

# Literature Review – Eyre and Western Region

August 2017

The purpose of this report is to summarise plans, reports and other documents relevant to skills, training and employment in this region. At the end of this report you will find the documents from which this information has been drawn. This will assist us, and stakeholders participating in the engagement process, to build on what is already known about the region.



## Regional Overview

The Eyre and Western Region comprises 11 local councils and has a population of more than 58,000. Spanning over 232,000 square kilometres, this region is one of the largest and the most complex. The Eyre and Western region has over 2,000 kilometres of coastline and a substantial amount of land that is sparsely populated, including several national and conservation parks, and Aboriginal owned land. The three main towns in this region, Whyalla, Ceduna and Port Lincoln, are significantly different from one another.

Consistent with many remote regions, research indicates that young people between the ages of 15 and 24 comprise the smallest population age cohort. In the Eyre and Western Region, the rates of those who have completed certificates is much higher than the State's average (47.1 percent compared with 34 percent). However, there are issues with gaining certificate-level accreditation, including in some cases obligatory travel (and associated cost) to attend training in Adelaide.

Anecdotal reports from across the region suggest that the local economies of scale make it difficult to fund training despite the presence of providers, employers and individuals to co-invest in training.

## Industries

Across the Eyre and Western Region, the health and community sector is the largest employer with approximately 14 per cent of the region's population, followed by agriculture, manufacturing and retail trade. The ageing population in the region has led to employment growth in the aged care sector, however this sector has difficulty attracting and retaining workers. There is significant industry diversity across the region, with health and community services and retail being the largest employers in Port Lincoln and Ceduna, and manufacturing the largest in Whyalla.

Tourism is of growing economic importance across the region with greater importance around the coastal areas. Mining is the fastest growing industry across the region primarily because of the increasing minerals exploration and drilling activity, although at present it is not the largest employer in the region. In the coming years, there are expected to be workforce challenges because of growing demands for human resources in the mining sector.

## Port Lincoln

Port Lincoln is an area known for its **aquaculture and agriculture industries**, in which there are approximately 1,200 registered Australian Business Numbers (ABNs). However, although the sectors themselves are large (with recent branding proving highly successful as *Australia's Seafood Frontier*), the area is generally made up of **microbusinesses**, employing up to five people.

In the agriculture and aquaculture sectors, some skill gaps exist including ship board safety and necessary licenses (predominately truck). Barriers to acquiring these skills include the cost of training and eligibility criteria.

## Ceduna

The Ceduna and Streaky Bay area is primarily comprised of **small business and a larger Aboriginal population** than other parts of the region (approximately 22 percent of the Ceduna population is Aboriginal). Consultation has occurred with a broad range of Aboriginal organisations and community service agencies in Ceduna to identify issues impacting on **aged care, transport and other community projects**.

Given the isolated area, opportunities for employment are limited and the availability of licenses (particularly truck licenses) and access to transport are two of the identified barriers to employment.



## Whyalla

Whyalla has long been the **centre of manufacturing in regional South Australia** and is emerging as a **mining services hub**. The State Government has welcomed the signing of a binding agreement to sell the Arrium companies, including the Whyalla operations, to London based GFG Alliance (Liberty House).

There has been a recent focus on diversification strategies in Whyalla to create additional employment opportunities including in the defence sector. There is the potential for additional investment into the area, for example in the **emerging renewable energy sector**.

## Opportunities

The region has taken part in many programs and projects aimed at strengthening small and medium enterprises and fostering Aboriginal economic development – assisting Aboriginal people in the region to develop business enterprises.

The Eyre and Western region is identified as one of the best locations internationally for wind, solar and wave renewable energy development. Pilot initiatives are being progressed and will create additional job opportunities.



In addition, there are several mining projects across the region that are soon to move from development into operation. Most significantly, Iron Road's Central Eyre Iron Project at Warramboe is the largest magnetite resource in Australia and will be 2.5 times the size of Olympic Dam when in operation. This is expected to create 2,500 jobs and will be one of the top 20 mining projects in the world.

A significant number of construction projects have been funded, including Thevenard Port, Cape Hardy and Lukin Quays providing initial and ongoing employment opportunities.

A growing focus on the aged care industry given the ageing population will affect this region and create employment opportunities through changes associated with the implementation of the National Disability Insurance Scheme (NDIS).

The Commonwealth Government recently announced \$20 million funding to support the Upper Spencer Gulf (including Whyalla), from its Regional Jobs & Investment Package. The Local Investment Plan for the Upper Spencer Gulf provides a framework for projects including local infrastructure, business innovation and skills and training.

South Australian government assistance to the region includes:

The \$10 million Whyalla Small Business Loans Scheme, to provide interest-free loans to small businesses whose invoices had been frozen due to Arrium entering administration;

A \$50 million State Government commitment to support the new owner of the Whyalla steelworks, London-based GFC Alliance; and

\$101,050 to Regional Development Australia Far North to support 100 young people and Aboriginal and Torres Strait Islander people who were employed in the Alinta supply chain.

An \$8 million economic assistance package for the Upper Spencer Gulf and Outback region, which comprises:

- \$2 million from the Regional Jobs Accelerator fund
- \$5 million prioritised under the RDF round 3 in 2016-17
- \$1 million to support job creation and economic initiatives in the Upper Spencer Gulf.

The 2017-18 State Budget also includes \$1.4 million to deliver community infrastructure upgrades to Whyalla, including the redevelopment of Whyalla Jetty.

The State Government's steel procurement policy and Steel Taskforce work together to Support Our Steel. To read more about the campaign go to <http://supportoursteel.com/>

To know more about support for Whyalla go to: <http://supportoursteel.com/support-for-whyalla/>

## Challenges

The region is experiencing limited (current) employment opportunities and has a need for greater access to training and licensing programs.

However, a significant challenge for the region will be meeting forecast labour demand, especially from the mining and resources sector. Some estimates suggest the region will require an additional 3,700 skilled workers. Consequently, there is a need to focus on upskilling residents (particularly the unemployed and underemployed) as well as to attract additional people to the region to meet future workforce demands.

## Summary

The Eyre and Western region is one of the largest and most diverse in its industries, environment and employment opportunities. With key industries including health and community services, agriculture, manufacturing, retail and tourism, there is a significant number of businesses, and yet the employment opportunities are limited in many cases given the size of these employers. Additional opportunities exist with the increasing focus on the aged care industry and changes in the NDIS and Consumer Directed Care models. With the emergence and continuation of mining projects in the coming years, there will be additional employment opportunities – likely to outweigh current supply of labour in the region.

## Bibliography

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