

Literature Review – Far 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 Far North region covers nearly 800,000 square kilometres, or 80 percent of the State's land mass. The region has a population of just 1.8 percent of the State's total population – with 50 percent of the region's population living in one town, Port Augusta. The region has five Local Councils - the Flinders Ranges Council, City of Port Augusta, Roxby Downs Council, District Council of Coober Pedy and the Outback Communities Authority, and is divided into four sub-regions: Port Augusta; Flinders Ranges; The Central Corridor; Coober Pedy and Far North.

The economic and employment characteristics of the sub-regions reflect the geographic size of the whole region, the population distribution, the variation in climate, natural resources and isolation. Port Augusta being the closest township to Adelaide and located on the Gulf acts as the region's service centre and has the largest concentration of employed people. The natural beauty and relative accessibility of the Flinders Ranges brings tourism dollars and related jobs. The Far North features large pastoral properties,



which employ relatively few people and the Central Corridor relies on mining and pastoral activities.

While the closure of Alinta's operations at Leigh Creek and Port Augusta presents a significant challenge to the region, there are opportunities emerging in the fields of renewable energy such as the recently confirmed solar thermal storage project as well as defence and transport. Similarly, the approval of the Carrapateena copper mine is indicative of further resources investment.

The general levels of education and qualifications across the region are below the State average, which reflects the nature of the majority of the pastoral and mining industry jobs available in this region. Given Port Augusta is the regional service centre it requires workers with a range of skills and qualifications, from retail salespeople through to middle and upper management of its small to medium enterprises.

Industries

Economic activity is dominated by the mining, pastoral and service industries, which have long been the mainstays of the region, with tourism rising in importance in recent years. According to the 2011 census, the top five industries for employment in the Far North were: retail trade (13.5 percent); health and community services (12.5 percent); manufacturing (12.3 percent); mining (9.2 percent) and education (8.8 percent).

“A critical input to the Far North SA region’s economy, and central to its competitiveness, is its natural resources.” (Transitioning Regional Economies, Far North RDA, 2017). Mining is undoubtedly the region’s dominant industry in terms of revenue generation (Roxby Downs produces 77 percent of the region’s economic output) and will continue to be so given the potential revealed by mining exploration programs.

The pastoral industry remains a major contributor to the wealth of the region - Anna Creek is the largest working cattle station in the world. Tourism supports some 600 direct and indirect tourism operators and related organisations with The Flinders Ranges and Outback Tourism Region the second largest generator of tourism activity in regional South Australia. The defence industry has a significant presence in the region in the form of the Woomera Test Range, the largest land-based range in the world, and the Cultana Training Area used by the Australian Defence Force for year-round army training and equipment testing.

Port Augusta

Port Augusta is the largest city in the region, covering an area of 1,153 square kilometres with a population of 14,522 people (2016).

Port Augusta is the major service centre for the mid and far north and is well positioned as the gateway or crossroads to the Nullarbor, the outback and northern South Australia. It has traditionally provided a range of support for mining industry exploration in the form of logistics, specialised industry services and labour.

Flinders Ranges

The Flinders Ranges sub-region covers an area of 4,130 square kilometres with a population of 1,608 people (2016). Much of the population resides in the townships of Quorn, Hawker and Cradock. The Flinders Ranges has a relatively diverse economy and has not been affected to the same extent as other sub-regions of the Far North by the peaks and troughs of the resources sector.



The Flinders Ranges provide a natural advantage for tourism-related economic activity. They contribute to tourism being the sub region’s principal economic driver, accounting for the largest share of the region’s industry output, jobs and exports. Sheep, grain and beef cattle production contribute to the local economy along with services industries, with the health care and education sectors both accounting for a large share of the sub-region’s industry output and employment.

The Central Corridor

(Roxby Downs, Olympic Dam, Pimba, Woomera & Andamooka)

The majority of the Central Corridor sub-region is made up of large-scale pastoral properties and includes towns such as Pimba, Woomera and Roxby Downs (total approximate population of just over 5,000 in 2016). Employment in Roxby Downs is concentrated in mining, which accounts for 47 percent of local employment.

Roxby Downs and the wider Outback Region is facing a transitory slow-down reflecting movement in the resources sector and related industry closures – for example, the winding back of rail services across the region and reduced demand for minerals haulage. There has also been a decline in retail and property market activity as wages and salaries fall or individuals and families leave the area.

The local tourism industry is the other notable provider of jobs in the region, accounting for 7 percent of local jobs. The resources sector drives the local economy and the activities of Roxby Downs' other industries is underpinned by the success or otherwise of mining.

Coober Pedy and Far North South Australia

The Coober Pedy and Far North sub-region covers the area north of Pimba through to the Northern Territory, Western Australia, New South Wales and Queensland borders. This is made up of large-scale pastoral properties, the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, small communities, and several mines. Note, an analysis of the APY Lands has been excluded from this review.



Opportunities

At the time of writing this report, the Premier announced the approval of Solar Reserve's 150-megawatt solar thermal power plant project at Port Augusta. It is projected by the Government to create 700 jobs during construction in 2018 then up to 50 on-going jobs.

Other major projects in the region include: DP Solar Energy's wind and solar farm near Port Augusta; and Sundrop Farms' \$150 million desal-solar arid horticulture development.

Port Augusta continues to leverage its position as the intersection of the north to south, and east to west transport routes. There is also a raft of small business growth projects across the region aimed at producing 50 new low-skilled jobs (20-30 percent of these will be in Port Augusta). The NBN rollout now completed in Port Augusta, provides local Small and Medium Enterprises (SMEs) with enhanced online capacity to improve services to clients in the Far North region.

Indigenous heritage presents opportunities in cultural and environmental tourism and there is potential to leverage the physical environment of the Flinders Ranges to grow television and feature film activity.

Challenges

The current mining downturn and the closure of the Leigh Creek Coal Mine and the Playford and Northern Power Stations at Port Augusta impacted these townships and the wider region.

The sub-regions beyond Port Augusta suffer from isolation, and an historic reliance on mining creates challenges for the region including: vulnerability to sudden economic shocks caused by downturns, particularly in the 'one-industry towns'; susceptibility of smaller towns to demographic changes; dis-economies of scale hampering the provision of physical infrastructure and community services such as health care and education; and the distance from ports, by road and rail and from suppliers and markets, leading to relatively higher costs of goods and services and limited market reach for local businesses.

Attracting the right staff and managers is a major issue for local businesses as is losing staff who leave the region for higher paid jobs elsewhere. Improving the business acumen and management skills of owners of local SMEs is also a challenge, exacerbated by the lack of local business mentors and training opportunities.

The Upper Spencer Gulf Regional Jobs and Investment Package calls for retaining and growing regional businesses capacity and workforce capability to support the manufacturing and mining sector's development through investment in plant and equipment upgrades, as well as sustainable education and training pathways to increase workforce participation and skills. The Package also seeks to retain and grow regional workforce capability and business capacity to support energy sectors development.

Summary

The Far North is a vast region, the size of France and the United Kingdom combined, yet with a population of just 30,000 people – two-thirds of whom reside in Port Augusta and Roxby Downs.

The workforce requirements range from those able and willing to work in remote pastoral and mining jobs through to those with the capacity to work in retail, tourism and service industries. The region's heavy reliance on mining and exploration left it vulnerable to the downturn in that industry. However, the rapidly growing renewable energy industry in this and neighbouring regions is a positive sign.

The RDA and local councils are collaborating to help local business grow and to employ more people. There remains considerable potential in tourism as national and international market trends point to demand for outback experiences and Port Augusta is seeking growth through leveraging its geographic advantage as a transport hub.



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