven by the two Cities, this collaborative effort has been embraced by the region's business community and the result is the production of an integrated economic development strategy, 'A New Economic Future'.

The strategy lays the foundation for Southern Adelaide's economic growth and builds on the substantial strengths displayed throughout this diverse region. It embraces change and establishes the framework to continue the region's transition to the economy of the future, including the infrastructure and services needed to underpin and deliver prosperity for the people of Southern Adelaide.

The strategy has been developed to align closely with South Australia's Strategic Plan 2007. Although the main focus of 'A New Economic Future' is about Growing Prosperity, elements of the strategy impact on many other objectives in the State Plan, particularly in the areas of Attaining Sustainability, Fostering Creativity and Innovation and Expanding Opportunity.

This exciting initiative looks to the future and sees Southern Adelaide as a vibrant area enjoying a thriving and diverse economy and offering an enviable lifestyle. All the elements are there to realise this vision and with the commitment of all partners, Southern Adelaide will play a key role in the future growth of Adelaide and South Australia.



The Southern Adelaide Economy

The combined economies of the Cities of Marion and Onkaparinga produce a large proportion of South Australia's total economic output. In 2004, estimated Southern Adelaide Gross Regional Product was around \$7.3 billion representing 14.1% of South Australia's Gross State Product, or about 1/7th of the State's economy.

The structure of the region's economy mirrors, to a large extent, the State's economy with the largest sectors being:

- manufacturing (18%)
- property and business services (10%)
- health and community services (8%)
- finance and insurance (8%)
- construction (6%)

In employment terms, the largest sectors are:

- manufacturing (18%)
- retail (16%)
- health and community services (12%)
- education (6%)
- construction (6%)

Manufacturing is a particularly strong sector in the Southern Adelaide economy and its proportional value in both production and employment terms is larger than for the State as a whole.



The Challenges



Southern Adelaide is therefore an important contributor to the economic wellbeing of South Australia, however there are some challenges that must be met for this to continue.

Over the 13 years from 1991 to 2004, the South Australian economy grew at an average of 2.6% p.a. Southern Adelaide's growth did not keep pace and the region's economy averaged an increase of only 2% each year. As a result, the region's contribution to the State's economic output has been gradually falling.

Another key issue is highlighted when employment growth is considered. On the face of it, Southern Adelaide has done well in the 13 years to 2004, with average increases in employment of 1.5% p.a. compared to the State average of 0.9%. However, if the economic output figures are factored in, the implication is that this employment growth was, on average, in lower value jobs than in the State as a whole.

Global trends are also impacting on the region. The Australian, State and regional economies are in transition as a consequence of major global trends and a regional response is



Southern Partnerships

necessary to withstand inevitable adjustment pressures. Major shifts in manufacturing are occurring and the move offshore of manufacturing capacity has been steadily growing. This is likely to accelerate with the rapid expansion of the manufacturing capability of China and India.

Successful economies are globally integrated but Southern Adelaide has a relatively low global participation rate when measured in export performance, with around 2% of regional businesses exporting compared to the Australian average of 4%.

These are the issues that business, government and the community must tackle to ensure that Southern Adelaide remains a major centre of economic activity.



An extensive program of consultation has been undertaken with the business community and other key stakeholders across the region in order to develop this strategy. Business leaders from a wide cross section of the community were involved, including representation from:

- Advanced manufacturing
- Environmental industries
- Food industry
- Wine industry
- Tourism
- Education
- Property development
- Professional services
- Business associations

Participation in this process has been enthusiastic and a high level of commitment to an ongoing partnership has been demonstrated across the board. This will form the foundation of a long-term collaborative approach to economic development in Southern Adelaide.

The outcomes drawn from this process include a 20-year vision for the future, highlighting growth opportunities and identification of strategic actions that require implementation.





Achieving the Vision

Economic Drivers

The following principles are pivotal in positioning Southern Adelaide to build on its strengths and compete in the national and global market places:

- **Innovation** – Innovative businesses are more profitable, grow larger and survive longer;
- **Export orientation** – The pace of globalisation is increasing. It is a source of opportunity rather than threat;
- **Commitment to environmental sustainability** – Reducing our environmental footprint and encouraging industry to reap the benefits of this in global markets;
- **Business and its workforce are the key to success** – Decisions by business owners and employees determine regional investment, productivity and employment opportunities;
- **Government working in partnership with business and the community** – All levels of government consult closely with the business sector and focus their efforts on where they can add value;
- **Community leadership and self-reliance** – Economic development is the responsibility of all in the community, not just government.

Urgent Initiatives

There is much to be done to achieve our goals and there are five key issues that impact on all sectors of the economy which will be tackled as a matter of urgency:

- **Workforce development** – Workforce development plans are crucial to address the looming skills shortage and focus must be given to up-skilling and the needs of the emerging knowledge-driven industry sectors. Plans for key sectors are already underway;
- **Industrial land supply** – Identification of additional industrial and commercial land in Southern Adelaide is needed to accommodate future growth. A master plan for Port Stanvac is an important part of this work;
- **Transport linkages** – A long-term plan is needed for the development of a non-stop north-south road corridor linking Outer Harbor and the northern industrial areas to Southern Adelaide, including a two-way expressway;
- **Broadband** – The region must have access to world-class broadband telecommunication infrastructure. A broadband development strategy has already been prepared and is being pursued;
- **Regional marketing** – The economic potential of the region, together with its successes, needs to be communicated to investors, potential migrants and the existing community. A communications plan is under development.

Sector Opportunities

Priority will be given to targeting specific industry sectors that offer development opportunities into the future. Sectors that have been selected demonstrate the following attributes in varying degrees: scale, leadership, growth potential, linkages to other sectors, export orientation and sustainability. These are:

- Advanced manufacturing
- Environmental industries
- Food products
- High-value services – education and health
- Medical technologies
- Tourism
- Wine

Through engagement with industry, action plans are being developed for each sector to realise its full potential.



Further Actions

In support of both the sector development activity and to provide a foundation for economic growth across Southern Adelaide generally, a series of strategies and actions will be pursued:

- **Developing the capacity of existing business** – In terms of numbers, small and medium-sized enterprises dominate the region's economy and support for this sector of the business community is vital. The Centre for Innovation, Business Enterprise Centres, the Regional Export and Investment Extension Service and the Exporters Club will continue to play a critical role;
- **Mobilising business community resources** – Cooperation and networking between businesses will be essential to tackle global opportunities. Business Associations and industry sector leadership groups can facilitate relationships and help form communication pathways into education and research institutions. The further development of these groups will be pursued;
- **Attracting investment** – New investment is crucial to drive growth in the economy and an investment attraction strategy has been developed in partnership with the Federal and State Governments to provide focus for this work;
- **Meeting the infrastructure needs** – In addition to the broadband, transport and industrial land initiatives outlined above, work

has commenced to ensure that other infrastructure provisions continue to meet the needs of business into the future. This includes:

- Water and wastewater
- Energy - gas and electricity



Southern Adelaide Economic Development Board

Recognising the need for the business community to take ownership of the push to grow the economy, the Cities of Marion and Onkaparinga have invited a cross section of business leaders to form the Southern Adelaide Economic Development Board.

Chaired by Tom Phillips, the Board comprises:

- Allen Bolaffi, Partner UHY Haines Norton CA and President of the Australia-Israel Chamber of Commerce (SA)
- Norm Doole, Chairman Willunga Basin Water Company
- Professor Anne Edwards, Vice-Chancellor, Flinders University
- Pip Forrester, General Manager Chapel Hill Gourmet Retreat and Chair, Fleurieu Peninsula Food Group
- Mark Fusco, Director Manufacturing Focus

The purpose of the Board is to provide industry leadership to further develop the Southern Adelaide economy, influence the decision-making of organisations and individuals which will have a positive impact on the future of the region, and to promote the region as a location for business success.

The Board has taken on the task of championing 'A New Economic Future' within the business community and encouraging active participation by business.



Be Part of the Future

'A New Economic Future' provides only a summary of the extensive program of work to be undertaken to realise the vision and detailed implementation plans are underway. The strategy is an inclusive one and many people representing large and small businesses, and the private and public sectors have contributed.

The time has now come for action and it is not too late to be part of it. Southern Adelaide needs your participation.

> **Think South!**

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