

A Quantitative Assessment of the Combined Economies of Playford and Salisbury

Richard Blandy

AustralAsia*Economics Pty Ltd
School of Management, UniSA

Playford Council 17 February 2009

Why report on the combined economies?

Population of Playford and Salisbury likely to

- exceed 220,000 in 2016; and be
- between 321,000 and 384,000 in 2056.

In 2056, Hobart likely to be

- between 224,000 and 367,000 people.

In 2056, Darwin likely to be

- between 169,000 and 334,000 people.

Playford/Salisbury likely to be bigger than two capital cities by 2056.

Playford/Salisbury to be considered a satellite city in own right with own CBD at Elizabeth?

Size and growth of Playford and Salisbury's combined economy

- Gross regional product (GRP) is about \$5.5 billion (8.4 per cent of the South Australian economy)
- 1991-2006 economy grew 3.9% p.a. (SA 2.7% p.a.)
- 2001-2006 economy grew 5.1% p.a. (SA 2.8% p.a.).

Employment in Playford/Salisbury

- In 2006, 58,746 people had jobs in Playford/Salisbury
- 1991-2006, jobs in Playford/Salisbury grew by 2.3% p.a. (SA 0.8% p.a.)
- 2001-2006, jobs in Playford/Salisbury grew by 2.9% p.a. (SA 1.9% p.a.)
- Average productivity in Playford/Salisbury about \$94,000 p.a. (State as a whole about \$88,000)

Playford/Salisbury's economic drivers

Playford/Salisbury's economic driver sectors are

- manufacturing (29%),
- property and business services (8%),
- government admin. and defence (7%),
- education (7%),
- wholesale trade (5%), and
- transport and storage (5%).

Playford/Salisbury's potential economic drivers

Playford/Salisbury's potential economic driver sectors are

- health and community services (7%),
- retail trade (7%).

Playford/Salisbury's workforce is upskilling fast

1991-2006

- 200% increase in jobs for persons with postgraduate degrees
- 150% increase in jobs for persons with bachelor degrees
- 60% increase in jobs for persons with post school certificates
- share of jobs held by people without post school qualifications *fell* from 65% to 53%.

Playford/Salisbury fast growth scenario 2006-2016

- GRP will reach \$9.5 billion representing 9% of South Australia's GSP (8.4% now)
- Employment will reach 84,000 compared with 59,000 now
- 85% per cent of the extra jobs created will require a post school qualification, of which 42% will be a bachelor degree or higher qualification
- Herfindahl Index of Diversification measured by sector shares of *employment* is 0.117 (down from 0.126 in 2006)

Similarities in scenario outcomes

- Continued economic diversification
- Post school qualifications required for big majority of extra jobs created
- Largest job sectors the same
 - manufacturing,
 - retail,
 - government administration and defence, and
 - health and community services

An economic development strategy for Playford/Salisbury

- Raise the post school qualifications of Playford/Salisbury's residents.
- Support national, State and regional activities that assist Playford/Salisbury's driver sectors.
- Support infrastructure (physical and social), innovation and R&D, investment and migrant attraction programs, and relevant education and training programs.

More specifically 1

- Encouraging and supporting the development of road, rail and air networks connecting Playford/Salisbury to Adelaide and the rest of the world.
- Encouraging and supporting the development of communications networks, including fast broadband (built around SABREnet, for example).
- Encouraging and supporting the development of innovation support programmes in the area like the Salisbury Business and Export Centre and the northern regional innovation precinct.

More specifically 2

- Supporting the expansion of defence activities in the area.
- Encouraging venture capital and land developments that support the evolution of high-end small business in the area.
- Supporting programmes targeting the attraction of skilled migrants.

Health Precincts

Develop a health precinct around the Lyell McEwin Hospital, and other health precincts elsewhere in the region, including private hospitals and extensions of university teaching hospitals (like the Flinders Medical Centre, for example).

University campus in Playford

Develop university activities in Playford to buttress the activities of the University of South Australia in Mawson Lakes (say, a campus of Flinders University, giving Flinders a foot in the north of the metropolitan area, as well as in the south, or an additional campus of the University of South Australia).

More independent schools and technical colleges



Develop more northern campuses of established or new independent schools and technical colleges to serve the needs of a rapidly expanding, and increasingly highly educated population.

More non-school education and training needed

- A range of employment and training programs exists, but much work remains to be done.
- Attitudinal and skill development commences in early childhood. Greater community investment needed in early childhood learning and wellbeing.
- Expand the educational role of local libraries into Community Learning Centres

Transport and storage projects



Develop transport and storage businesses around the intermodal freight exchange on the border between Playford and Salisbury.

High-end small business clusters



Develop several high-end small business clusters in association with advanced manufacturing training and communications facilities at various locations.

Retail trade expansion for outsiders



Develop retail trade sector to cater to the needs of customers located outside Playford/Salisbury (particularly from Gawler, the Barossa and the mid-North).

Develop satellite CBD at Elizabeth

- Solid and practical focus for the demographic and economic development of Adelaide's northern area,
- Elizabeth originally established by Premier Tom Playford as a satellite city for Adelaide,
- Virtually on the boundary between the Cities of Playford and Salisbury making it easier for both local governments to “own”.

Fast rail and air links needed

- The development of a rapid rail transit link from the planned “Transit City” development around Elizabeth to the Adelaide CBD would be a vital piece of infrastructure in this regard.
- Central Business Districts have historically been associated with major railway stations.
- Upgrading of Parafield Airport to take commuter jets to Roxby Downs and other regional mining developments also important.

Develop land west of Port Wakefield Road

- The land between Port Wakefield Road and the Gulf of St. Vincent is already destined to host the substantial Buckland Park development.
- Space and opportunity exists south of Buckland Park to establish a number of Mawson Lakes style developments, possibly with Gulf access.
- Such developments would be attractive to professional, trades and business people.

Focussed plan to gain support of other agents needed

- A focussed plan to gain the support of important other agents (private as well as public) will maximise Playford/Salisbury's influence over the shape of future outcomes to an extent that is impossible on its own.
- The formation of strategic partnerships with a focus on Playford/Salisbury's particular needs in its economic driver industries is the basic economic development strategy that Playford/Salisbury should pursue.