

# Literature Review – Yorke and Mid North 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 Yorke and Mid North region comprises the Mid North, the Southern Flinders and Yorke sub-regions; incorporates 11 local councils and has a population of over 75,000 people (5 percent of the State's population). Major population centres such as Port Pirie, Clare, Kadina, Moonta and Wallaroo are supplemented by service hubs including Peterborough, Crystal Brook, Jamestown, Ardrossan and Maitland. More than 30,000 people live outside of the region's main service centres.

The size of the region is about 35,000 square kilometres, 97 percent of which is designated agricultural. There is 800 kilometres of coast line with several deep-sea ports. The Adelaide to Perth/Darwin road and rail link intersects the region.

The Yorke and Mid North region is agriculturally rich and a significant contributor to the export and agricultural output of South Australia.

It is home to the internationally renowned Clare Valley wine region and heritage listed towns of Burra and Mintaro.

The largest settlement in the region is Port Pirie with a core population of approximately 14,000 people. For 127 years, the economy of Port Pirie has centred on the local smelter, which is under transformation to an advanced multi-metals processing and recovering facility.

As at the March 2017 quarter, the unemployment rate in the region stands at 6.4 percent. The region has a "low skills equilibrium" - a low supply of and low demand for skills. This means that workers are generally lower paid and higher-level skills are unlikely to be demanded. This however, may be an issue for the region in the future as technology develops and businesses need to increasingly compete in a global market.

## Industries

Agriculture, forestry and fishing are the main drivers of the economy in the Yorke and Mid North region. This is focused on viticulture and primary production. The region contributes \$3.76 billion to the South Australian (SA) economy and accounts for 20 percent of SA's Agriculture, Forestry, and Fishing output; 23 percent of SA's Poultry output; 20 percent of pigs; 42 percent of the State's Grains output; and 70 percent of SA's Wind Energy capacity. The region is also the second largest manufacturing contributor in the State at \$242 million.

Yorke Peninsula's economy centres on primary production and processing, which contributes more than \$400 million to the State economy per annum. While field crops generally account for more than half of this value, agriculture activities in the region are continually diversifying with a focus on value adding for export markets. Aquaculture, hay and livestock processing are emerging as important industries. The world's largest integrated lead-zinc-silver smelter is located in Port Pirie with links to mining activities in the north-east of the state; and the Clare Valley is internationally recognised for its wines.

The townships along the eastern road to the Flinders Ranges are rich in railway, mining and pastoral heritage, as well as mineral resources and a burgeoning wind farm industry. The Southern Flinders Ranges is one of the most popular nature-based and active adventure tourism destinations in the state, with strong horticulture and forestry industries.

## Mid North

The Mid North region has a strong cultural heritage from mining booms and the rail industry in the historic towns of Burra and Mintaro. The Mid North is also home to the internationally renowned Clare Valley wine appellation. The region makes a significant contribution to the State's economy through agriculture, manufacturing and tourism.

The sub-region faces challenges in relation to employment and training, transport, services and mental health services more specifically. Some necessary services are not provided locally, requiring travelling long distances, which is costly for residents.

The Mid North has relatively low levels of unemployment and below average income levels. Low levels of participation in higher education, combined with low levels of training completion compared to other regions, creates employment challenges.



## Southern Flinders

The Southern Flinders sub-region encompasses the local councils of Mount Remarkable, Northern Areas, Orroroo/Carrieton, Peterborough, and Port Pirie City and Districts. Agriculture and retail trade, as well as health and community services are the largest industries.

Population projections for the sub-region show a decline up to 2021. While Port Pirie is expected to have a small decline, other areas of the sub-region are expected to have more substantial population losses. The Southern Flinders sub-region has a large Aboriginal population, 2.1 percent of the total population compared to the State average of 1.7 percent.

## Yorke Peninsula

Traditionally, agriculture has been a significant driver of economic development in this sub-region. Given automation and other technological advances, the number of jobs in this industry has declined. The region understands the need for diversification in the economy in relation to jobs and is placing an emphasis on growing tourism in the region. There is a focus on value adding for export markets, however this is recognised in the region as difficult and expensive.

The sub-region is known for its 700 kilometres of coast and boasts tourist attractions such as beaches, fresh seafood, fishing and boating, shipwrecks and trails, as well as mining and maritime history.

The Yorke Peninsula has a significantly ageing population and has seen below average population increases in recent years. The region also has below State average education and qualification levels, which may reflect the lower proportion of younger people in the region.



## Opportunities

Demand for disability services in the Yorke and Mid North region is expected to grow from 600 to around 1,900 participants under the National Disability Insurance Scheme (NDIS). It has been estimated that an additional 550 full-time-equivalent workers will be required by 2018-19. The Yorke and Mid North region has the highest anticipated growth of any regional area in South Australia. The local Regional Development Australia has received funding from the Department of State Development to establish a local Disability Workforce Hub to facilitate the development of a workforce for the region.

One key area identified for increasing economic development is value-adding to existing industries such as mining and agriculture, expanding local product ranges and businesses.

The region has established renewable energy production with several developments in both solar and wind. During construction, each project is expected to employ around 200 people; with ongoing employment of around 20-30 people.

The Ceres renewable energy project is a wind farm proposed for the Yorke Peninsula, which is anticipated to create 500 direct jobs during the

construction phase and 50 ongoing jobs during the 25-year operation period. The windfarm provides local farmers with an opportunity to diversify income streams through the paid use of farm land for windmills.

French renewable energy company Neoen is developing its Hornsdale Wind Farm near Jamestown in South Australia's Mid North over three stages, representing a total capital expenditure of around \$800 million. The project is expected to create up to 150 construction jobs over all three stages, with an additional 10 operational jobs post-construction. The world's largest lithium ion battery will be installed at Hornsdale through an agreement between Neoen, US sustainable energy company Tesla and the South Australian Government.

The energy storage systems from Tesla will be paired with Neoen's Hornsdale Wind Farm and installed before summer.

Rex Minerals Limited plans to develop and operate the copper Hillside Mine, situated 12 kilometres south of the township of Ardrossan. The development estimates a construction workforce of 550 people and an operational workforce of about 500 people. Under the Social Management Plan, Rex Minerals is committed to providing access to opportunities for local Aboriginal businesses and community members.

The Yorke Peninsula Windara Reef restoration is expected to significantly increase tourism opportunities. The reef focuses on habitat restoration, specifically the restoration of native shellfish reefs, which have been lost from the Yorke Peninsula region. The South Australian Tourism Commission (SATC) valued tourism in the Yorke Peninsula at \$179 million in December 2016. The SATC estimates that the full potential value for tourism by 2020 is \$302 million, a 69 percent increase. There are 520 tourism businesses registered in the area who directly employ 900 people.

In the Clare Valley area, there are plans to increase tourism such as to seal the airport runway to enable expansion of Rex or Qantas Link flights into the area. A significant upgrade to the football oval and sporting facilities to meet national and international standards to attract AFL, and SANFL football matches, and interstate cricket games to the region is also planned. These projects will diversify the tourism economy and increase the market share of tourism.



## Challenges

There are fewer residents in the Yorke and Mid North region who have completed year 12 (or equivalent) compared to the State average. There is a lack of higher education or VET options, which means that many young people, or whole families, leave the region to access further education. This may also dissuade families from moving to the region. There are also very few local registered training organisations.

The region has a population of 75,067 people. It has a higher share of people aged 0-14, a lower share of people aged 15-44 and a higher share of people aged 45 and older, compared to the State average. One of the major issues for the future is the possibility of labour shortages due to an ageing

population. Supporting, attracting and retaining residents and a quality workforce has been a challenge for the region and will continue to be so.

Attracting businesses to the area is a key pillar of population growth, however, this may be prevented or delayed by infrastructure and utility constraints such as roads, as well as gas and water supply.



The region also has a higher proportion of people with a disability (5 percent) compared to the State average. There are concerns that the NDIS will increase the demand for local services yet the current workforce level is already low. Failure to secure appropriate services and support for people through the NDIS will be a significant risk to the region where people with a disability may consider relocation to access appropriate services.

## Summary

Developing renewable energy generation in the region – including geothermal, solar and wind - provides considerable opportunities for economic growth, driven by the transition to a low-carbon economy. Opportunities for small-scale generation systems to support and enhance the energy supply to local communities and new development projects requires greater focus. Renewable energy presents an economic development opportunity for the region.

The NDIS has potential to grow the local service industry, however, the transition to NDIS service provision requires careful management to ensure maximum benefits to the local population and to service providers.

One of the key challenges for the region is attracting and retaining residents and workers. Many businesses employ people from outside the region who travel in each day to work but this is not an optimal growth strategy for the region. The region is looking at ways to make living there more attractive and to grow local job opportunities.

Increasing tourism, growing existing businesses and attracting new business requires improved roads and access to water and energy.

## Bibliography

- Annual Report 2015-16 (Regional Development Australia, Yorke and Mid North)
- Business/Action Plan 2015-16 (Regional Development Australia, Yorke and Mid North)
- Regions in Focus – Yorke and Mid North (Primary Industries and Regions South Australia)
- Regional Development Australia – Yorke and Mid North 2012 (South Australian Centre for Economic Studies, Adelaide and Flinders Universities)
- Building South Australia - Regional Overview – Yorke and Mid North (Department of Planning Transport and Infrastructure)
- 2013 Regional Profile (Regional Development Australia, Yorke and Mid North)
- Key Pillars Supporting Regional Development 2015 (Regional Development Australia, Yorke and Mid North)
- Notes – Attraction and retention of a skilled workforce in the Yorke and Mid North workshop - 1 April 2016
- Critical Job Roles and Capabilities (Southern Flinders, Yorke & Mid North ILG)
- Yorke and Mid North Regional Roadmap – August 2014 (Regional Development Australia, Yorke and Mid North)
- Yorke and Mid North Discussion Paper (Lisa Brock – Regional Manager Yorke & Mid North, Department of State Development)
- Workforce Planning and Policy – Regional Profile – Mid North 2010 (Department of Further Education, Employment, Science and Technology)
- Workforce Planning and Policy – Regional Profile – Yorke 2010 (Department of Further Education, Employment, Science and Technology)
- Workforce Planning and Policy – Regional Profile – Southern Flinders 2010 (Department of Further Education, Employment, Science and Technology)
- Workforce Planning and Policy – Regional Profile – Yorke and Mid North 2010 (Department of Further Education, Employment, Science and Technology)
- Mid North ILG Quarterly Report Q2 2017
- Southern Flinders ILG Quarterly Report Q2 2017
- Yorke ILG Quarterly Report Q3 2017
- Yorke ILG Quarterly Report Q2 2017

*Disclaimer: This document is for information purposes only. While every effort was made to ensure the information contained within was true and accurate as at the date of the literature review, the Department of State Development ("DSD") its employees and its agents accept no liability for any loss or damage which may arise as a consequence of any person using, or relying solely upon, this document or information contained herein.*