



REGIONAL DEVELOPMENT AUSTRALIA, WHYALLA AND EYRE PENINSULA

REGIONAL PLAN 2014-16

NRM	WORK FORCE	PORTS RAIL ROADS	TOURISM	BUSINESS Industry MINING	<i>Farming</i>	LIVE ABILITY	SEA FOOD	WATER POWER GAS
<i>Farming</i>	TOURISM	WATER POWER GAS	LIVE ABILITY	PORTS RAIL ROADS	SEA FOOD	WORK FORCE	NRM	BUSINESS Industry MINING
BUSINESS Industry MINING	SEA FOOD	LIVE ABILITY	WATER POWER GAS	WORK FORCE	NRM	TOURISM	<i>Farming</i>	PORTS RAIL ROADS
LIVE ABILITY	<i>Farming</i>	NRM	WORK FORCE	SEA FOOD	PORTS RAIL ROADS	BUSINESS Industry MINING	WATER POWER GAS	TOURISM
PORTS RAIL ROADS	WATER POWER GAS	SEA FOOD	NRM	TOURISM	BUSINESS Industry MINING	<i>Farming</i>	WORK FORCE	LIVE ABILITY
WORK FORCE	BUSINESS Industry MINING	TOURISM	<i>Farming</i>	WATER POWER GAS	LIVE ABILITY	NRM	PORTS RAIL ROADS	SEA FOOD
TOURISM	PORTS RAIL ROADS	WORK FORCE	BUSINESS Industry MINING	<i>Farming</i>	WATER POWER GAS	SEA FOOD	LIVE ABILITY	NRM
WATER POWER GAS	LIVE ABILITY	BUSINESS Industry MINING	SEA FOOD	NRM	WORK FORCE	PORTS RAIL ROADS	TOURISM	<i>Farming</i>
SEA FOOD	NRM	<i>Farming</i>	PORTS RAIL ROADS	LIVE ABILITY	TOURISM	WATER POWER GAS	BUSINESS Industry MINING	WORK FORCE

September 2014

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REGIONAL DEVELOPMENT AUSTRALIA Whyalla and Eyre Peninsula

1. Message from the RDA Chair

The Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) Board is comprised of community and industry representatives from across the region who are responsible for planning and driving the region's long-term sustainable development.

The RDAWEP region is vast and the Board members come from different towns including Whyalla, Port Lincoln, Ceduna, Streaky Bay, Coffin Bay and Cleve. The Board members were selected for their skills and experience and they represent a diverse range of business, industry, education, local government, natural resources, financial and community interests. This gives the Board intimate knowledge and understanding of the region's characteristics, opportunities and needs. This collective knowledge is enhanced by information derived from ongoing formal and informal stakeholder engagement with RDAWEP industry-based Target Teams, an inter-agency consultation network, and the region's eleven Local Government Councils.

The RDAWEP Board is therefore well placed to determine a vision and the priorities for long term, sustainable economic and community development.

This Regional Plan provides an overview of the region's strengths, needs, challenges and opportunities, and identifies the activities to be implemented to achieve the Board's vision. This task will not be easy because the region's main needs, such as the provision of major infrastructure, will only be met by significant financial investment from the Government and private sectors.

This Regional Plan targets the period of 2014-2016. The Plan may be updated during this time if warranted by changing circumstances, new data and emerging opportunities. However, some initiatives may not be achieved in this timeframe because they require the support and cooperation of the three levels of Government and other agencies which have their own policies and priorities, that may not align with those of the Board.

This Regional Plan was formally endorsed by the RDAWEP Board at its meeting on 26th September 2014. Stakeholders and agencies across the region, particularly the three levels of Government, are encouraged to embrace this Plan and adopt it as the lead framework for the development of the RDAWEP region.

Stakeholders requiring more detail about the region and descriptions of the key projects should refer to the RDAWEP website at www.eyreregion.com.au or contact the RDAWEP offices in Whyalla and Port Lincoln.

A handwritten signature in blue ink, appearing to read 'Jim Pollock'.

Jim Pollock
Chair, Regional Development Australia, Whyalla and Eyre Peninsula

2. Executive Summary

The RDAWEP region is arguably the most complex and diverse planning region in rural South Australia. The region is very large, covering over 230,000km² of land between the Spencer Gulf and the Western Australian border, and includes eleven Local Government Areas (LGAs), two regional cities and numerous smaller townships. The region is sparsely populated, but most (98.7%) of the 56,396 population reside in the Council areas, which collectively comprise 43,800km² or 19% of the regional land mass. This leaves vast areas of land with very few people, including numerous National and Conservation Parks and large tracts of Aboriginal owned land.

Other characteristics include over 2,000kms of coastline, a growing Aboriginal population and a diversity of industries comprising agriculture, manufacturing, fishing, aquaculture and tourism, and fast emerging mining and renewable energy sectors.

The combination of a large geographical area, small population, industrial diversity and a pristine coastal and land environment, presents a range of challenges for planning the region's sustainable development. There are numerous competing economic, community and environmental needs which are affected by economies of scale. The planning task is compounded by the tyranny of distance from metropolitan Adelaide, and the limited capacity of transport and utility infrastructure, which is constraining development and preventing many opportunities from being realised.

Strengths

The region's strengths are its industrial diversity, affordability, lifestyle, and the natural resources which enable the production of clean and green food. The region's agriculture, fishing and aquaculture industries have a distinctive marketing edge from their capacity to harvest clean, green and quality product from the land and sea. This is the driving force for branding the region as *Eyre Peninsula - Australia's Seafood Frontier*. The hospitality sector has embraced this strength and the region is fast gaining a reputation as a culinary tourism destination.

The region is renowned for high quality grains and produces 37% of South Australia's total grain harvest. Approximately 97% of the region's grain production is exported, making an important contribution to world food demand.

The fishing industry is a recognised leader in world best fishing practices and standards. The ecological sustainability of the tuna, prawn, rock lobster and abalone fisheries is actively championed and is a key factor for business success. This expertise has been transferred to the growing aquaculture sector, giving the region an international reputation as a producer of premium and diversified seafood product.

The pristine natural environment, clean and green quality food product and wealth of nature-based visitor experiences, have made tourism an important and growing industry. Tourism contributes over \$270 million per annum to the regional economy from over 700 businesses. New product is continuously being developed and there is substantial opportunity for further growth through marketing the region as a premier conference and culinary tourism destination.

Opportunities

Opportunities abound to further diversify the regional economy through new industrial, mining and renewable energy initiatives. Mining is the region's fastest growing industry due to a wealth of mineral resources. The region has five operating and approved mines, along with ten developing mines and twelve prospects, some of which are close to commencing operation.

Many mining developments have high quality resources. The graphite mines at Uley (Valence Industries), Kookaburra Gully (Lincoln Minerals), Campoona and Waddikee (Archer Exploration) contain the best quality, large flake deposits in the world. The graphite has the quality for manufacturing graphene, which has growing demand for high-tech and medical applications. Iluka Resources' Jacinth Ambrosia mine is the world's largest deposit of high quality zircon. Minotaur Exploration's Carey's Well mine contains the brightest and whitest kaolin in the world, which is much in demand for high quality paints, inks, plastics and ceramic finishes.

Iron Road's Central Eyre Iron Project at Warramboe is the largest magnetite resource in Australia. At 3.7 billion tonnes, this is one of the top 20 mining projects in the world. The magnetite is also high quality, at 67% iron with few impurities. This has attracted strong interest from China because the magnetite does need pelletisation, which reduces the smelting process and minimises environmental emissions.

Whyalla is the centre of manufacturing in regional South Australia and is fast becoming a mining services hub. The city is strategically located with transport, engineering, business, retail and education sectors directly servicing the mining and minerals processing sectors. Several new industrial initiatives of major scale are being pursued, which will value-add to Whyalla's economic base and create numerous employment, business and housing development opportunities.

The region has been identified as one of the best locations internationally for wind, solar and wave renewable energy development. Major wind farm developments and several solar and hydro thermal pilot initiatives are being progressed, along with projects in Whyalla to produce commercial quantities of high quality biofuel from microalgae and other feed stocks. These projects position the region to make a major contribution to the Australian Government's renewable energy target for 2020.

Whyalla and Eyre Peninsula is one of South Australia's most resourceful and economically vibrant regions. Innovation is a key driver stimulating new businesses and new jobs, as well as revitalising established industries. World-class research is being conducted through innovative programs and demonstration projects at the Minnipa Agriculture Centre, Lincoln Marine Science Centre, the University of SA and TAFE SA Regional. These facilities have a vital role in strengthening the region's capacity to develop new products and processes.

Valence Industries and Archer Exploration have invested \$1 million to establish a Graphene Research Centre at Adelaide University to investigate high-tech and other applications for quality graphite. Additional investment is being made by Valence to establish an advanced graphite manufacturing plant at Port Lincoln. This will be the most sophisticated graphite processing plant in the world, providing ninety new FTE employment positions.

Needs

Efficient and productive infrastructure is essential for the region's functioning, growth and economic competitiveness. However, utility and transport infrastructure is of varying age and condition, and there are issues with maintenance, capacity constraints and increasing demand.

Transport infrastructure requires a substantial upgrade to roads, rail, ports and airports to improve operational efficiencies and market access. The key utility infrastructure needs are to provide a sustainable water supply, increase the gas supply to support industry development in Whyalla, increase the capacity of the power transmission network to support business development and community functioning, and improvements to communications infrastructure to support digital applications - especially an expansion of mobile phone and Internet coverage.

Challenges

Many of the region's development opportunities will not be realised unless the infrastructure needs are addressed.

Mining enterprises cannot progress from exploration to operation until a bulk commodity port facility with Cape-Class vessel capacity has been built to get the resources to market and the road and rail networks are upgraded. Wind farm developments, such as the Green Grid proposal, cannot be established until the region's electrical infrastructure has been upgraded, as the existing network does not have the capacity for additional load. Industrial development at Whyalla is constrained by the capacity of the natural gas supply. The sustainability of the fishing industry is curtailed by port operational inefficiencies at Thevenard and Port Lincoln. The lack of purpose-built fishing offloading infrastructure in the far west of the region is preventing viable access to fish resources in the Great Australian Bight. Community development and population growth is being hindered by the lack of a sustainable, long term water supply.

Another challenge is that the region does not have a large enough population to provide the workforce for anticipated mining and industrial developments. Workforce demand is predicted to escalate substantially by 2020. Workforce provision is being compounded by an ageing population, the migration of younger people to metropolitan Adelaide, and a small replacement pool of under and unemployed people.

People aged 40 years and over comprise the largest sector of the regional population. Retirements will shrink the workforce of skilled and experienced workers by about 40% in future years. However, the cohort of people aged 15-39 is the smallest sector of the regional population, and is not sufficient to provide the retiree replacements. There is little alternative but to provide the workforce by recruiting people from outside the region. However, there is strong competition for workers across Australia. A fly-in-fly-out (FIFO) option is not the preferred solution because of the well-documented negative impact of FIFO workforces on regional communities.

The RDAWEP Board therefore intends to proactively market the region's virtues and opportunities to attract the relocation of workforce families. For this strategy to be successful, it is essential that social services and community infrastructure are upgraded in regional townships to provide the quality of life and liveability expected in contemporary communities. This will place a range of pressures on Local Government operations and service provision.

Regional Economic and Community Development Priorities

In order to address these respective challenges and needs, the RDAWEP Board has identified the following priorities for the sustainable economic and community development of the region:

- *Develop and retain a skilled workforce,*
- *Build the capacity of the community to grow the regional economy,*
- *Consider the environment when planning regional development,*
- *Support development of social and community infrastructure and services to enhance liveability,*
- *Promote investment to develop strategic infrastructure and foster globally competitive business, and*
- *Strengthen, foster and promote the region's business and product diversity.*

3. Vision for the Region

The Board refined its vision and regional priorities at a strategic planning workshop in May 2014. The revised Board vision is:

An innovative, competitive and sustainable region that offers opportunity and a quality lifestyle. (RDAWEP Board Vision – May 2014).

The region is well positioned to facilitate and support a broad range of developments. The economy is extremely diverse, with world-leading companies in a wide range of industries. Increasing the region's capacity to create new knowledge and find new ways of doing business is pivotal to building a sustainable economy. Encouraging the development of innovative technology, cutting edge research, value-added products and more efficient processing and supply systems are key strategies to strengthen the regional economy well into the 21st century.

Quality is emerging as the region's distinguishing characteristic. This indicates that the region's doors are not just open for business, but they are marked by branding in capital letters which states '**enter here if you want the best**'.

However, the task of achieving competitiveness and sustainability while maintaining a quality lifestyle, requires finding the correct balance between economic and business development on the one hand, and environmental and community amenity on the other. There is no point in creating new industries and new jobs to encourage economic growth, if the region's qualitative attributes and liveability deteriorate during this process.

A wealth of initiatives could be implemented to pursue the Board's vision, but the project options are not always complementary. The opportunity to encourage mining development on the lower Eyre Peninsula while safeguarding food production, water aquifers and rural liveability, is a paradigm example in this respect. The opportunity to develop new industries and facilities in the Upper Spencer Gulf at Port Bonython, while preserving the natural assets and recreational amenity of Point Lowly, is another.

At times the Board may need to make difficult decisions about meritorious, but conflicting projects, to ensure that the economic development and liveability of the region can be sustained.

Some issues stand out as being critical to the Board's vision. These include:

- **Water Security:** A reliable water supply must be found for community and industry use.
- **Economic Development:** Industrial diversity, business capability and product development need to be encouraged to enhance the region's competitiveness.
- **Infrastructure Provision:** Investment attraction is essential because many development opportunities will not be realised without a substantial upgrade of key infrastructure.
- **Workforce Development:** The capacity of human capital needs to be improved to provide skilled and experienced labour. Workforce attraction is also necessary because the regional population is too small to provide the labour force for predicted industry growth.
- **Liveability Enhancement:** Population growth, and workforce attraction and retention, will only succeed if the region's towns and communities have the social infrastructure, services and amenity to enhance the quality of life of workforce families and residents.

This development framework is substantive, and it will take many years for the Board's vision to be realised.

Regional Plan – RDA Whyalla and Eyre Peninsula

Some initiatives, such as positioning the region as a culinary tourism destination, are well advanced and have every chance of being achieved by 2016. However others, such as the upgrade of transport and community infrastructure, will take much longer to implement because they rely on the support and resources of the three levels of Government and the private sector.

Pending mining projects are likely to have the greatest impact on the future development of the region. As these projects are reliant on infrastructure provision and are scheduled to commence operations from about 2018, the Board's longer term vision targets the year 2020.

This Regional Plan maps a strategic path to achieve the Board's vision. The Australian Government, South Australian Government, Local Government, private sector and community stakeholders are encouraged to adopt this Plan as the blueprint for the sustainable economic and community development of the Whyalla and Eyre Peninsula region.

4. Role of the RDA

4.1 Strategic Context

RDAWEP Inc. is the leading regional development agency for the Whyalla and Eyre Peninsula area, servicing eleven Local Government Authorities (LGA's) – i.e. The City of Whyalla, The City of Port Lincoln, the District Council (DC) of Ceduna, DC Cleve, DC Elliston, DC Franklin Harbour, DC Kimba, DC Lower Eyre Peninsula, DC Streaky Bay, DC Tumby Bay, and Wudinna DC.

RDAWEP is part of an Australia wide network of 55 Regional Development Australia (RDA) Committees established as a national initiative in 2009. RDAWEP was founded on a cooperative arrangement between the Australian Government, State Government and Local Government. This framework strengthens the partnership between the three levels of Government.

RDAWEP was formed through the amalgamation of the Eyre Regional Development Board and the Whyalla Economic Development Board. This arrangement was beneficial because both Boards had a proven reputation for driving regional development over the previous two decades. This experience, and comprehensive intelligence about regional issues, needs and opportunities, underpins RDAWEP operations and provides an invaluable resource for successful outcome delivery.

While the three levels of Government fund RDAWEP operations, the organisation has been very successful in leveraging funding from a wide variety of sources for projects and services.

RDAWEP is an incorporated association with a Board of management comprised of high profile people from across the region. Board members were selected for their experience and skills and represent a diverse range of business, industry, education, Local Government, finance, natural resources and community interests. The Board is supported by a staff team with extensive Government and private sector experience in economic and regional development. RDAWEP is therefore uniquely placed to facilitate strategic development for regional sustainability.

4.2 Policy Context

Government policy, at all levels, recognises the important contribution of regions to building the national economy. Government generally acknowledges that the pathway to achieve a more sustainable nation is to strengthen regional capacity to foster economic development and growth.

Australian Government Policy

This is clearly demonstrated at the national level by the adoption of the COAG Regional Australia Standing Council (COAG RASC) framework for regional economic development. (Australian Government, Department of Regional Australia, Local Government, Arts and Sport, *Regional Australia Standing Council Framework for Regional Economic Development*, 2013). This framework proposes that long-term regional economic growth will be optimised by focusing on five key determinants:

- **Human capital** – strengthening the capability of regional populations to contribute to economic and regional growth through education, skills training and workforce development.
- **Sustainable (economic, environmental and social) communities and population growth** – developing long term sustainability by increasing labour force participation, managing environmental challenges, improving social services, and encouraging population growth to achieve economies of scale.
- **Access to international, national and regional markets** – improvements to infrastructure and the development of industry clusters to enhance market access and export capability.
- **Comparative advantage and business competitiveness** – building upon regional strengths and opportunities to promote regional advantages and increase economic competitiveness.

- **Effective cross-sectorial and inter-Governmental partnerships** – strengthened stakeholder (Government, private sector and community) partnerships in the planning and determination of regional priorities to achieve economic and community growth. This includes the adoption of *placed-based* approaches using the knowledge and skills of local communities to identify priorities, and determine local solutions to economic, social and environmental challenges.

RDA adoption of this key determinant planning framework is a necessary condition for operational funding, which is encapsulated in the 2013-16 Funding Agreement with the Australian Government.

South Australian Government Policy

The South Australian Government regional development framework is outlined in the *Regional Statement*, 2014. The Statement emphasises the need to develop strong working partnerships, empower regional communities, and strengthen engagement to align regional priorities. The Statement emphasises the need for regional planning to align with the State Government's seven strategic priorities for South Australia – i.e.:

- Creating a vibrant city.
- An affordable place to live.
- Every chance for every child.
- Growing advanced manufacturing.
- Safe communities, healthy neighbourhoods.
- Realising the benefits of the mining boom for all.
- Premium food and wine from our clean environment.

In 2014, the State Government established a new agency, Regions SA, within Primary Industries and Regions South Australia (PIRSA), to facilitate regional development. PIRSA administers a Regional Development Fund (RDF) program to support project initiatives. Funding preference is given to projects which create employment and align with the State Government strategic priorities.

In 2012-13, the South Australian Government reduced its core operational funding to all RDAs and new arrangements were adopted to support RDA activities via RDF program funding. These arrangements put pressure on the region's local member Councils to increase their funding provision to RDAWEP.

Local Government

Local Government has traditionally focused on policy and planning at a community level, but this is beginning to change – see **6.3 Alignment with Local Government Priorities**. The Local Government Association of SA, in liaison with the Eyre Peninsula Local Government Association (EPLGA), is encouraging whole-of-region approaches by Councils on matters such as procurement, infrastructure development, land use and strategic planning. Draft policy and governance models have been developed to encourage this development. (Local Government Association of SA, *Strengthening South Australian Communities in a Changing World, The Council of the Future*, Local Excellence Expert Panel, December 2013).

The EPLGA is leading this initiative in liaison with RDAWEP, which brings the benefit that much closer planning alignment is anticipated at a regional level. During 2014, the EPLGA, RDAWEP, the eleven Councils, and the Eyre Peninsula Natural Resources Management (EPNRM) Board met to pursue options to coordinate environmental management planning on a whole-of-region basis. The EPLGA has also commissioned RDAWEP to prepare a Regional Statement on behalf of both parties, to promote the economic position of the region, and highlight the regional contribution to State Gross Domestic Product.

The EPLGA is based in the RDAWEP Port Lincoln Office and the organisations have developed a close working relationship. Joint submissions have been prepared on key issues, such as the State Government Draft Integrated Transport and Land Use Plan (29th November 2013), and the Australian Government, Department of Communications, Mobile Coverage Black Spot Program (28th February 2014). A joint letterhead has been prepared to support dual submissions.

With the removal of State Government core operational funding to RDAs, Local Government is now the main funder of RDAWEP. Performance reporting processes have been developed to strengthen this relationship. As part of the engagement process, RDAWEP has determined a meeting schedule with Councils to gather information about the priorities and desires of Councillors and Managers to ensure they are addressed in RDAWEP plans. RDAWEP has also prepared a spreadsheet to track community and Council projects and assess their eligibility for grant funding programs. This will enhance opportunities to pursue investment for community and major infrastructure projects.

4.3 Role of RDA Committee and Regional Plan in Achieving the Long-term Vision

The RDAWEP Board has a planning, facilitation and lobbying role.

- **Planning:** This Regional Plan identifies a set of regional priorities to maximise economic and community development. The Plan is supported by a Business Plan and an Operational Plan which lists activities, inclusive of staff responsibilities. Both documents are supported by an RDAWEP Regional Resource, which provides a comprehensive evidence-based analysis of the region. The data in the Regional Plan is a summary from the Regional Resource.
- **Project Facilitation:** At times, RDAWEP will drive project development through the provision of assistance with business cases, grant funding applications and funds administration. At other times the role will be indirect – i.e. through the provision of support to community groups, industry and other agencies to facilitate their empowerment to drive project implementation. Some actions will require a significant investment of RDAWEP staff resources, whereas others will only need stakeholder liaison on an occasional basis.
- **Lobbying:** In practice the achievement of the regional vision will be constrained by several factors. The RDAWEP region is vast and there are a large number of projects being planned and undertaken at any one time by RDAWEP, Local Government, and State and Australian Governments. Some of these projects will be the direct province and responsibility of the RDA, and can be effectively driven by RDAWEP.

However, other projects (such as the provision of utility, transport and communications infrastructure) are largely out of RDAWEP control, and are the financial and project management responsibility of other agencies. The implementation of such projects will be subject to the resource constraints, priorities and timeframes of other organisations, and the project schedules will not necessarily match the urgency identified in this Regional Plan.

In such instances, RDAWEP must lobby for agency priorities to become aligned for the long-term improvement of the region. This is easier said than done, with different Government agencies positioning their policies and plans for precedence to lead the development of the region. The degree of difficulty is heightened in South Australia, due to the State Government giving major infrastructure development priority to projects in metropolitan Adelaide.

In summary, the role of RDAWEP in achieving the regional vision, is to plan, facilitate and lobby for all regional stakeholders to support this Plan for the long term development of the region. It will consequently take longer than the three-year term of this Regional Plan for some elements of the Board's vision to be achieved.

5. Analysis of the Region

The RDAWEP region is one of the most complex planning regions in South Australia. This presents a range of challenges and opportunities for sustainable development.

The puzzle on the cover of this Plan scopes the breadth of the planning framework being faced by RDAWEP. The development of the farming, manufacturing, business, mining, seafood, and tourism industries needs be pursued. The region’s liveability and natural resources need to be well managed. The region’s workforce and infrastructure needs must be addressed.

The planning task is compounded by several layers of variables. These include the priorities and policies of the Australian Government, South Australian Government and Local Government; and their relationship to RDAWEP regional priorities, community aspirations, and the planning intentions of regional industries and businesses.

		Australian Government Regional Priorities			South Australian Government Regional Priorities			Local Government Regional Priorities				
Funding Programs		NRM	WORK FORCE	PORTS RAIL ROADS	TOURISM	BUSINESS Industry MINING	<i>Farming</i>	LIVE ABILITY	SEA FOOD	WATER POWER GAS	Market Demand	
	<i>Farming</i>	TOURISM	WATER POWER GAS	LIVE ABILITY	PORTS RAIL ROADS	SEA FOOD	WORK FORCE	NRM	BUSINESS Industry MINING			
	BUSINESS Industry MINING	SEA FOOD	LIVE ABILITY	WATER POWER GAS	WORK FORCE	NRM	TOURISM	<i>Farming</i>	PORTS RAIL ROADS			
Organisational Capability		LIVE ABILITY	<i>Farming</i>	NRM	WORK FORCE	SEA FOOD	PORTS RAIL ROADS	BUSINESS Industry MINING	WATER POWER GAS	TOURISM	Commodity Prices	
	PORTS RAIL ROADS	WATER POWER GAS	SEA FOOD	NRM	TOURISM	BUSINESS Industry MINING	<i>Farming</i>	WORK FORCE	LIVE ABILITY			
	WORK FORCE	BUSINESS Industry MINING	TOURISM	<i>Farming</i>	WATER POWER GAS	LIVE ABILITY	NRM	PORTS RAIL ROADS	SEA FOOD			
Climatic Conditions		TOURISM	PORTS RAIL ROADS	WORK FORCE	BUSINESS Industry MINING	<i>Farming</i>	WATER POWER GAS	SEA FOOD	LIVE ABILITY	NRM	Value of Australian Dollar	
	WATER POWER GAS	LIVE ABILITY	BUSINESS Industry MINING	SEA FOOD	NRM	WORK FORCE	PORTS RAIL ROADS	TOURISM	<i>Farming</i>			
	SEA FOOD	NRM	<i>Farming</i>	PORTS RAIL ROADS	LIVE ABILITY	TOURISM	WATER POWER GAS	BUSINESS Industry MINING	WORK FORCE			
		RDAWEP Regional Priorities			Community Desires and Aspirations			Business and Industry Development Planning				

Figure 1: RDAWEP Regional Development Planning Matrix.

Further complexity is added by variables out of RDAWEP control which impact on all elements of the planning framework. These include climatic conditions, and the bigger picture variables of global market demand, changing commodity prices and the fluctuating value of the Australian dollar.

The extent to which the RDAWEP regional priorities will be achieved depends on finding productive pathways through this complex web of variables. The achievement level is also subject to the resources and capability of RDAWEP, and the availability of funding programs for project implementation.

The competing, and sometimes conflicting influence of these variables heightens the challenge of pursuing sustainable regional development.

5.1 Human Capital

Workforce Challenges and Priorities

The provision of a skilled and experienced workforce is becoming a major issue. The regional population is small, and lacks the critical mass to provide a larger workforce to meet predicted industry growth. This is particularly problematic for employment in the mining sector.

RDAWEP has analysed various employment scenarios for the mining industry and determined that, with allowance for direct and indirect employment, approximately 7,100 additional employment positions will be created by 2020 if 7 out of 22 developing mines and prospects commence operations. These ventures are the iron ore mines at Warramboe (Central Eyre Iron Project, Iron Road), Wilcherry Hill (IronClad), Wilgerup and Koppio (Fusion Joint Venture, Centrex Metals and Eyre Iron), and the graphite mines at Kookaburra Gully (Lincoln Minerals), Uley (Valence Industries), and Campoona and Sugar Loaf (Archer Exploration Limited).

This is a conservative estimate based on mining company workforce data, which excludes short term positions created during construction (approximately 3,000), staff turnover (which is high in the mining sector at about 15-30%), and employment created by the growth of industries unrelated to mining (i.e. tourism, hospitality, fishing and aquaculture). Erring on the side of caution, the estimate includes a factor of 1:3 for determining indirect employment (instead of the usual 1:4 that is adopted for the mining industry), and has a 25% allowance for FIFO positions (based on company advice that about one quarter of the mining employment positions can only be filled by a FIFO arrangement).

When other human capital characteristics are factored into this analysis, the region will be approximately 3,800 people short of the labour force required by 2020 to meet predicted employment demand. These characteristics include workforce retirements from an ageing population, school leavers entering the workforce, the migration of younger people from the region for employment and study, the migration of other people to and from the region (based on existing migration patterns), and a small unemployment pool to provide retiree replacements.

As the additional 3,800 workers cannot be provided from the human resources within the region, they will need to be recruited from elsewhere.

The recruitment task is compounded by:

- **Labour force competition:** There is increasing competition to attract skilled and experienced labour across Australia, particularly in areas where industries are unable to compete with the higher wages on offer to attract mining workforces.
- **Locational factors:** Remote areas with small populations find it more difficult to recruit skilled and experienced workers than capital cities and regional centres.

- **Educational qualifications and attainment:** Regional areas are less well equipped to supply the labour for positions requiring tertiary qualifications, because regional workforces have lower levels of post-school education and degree achievement.
- **Aboriginal disadvantage:** Labour force issues are magnified when the Aboriginal population is taken into account, due to lower levels of educational attainment, higher levels of entrenched unemployment, and lower labour force participation.

Even though strategies are being implemented to create career pathways for school leavers to keep them in the region, and up-skill the capability of unemployed and disadvantaged people for labour force participation, these initiatives will not overcome the dilemma that the regional population is simply too small to provide a larger workforce

The RDAWEP Board has identified the regional priority to *develop and retain a skilled workforce*.

This will be achieved by continuing the provision of training programs to build the capability of human resources and the Small to Medium Enterprise (SME) business sector, and via a marketing strategy to attract skilled and experienced labour from outside the region.

5.2 Sustainable Communities and Population Growth

Economic Sustainability

The economic sustainability of the region very much depends on achieving water security and population growth, developing a strong and resilient business sector, and improving the economic position of people on low incomes.

The benefits of achieving water security are obvious. The regional economy and population cannot be sustained, yet alone grow, without a reliable water supply.

The regional population is small and experienced modest growth of 4.5% since 2001. Just over 6,500 people migrated to the region during 2006-11, but this was off-set by the migration of 5,900 people from the region in the same period. With half the population aged over 40 years, and ageing at a faster rate than South Australia and Australia, births are unlikely to have a marked effect on growing the regional population.

Mining developments provide an opportunity to increase the regional population through workforce attraction. FIFO is not the preferred workforce provision option due to the well-documented negative impacts of FIFO on the economy of regional townships. The recruitment policies of emerging mining companies give employment preference to people who either live in, or are willing to relocate their families to the region. This will increase the regional population and bring flow-on economic and community development benefits to towns and businesses in the proximity of mining ventures such as Port Lincoln, Tumby Bay, Wudinna, Lock, Kimba, Cleve and Port Neill.

Largely due to the small population, the region lacks the economies of scale to sustain business growth and turnover. This situation has heightened in recent years. Consultation with the SME sector indicates that some businesses are suffering from rising overheads, limited customer groups, and declining in-store sales. The greatest impact is on businesses selling generic brands, as market share is being lost to major corporate retailers and people purchasing goods on-line.

The provision of training programs to improve business management, planning and marketing skills; develop major project servicing capability, and utilise on-line technology to explore new markets, will help to strengthen the SME sector and enhance the regional economy into the future.

Improving the economic position of people on low incomes is necessary for long-term economic sustainability. The region has pockets of entrenched unemployment, notably in Whyalla and Ceduna, and a growing Aboriginal community which is suffering disadvantage. While these sectors of the population are relatively small, targeted initiatives need to be actioned to improve literacy, numeracy, skill levels and work readiness. A diverse range of programs is being implemented to address barriers to education and workforce participation, and provide the skills necessary to obtain meaningful employment.

The RDAWEP Indigenous Economic Development Strategy is an important initiative to elevate the economic position of Aboriginal people through increased labour force participation and the development of Aboriginal business enterprises. The construction of a training centre by Port Lincoln Aboriginal Community Council, and Aboriginal labour hire initiatives at Ceduna and Port Lincoln, are creating opportunities for increased Aboriginal employment in a range of industries.

Due to low levels of educational attainment, the unemployed and disadvantaged are unlikely to obtain employment positions in the mining industry, but they provide an important pool of labour to back-fill positions vacated by retirees and people leaving their jobs to move into mining.

Almost a quarter of the population (24.4%) is reliant on income support from Government pensions, Newstart and other allowances. With the ageing of the regional population, the proportion of persons dependent on income support is expected to increase.

As people on support benefits have little expendable income, there is likely to be a negative flow-on economic impact as this cohort increases. The provision of programs to increase their labour force participation, will improve the financial position of the low income sector and help contribute to economic growth in the longer term.

This multi-faceted approach to long-term, regional economic development is encapsulated in the RDAWEP Board regional priority to *build the capacity of the community to grow the regional economy*.

Environmental Sustainability

Best practice natural resources management is essential to maintain the region's pristine environment. A clean and green environment is vital for the economic sustainability of the region's agriculture, seafood and tourism industries, as well as community amenity.

RDAWEP, in association with Local Government, the EPLGA and the Eyre Peninsula Natural Resources Management (EPNRM) Board, is pursuing options to align the environmental sections of planning documents and adopt a regional approach for better environmental outcomes. The cost impact on Local Government from Native Vegetation Council policies has emerged as a key issue.

Water Security: A sustainable water supply must be found for community and industry use. The existing supply drawn from ground water basins with top-up reliance from the River Murray is sufficient for the region's immediate needs, but is not sustainable in the longer term. Given the present state of the River Murray, it is arguably absurd that Whyalla's mains water supply is drawn from the Murray, and that a slurry of Murray River and aquifer water is being supplied as far away as Ceduna. There is also growing community concern about the long term environmental impact of drawing a larger water supply from aquifers.

The desalination of sea water might not be cost effective with present technologies but, with 2,000 kilometres of coastline, it might be the only option for a sustainable regional water supply. SA Water is negotiating with mining companies about opportunities to supplement the public water supply from mining desalination plants, but other options need to be pursued.

RDAWEP participation on the Eyre Peninsula Water Security Reference Group will ensure that alternative water supply opportunities will be investigated. A solar operated system for desalinating seawater is being progressed in Ceduna, but this opportunity is constrained by difficulties in accessing SA Water infrastructure to supply the water for community use. This matter will be addressed by RDAWEP.

All Local Governments across the region have implemented water management and reuse schemes to minimise mains water consumption, and these schemes are being further developed. RDAWEP is assisting community infrastructure projects which use recycled water to reduce water costs and enhance amenity.

Climate Change: RDAWEP is a member of the Eyre Peninsula Integrated Climate Agreement (EPICCA) Committee which, through the EPNRM Board, has prepared a *Regional Climate Change Adaption Plan for the Eyre Peninsula*. The Adaption Plan provides a framework for dealing with the impact of climate change on land and sea-based industries, Local Government operations, infrastructure development and water resources management.

Climate change impact modelling has been developed for each of these areas, which applies decision making timeframes for project planning and implementation. These models need careful consideration when planning regional development, particularly with longer term projects such as the construction of rail and port infrastructure, and coastal developments. However, more thought needs to be given to the practical application of the models. RDAWEP will work with EPICCA regarding the use of Adaption Plan modelling in regional development wherever practicable.

Renewable Energy: The region's natural characteristics make it ideal for the development of renewable energy projects. Wind farm developments, pumped hydro power generation and the production of biofuel from algae and feed stocks are being pursued. However, the Australian Government proposal to reduce the national renewable energy target may make it difficult to attract funding investment to implement these projects on a commercial scale.

This will prevent the region from pursuing environmentally sustainable development opportunities and may have a detrimental impact on economic and employment development initiatives.

In view of the importance of natural resources management to the economic sustainability of regional industries and community amenity, the Board has adopted the priority to *consider the environment when planning regional development*.

Social Sustainability

The strategy to grow the regional economy and population through workforce attraction will only succeed if workforce families are retained in the region for long periods. Both the RDAWEP Board and Local Government, have therefore identified the priority to *support development of social and community infrastructure and services to enhance liveability*.

Housing: There is a need to provide more affordable, and quality housing to accommodate families, notably in towns which are likely to be affected by mining and industrial developments. If the Iron Road Central Eyre Iron Project at Warramboe gets a mining lease approval, it will create substantial demand for additional housing at Wudinna, Tumby Bay and Port Neill. This led DC Tumby Bay to prepare structure plans for Tumby Bay and Port Neill in 2012-13, to ensure that sufficient land was available to meet the likely housing demand. Similarly, Wudinna DC with support from Iron Road, is preparing a masterplan to assess the housing, infrastructure and servicing requirements at Wudinna, where a workforce of up to 550 people may need to be accommodated. The likely impact of mining development on regional communities was addressed at considerable length during the EPLGA conference at Tumby Bay in February 2014.

While it is possible that some mining ventures on the lower Eyre Peninsula may not proceed, RDAWEP and Local Government cannot take this risk and need to proactively plan in advance. This was the primary reason for Local Government hosting a Mining Round Table in November 2013. This led to the formation of the Eyre Peninsula Mining, Oil and Gas Community Development Taskforce to facilitate impact planning from a regional perspective, and ensure that mining initiatives bring lasting economic and community development benefits to the region.

There is increasing demand for specialist housing to meet the needs of retirees and the ageing population. These matters will be addressed through the Aged Care and Disability Master Plan at Whyalla, and by the Community Services Target Team for the region as a whole.

The need to overcome overcrowding in Aboriginal homes and provide affordable housing for low income families, has led to increasing demand for more rental properties and public housing in Whyalla, Port Lincoln and Ceduna, and the provision of purpose-built housing in the Aboriginal communities of Yalata, Oak Valley and Koonibba.

Community Services: In addition to housing, the ageing of the regional population is increasing demand for health care and allied services. The region is generally well provided with health facilities through major hospitals in Whyalla, Port Lincoln and Ceduna, and smaller hospitals in eight other towns. Aged care services are provided in most townships by six sub-regional health services and private and not-for-profit agencies, where a mix of high care, low care, multi-purpose, residential, and dementia care services are available.

Major health care issues include the difficulty of workforce attraction and retention in remote areas, the need for transport provision for people who reside long distances from health service centres, and the need for culturally specific service refinements to better address the health needs of the Aboriginal population.

Workforce attraction and retention is a major issue for aged care service provision. The aged care workforce is ageing at a concerning rate, with most of the provision provided by people over 50 years of age and a large pool of part-time contractors. Coupled with lower pay rates, the need for formal qualifications, and widespread poor perceptions of the aged care sector for a career path, it is becoming increasingly more difficult to attract aged care workers. This is despite the fact that the health care and social assistance sector is the region's second largest industry, is fast growing, and that numerous employment opportunities are available.

Training is an ongoing task for aged care service providers. This was assisted by the provision of RDAWEP aged care training programs in Whyalla during 2013-14. However, the need for aged care training in the region's smaller townships has been identified, and RDAWEP is presently negotiating remote training options with TAFE SA Regional.

There is a need for more services for people with a disability, and the demand for additional child care services is expected to increase in towns near mining operations. These matters will be investigated by the Community Services Target Team.

Liveability and Community Amenity: The liveability and vibrancy of township communities are two of the region's assets. The community is passionate about the region as a place, and desire to be actively involved in decisions about its future development. There is a need to ensure that opportunities are offered for people to participate in decision making processes, particularly with matters which affect the environment, recreational spaces and the liveability of towns.

The Tumby Bay District Community Consultative Group was formed to give Tumby Bay residents a voice about major developments that might impact on the community.

Numerous projects are being progressed to improve recreational, arts and cultural infrastructure, along with facilities for community and tourism purposes, such as coastal walking trail networks.

RDAWEP is supporting Local Government with the development and provision of social and community infrastructure and this will continue during 2014-16. RDAWEP assistance is primarily in the form of grant application advice and the preparation of business cases for major projects.

A major liveability issue concerns the co-existence of farming and mining operations, and industrial developments in land areas with recreational and tourism use. These matters are being addressed in regional planning and are the more difficult decisions being faced by the RDAWEP Board.

5.3 Access to International, National and Regional Markets

The condition of the region's utility and transport infrastructure is constraining development and preventing many growth opportunities from being realised. A substantial infrastructure upgrade is necessary to enhance the region's operational capacity and efficiency, and improve market access. Infrastructure upgrades are big capex items requiring significant levels of financial investment from the Government and private sectors. The Board has therefore identified the priority need to *promote investment to develop strategic infrastructure and foster globally competitive business*.

Power and Gas Utilities: Whyalla is the only town in the region with natural gas, supplied via a lateral line from the Moomba to Adelaide gas pipeline. The limited capacity of the supply line is a deterrent to industrial and economic growth in Whyalla because many proposed development initiatives may not proceed if the gas supply is not increased.

The 132kV electrical transmission system on the Eyre Peninsula is in a very poor state and needs to be totally replaced with a 275kV system by 2020, at an estimated cost of \$635-910 million. ElectraNet has undertaken all of the necessary preliminary planning, but the upgrade will not proceed until a major consumer, such as a new mining venture, is found.

Communications: The region's telecommunications will be substantially improved with the roll out of NBN infrastructure. However, mobile phone and wireless broadband reception is the most pressing issue. Many parts of the region suffer from communication 'black spots' with non-existent and intermittent signal, but it is cost prohibitive for service providers to construct additional infrastructure to service small rural communities. This dilemma is substantially impacting on business and community functioning.

SME businesses are finding it difficult to utilise on-line technologies to expand their markets, and the grain industry is unable to use mobile communications for market pricing and weather notifications, and obtain silo operation information. The main community impacts include the inability of students to use the Internet for study and homework, and the lack of communication during major emergencies, such as bushfires.

RDAWEP and the EPLGA made a joint submission about this matter to the Department of Communications, Mobile Coverage Program in February 2014, and met with senior Telstra executives in August. The lack of mobile communications needs to be resolved to support business development and economic growth, and improve community functioning and liveability.

Road and Rail Network: The region's transport infrastructure needs are extensive. Strategic road improvements are needed to make the highway network safer, and enable Local Government roads to accommodate increasing use by road trains and tourism vehicles. These matters are being addressed in the State Government's Draft *Integrated Transport and Land Use Plan*, which has received input from RDAWEP and EPLGA planning.

The connection of the Eyre Peninsula's isolated narrow gauge railway system to the national standard gauge network, ideally with a link to a Cape-Class port facility, is a high priority need to enhance access to national and international markets. The poor state of the rail network has resulted in more grain being carted by road trains, which is compounding road maintenance issues and costs for Local Government.

The Australian Government 2014 budget decision to stop supplementary road funding to South Australia and freeze the General Purpose component of the Financial Assistance Program, will result in an estimated loss of about \$19 million per annum in road funding to Local Government by 2016-17. This will exacerbate road development and cost issues for the region's Councils, which have 12,742kms of mainly unsealed road to maintain.

Iron Road's Central Eyre Iron Project includes a 145km standard gauge railway line from Warrambo to Cape Hardy to export the magnetite. This will provide the first section of standard gauge rail line on the Eyre Peninsula. However, this stand-alone line will be isolated, and future connection to the national rail network has been identified in RDAWEP planning as a long term market access opportunity.

Port Infrastructure: South Australia does not have a port with the capability to load Cape-sized vessels. This is constraining the State's export capability and global market competitiveness. The need for a multi-commodity port facility with Cape-size capability on the eastern coast of the Eyre Peninsula is identified in the Regional Mining and Infrastructure Plan. This was also identified as the number one infrastructure priority for regional South Australia by Regional Development SA. The facility is needed to support mining operations on the lower Eyre Peninsula and provide an alternative grain export option for the agricultural industry.

Two port facilities have been proposed at Port Spencer, to support Centrex Metals/Eyre iron ventures, and Cape Hardy, to support the Iron Road Central Eyre Iron Project. These developments are subject to obtaining Government mine lease approvals, and securing the financial investment for the capex.

Existing port facilities at Port Lincoln and Thevenard have varying infrastructure issues which are impacting on their operational efficiency and constraining export capability. Both ports need to be substantially upgraded. The use of both ports by fishing industry vessels is compounding the operational issues. Alternative purpose-built fishing industry offloading facilities are being progressed at Lukin Quays in Port Lincoln and the Thevenard slipway. The construction of these facilities will enhance bulk vessel export operations at the Port Lincoln and Thevenard wharfs, and support the viability of the fishing industry through the provision of more efficient infrastructure.

RDAWEP is facilitating the development of these various port projects, and is investigating value-adding options to provide container infrastructure at Lukin Quays to support the export of graphite and niche market grains.

Airports: The Port Lincoln and Whyalla Airports were substantially upgraded during 2012-14 at a collective investment of \$16.3 million. However, there is a need for major upgrades at Ceduna and Wudinna Airports. This is necessary to support mining operations and bring added value by enhancing tourism growth in the Nullarbor Plain and Gawler Ranges National Park.

Preliminary works for helicopter operations are underway at Ceduna to support BP Australia oil and gas exploration in the Great Australian Bight. Wudinna DC is investigating a substantial upgrade of the Wudinna Airport in liaison with Iron Road to support workforce operations for the Central Eyre Iron Project. The return of regular passenger transport services to Wudinna is being considered as part of this development, which would bring numerous commuting benefits to the Wudinna community and neighbouring towns in northern Eyre Peninsula.

RDAWEP has a very good record in leveraging funding from a broad range of sources for infrastructure development, and will release a Regional Prospectus during 2014 to market the region's virtues and opportunities and encourage greater levels of investment.

However, the implementation of many of these infrastructure projects remains subject to feasibility assessments, and securing Government and private sector investment finance. The Asian demand for resources, fluctuating commodity prices, and the high value of the Australian dollar, are major factors regarding project viability and will greatly influence decisions about the future of some projects.

5.4 Comparative Advantage and Business Competitiveness

The diversity of the economic base is one of the region's strengths and provides resilience to overcome the challenges of product dependency, climate change, the fluctuating value of the Australian dollar, and changing global commodity prices. The economy can nevertheless be further diversified and strengthened to increase competitiveness, by enhancing business capability, developing new products, value-adding to existing products, and by encouraging innovation.

The initiative to assist SME businesses to be major project ready will enhance their capacity to service the mining and resources processing industries. The business online workshop program, notwithstanding the mobile communication 'black spots', is fostering business use of the Internet and improving SME capacity to adapt to a digital economy. Continuation of the region's Indigenous Economic Development Strategy is providing opportunities for more Aboriginal people to pursue business enterprises. This will help to diversify Aboriginal cultural tourism products and create additional opportunities for Aboriginal employment.

The viability of the region's tourism and seafood industries is being strengthened through new product development, and marketing initiatives to export seafood to, and attract tourism from Asia. Proactive marketing of the regional brand, *Eyre Peninsula – Australia's Seafood Frontier*, will reinforce the region's international reputation for premium seafood, and help to position the region as a culinary tourism and conference destination by adding value to destination planning.

Ongoing support to agricultural and aquaculture research is assisting the development of new product and processing initiatives, and will strengthen the viability and competitiveness of both industries.

The high quality of the region's minerals resources – magnetite, graphite, kaolin and zircon – gives a competitive advantage in meeting growing world demand for these resources for new technology applications, and provides opportunities to attract a quality premium differential on global commodity prices.

The Valence Industries and Archer Exploration initiative to establish a Graphene Research Centre at the University of Adelaide will put the region at the forefront of world graphene applications. The construction of Valence's world leading graphite processing plant at Port Lincoln, will bring advanced manufacturing options to the region, at a time when manufacturing is largely in decline other areas.

In view of the region's distinctive advantages and opportunities, the RDAWEP Board has adopted the priority to value-add to these characteristics and ***strengthen, foster and promote the region's business and product diversity.***

6. Regional Priorities

6.1 Priorities to Achieve the Regional Vision

The introduction of the Australian Government’s *Better Practice Guide* and templates for Regional and Business Plans caused RDAWEP to thoroughly review its planning regime during 2013-14. This was necessary because the priorities in the 2013-14 Regional Plan were linked to previous RDAWEP planning documents and were difficult to align with the DIRD templates. RDAWEP plans have been substantially restructured to align with:

- The key determinants of regional economic growth, which structure the Regional Plan, and
- The performance outcome areas in the Funding Agreement, which structure the Business Plan.

The review identified that planning efficiencies would be achieved by determining a new regional priority for each determinant and outcome area. Six priorities address the *achievement* of improved community and economic growth:

KEY DETERMINANT OF REGIONAL GROWTH	RDAWEP REGIONAL PRIORITY
Human Capital	<i>Develop and retain a skilled workforce.</i>
Sustainable Communities and Population growth: Economic	<i>Build the capacity of the community to grow the regional economy.</i>
Sustainable Communities and Population growth: Environmental	<i>Consider the environment when planning regional development.</i>
Sustainable Communities and Population growth: Social	<i>Support development of social and community infrastructure and services to enhance liveability.</i>
Access to international, national and regional markets	<i>Promote investment to develop strategic infrastructure and foster globally competitive business.</i>
Comparative advantage and business Competitiveness	<i>Strengthen, foster and promote the region’s business and product diversity.</i>

Five priorities address the *process* of pursuing improved community and economic growth:

PERFORMANCE OUTCOME AREA	RDAWEP REGIONAL PRIORITY
Consultation and engagement with the regional community.	<i>Maintain and develop the regional consultation network.</i>
Informed regional planning.	<i>Utilise the regional consultation network in regional planning.</i>
Enhanced whole-of-Government approach to regional issues.	<i>Facilitate collaboration with government and other stakeholders.</i>
Enhanced awareness of Government programs.	<i>Promote government programs to stakeholders.</i>
Compliance and continuous improvement.	<i>Implement a continuous improvement culture.</i>

The regional priorities will be reviewed during 2014-15.

6.2 Relationship to Vision and Regional Characteristics

The regional priorities were determined by Board member knowledge of the region's strengths, challenges, needs and opportunities. This knowledge was enhanced by intelligence collected from ongoing stakeholder engagement, notably from RDAWEP Target Teams, the Regional Consultation Network and Local Government strategic planning – see **Attachment 2**.

The priorities support the Board vision for the region.

6.2.1 Improved Community and Economic Growth

Develop and retain a skilled workforce.

A larger workforce is necessary to meet the employment demand from anticipated mining and industrial growth. This requires the attraction of skilled labour from outside the region, and the ongoing provision of training programs to increase capability and labour force participation.

Build the capacity of the community to grow the regional economy.

Training programs to up-skill the region's unemployed and disadvantaged will improve the economic position of vulnerable sectors of the community, and bring flow-on economic benefits to businesses. Programs to improve business capability will strengthen the resilience of the SME sector and bring economic benefits.

Consider the environment when planning regional development.

The pristine environment is a regional strength, key tourism attraction, and adds value to community amenity. Best practice environmental management is vital to the sustainability of the primary production sector and the export of premium food product. Initiatives to manage climate change adaption, encourage renewable energy and provide a sustainable water supply, need careful consideration when making economic and employment development decisions. Land use conflicts, such as farming and mining co-existence, need to be resolved in regional strategic planning.

Support development of social and community infrastructure and services to enhance liveability.

The liveability and vibrancy of township communities are regional assets. However, health, aged care, child care, recreation, cultural and other services are limited in some towns. This provision is largely cost prohibitive for Local Government and assistance is needed to attract funding to improve services.

Promote investment to develop strategic infrastructure and foster globally competitive business.

Regional development opportunities are constrained by the limitations of the existing infrastructure, and will not be realised without significant financial investment from the Government and private sectors for major infrastructure upgrades.

Strengthen, foster and promote the region's business and product diversity.

The diversity of the regional economy is a strength. However, the competitiveness of the region can be enhanced by pursuing opportunities for new, value-added and quality products, and promoting the region's unique tourism experiences and international reputation for premium food.

6.2.2 Governance and Regional Leadership

Maintain and develop the regional consultation network.

The regional consultation network and RDAWEP Target Teams provide the primary source of intelligence about regional issues and emerging needs.

Utilise the regional consultation network in regional planning.

The intelligence from stakeholder consultations substantially informs RDAWEP regional planning.

Facilitate collaboration with government and other stakeholders.

Cross-agency engagement provides opportunities for collaborative projects and the use of shared resources to achieve better development outcomes.

Promote government programs to stakeholders.

Government programs are widely promoted through newsletters, websites and other means to help stakeholders access project funding.

Implement a continuous improvement culture.

RDAWEP has undergone change management to operate smarter and gain resource and financial efficiencies. Further improvements are planned help the organisation to deliver better economic and community development outcomes.

6.3 Alignment with Local Government Priorities

The preparation of RDAWEP plans involves a review of Council strategic and business plans to ensure that Local Government priorities, issues and project initiatives are addressed.

There is consistency between RDAWEP and Local Government priorities regarding the need to pursue prosperity while maintaining community amenity and protecting the environment. The development of regional communities as 'great places to live, work and visit' is widely acknowledged in Local Government planning. There is alignment between RDAWEP regional priorities and Council strategic planning goals on matters such as:

- The development and maintenance of physical infrastructure for community and business needs,
- Pursuing and promoting sustainable economic and business development,
- Sustainable environmental management for the benefit of future generations,
- Water management and security, and
- Improved community services and infrastructure, particularly lifestyle and retirement facilities for the ageing population and people with disabilities.

Divergence emerges when comparing broader RDAWEP regional planning with localised Council plans, because Local Government is less concerned about bigger picture issues such as global competitiveness, export, the development of educational facilities, and the provision of skills training programs, because these matters are not usually Council core business.

Closer planning alignment is anticipated in the future due to Local Government adoption of regional approaches to development planning – see **4.2 Policy Context**.

7. RDAWEP Activities and Projects

RDAWEP activities are provided at a strategic level. Projects are summarised at a macro level. The activities are from the RDAWEP Operational and Business Plans for 2014-15. Operational Plan numbering has been retained in this Regional Plan for activity tracking and referencing purposes.

Activities are repeated when they produce key benefits in different outcome areas.

7.1 Improved Community and Economic Growth

1.1 Human Capital

REGIONAL PRIORITY: *Develop and retain a skilled workforce.*

NO.	ACTIVITIES	PROJECTS SUMMARY
1.1.1	Develop sustainable employment network partnerships.	Employment networks, with cross-agency and industry representation, have been established in different sections of the region to ensure that training programs meet industry employment needs.
1.1.2	Maintain and support career development services.	Career development services provide the unemployed and under-employed with career planning and support to enhance training, work readiness and labour force participation.
1.1.3	Deliver targeted projects to support workforce development and participation.	A diverse range of training and employment programs is provided to develop a skilled workforce.
1.1.4	Provide complementary and additional services to support human capital programs.	Additional training programs are provided as needed to value-add to other programs.
1.1.5	Develop business skills.	Business-specific training programs are provided to improve SME capability.
1.1.6	Develop a Regional Prospectus.	The Prospectus will be designed to encourage workforce families to relocate to the region.

1.2 Sustainable Communities and Population Growth

1.2.1 Economic

REGIONAL PRIORITY: *Build the capacity of the community to grow the regional economy.*

NO.	ACTIVITIES	PROJECTS SUMMARY
1.2.1.1	Deliver targeted projects to support the disadvantaged to participate in the labour market.	Programs are provided to up-skill disadvantaged people, notably those facing barriers to learning and employment.
1.2.1.2	Provide career development services to support the disadvantaged.	Specialist career development services are provided to support people with poor work-readiness and low levels of literacy and numeracy.
1.2.1.3	Support skills training and employment opportunities to increase Aboriginal participation in the labour force.	Training programs are provided to improve the economic position of Aboriginal people through increased employment and business enterprise development.

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NO.	ACTIVITIES	PROJECTS SUMMARY
1.2.1.4	Identify constraints to provision of a sustainable water quality and quantity.	A sustainable water supply is vital for economic, community and population growth. Water solutions are being pursued with relevant agencies.
1.2.1.5	Pursue solutions to water issues.	
1.2.1.6	Support innovation, business development and sustainability.	Assistance is provided to strengthen the SME sector and encourage innovation for market advantage.
1.2.1.7	Identify constraints on small businesses and pursue remedial initiatives.	Ongoing consultation is undertaken with the SME sector to ensure that training programs address business needs.

1.2.2 Environmental

REGIONAL PRIORITY: Consider the environment when planning regional development.

NO.	ACTIVITIES	PROJECTS SUMMARY
1.2.2.1	Participate on the Eyre Peninsula Integrated Climate Change Agreement (EPICCA) Committee.	Assist EPICCA to implement the Eyre Peninsula Climate Change Adaption Action Plan.
1.2.2.2	Participate and liaise with relevant agencies on environmental issues.	The EPNRM Board, local Councils, EPLGA and RDAWEP are pursuing opportunities to align the environmental sections of planning documents.
1.2.2.3	Identify constraints to provision of a sustainable water quality and quantity.	The use of aquifers for water supply is not sustainable. Access constraints on SA Water infrastructure is preventing the adoption of alternative water solutions.
1.2.2.4	Pursue solutions to water issues.	Solutions are being pursued via the EP Water Security Reference Group. Water reuse projects are being implemented by Local Government.
1.2.2.5	Support the development of renewable energy projects.	Assistance is being provided for pumped hydro power generation projects and the production of biofuels from microalgae and feed stocks.

1.2.3 Social

REGIONAL PRIORITY: Support development of social and community infrastructure and services to enhance liveability.

NO.	ACTIVITIES	PROJECTS SUMMARY
1.2.3.1	Support improved social infrastructure.	Projects to upgrade arts and aged care facilities.
1.2.3.2	Support improved educational infrastructure.	Liaison with TAFE, UniSA and specialised education centres to expand courses and provide remote programs in smaller towns.
1.2.3.3	Support improved recreational infrastructure.	Project development assistance is provided to Local Government for sports club upgrades, swimming facilities, and walking trails.
1.2.3.4	Support improved tourism infrastructure.	Assistance is being provided to upgrade the Port Lincoln wharf to support cruise tourism; develop interpretive facilities; support the RV market and improve Aboriginal tourism enterprises.

NO.	ACTIVITIES	PROJECTS SUMMARY
1.2.3.5	Address health and aged care services and infrastructure in regional planning.	A Community Services Target Team is being formed to address health, aged care, disability and child care service and infrastructure needs.
1.2.3.6	Support the implementation of the Whyalla Aged Care Master Plan.	The Masterplan identifies aged care and disability service and infrastructure needs and opportunities.
1.2.3.7	Support coastal development planning initiatives.	Lukin Quays housing, industrial and wharf development; foreshore upgrades at Cowell and Ceduna; recreation and tourism development at Point Lowly, near Whyalla.

1.3 Access to International, National and Regional Markets

REGIONAL PRIORITY: *Promote investment to develop strategic infrastructure and foster globally competitive business.*

NO.	ACTIVITIES	PROJECTS SUMMARY
1.3.1	Support utility and transport infrastructure development.	Numerous projects to upgrade power, water, gas, communications, roads, rail, port and airport infrastructure.
1.3.2	Support the implementation of RMIP infrastructure recommendations where appropriate.	Liaison with the State Government RMIP Taskforce.
1.3.3	Pursue the development of purpose-built fishing industry infrastructure.	Assistance is being provided to develop fishing offloading facilities at Ceduna and Port Lincoln.
1.3.4	Pursue the development of efficient and competitive grain supply chain infrastructure.	Road, rail and port upgrades to support the agriculture industry with grain export.
1.3.5	Pursue the upgrade of Thevenard Port.	Upgrades to expand export capacity, including a new belt loader and channel dredging.
1.3.6	Support the improvement of regional road infrastructure.	Projects to improve the safety and functionality of roads in liaison with the SA Government and EPLGA.
1.3.7	Support export development initiatives.	Projects for seafood and minerals export to Asia.
1.3.8	Support the Regional Mining, Oil and Gas Taskforce.	Facilitate the operation of the Taskforce in liaison with the EPLGA.
1.3.9	Develop a Regional Prospectus	Design the Prospectus to encourage private and Government infrastructure investment.

1.4 Comparative Advantage and Business Competitiveness

REGIONAL PRIORITY: *Strengthen, foster and promote the region's business and product diversity.*

NO.	ACTIVITIES	PROJECTS SUMMARY
1.4.1	Assist investment attraction.	The preparation of business cases for major projects, assistance with grant applications, and project facilitation with the Government and private sectors.
1.4.2	Support and develop the food industry.	Projects to diversify and expand the food industry in liaison with local producers.
1.4.3	Provide strategic direction for provincial brand marketing by food industry stakeholders.	Production of high quality digital video, websites and other initiatives to strengthen and market the regional brand.

NO.	ACTIVITIES	PROJECTS SUMMARY
1.4.4	Provide strategic direction for product development and new markets by food industry stakeholders.	Initiatives for value-added product development and the creation of new interstate and overseas markets.
1.4.5	Provide strategic direction for destination development by tourism stakeholders.	Initiatives for value-added product development to attract new interstate and overseas markets.
1.4.6	Provide strategic direction for regional brand <i>Eyre Peninsula – Australia’s Seafood Frontier</i> marketing and planning alignment by tourism stakeholders.	Production of high quality digital video, websites and other initiatives to strengthen the regional brand and market the region as a culinary tourism and conference destination.
1.4.7	Improve the collection and use of meaningful tourism data.	Evidence-based tourism planning is being constrained by the lack of regional-specific data. Data collection options are being progressed with local tourism operators.
1.4.8	Support the development of the agricultural industry.	Projects to support the agriculture sector, in liaison with the Agriculture Target Team.
1.4.9	Support the development of the manufacturing industry.	Provision of assistance to support manufacturing initiatives at Whyalla and Port Lincoln.
1.4.10	Support the development of the mining industry.	Ongoing liaison with the mining sector, including project presentations and other support.
1.4.11	Support the development of the transport industry.	Establish a Transport Target Team to address operational and infrastructure needs.
1.4.12	Support the development of the aged and health care industry.	Establish a Community Services Target Team to address servicing and infrastructure needs.
1.4.13	Support the development of renewable energy projects.	Ongoing liaison with the renewable energy sector, including project presentations and other support.
1.4.14	Increase Aboriginal participation in business enterprises.	Planning, management and other support to establish new Aboriginal enterprises and assist existing businesses.
1.4.15	Support innovation, business development and sustainability.	Targeted programs to strengthen the SME sector and encourage innovation for market advantage.
1.4.16	Develop business skills.	Provide programs to improve business capability.

7. 2 Governance and Regional Leadership

2.1 Consultation and Engagement with the Regional Community

REGIONAL PRIORITY: *Maintain and develop the regional consultation network.*

NO.	ACTIVITIES	PROJECTS SUMMARY
2.1.1	Maintain RDAWEP participation on the regional consultation network.	Collect regional intelligence, develop inter-agency relationships, and identify collaborative projects.
2.1.2	Maintain, support and promote industry-based Target Teams across the region – i.e.: <ul style="list-style-type: none"> • Tourism Target Team • Whyalla Target Team • Eyre Peninsula Business Target Team • Agriculture Target Team • Seafood Target Team 	Facilitate Target Team meetings to collect regional intelligence and advice from an industry perspective.

NO.	ACTIVITIES	PROJECTS SUMMARY
2.1.3	Encourage Board representation on appropriate external organisations.	Board Member collection of intelligence about regional issues and needs.
2.1.4	Establish new industry-based Target Teams when and if required.	A Transport Target Team and a Community Services Target Team will be established in late 2014.
2.1.5	Document regional intelligence and key issues identified at stakeholder and consultation network meetings and note those to be addressed in regional planning.	Regional intelligence provided in monthly staff reports and weekly project meetings is incorporated where appropriate in RDAWEP plans.
2.1.6	Maintain a regional database of stakeholders and update on a regular basis.	The database is extensive, with 3,600 stakeholders listed in August 2014. Updates occur weekly.

2.2 Informed Regional Planning

REGIONAL PRIORITY: *Utilise the regional consultation network in regional planning.*

NO.	ACTIVITIES	PROJECTS SUMMARY
2.2.1	Include regional intelligence from stakeholder consultations in updates of the Regional Plan.	Intelligence from monthly staff reports and weekly project meetings is incorporated in Regional Plan.
2.2.2	Review the Board vision and regional priorities annually.	Annual Board strategic planning workshop.
2.2.3	Collate research data about the region.	A research library has been established. Research is an ongoing task, including liaison with the ABS. A data-based Regional Resource is being maintained as a live document to monitor project development.
2.2.4	Review strategic reports from other agencies to ensure that key issues are aligned in regional planning.	Ongoing review of agency plans as provided, with an emphasis on Local Government strategic planning.
2.2.5	Make the revised Regional Plan available to key stakeholders for feedback.	Updated Regional Plan distributed to Local Government and other stakeholders for feedback.
2.2.6	Consult with Local Government about regional priorities.	Ongoing meetings with, and presentations to Councils. A database has been prepared for the collection of Council and community project information.
2.2.7	Review strategic planning annually.	Annual staff strategic planning workshop.
2.2.8	Develop an annual Business Plan.	Prepared annually.
2.2.9	Provide regular information to Local Government including active promotion of RDAWEP plans.	Ongoing meetings with, and presentations to Councils.
2.2.10	Provide input into relevant government strategic planning.	Submission prepared as required, including joint submissions with the EPLGA.

2.3 Enhanced Whole-of-Government Approach to Regional Issues

REGIONAL PRIORITY: *Facilitate collaboration with government and other stakeholders.*

NO.	ACTIVITIES	PROJECTS SUMMARY
2.3.1	Participate in intergovernmental and interagency meetings.	Key groups include: Regional Consultation Network, Regional Employment Network, Upper Spencer Gulf Common Purpose Group, Regional Development SA, EPICCA, EP Water Security Reference Group, EPLGA.

NO.	ACTIVITIES	PROJECTS SUMMARY
2.3.2	Pursue opportunities for collaborative projects.	Key projects include: Lukin Quays development, Fishing Industry Trade Waste, Cuttlefish Interpretive Centre, Port Lincoln Wharf upgrade, Mining Oil and Gas Community Development Taskforce.
2.3.3	Maintain current position as a member of Indigenous panels.	RDAWEP is represented on two panels by the Indigenous Economic Development Manager.
2.3.4	Pursue a whole-of-government approach to workforce development.	RDAWEP workforce development and training initiatives are funded by various South Australian and Australian Government programs.
2.3.5	Engage with the EPLGA and Local Government on regional development issues.	Ongoing liaison occurs with the EPLGA and local Councils on regional approaches to strategic planning and project development.

2.4 Enhanced Awareness of Government Programs

REGIONAL PRIORITY: *Promote government programs to stakeholders.*

NO.	ACTIVITIES	PROJECTS SUMMARY
2.4.1	Provide information about government programs to stakeholders.	Program information is provided on the RDAWEP website and in monthly electronic Regional Newsletters. Local Government is directly contacted about Government programs.
2.4.2	Support stakeholders to access government programs through assistance with business cases and grant applications.	Assistance is provided with business cases and grant applications as requested.

2.5 Compliance and Continuous Improvement

This outcome has been incorporated in the RDAWEP Business Plan 2014-15 to reflect change management initiatives to improve organisational performance.

REGIONAL PRIORITY: *Implement a continuous improvement culture.*

NO.	ACTIVITIES	PROJECTS SUMMARY
2.5.1	Comply with legislative, contractual and reporting requirements.	The reporting process for State Government, Australian Government, Local Government and RDAWEP Board has been streamlined, and is being implemented and monitored.
2.5.2	Review and prepare new policies and procedures.	A new policy format has been adopted and policy documents are being prepared.
2.5.3	Develop marketing, communications and media plans.	A draft Marketing and Communications Plan has been prepared and will be finalised in late 2014.
2.5.4	Implement a continuous improvement culture.	Implementation of Organisational Review outcomes. New reporting formats standardised and adopted.
2.5.5	Implement the recommendations of the financial and ICT systems reviews.	Payroll services outsourced to gain operational efficiencies. The ICT cloud-based system is under continuous improvement.
2.5.6	Implement best practice HR initiatives.	New staff contracts are being determined.

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Attachment 1: Regional Profile

Overview

Location and Environment

The RDAWEP region comprises 230,000km² of land in the far west of South Australia, about 23% of the State.

The region has a coastal and rural environment with approximately one third of South Australia's coastline stretching over 2,000 kilometres from the upper Spencer Gulf to the Western Australian border. The north west section incorporates part of the Great Victoria Desert and the Maralinga Tjarutja Aboriginal Lands, and abuts the Western Australian border about 300 kilometres north of the Trans Australian Railway Line.

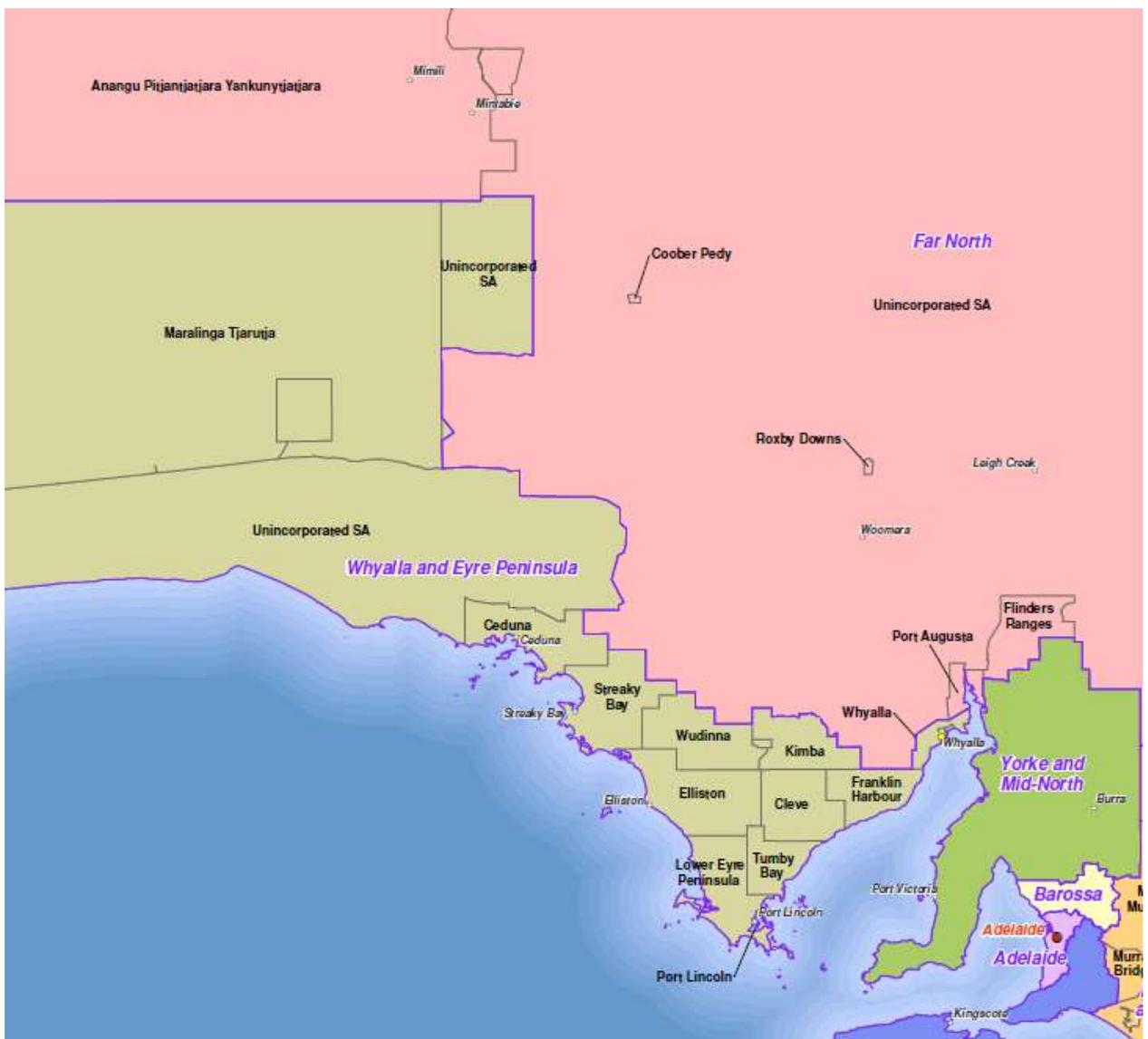


Figure 2: Context Map, Regional Development Australia, Whyalla and Eyre Peninsula.

Regional Plan – RDA Whyalla and Eyre Peninsula

The region has a Mediterranean climate with warm to dry summers and cool, wet winters. Mean annual rainfall varies from 250mm in the north and northwest to more than 500mm in the south.

A large proportion of the land has been cleared for agricultural production; however, significant areas of native vegetation remain. Approximately 7.5 million hectares of land is included in national parks, conservation parks and reserves. Vegetation clearance for agricultural purposes ranges from 14% in the far west to 72% in the south. About 15% of the region's grazing area is covered with scattered vegetation. (Eyre Peninsula Natural Resources Management Board, *State of our Resources, Recognising the State of Natural Resources of the Eyre Peninsula*, 2009).

Local Government and Regional Population

The region has eleven Local Government Authorities (LGAs) as well as remote unincorporated areas serviced by the Outback Communities Authority. For Census data collection purposes the Maralinga Tjarutja Aboriginal Land (established under the *Maralinga Tjarutja Land Rights Act*, 1984) is regarded as an LGA in its own right. However, Maralinga Tjarutja is excluded from Local Government financial contributions to RDAWEP operations.

The regional population of 56,396 comprises 3.5% of the South Australian population. 98.7% of people reside in the LGAs, which collectively occupy 43,779km² or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) live in the regional cities of Whyalla and Port Lincoln.

The remaining 1.3% of the population (745 people) is very thinly spread across 81% of the region (i.e. 189,000km²).

LOCAL GOVERNMENT AREA	LAND AREA		POPULATION	
	Km ²	% of Region	No.	% of Region
Whyalla	1,032.5	0.44	22,088	39.16
Port Lincoln	30.4	0.01	14,086	24.98
Ceduna	5,427.1	2.33	3,480	6.17
Cleve	4,506.7	1.94	1,733	3.07
Elliston	6,500.0	2.79	1,046	1.85
Franklin Harbour	3,283.0	1.41	1,273	2.26
Kimba	3,986.2	1.71	1,088	1.93
Lower Eyre Peninsula	4,771.0	2.05	4,916	8.72
Streaky Bay	6,232.0	2.68	2,102	3.73
Tumby Bay	2,615.9	1.12	2,586	4.58
Wudinna	5,393.8	2.32	1,253	2.22
Other ¹	86,139.4	37.00	672	1.19
Maralinga Tjarutja	102,863.6	44.19	73	0.13
REGION	232,781.6	100.00	56,396	100.00

Table 1: RDAWEP Local Government Land Areas and Population.

¹ Includes Unincorporated West Coast, Yalata Community (4,563km²) and Nullarbor Regional Reserve Land. Population data – ABS, *2011 Census of Population and Housing*. Land area data – www.wikipedia.org Local Government Areas of South Australia.

Cultural Heritage

The region has 3,225 Aboriginal people comprising 5.7% of the regional population. This is notably above the proportions in South Australia (1.9%) and Australia (2.6%). 80% of the region's Aboriginal people (2,572) live in the LGAs of Whyalla, Port Lincoln and Ceduna. The greatest concentration is in Ceduna, where Aboriginal people comprise 24.9% of the Council population. Key Aboriginal communities include Koonibba, Yalata and Oak Valley, which have fluctuating populations averaging between 50 and 200 people.

LOCAL GOVERNMENT AREA	2001		2006		2011	
	No.	% of Population	No.	% of Population	No.	% of Population
Whyalla	630	2.9	767	3.6	921	4.2
Port Lincoln	621	4.7	700	5.1	785	5.6
Ceduna	824	22.4	859	24.0	866	24.9
Cleve	7	0.4	11	0.6	10	0.6
Elliston	12	1.0	19	1.7	18	1.7
Franklin Harbour	4	0.3	12	0.9	12	0.9
Kimba	0	0.0	6	0.5	11	1.0
Lower Eyre Peninsula	65	1.6	101	2.3	143	2.9
Streaky Bay	17	0.9	31	1.5	33	1.6
Tumby Bay	26	1.1	12	0.5	20	0.8
Wudinna	11	0.8	13	1.0	19	1.5
Unincorporated West Coast	253	33.4	162	35.6	319	50.2
Maralinga Tjarutja	124	75.2	89	78.0	61	83.6
REGION	2,594	-	2,782	4.8	3,225	5.7

Table 2: Aboriginal Population, Whyalla and Eyre Peninsula Region (ABS Census 2001, 2006 and 2011).

The first recorded European contact with the region occurred near Ceduna in 1627. Further contact did not occur until 1802 and 1803 when Matthew Flinders and Frenchman, Louis-Claude de Freycinet, mapped the Eyre Peninsula coastline.

Port Lincoln was the region's first European settlement, with settlers arriving in March 1839. (City of Port Lincoln website, <http://www.portlincoln.sa.gov.au/history>). In the 1840's Edward John Eyre mapped the Eyre Peninsula, which led to further settlement. By the 1870's much of the region was being grazed and mining commenced at Iron Knob in the 1890's. In 1901 Hummock Hill became the export point for iron ore and, on 16th April 1914, the settlement was proclaimed the town of Whyalla. (City of Whyalla, *Visitor Guide*, 2011).

The regional population is predominantly European. In 2011, Australian born people comprised 82.9% of the population, substantially above the South Australian and Australian rates (73.3% and 69.8%). The remainder is comprised of people born in England, Scotland, New Zealand, the Philippines and Germany. The most common ancestries are Australian (33.3%), English (30.5%), Scottish (7.2%), German (6.6%) and Irish (5.9%) – ABS *Census 2011*.

English is the dominant language and the only language spoken in 91% of households. This is notably higher than the rates for South Australia (81.6%) and Australia (76.8%). Two or more languages are spoken in 6% of households, compared with 16.3% in South Australia and 20.4% for Australia. The main languages are Greek (0.4%), Italian (0.3%), Afrikaans (0.3%), Croatian (0.3%) and Pitjantjatjara (0.3%).

Human Capital

Age Profile

The regional population is ageing. In 2011, the median age was 39, an increase from 38 in 2006. People aged 65 years and over comprise 15.5% of the regional population, which is above the Australian rate (14.0%), but below the rate of 16.2% for South Australia. The 65 and over aged group grew by 1.2% from 2006, exceeding the growth rate of 0.8% for South Australia and 0.7% for Australia. Almost half of the regional population (49.6%) was 40 years of age and over in 2011, with 21.5% over 60 years of age.

PEOPLE 65 YEARS OF AGE AND OVER	Region	%	South Australia	%	Australia	%
2006 ABS Census	7,758	14.3	233,127	15.4	2,644,374	13.3
2006 Median Age	38		39		37	
2011 ABS Census	8,727	15.5	257,551	16.2	3,012,289	14.0
2011 Median Age	39		39		37	

Table 3: People 65 Years of Age and Over. (ABS Census 2006 & 2011).

DC Tumby Bay has the oldest population, with 61% over the age of 40 and 32.1% over 60 years of age. Similar results for the over 40 age sector were recorded for Kimba (55.9%), Franklin Harbour (55.7%), Cleve (55.3%) and Elliston (54.5%).

LOCAL GOVERNMENT AREA	AGE GROUP									
	0 TO 14 YEARS		15 TO 24 YEARS		25 TO 39 YEARS		40 TO 59 YEARS		60 YEARS AND OVER	
	No	%	No	%	No	%	No	%	No	%
Whyalla	4,434	20.1	2,963	13.4	4,130	18.7	6,063	27.4	4,498	20.4
Port Lincoln	2,869	20.4	1,854	13.2	2,606	18.5	3,743	26.6	3,014	21.4
Ceduna	761	21.9	433	12.4	654	18.8	972	27.9	660	19.0
Cleve	359	20.7	157	9.1	259	14.9	502	29.0	456	26.3
Elliston	204	19.5	106	10.1	167	16.0	355	33.9	216	20.6
Franklin Harbour	244	19.2	136	10.7	184	14.4	374	29.4	335	26.3
Kimba	209	19.2	93	8.5	180	16.5	308	28.3	300	27.6
Lower Peninsula Eyre	1,087	22.1	496	10.1	799	16.2	1,549	31.5	985	20.0
Streaky Bay	436	20.7	208	9.9	328	15.6	655	31.2	476	22.6
Tumby Bay	460	17.8	207	8.0	344	13.3	747	28.9	829	32.1
Wudinna	281	22.4	116	9.3	244	19.5	330	26.3	281	22.4
REGION	11,509	20.4	6,842	12.1	10,069	17.8	15,866	28.1	12,109	21.5

Table 4: Age Distribution of the Regional Population (ABS Census 2011).

Conversely, young people 15-24 years of age comprise the smallest sector of the regional population (12.1 %,) and this is consistent in all Council areas. Tumby Bay (8.0%), Kimba (8.5%), Cleve (9.1%), Wudinna (9.3%) and Streaky Bay (9.9%) have the smallest proportion of 15-24 year olds, whereas Whyalla (13.4%), Port Lincoln (13.2%) and Ceduna (12.4%) are above the regional average.

The migration of young people from rural areas to capital cities for study and employment is believed to be the cause for ageing and declining regional populations across Australia.

Migration of Young People from the Region

Preliminary research suggests that approximately 25-30% of region's young people moved to Adelaide or elsewhere after completing year 12 at secondary school. Port Lincoln High School destination data for 2013 indicates that 28.9% of year 12 students (26 out of 90) intended to move to Adelaide or other areas for study or employment. (Advice to RDAWEP from Port Lincoln High School Administration, February 2014).

Detailed migration information from the 2011 Census indicates that 30.2% of young people aged 20-24 and 22.4% aged 25-29, totalling 1,558, moved from the region between 2006 to 2011 – **Table 5**: This is consistent with the school leaver destination advice provided by Port Lincoln High School.

2011 Usual Residence	Age					Total
	15-19	20-24	25-29	30-34	35-39	
RDAWEP Region (No)	2,988	2,186	2,111	2,183	2,739	12,207
RDAWEP Region (%)	80.3	69.8	77.6	80.2	85.8	N/A
All of SA (excluding RDAWEP Region) (No)	731	947	611	538	455	3,282
All of SA (excluding RDAWEP Region) (%)	19.7	30.2	22.4	19.8	14.2	N/A
Total No	3,719	3,133	2,722	2,721	3,194	15,489

Table 5: Migration From Region – of those aged 15-39 that lived in the region 5 years ago, where do they live now? (ABS Census 2011).

Age Profile of the Workforce

The regional workforce has an ageing profile with 43.8% aged 45 years or older, compared with 42.2% for South Australia and 39.9% for Australia.

By industry, the transport, postal and warehousing sector has the oldest profile with 57.6% aged 45 years or older, followed by primary production (agriculture, fishing and forestry) at 52.7%, and health care and social assistance at 50.9%. The primary production industry has the oldest workforce profile in Australia with 59.6% aged 45 years and older, but the regional profile is younger by comparison, and younger than South Australia (57.6%) – see **Table 6**. (ABS Census 2011).

The region has an older workforce in construction, retail trade, and administrative and support services, with notable older profiles in the accommodation, food, arts and recreation service industries. This is consistent with workforce data which indicates that regional workforces tend to be older, resulting in a strong demand for workers to replace those who retire. (Department of Education, Employment and Workplace Relations (DEEWR), *Australian Jobs*, 2013, p.5).

A more detailed age breakdown of the regional workforce indicates that in 2011, 949 people or 8.6% of the workforce had already reached the retirement age of 65 years. Most of this sector (845 people) was aged 65-74 years. The majority were employees in the primary production industry (301 people or 35.6%), followed by employees in health care and social assistance (69 or 8.2%), and retail (60 people or 7.1%). (ABS Census 2011).

Regional Plan – RDA Whyalla and Eyre Peninsula

Workforce - Industry by Number Aged 45 Years or Older	Region		South Australia		Australia	
	No. aged 45 or older	%	No. aged 45 or older	%	No. aged 45 or older	%
Agriculture, Fishing and Forestry	1,781	52.7	16,585	57.6	149,007	59.6
Mining	306	31.1	3,563	36.9	62,136	35.2
Manufacturing	1,120	39.6	33,041	42.4	385,840	42.7
Electricity, Gas, Water and Waste Services	103	42.6	4,259	42.9	50,347	43.5
Construction	694	39.8	20,804	37.4	29,969	35.3
Wholesale Trade	319	42.3	11,351	43.9	167,763	41.5
Retail Trade	924	34.1	25,399	30.6	327,942	31.0
Accommodation and Food Services	536	33.8	10,779	23.3	158,357	24.3
Transport, Postal and Warehousing	710	57.6	16,108	52.5	239,977	50.1
Information Media & Telecommunications	62	41.0	3,671	34.7	57,055	32.0
Financial and Insurance Services	161	42.3	8,811	40.0	119,814	31.8
Rental, Hiring and Real Estate Services	113	47.3	4,477	47.4	66,732	42.0
Professional Scientific & Technical Services	253	39.7	16,249	40.1	266,332	36.5
Administrative and Support Services	359	47.5	11,592	45.6	130,813	40.4
Public Administration and Safety	553	47.8	24,023	46.0	298,791	43.3
Education and Training	915	46.7	30,551	52.1	398,119	49.5
Health Care and Social Assistance	1,520	50.9	50,511	50.2	561,468	48.0
Arts and Recreation Services	61	44.2	3,158	33.9	48,610	32.0
Other Services	347	37.4	11,704	40.6	142,531	37.7
Inadequately described/not stated	242	46.6	5,823	41.9	92,581	39.6
TOTAL	11,079	43.8	312,028	42.2	4,017,184	39.9

Table 6: Industry by Number Aged 45 Years and Older. (ABS, Census 2011).

Labour Force Profile

In 2011, the region's unemployment rate was 5.8%, slightly above the State and Australian rates (5.7% and 5.6%). Regional labour force participation rate was 59.9% - the same as for South Australia, but below the Australian rate of 61.4%. (ABS, National Regional Profile, Eyre Peninsula and South West, South Australia and Australia 2007-2011).

REGION	2006			2011		
	No. Unemployed	Unemployment Rate %	Total Labour Force	No. Unemployed	Unemployment Rate %	Total Labour Force
Whyalla	830	8.9	9,325	812	8.1	9,970
Port Lincoln	352	5.5	6,438	374	5.5	6,788
Ceduna	64	3.8	1,693	81	4.6	1,775
Cleve	20	2.1	971	10	1.1	904
Elliston	19	3.3	579	34	6.1	559
Franklin Harbour	17	2.7	622	28	4.6	609
Kimba	14	2.3	621	5	0.9	587
Lower Eyre Peninsula	83	4.0	2,079	94	3.9	2,430
Streaky Bay	37	3.6	1,018	55	5.2	1,050
Tumby Bay	42	3.6	1,156	45	3.7	1,230
Wudinna	23	3.2	710	8	1.2	695
RDAWEP Region	1,510	5.9	25,449	1,558	5.8	26,869
South Australia	38,176	5.2	728,070	44,968	5.7	784,328
Australia	503,804	5.2	9,607,987	600,133	5.6	10,658,460

Table 7: Number of Unemployed, Unemployment Rate and Labour Force 2006 and 2011. (ABS Census 2006 and 2011).

Unemployment generally declined since 2006, with the exception of Ceduna, Elliston, Franklin Harbour and Streaky Bay where the unemployment rate marginally increased. Whyalla has the highest rate of unemployment at 8.1%, markedly above the regional, State and Australian rates.

Educational Profile

In 2011, 32.4% of the regional population over 15 years of age had completed year 12 at secondary school. This is substantially below the rates of 44.8% for South Australia and 49.2% for Australia. The regional completion rates for Year 11 (22.7%) and Year 10 (20.8%) were comparatively higher than the State, and above the Australian rate for Year 11 – see **Table 8**.

Highest year of school completed	Region		South Australia		Australia	
	No.	%	No.	%	No.	%
Year 12 or equivalent	13,931	32.4	560,615	44.8	8,188,615	49.2
Year 11 or equivalent	9,767	22.7	226,491	18.1	1,480,590	8.9
Year 10 or equivalent	8,913	20.8	208,960	16.7	3,474,610	20.9
Year 9 or equivalent	2,480	5.8	66,511	5.3	945,289	5.7
Year 8 or below	3,545	8.3	84,636	6.8	985,004	5.9
Did not go to school	140	-	10,056	-	142,143	-
Highest year of school not stated	3,803	-	95,140	-	1,418,473	-
TOTAL	42,939	-	1,252,409	-	16,634,724	-

Table 8: Highest year of School Completed. (ABS Census 2011).
(For persons aged 15 and over who are no longer attending school)

For tertiary and technical education, the regional attendance rate of 11.4% was well below the rates for South Australia (22.0%) and Australia (21.6%). The percentage of people in the region attending technical and further education (7.5%) was approximately on par with those in South Australia (7.6%) and Australia (7.3%). However, the 3.9% regional attendance at a university or other tertiary institution was markedly less than the rates for South Australia (14.4%) and Australia (14.3%).

Education	Region		South Australia		Australia	
	No.	%	No.	%	No.	%
Pre-school	800	5.1	20,581	4.5	332,844	5.1
Primary- Government	4,186	26.6	87,778	19.1	1,181,787	18.2
Primary - Catholic	859	5.5	26,164	5.7	359,062	5.5
Primary - Other non-government	379	2.4	22,597	4.9	214,359	3.3
Secondary - Government	2,297	14.6	52,221	11.4	774,074	11.9
Secondary - Catholic	799	5.1	18,905	4.1	307,142	4.7
Secondary - Other non-government	163	1.0	19,825	4.3	254,828	3.9
Technical or further education	1,182	7.5	34,842	7.6	473,606	7.3
University or tertiary education	609	3.9	65,957	14.4	932,524	14.3
Other	274	1.7	11,101	2.4	161,660	2.5
Not Stated	4,194	26.6	98,694	21.5	1,511,694	23.2
TOTAL	15,742	-	458,665	-	6,503,580	-

Table 9: Educational Institution Attendance. (ABS Census 2011).

The region's lower participation in tertiary education is reflected in degree level qualifications with low achievement for doctoral, masters and bachelor degrees compared with South Australia and Australia.

On the other hand, the region has much higher rates of achievement at certificate level, with 47.1% obtaining Certificate III and IV compared with 34.0% for the State and 31.2% for Australia – see **Table 10**. This is consistent with known factors about regional and capital city workforces i.e. regional workers are less likely to have studied after they left school, and are more likely to hold a Certificate III or higher qualification than their city-based counterparts. (DEEWR, *Australian Jobs*, 2013, pp.5 and 29).

Level of Education	Region		South Australia		Australia	
	No.	%	No.	%	No.	%
Postgraduate Degree Level						
Postgraduate Degree	18	0.1	973	2.2	12,562	0.2
Doctoral Degree	39	0.3	7,215	16.5	94,674	1.5
Masters Degree	215	1.6	20,250	4.6	404,561	6.4
Graduate Diploma and Certificate						
Graduate Diploma/Certificate	11	0.1	1,088	0.2	19,777	0.3
Graduate Diploma	240	1.8	12,249	2.8	184,863	2.9
Graduate Certificate	51	0.4	2,940	0.7	37,043	0.6
Bachelor Degree Level						
Bachelor Degree	2,468	18.7	118,644	27.2	1,848,622	29.4
Advanced Diploma and Diploma						
Advanced Diploma and Diploma	10	0.1	666	0.2	11,154	0.2
Advanced Diploma/Assoc Degree	765	5.8	30,703	7.0	439,918	7.0
Diploma level	949	7.2	38,162	8.8	554,987	8.8
Certificate Level						
Certificate Level	482	3.6	14,078	3.2	174,067	2.8
Certificate III & IV	6,230	47.1	148,302	34.0	1,961,248	31.2
Certificate I & II	559	4.2	12,013	2.8	139,482	2.2
Inadequately Described	297	-	8,076	-	144,850	-
Not Stated	884	-	20,670	-	267,981	-
TOTAL	13,218	-	436,029	-	6,295,789	-

Table 10: Non-School Qualification: Level of Education. (ABS Census 2011).

Aboriginal Education and Employment Profile

The profile of the region's Aboriginal people is consistent with Productivity Commission and other reports about Aboriginal disadvantage which indicate that, compared with the non-Indigenous population, Aboriginal well-being is adversely affected by lower levels of educational attainment, higher levels of entrenched unemployment, lower labour force participation, and a disproportionately high percentage of Aboriginal unskilled and semi-skilled workers in the labour force. (Department of Further Education, Employment, Science and Technology (DFEEST), *Eyre and Western, Strategic Plan to guide resource allocation for participation and equity programs 2011-2013*, April 2012, p.16).

2011 Census data indicates that a much lower percentage of Aboriginal people in the region (16.2%) have completed Year 12, compared with South Australia (22.1%) and Australia (25.0%). However, the proportion of Aboriginal people completing Year 11 (20.5%) is higher than the State (19.1%) and Australian (11.0%) averages.

Highest year of school completed – Aboriginal People	Region		South Australia		Australia	
	No.	%	No.	%	No.	%
Year 12 or equivalent	319	16.2	4,055	22.1	81,556	25.0
Year 11 or equivalent	405	20.5	3,507	19.1	35,937	11.0
Year 10 or equivalent	502	25.4	4,204	22.9	93,484	28.6
Year 9 or equivalent	203	10.3	1,903	10.4	38,024	11.7
Year 8 or below	245	12.4	2,037	11.1	36,941	11.3
Did not go to school	20	-	370	-	5,205	-
Highest year of school not stated	280	-	2,273	-	35,185	-
TOTAL	1,974	-	18,349	-	326,332	-

Table 11: Aboriginal Highest year of School Completed. (ABS Census 2011).

In 2011, 36.7% of Aboriginal people aged 15 years and over had completed year 11-12, compared with 58.5% for the non-Indigenous population. Conversely, higher proportions of Aboriginal people left school after completing Year 10 or below (48.0%) than non-Indigenous people (36.3%).

Highest year of school completed – Aboriginal & Non-Indigenous	Aboriginal		Non-Indigenous		Indigenous Status not Stated	TOTAL
	No.	%	No.	%	No.	No.
Year 12 or equivalent	319	16.2	13,515	34.7	97	13,931
Year 11 or equivalent	405	20.5	9,287	23.8	76	9,768
Year 10 or equivalent	502	25.4	8,347	21.4	63	8,912
Year 9 or equivalent	203	10.3	2,609	6.7	29	2,841
Year 8 or below	245	12.4	3,215	8.2	85	3,545
Did not go to school	20	-	114	-	6	140
Highest year of school not stated	280	-	1,911	-	1,612	3,803
TOTAL	1,974	-	38,998	-	1,968	42,940

Table 12: Highest Year of School Completed, Indigenous and Non-Indigenous. (ABS Census 2011).

Similar discrepancies occur with post-school education and labour force participation. A smaller proportion (1.6%) of Aboriginal people completed a Bachelor Degree, compared with 7.1% for the non-Indigenous population. At the Certificate level, a higher percentage of Aboriginal people (2.5%) completed Certificate II than the non-Indigenous population (1.6%), but there is a marked difference in achievement for Certificate III and over, with 10.8% attainment for Aboriginal people compared with 20.0% for non-Indigenous people – see Table 13.

The Aboriginal unemployment rate is considerably higher at 20.0% compared with 5.3% for non-Indigenous people. (This figure excludes Aboriginal CDEP participants who are not classed as unemployed). Labour force participation was 42.9% for Aboriginal people and 63.3% for non-Indigenous people and the number of those employed (expressed as a percentage of persons aged 15 years and over) was 34.3% for Aboriginal people compared with 59.9% for the non-Indigenous.

Selected Labour Force and Educational Characteristics – Aboriginal and Non-Indigenous	Aboriginal		Non-Indigenous		Status not Stated	TOTAL
	No.	%	No.	%	No.	No.
Persons aged 15 years and over	2,113		40,777		1,999	44,889
Non-school qualifications						
Post graduate degree level	7	0.3	336	0.8	3	346
Graduate diploma/certificate level	3	0.1	358	0.9	0	361
Bachelor degree	33	1.6	2,915	7.1	12	2,960
Diploma/advanced diploma	63	3.0	2,202	5.4	9	2,274
Certificate II	52	2.5	655	1.6	8	715
Certificate III and over	229	10.8	8,136	20.0	50	8,415
In the labour force						
Employed	725	-	24,442	-	145	25,312
Unemployed	181	-	1,361	-	16	1,558
Total Labour Force	906	-	25,803	-	161	26,870
Not in labour force	997	-	14,352	-	263	15,612
Labour force status not stated						
% Unemployment rate		20.0		5.3	9.9	5.8
% Labour force participation		42.9		63.3	8.1	59.9
% Employment to population		34.3		59.9	7.3	56.4

Table 13: Selected Regional Educational and Labour Force Characteristics, Aboriginal and Non-Indigenous. (ABS Census 2011, Indigenous Profile, Eyre Peninsula and South West).

Education and Training Infrastructure Profile

The region has a diverse range of education facilities and specialised training centres. The State Department for Education and Child Development (DECD) administers 39 Government schools comprising: 2 junior primary schools (Whyalla and Port Lincoln), 16 primary schools (7 at Whyalla and 3 at Port Lincoln), 12 area schools, 4 high schools (3 at Whyalla and 1 at Port Lincoln), 2 special schools (Whyalla and Port Lincoln), and 3 Aboriginal schools (Koonibba, Yalata and Oak Valley).

There are 5 non-Government schools located at Ceduna, Whyalla (2) and Port Lincoln (2).

Eleven Government schools are part of a Trade Training Centre Consortium which provides specialised learning opportunities to address skills shortages in trades and emerging industries. Three Government schools – Cowell, Cummins and Cleve Area Schools – are highly regarded specialist learning centres in oyster aquaculture and dry land agriculture.

The region also has an Innovative Community Action Network (ICAN) based in Whyalla, Port Lincoln and Ceduna to address the educational, training and personal needs of young people at risk of disengagement with traditional education services. The ICANs provide niche services to address social inclusion and disadvantage for Aboriginal and non-Indigenous young people.

Tertiary Facilities

Several tertiary education and research facilities are available. Industry-based study is conducted through innovative research, extension programs and demonstration projects at the University of South Australia (UniSA) Whyalla Campus, the Minnipa Agriculture Centre, and the Lincoln Marine Science Centre at Port Lincoln. These facilities provide opportunities to increase the region's knowledge and business capacity, which is pivotal to building a sustainable economy and meeting environmental and community development challenges.

In addition, the Australian Maritime and Fisheries Academy (AMFA) at Port Lincoln provides courses for careers in the commercial fishing, aquaculture and maritime industries; and TAFE SA Regional offers a wide range of courses to meet industry and community needs. TAFE campuses are located in Whyalla, Port Lincoln and Ceduna, and smaller facilities are available at Wudinna, Cleve, and Kimba. TAFE also offers on-line learning options and has mobile facilities to service smaller towns.

Educational Challenges

The greatest challenge is to encourage the provision of facilities and programs to meet the educational and employment needs of the region. This is becoming extremely difficult in the current political and economic climate, particularly at the tertiary level. Both UniSA and TAFE are centralising services to Adelaide, with a resultant decrease in course provision in regional areas. RDAWEP has been advised that the management of the UniSA Centre of Regional Engagement is in the process of being transferred from Whyalla to Adelaide, with a loss of some regional positions. On the other hand, it has also been advised that UniSA will re-launch some Business Degree courses at Whyalla, such as the Bachelor of Commerce degree. This initiative will be supported by a higher speed computer connection from the Adelaide campus to improve research and on-line capability.

In June 2012, the Whyalla TAFE Campus facilities were upgraded with the construction of a state-of-the-art centre for renewable energy, inclusive of a solar simulation facility. The purpose was to provide school students and trainee electricians with the opportunity to gain skills in the installation of solar panels to meet industry demand and government commitments to environmental sustainability. (*Whyalla News*, TAFE to build solar training facility, Thursday, June 7, 2012, p.3).

However, RDAWEP has been advised that the facility, although fully equipped, has never been used for training purposes due to course changes and funding cut backs within TAFE. One explanation is that the State Government is in the process of establishing a training facility at Tonsley Park and enhancing existing TAFE facilities at Regency Park – but at the cost of course provision in regional campuses.

The capping of the Skills for All vocational education initiative is also having an impact, with the result that Pre-Vocational Electrical is the only Pre-Voc course available at the TAFE Whyalla campus. This is of great concern to educators because Pre-Voc courses are a prerequisite to gaining an apprenticeship.

The overall perception is that city tertiary education campuses are presently expanding at the cost of the regions. The consequence is that more regional students will now need to travel to Adelaide to undertake some courses. This could be detrimental to building the capability of the region because it is generally understood that regional students have much higher retention and pass rates when they do not need to travel to Adelaide for study.

Workforce Challenges and Priorities

The provision of a skilled and experienced workforce is becoming a major issue for the future sustainability of the region due to pending industry development initiatives, notably in the mining sector, which is the fastest growing regional industry. Recent studies predict that an additional workforce of 6,700 people is needed by 2021 to meet the employment needs of the mining and resources sectors alone. To meet this demand the region's labour force of 26,869 will need to grow by approximately 25%. (Resources and Engineering Skills Alliance (RESA), *Workforce Study for the Resources Sector in the Eyre Peninsula*, October 2011, p.3).

In 2013 the Local Government Association of South Australia commissioned the South Australian Centre for Economic Studies (SACES) to investigate the impact of mining and resources development on Eyre Peninsula Councils. The report analysed developing mining projects on the Eyre Peninsula and based its employment estimates on the likelihood that some of these projects would materialise. In so doing, the study exercised a degree of caution due to the uncertain nature of mining developments, but nevertheless estimated that the:

- Number of new mining jobs on the Eyre Peninsula would reach 2,180 by 2020,
- Number of new mine workers moving to the region would be about 1,530 to 1,660, and
- Regional population might increase by about 4,450 to 4,820 people in the longer term. (South Australian Centre for Economic Studies, *Impact of Mining and Resource Development: A case Study for Eyre Peninsula Councils*, July 2013).

While these employment estimates are considerably less than those predicted by RESA, the study leaves little doubt that there will be substantial employment growth in the region if some developing mining ventures and prospects move into operation in the next few years.

RDAWEP has reviewed this data and estimated that, with allowance for indirect flow-on employment, approximately 7,100 additional people will be required by 2020 to meet the predicted labour demand – a 24.3% increase on the region's 2013 labour force. However, the task of providing a skilled regional workforce is compounded by:

- **Ageing population:** The regional population is ageing at a faster rate than South Australia and Australia and the workforce has an older profile for most industry sectors. The looming surge of Baby Boomers reaching retirement age will shrink the pool of skilled and experienced workers in future years.

- **Small numbers of younger people:** Workforce retirements will create job openings, but it is unlikely that the region has a sufficient pool of young people to meet the replacement demand.
- **Regional migration:** The task of replacing workforce retirees is compounded by the migration of young people to greater metropolitan Adelaide for employment and study.
- **Labour force competition:** There is increasing competition to attract skilled and experienced labour, particularly in areas where industries are unable to compete with the higher wages being offered to secure mining workforces. South Australia faces a bigger struggle for skilled workers than other States due to an ageing population coupled with nett interstate migration. (*The Advertiser*, Search Here, There and Everywhere for Staff, November 3, 2011, p. 60).
- **Recruitment difficulties:** Locational factors magnify workforce challenges in regional areas. Regional employers have more difficulty recruiting skilled and experienced workers than employers in capital cities. Due to the smaller population base of many regional areas, employers generally attract smaller numbers of applicants and fill a lower proportion of their vacancies. (DEWR, *Australian Jobs*, 2013, pp. 5 and 27).
- **Educational qualifications and attainment:** The educational profile indicates that regional workers are less likely to have studied after they left school, have lower participation and achievement rates in degree and higher degree courses, but are more likely to hold a Certificate III or higher vocational qualification than city-based workers. Regional areas are consequently less well equipped to supply the labour for positions which require higher qualifications. This has potential to prevent some regional workers from gaining employment in the mining sector. (RESA, 2011, p. 4)
- **Small unemployment pool:** In 2011, the region had an unemployment pool of 1,510 people. If all of the region’s unemployed were sufficiently up-skilled to gain employment, there would still be a shortfall in the labour demand. However, the skill sets of those who are unemployed or underemployed, often do not match industry workforce needs due to poor educational attainment, low levels of literacy and numeracy, and a lack of work readiness and experience.
- **Aboriginal disadvantage:** Labour force issues are magnified when the Aboriginal population is taken into account, due to low levels of educational attainment, high levels of entrenched unemployment, low labour force participation, and a disproportionately high percentage of unskilled and semi-skilled workers.

These collective characteristics present a range of challenges for the development and provision of a skilled and experienced workforce.

The estimate that an additional workforce of approximately 7,100 people will be required by 2020 is based on employment figures released by the mining sector and a number of other assumptions, including the assumption that the following mining projects will become operational.

PROJECT	OPERATOR	POSITIONS DURING CONSTRUCTION	EMPLOYEES DURING OPERATION
Central Eyre Iron Project (Magnetite)	Iron Road limited	1,600	650
Wilcherry Hill (Magnetite)	IronClad Mining	100	230
Fusion Joint Venture (Magnetite)	Centrex, Eyre Iron	1,000	1,240
Wilgerup (Haematite)	Centrex	Not known	100
Kookaburra Gulley (Graphite)	Lincoln Minerals	60	30
Uley (Graphite)	Valence Industries	220	100
Campoona/Sugarloaf (Graphite)	Archer Exploration	100	30
TOTAL EMPLOYEES		3,080	2,380

Table 14: Estimate of the Mining Workforce in the RDAWP Region by 2020.

The other assumptions are:

- **Positions created during construction:** The 3,080 positions created during construction have been excluded because these will largely comprise short term contracts which will have minimal long-term impact on the region.
- **Indirect positions during construction:** The construction industry indirect employment multiplier of 2.3 positions for every FTE created has been excluded, although it is foreseeable that some local suppliers might benefit from the construction phase.
- **Permanent operational positions:** Centrex Metals has advised that approximately 25% of positions are likely to be FIFO because some specialist positions will only be filled by a fly-in arrangement. Other mining companies have a similar view. The mining FTE workforce estimate has therefore been reduced by 25%, bringing the probable number of direct FTE employees to 1,783.
- **Mining industry indirect employment creation:** The mining industry uses a multiplier of 1:4 for estimating the number of indirect employment positions that might be created for the suppliers of goods and services. Erring on the side of caution, a multiplier of 1:3 has been used to estimate the probable indirect employment at 5,349 jobs.
- **Mining staff turnover:** The mining industry staff turnover rate of 15-30% p.a. is excluded.
- **Employment growth in other regional industries:** It is anticipated that employment growth will occur in other regional industries such as tourism, hospitality, fishing and aquaculture, from regional initiatives to encourage economic development. As the extent of this indirect employment is not known, and might be attributable to the mining sector, it has been excluded from the workforce analysis.

PROJECT	OPERATOR	OPERATOR DIRECT WORKFORCE ESTIMATE	ESTIMATE ALLOWANCE FOR FIFO (less 25%) ¹	INDIRECT EMPLOYMENT ESTIMATE (multiplier 1:3)	TOTAL WORKFORCE ESTIMATE
Central Eyre Iron Project	Iron Road limited	650	487	1,461	1,948
Wilcherry Hill	IronClad Mining	230	172	516	688
Fusion Joint Venture	Centrex, Eyre Iron	1,240	930	2,790	3,720
Wilgerup	Centrex	100	75	225	300
Kookaburra Gulley	Lincoln Minerals	30	22	66	88
Uley Graphite Mine	Valence Industries	100	75	225	300
Campoona/Sugarloaf	Archer Exploration	30	22	66	88
TOTAL EMPLOYEES		2,380	1,783	5,349	7,132

Table 15: Estimate of Regional Workforce by 2020 Based on Mining Growth. ¹ Note: figures rounded down.

Based on the above assumptions, the 7,132 estimate may well prove to be conservative if the FIFO component is less than anticipated, and the indirect employment multiplier of 1:4 was to apply.

Even though the regional population is relatively small, the region has the capacity to provide part of this workforce, and these human capital characteristics need to be factored into the workforce analysis. The main sources of potential labour from within the region include the unemployed, school leavers, and people migrating to the region.

- **Small Unemployment Pool:** The regional unemployment rate in September 2013 was 4.0% with a pool of 1,730 unemployed people. (Department of Employment, *Small Area Labour Markets, September Quarter 2013*). Many of the long term unemployed may never gain employment because of poor literacy and numeracy skills, along with attitudinal and social issues which prevent them from labour force participation.

The probable workforce from the unemployed sector is estimated at 430. This is a best case scenario which assumes that about 25% of the long term unemployed have the capability to become 'work ready' and be suitably up-skilled for employment. However, it is unlikely that these people will satisfy the criteria for employment in the mining sector. They may nevertheless form part of the replacement pool to back-fill positions vacated by retirees and workers moving to the mining industry where less experience is required.

- **School Leavers:** The potential pool of school leavers by 2020 is estimated to be approximately 7,800. (Based on ABS Census data for people aged 10-19 years in 2011). However, ABS migration and destination data provided by Port Lincoln High School indicates that approximately 30% of school leavers move from the region each year for further education and employment. The best case scenario is that school leavers over the next years will provide a work pool of about 5,460 people, based on the assumption that 70% will remain in the region and have the capability for employment.
- **Migration of People to the Region:** ABS 2011 Census data indicate that 6,589 people migrated to the region between 2006-2011 from overseas, interstate, greater metropolitan Adelaide and other SA regions. If this migration pattern continues then approximately 6,600 people will move to the region by 2020. The ABS data indicates that 34% of the migrants were under 24 years of age - i.e. most of this sector will be at school or undertaking further study and will therefore not be part of the labour force. Assuming that some of the migrants will be home based mothers, a ratio of 50% has been adopted to estimate the probable migratory workforce at 3,300 people.

Based on these labour pool scenarios, there is potential for the region to provide a workforce of 9,190 people, producing an oversupply of 2,058 workers. However, this analysis has not considered the impact of workforce retirements and the migration of people away from the region.

REGIONAL LABOUR FORCE SECTORS BY 2020	ESTIMATES
Estimated size of the required additional workforce	7,132
POTENTIAL REGIONAL LABOUR FORCE SOURCES	
Probable workforce from the unemployed sector (includes Aboriginal unemployed)	430
Probable workforce from school leavers	5,460
Probable workforce from people migrating to the region	3,300
TOTAL POTENTIAL REGIONAL LABOUR FORCE	9,190
Workforce Over Supply	2,058

Table 16: Estimate of Potential Regional Workforce from Local Sources by 2020.

- **Workforce Retirees:** The age profile of the regional workforce indicates that over 11,000 workers (approximately 40% of the regional workforce) will leave their jobs within 20 years if they all retire at 65 years of age.

Over 940 workers had reached retirement age in 2011 and approximately 4,500 positions will become vacant if workers aged 55 years and over in 2011 retire by 2020. The biggest impact would be in the transport, postal and warehousing industry, the primary production (agriculture and fishing) industry and health care and social assistance industry. It is therefore probable that approximately 4,500 people will retire from the workforce by 2020.

- **Migration from the Region:** In addition to the 30% of young people aged 20-34 years who migrate from the region each year, a total of 4,347 other people migrated from the region between 2006 and 2011. ABS 2011 Census data shows a loss of 1,682 people aged 0-19 years and a loss of 2,665 people aged 35 years and over.

Most of the younger people 0-19 years would be in school or studying and therefore not be part of the labour force. However, a considerable proportion of those aged 35 years and over would be in the labour force. Erring on the side of caution – and based on a conservative estimate of 50% labour force participation – it is probable that 1,330 people left the regional labour force between 2006 and 2011. If a similar pattern continued from 2014 it is likely that about 1,330 positions would be vacated by 2020 and would need to be back-filled.

REGIONAL LABOUR FORCE SECTORS BY 2020	ESTIMATES
Estimated size of the required additional workforce	7,132
Probable workforce from the unemployed sector (includes Aboriginal unemployed)	430
Probable workforce from school leavers	5,460
Probable workforce from people migrating to the region	3,300
Workforce	-2,058
Workforce loss from retirees	4,500
Workforce loss from migration away from the region	1,330
Probable Workforce 2020	3,772

Table 17: Estimate of Potential Regional Workforce by 2020.

When the labour force loss from retirees and migration is taken into account, it is estimated that the region will be 3,772 people short to meet anticipated development needs. In other words, the region's population base is too small to provide the desired skilled and experienced workforce and approximately 3,700 workers will need to be recruited from outside the region.

In view of these various human capital characteristics, the region has adopted a diverse range of strategies for workforce development, including but not limited to:

- Providing school students with industry-specific skills training and information about school-to-career pathways to create local employment opportunities, and minimise the migration of young people from the region.
- Addressing the employment and social needs of long-term unemployed and disadvantaged people by providing case management and other support to remove barriers to education, overcome social exclusion, improve work readiness, and increase training and labour force participation. These initiatives focus on providing the skill sets desired by industry.
- Facilitating industry leader engagement in workforce planning to ensure that skills training and work experience programs meet industry needs.
- Supporting the development and expansion of the region's education and training facilities, including the provision of on-line courses to improve access to training programs.

Even if these strategies are successful they will not overcome the dilemma that the region's population is too small to provide the workforce to meet predicted needs. There will be a shortfall in the predicted labour demand and much of the workforce will need to be recruited from outside the region. However, due to strong competitive demand across Australia for skilled and experienced labour, the option of "*advertising and hope they come*" is high risk, as demonstrated by the recruitment difficulties experienced by regional employers.

FIFO is not the preferred workforce solution for this region, due to the negative economic and liveability impact on regional communities, and cost implications for Local Government. Some of the region's emerging mining companies are aware of these impacts and are giving employment preference to people who currently live in, or are willing to, relocate their families to the region.

The workforce development initiatives will therefore be supported by a proactive intra and interstate marketing strategy to attract skilled and experienced labour from outside the region. RDAWEP is preparing a *Regional Prospectus* as part of this strategy. The *Prospectus* will promote the virtues and benefits of residing in the region, and is being supported by initiatives to improve community services and social infrastructure to enhance liveability and retain worker families.

Sustainable Communities and Population Growth

Population and Demographic Change

Since 2001, the regional population has grown by 4.5%, however, the growth is not consistent across the region as a whole. The District Councils of Elliston, Wudinna and Kimba experienced population decline by -15.2%, -13.7% and -8.5% respectively, but the District Council of Lower Eyre Peninsula experienced growth of 17.2%. Population growth was also experienced in the coastal Councils of Streaky Bay, Tumby Bay and Port Lincoln.

The demographic change is caused by several factors, with the desire for a sea change lifestyle being a key reason. Streaky Bay and Tumby Bay are very desirable coastal locations and new estate developments have been established to cater for growing housing demand, notably by retirees from the agricultural sector. Population growth in DC Lower Eyre Peninsula stems from several locational and lifestyle advantages, including numerous coastal townships and proximity to the regional city of Port Lincoln and Port Lincoln Airport. Kimba and Wudinna, however, are the only Councils in the region without a coast line and this impacts their appeal and tourism development potential.

LOCAL GOVERNMENT	2001	2006	2011	% Change
City of Whyalla	21,552	21,416	22,088	2.4
City of Port Lincoln	13,199	13,603	14,086	6.3
DC Ceduna	3,683	3,572	3,480	-5.8
DC Cleve	1,832	1,896	1,733	-5.7
DC Elliston	1,205	1,132	1,046	-15.2
DC Franklin Harbour	1,267	1,277	1,273	0.5
DC Kimba	1,181	1,116	1,088	-8.5
DC Lower Eyre Peninsula	4,070	4,402	4,916	17.2
DC Streaky Bay	1,986	2,024	2,102	5.5
DC Tumby Bay	2,453	2,541	2,586	5.2
Wudinna DC	1,425	1,314	1,253	-13.7
Unincorporated West Coast and Maralinga Tjarutja	-	-	745	N/A
TOTAL	53,853	54,293	56,396	4.5

Table 18: Population Change, Whyalla and Eyre Peninsula Region (ABS Census Data 2001, 2006 and 2011).

A loss of employment opportunities from the rationalisation of farming properties is believed to be the main reason for population decline in the coastal council of Elliston.

This belief is supported by ABS mesh block data, which indicates that the 15.2% decline is not consistent across the LGA. The township of Elliston grew from 201 people in 2006 to 292 in 2011, whereas the population of the inland farming town of Lock declined from 144 to 129 in the same period. (ABS, *Census 2011*, also see District Council of Elliston, *Elliston Coastal Trail Business Case*, February 2013, pp. 8-9).

Regional Migration

Regional migration is comparable to trends in South Australia and Australia. 40.5% of the regional population lived at a different address in 2006, slightly less than the rates for South Australia (41.3%) and Australia (45.3%). However, 17.3% of people (7,751) lived at a different address in 2010; above the rate for South Australia (16.4%) and below the 18.5% rate for Australia. These data indicate that migration trends increased markedly during 2010-11, but it is not possible to determine if the migration was inter or intra-regional.

Migration	Region	%	South Australia	%	Australia	%
Persons	44,890		1,309,636		17,363,696	
Lived at same address 1 year ago	45,130		1,298,985		16,946,444	
Lived at different address 1 year ago	7,751	17.3	215,029	16.4	3,203,886	18.5
Lived at same address 5 years ago	31,288		884,813		11,009,842	
Lived at different address 5 years ago	18,202	40.5	540,595	41.3	7,870,698	45.3

Table 19: Migration in Region, South Australia and Australia. (ABS Census 2011).

In addition to the migration of 1,558 young people aged 20-34, another 4,347 people migrated from the region between 2006 and 2011, comprising 1,682 people aged 0-19, and 2,665 aged 35 years and over.

2011 Usual Residence	Age					Total
	0-19	20-34	35-54	55-74	75 and over	
RDAWEP Region (No)	9,170	6,480	12,835	10,327	3,337	42,149
RDAWEP Region (%)	84.5	75.6	88.3	92.7	95.7	86.7%
All of SA (excluding RDAWEP Region) (No)	1,682	2,096	1,701	814	150	6,443
All of SA (excluding RDAWEP Region) (%)	15.5	24.4	11.7	7.3	4.3	13.3%
Total No	10,852	8,576	14,536	11,141	3,487	48,592

Table 20: Migration From Region – of those aged 15-39 that lived in the region 5 years ago, where do they live now? (ABS Census 2011).

Migration to the Region

The exodus of people from the region was outweighed by people moving to the region in the same period. During 2006 to 2011, 6,589 people moved to the region comprising people from: interstate 1,462 (22.2%), overseas 854 (12.9%), greater metropolitan Adelaide 2,272 (34.5%) and other SA regions 2,001 (30.4%) – see **Table 21**:

Most people migrated to Whyalla (2,427 or 36.7%), Port Lincoln (1,759, 26.7%), Ceduna (591, 9.0%) and Lower Eyre Peninsula (572, 8.7%) and this was consistent for all origins. However, more people from greater metropolitan Adelaide moved to Lower Eyre Peninsula (219) compared with Ceduna (163).

Over half of the people from overseas (478 or 56.0%) moved to Whyalla, and almost a quarter 191 (22.4%) moved to Port Lincoln. The origin of the people migrating to the region from overseas and interstate has not yet been identified, however, the ABS intends to provide these data.

Regional Plan – RDA Whyalla and Eyre Peninsula

Local Government Area	RDAWEP Region	Interstate	Greater Metro Adelaide	Other SA Region	Overseas	Total Migration to Region	Not Stated	N/A	Total
Whyalla	16,563	482	788	679	478	2,427	1,465	1,460	21,915
Port Lincoln	10,496	422	664	482	191	1,759	746	974	13,975
Ceduna	2,420	120	163	256	52	591	207	216	3,434
Cleve	1,394	36	57	44	10	147	54	125	1,720
Elliston	812	34	47	48	5	134	34	63	1,043
Franklin H.	934	33	40	70	15	158	100	79	1,271
Kimba	856	14	35	38	13	100	56	73	1,085
Lower EP	3,729	143	219	161	49	572	261	317	4,879
Streaky Bay	1,508	95	86	88	16	285	146	144	2,083
Tumby Bay	2,024	67	135	96	16	314	77	154	2,569
Wudinna	995	16	38	39	9	102	35	111	1,243
TOTAL	41,731	1,462	2,272	2,001	854	6,589	3,181	3,716	55,217

Table 21: Those currently living in RDAWEP Region, Where did they live in 2006? (ABS Census 2011).

Family Composition

The proportion of family couples without children (42.8%) is above the rates for South Australia (40.6%) and Australia (37.8%) and comprises the largest sector of the regional population. Conversely, the proportion of family couples with children (39.5%) is below the South Australian (41.5%) and Australian (44.6%) rates. In view of the region's fast growing aged population, this combination has implications for future sustainability and workforce provision. The number of retirees will continue to grow while the numbers of young people will decline. This will make it increasingly more difficult to provide a replacement pool for workforce retirees in future years, and will compound the need to recruit workers from outside the region.

LOCAL GOVERNMENT AREA	COUPLE FAMILY WITHOUT CHILDREN		COUPLE FAMILY WITH CHILDREN		ONE PARENT FAMILY		OTHER FAMILY		PROPORTION OF SINGLE PARENT POPULATION	
	No.	%	No.	%	No.	%	No.	%	Male	Female
Whyalla	2,304	39.6	2,234	38.4	1,204	20.7	83	1.4	20.6	79.4
Port Lincoln	1,554	41.5	1,438	38.4	699	18.7	52	1.4	16.7	83.3
Ceduna	406	45.0	347	38.4	136	15.1	14	1.6	25.9	74.1
Cleve	225	49.3	188	41.2	39	8.6	4	0.9	28.2	71.8
Elliston	133	47.3	123	43.8	25	8.9	0	0.0	16.7	83.3
Franklin Harbour	181	53.1	128	37.5	29	8.5	3	0.9	23.1	76.9
Kimba	144	50.3	127	44.4	15	5.2	0	0.0	18.8	81.2
Lower Eyre Pen	594	44.9	595	45.0	125	9.5	8	0.6	28.2	71.8
Streaky Bay	252	47.1	224	41.9	53	9.9	6	1.1	23.5	76.5
Tumby Bay	383	53.8	256	36.0	65	9.1	8	1.1	27.7	72.3
Wudinna	143	43.3	160	48.5	19	5.8	8	2.4	45.0	55.0
South Australia	-	40.6	-	41.5	-	16.3	-	1.6	18.9	81.1
Australia	-	37.8	-	44.6	-	15.9	-	1.7	17.6	82.4
REGION	6,368	42.8	5,878	39.5	2,437	16.4	188	1.3	20.5	79.5

Table 22: Family Composition and Single Parents. (ABS Census 2011).

Whyalla, Port Lincoln and Ceduna have the highest proportions of single parent families, with Whyalla (20.7%) and Port Lincoln (18.7%) markedly above the regional, State and Australian averages. It is anticipated that there may be increasing demand for child care services in Whyalla and Port Lincoln, particularly if the parent has labour force participation.

The proportion of female single parents (79.5%) is below the State and Australian averages of 81.1% and 82.4%. The highest proportion of female single parents was recorded in Port Lincoln and Elliston, both at 83.3%, and slightly above the State and Australian rates of 81.1% and 82.4%.

Sustainable Communities and Population Growth: Economic Socio-Economic Profile

Median Incomes

The region has a lower income profile than South Australia and Australia. The median incomes for persons, families and households in Ceduna (\$585, \$1,327 and \$1,048) are above the regional and South Australian averages, but below the Australian median family income level (\$1,481). The highest median family income was recorded at Kimba (\$1,365), but is still below the Australian average. The lowest levels of median personal income were recorded in Tumby Bay (\$457), Franklin Harbour (\$458), Streaky Bay (\$463) and Whyalla (\$472).

REGION	PERSONAL	FAMILY	HOUSEHOLD
Whyalla	472	1,276	934
Port Lincoln	523	1,203	924
Ceduna	585	1,327	1,048
Cleve	536	1,136	938
Elliston	497	988	804
Franklin Harbour	458	992	845
Kimba	577	1,365	1,017
Lower Eyre Peninsula	526	1,238	1,039
Streaky Bay	463	1,044	812
Tumby Bay	457	1,012	787
Wudinna	544	1,262	973
South Australia	534	1,330	1,044
Australia	577	1,481	1,234
REGION	503	1,224	933

Table 23: Median Weekly Incomes (People Aged 15 Years and Over. (ABS Census 2011).

Selected Government Pensions and Allowances

Almost a quarter (24.4%) of the regional population is reliant on income support from the aged pension, Newstart, carer payment, disability support pension and single parent payment. This exceeds the rates for South Australia (22.4%) and Australia (20.3%) – see Table 24.

With the ageing of the regional population, the proportion of persons dependent on income support is likely to increase as more people retire. Almost half (12.2%) of the cohort on income support are pensioners, which may explain the low median income levels at Tumby Bay, which has the oldest LGA profile in the region. People on support benefits have less expendable income, so there is likely to be a negative flow-on effect to regional businesses as this cohort increases.

The proportion of people on the disability support pension (5.2%) exceeds the State and Australian rates (4.8% and 3.8% respectively). This indicates a probable need for additional disability support services in future years. This matter will be pursued by the Community Services Target Team during 2014-15 – see **Attachment 2**.

SELECTED GOVERNMENT PENSIONS AND ALLOWANCES	REGION		SOUTH AUSTRALIA		AUSTRALIA	
	No.	%	No.	%	No.	%
Age Pension - Centrelink	6,891	12.2	194,014	12.2	2,220,384	10.3
Carer Payment	630	1.1	13,894	0.9	186,065	0.9
Disability Support Pension	2,950	5.2	76,061	4.8	818,850	3.8
Parenting Payment - Single	1,224	2.2	26,605	1.7	326,248	1.5
Newstart Allowance	2,110	3.7	45,367	2.8	527,480	3.8
TOTAL	13,805	24.4	-	22.4	-	20.3
Newstart Allowance – support over 365 days		73.7		65.0		62.7
Youth Allowance (FT students/apprentices)	537	1.0	26,819	1.7	325,225	1.5
Youth Allowance (Other)	441	0.8	7,508	0.5	85,972	0.4

Table 24: Income Support Dependency in the Region, South Australia and Australia. (ABS, *Census 2011*).

3.7% of people receive the Newstart allowance, which is above the 2.8% rate for South Australia but equivalent to the Australian rate of 3.8%. In the region’s three major centres, a higher proportion of people in Ceduna receive Newstart (5.5%) than in Whyalla (4.5%) and Port Lincoln (3.9%), but a higher proportion of people in Whyalla receive the single parent payment at 2.9%. This is above the regional (2.2%), South Australian (1.7%) and Australian (1.5%) rates for single parent support.

SELECTED GOVERNMENT PENSIONS AND ALLOWANCES	WHYALLA		PORT LINCOLN		CEDUNA	
	No.	%	No.	%	No.	%
Newstart Allowance	987	4.5	546	3.9	192	5.5
Newstart Allowance – support over 365 days		76.5		69.6		76.0
Parenting Payment - Single	650	2.9	341	2.4	73	2.1
Youth Allowance (FT students/apprentices)	262	1.2	170	1.2	np	-
Youth Allowance (Other)	211	1.0	129	0.9	51	1.5

Table 25: Income Support Dependency in Whyalla, Port Lincoln and Ceduna. (ABS, *National Regional Profile, Whyalla, Port Lincoln and Ceduna 2007-2011*).

However, 73.7% of people in the region receive Newstart income support for more than one year. This markedly exceeds the rates for South Australia (65.0%) and Australia (62.7%), and indicates that there are pockets of entrenched unemployment and income dependency, notably at Whyalla (76.5%) and Ceduna (76.0%). There is a need for the provision of specialised training programs to up-skill and improve the work-readiness of these people, to equip them for employment.

Industry Profile

The regional economy is extremely diverse, but the industry composition is changing. Based on employment generation, the main industries are primary production (agriculture, fishing and aquaculture), health and social care, manufacturing, retail trade, education and training, and construction. Tourism and mining are the region’s fastest emerging industries and have significant potential for future growth.

Primary production (agriculture, fishing and aquaculture) is the largest industry employing 3,338 people or 13.1% of the regional workforce. Employment in this sector declined by 16.8% over the last decade (from 4,012 people in 2001 to 3,338 in 2011), largely due to the rationalisation of farming properties which reduced employment opportunities in the agricultural sector. Primary production nevertheless remains the major industry in the region and is integral to business growth and development in other industry sectors – ABS, *2011 Census*, from www.myregion.gov.au.

INDUSTRY	EMPLOYMENT 2001	EMPLOYMENT 2011	% CHANGE
Agriculture, Fishing and Forestry	4,012	3,338	-16.8
Health Care and Social Assistance	2,111	2,996	29.5
Manufacturing	2,786	2,890	3.6
Retail Trade	2,481	2,669	7.0
Education and Training	1,764	1,967	10.3
Construction	1,340	1,813	26.1
Accommodation and Food Services	1,356	1,595	15.0
Transport, Postal and Warehousing	999	1,260	20.7
Public Administration and Safety	1,152	1,172	1.7
Mining	199	957	79.2
TOTAL	18,200	20,657	11.9%

Table 26: RDAWEP Top Ten Industries by Employment, 2011. (ABS Census 2011 from www.myregion.gov.au).

Agriculture

Agriculture is the region's second largest industry based on GDP, making up 37% of South Australia's total agriculture production. The region is renowned for premium grains, particularly high protein wheat, malting barley varieties, milling oats and canola. Eyre Peninsula's 2014 harvest produced 40% of South Australia's wheat crop, 24% of the barley crop and 22% of the canola crop. On average, 97% of the region's annual grain crop is exported.

The total value of the region's agricultural industry is around \$870 million per annum, returning \$690 million to the farm gate. (PIRSA, Crop Report, January, 2014, from www.pir.sa.gov.au/grains/cpr).

Livestock continues to attract high prices and farmer interest in the sheep industry remains stable.

Fishing and Aquaculture

The region's fishing and aquaculture industry produces most of South Australia's seafood and directly employs over 1,024 people. Tuna farming and oyster growing are the largest employing sectors. The industry is highly trade focused exporting product to New Zealand, Asia, Europe, the Middle East and the USA.

The total value of South Australia's fishing and aquaculture production in 2010-11 was \$425.5 million. The region's aquaculture industry accounted for 97% of the State's aquaculture production, valued at \$234.7 million, and employed 87.3% (635) of the State's 727 FTE employment positions in the sector. (Econsearch Pty Ltd, *The Economic Impact of Aquaculture on the South Australian and Regional Economies, 2010/11*, A report for PIRSA Fisheries and Aquaculture, May 2012). PLEASE NOTE: Fishing and aquaculture reports for PIRSA take over one year to prepare so the 2010-11 data is the latest available.

In 2010-11 the RDAWEP region contributed 100% of SA's Southern Bluefin Tuna production (valued at \$140,170,000), 100% of the Marine Finfish production (valued at \$27,909,000), 97% of Oyster production (at \$36,472,000), 92% of Mussel production (at \$2,425,000), 62% of Abalone production (at \$10,842,000) and 97% of other aquaculture (at \$22,471,000). (Econsearch, May 2012, pp. 6-7).

The region also has an important sardine fishery which is vital to the tuna farming sector because 94% of the sardine catch is sold for tuna farm fodder. (Econsearch, Report for PIRSA, *Economic Indicators for the South Australian Sardine Fishery 2010-11*, June 2012, pp. 24-6).

The Eyre Peninsula has a domestic and international reputation for its high quality and diverse range of seafood. This reputation has been built on sound environmental management, sustainable operational practices, and entrepreneurship. As a major marketing initiative in 2006, Eyre Peninsula developed a food brand *Eyre Peninsula - Australia's Seafood Frontier* to differentiate the region's seafood as world's best quality. The brand has helped to position the Eyre Peninsula as a world leader in quality seafood produce. (RDAWEP, *Brand Eyre Peninsula 2012-2013 Food Prospectus*, 2012).

The region is currently increasing the market competitiveness of the fishing and aquaculture industry through a range value-adding and development initiatives targeting the hospitality and culinary tourism industries. This has potential to create numerous new employment opportunities.

Health Care and Social Assistance

The health care and social assistance industry is the largest employer in South Australia and the second largest regional industry. A diverse range of facilities and services is available in all townships with major hospitals in Ceduna, Whyalla and Port Lincoln. These hospitals underwent major redevelopment in 2010, 2012 and 2014 respectively. Eight smaller hospitals at Cummins, Elliston, Streaky Bay, Tumbly Bay, Wudinna, Cleve, Cowell and Kimba provide a range of primary health services, including residential aged care.

In 2011, the industry employed 2,996 people or 11.8% of the regional workforce. Most employees are based in Whyalla (1,153 people or about 38.5% of the health workforce), with 790 employees (26.4% of the workforce) based in Port Lincoln. (ABS, *2011 Census*, Table Builder, by LGA, 2014).

This is a fast growing industry with a 29.5% growth in employment from 2,111 people in 2001 to 2,996 in 2011, and business growth of 36.9% since 2007 (from 122 businesses in 2007 to 167 in 2011) – see **Comparative Advantage and Business Competitiveness**. Projections indicate that South Australia's population aged 65 and over will increase to 22.6% in 2020, and 25.7% by 2030. The region's aged care sector is therefore anticipating further growth, and increasing demand for aged care services. (DFEEST, *Strategic Plan*, April 2012, p.5).

Manufacturing

Manufacturing and resource processing is the third largest industry employing 2,890 people in 2011 or 11.3% of the regional workforce. Manufacturing has experienced modest employment growth of 3.6% since 2001 but numerous growth opportunities are pending, particularly at Whyalla where several new industrial initiatives are either in progress or planned.

Whyalla is the largest industrial city in regional South Australia and the principal centre for manufacturing, steel production and resources processing in the Upper Spencer Gulf. Whyalla's manufacturing sector employs 2,039 people, comprising nearly three quarters (72.3%) of the region's manufacturing workforce. Port Lincoln has 474 manufacturing employees, or 16.6% of the workforce. (ABS, *2011 Census*, Table Builder, by LGA, 2014).

Whyalla is strategically located with transport, engineering, business, retail and education sectors directly servicing manufacturing, mining and mineral processing developments. Pending new mining operations across the broader region has potential to strengthen Whyalla as a key manufacturing centre and create numerous employment opportunities.

Retail Trade

The retail trade industry is an integral part of all regional townships and has the highest concentration in Whyalla and Port Lincoln. The retail sector is the region's fourth largest industry employing 2,669 people in 2011 or 10.5% of the regional workforce. Most employees are based in Whyalla (1,016 people, 37.8% of the retail workforce) and Port Lincoln (840 people, 31.2% of the workforce). (ABS, *2011 Census*, Table Builder, by LGA, 2014).

The retail sector experienced steady employment growth of 7.0% since 2001. The growth and sustainability of the retail sector is largely reliant on the success of the region's major industries, particularly primary production, manufacturing, mining and tourism. Many retail businesses have been established to directly support and service these enterprises.

Education and Training

The education and training industry employs 1,967 people or 7.7% of the regional workforce. Most of the employees are based in Whyalla (739) and Port Lincoln (513), collectively comprising 65% of the education and training workforce.

Construction Industry

The construction industry is the sixth largest regional industry by employment. The industry grew by 26.1% from 1,340 employees in 2001 to 1,813 in 2011.

Industry development is provided by the Construction Industry Training Board (CITB) which is funded by way of a Training Fund levy applied to projects where the value of works exceeds \$15,000. The levy is injected back into the industry via subsidised training for apprentices and existing workers. This maintains a skilled and qualified workforce, and ensures that the industry can keep up with the latest construction technologies and techniques. (CITB presentation, *Port Lincoln Forum 2014*, March 2014 and www.citb.org.au). The region had 3.5% of the State's training places in 2012-13 - (2.7% or 612 places in the Eyre Peninsula, and 0.8% or 181 places at Whyalla).

Mining

The region's mining sector is small in comparison with other industries. In 2011, mining employed 954 people or 3.8% of the regional workforce. Most employees were based in Whyalla (611), Port Lincoln (91), Franklin Harbour (85) and Ceduna (56). (ABS, *2011 Census*, Table Builder, by LGA, 2014).

Mining is the region's fastest growing industry, with a substantial 79.2% growth in employment during 2001-2011. This is largely the result of unprecedented mining exploration. The region has large resources of gypsum, iron ore, graphite, kaolin, heavy minerals sands and uranium and gold prospects. There are presently five operational and approved mines, ten developing mines and twelve prospects pending. The region's magnetite, graphite, zircon and kaolin deposits have proven to be of the finest world quality with high international demand.

The mining impact will grow substantially in forthcoming years as new ventures move from exploration to operation. This will create numerous employment opportunities and further diversify the regional economy. However, major infrastructure investment in ports, roads, rail, power and water is essential for these development opportunities to be realised. This is being progressed through a Regional Mining and Infrastructure Plan. (Deloitte, *Regional Mining and Infrastructure Planning Project – Eyre and Western Region*, Interim report for public consultation, April 2013, pp.18-19 and pp.45-48).

Tourism

Tourism is a growing industry with considerable development potential due to the region's unique and diverse nature-based visitor experiences and premium seafood products. Tourism is important for the regional economy. Visitor expenditure exceeded \$277 million in 2011-2012 from 700 businesses. (SATC, *Regional Tourism Profile for Eyre Peninsula 2011-2012*. Also see, *Whyalla News*, Tourism Finally Recognised, Thursday, June 27, 2013, p.3).

With the exclusion of the Adelaide Tourism Region, the Eyre Peninsula was the fourth most popular tourism region in South Australia in 2012 with 390,000 visitors and the third highest region for visitor nights (1,593,000). During June 2010-June 2012, the annual visitation averaged 326,000 domestic and 14,000 international visitors. The collective visitation generated 1,647,000 visitor nights with international visitors staying an average of 12.1 nights in the region. (SATC Tourism Research, *Overnight Travel - South Australian Regions, Year Ending December 2012*, and SATC, *Eyre Peninsula Regional Tourism Profile 2010-2012*, September 2012).

With direct support from tourism industry operators via the Tourism Target Team, RDAWEP is driving a number of integrated planning and other initiatives to further develop the tourism sector, including the preparation of an Annual Tourism Marketing Plan, a Regional Tourism Infrastructure Plan, a Regional Tourism Business Development and Workforce Skills Strategy, a Culinary Tourism Plan and a long-term Destination Management Plan. (RDAWEP, *Building Eyre Peninsula as a Tourism Destination*, January 2012 and RDAWEP, SATC and Eyre Peninsula Tourism Target Team, *Eyre Peninsula Destination Action Plan 2012-2015*, July 2012).

Due to the success of the food brand, *Eyre Peninsula – Australia’s Seafood Frontier* has been adopted as the brand to drive tourism development, and position the region as a culinary tourism and conference destination. (RDAWEP, *Brand Eyre Peninsula 2012-2013 Tourism Prospectus*, 2012).

The strategy has been very successful, resulting in direct interstate flights from Melbourne to Port Lincoln for *Seafood Lover’s Weekends* during 2012, with additional flights booked from Melbourne, Sydney, Canberra and Perth during 2013-14.

Opportunities have emerged to develop cruise tourism. RDAWEP, the City of Port Lincoln and the SATC, were successful in attracting two additional cruise companies to Port Lincoln in the 2014-15 seasons. Both Royal Caribbean and P&O Cruise lines have included Port Lincoln as a destination port in future itineraries. Both companies have confirmed overnight visits, increasing the economic benefit to the region. The cruise tourism strategy has seen additional capacity of 6,400 passengers and crew in 2014, increasing substantially by over 4,000% from 450 in 2013, to 18,200 in 2015.

Sustainable Communities: Environmental

Natural Resources Management

Best practice natural resources management (NRM) is critical to the sustainability of agriculture, aquaculture, fishing and tourism industries, and to enhance the lifestyle and amenity of the region. RDAWEP does not have a direct role in the planning and implementation of NRM initiatives. NRM is the responsibility of two NRM Boards and the SA Government Department of Environment, Water and Natural Resources (DEWNR). Most of the region falls under the auspices of the EPNRM Board. The far western section to the Western Australia border is managed by the Alinytjara Willurara NRM (AWNRM) Board as the area has large tracts of Aboriginal owned land.

RDAWEP works closely with the EPNRM Board in numerous capacities. The EPNRM Board is represented on the RDAWEP Board, and RDAWEP sits on the Eyre Peninsula Water Security Reference Group and the EPICCA Committee – both under the auspices of the EPNRM Board.

RDAWEP participation on the EPICCA Committee will ensure that climate change adaptation issues are considered in regional development planning because they have implications for economic and other sustainability decisions. RDAWEP also supports initiatives to balance NRM and economic development decision-making to ensure that the natural attributes, liveability and prosperity of the region can be sustained.

In March 2014, RDAWEP participated in an EPNRM hosted workshop with local Councils to identify options to achieve improved environmental outcomes. The alignment of Local Government, RDAWEP and EPNRM strategic plans was identified as a critical need and will be pursued during 2014-15. The workshop was timely because Local Government across the State is very concerned about the rising costs of environmental management, particularly the cost of providing offsets under the *Native Vegetation Act 1991*.

Native Vegetation Clearance

Under the Act, and *Native Vegetation Regulations 2003*, authorised clearance of native vegetation must be offset by a Significant Environmental Benefit (SEB). The SEB can either be in the form of land areas set-aside to preserve native vegetation, or a payment to the Native Vegetation Fund. Councils are concerned about the ratio of the set-aside areas and the amount of fund payment.

Depending on the amount of native vegetation on the area to be cleared, the set-aside ratio varies from 2:1 to 10:1 (i.e. for each hectare cleared, up to ten hectares need to be preserved elsewhere). The revised payment proposal is \$20,000 per hectare, payable at \$2,000 per hectare per annum over 10 years. The original proposal was \$50,000 per hectare, over 10 years. (Native Vegetation Council, *Significant Environmental Benefit Offsets under the Native Vegetation Act 1991, Discussion Paper for Regional Workshops*, December 2013).

The EPLGA and local Councils are concerned because it is difficult to find set-aside areas at 10:1 which is constraining new developments; the Lower Eyre Peninsula is susceptible to bushfire (with major instances in 2005 and 2012) and clearances are necessary for public safety; and the payments are cost prohibitive. The Native Vegetation Council has been consulting with Local Government about this since December 2011, but the matter has yet to be resolved.

Climate Change

The potential impact of climate change on the marine and land environment is a threat to the region's natural resources, and could severely affect the productivity and sustainability of the agriculture, fishing, aquaculture and tourism industries. Potential marine impacts include rising sea levels and sea temperatures, increased seawater acidification, and changes to ocean currents and upwelling events. Predicted drier weather patterns and increased wind and storm damage are likely to affect arable land and farming practices. Water resources are likely to be further strained, with a predicted decline in annual rainfall and higher evaporation rates. Droughts are expected to be more frequent and more severe. The combined effects could include shorter growing periods for plant and animal species, and impacts on agriculture, fishery and aquaculture productivity through variable and decreasing yields. Adapting to climate change is essential to sustain the region's natural resources and there is a compelling need to reduce carbon emissions as part of the strategy.

In 2012 EPICCA initiated Stage 1 of a Climate Change Adaption Plan for the Eyre Peninsula with an audit of the potential impacts for agriculture, fisheries, water, conservation and Local Government planning and operations. (Mark Siebentritt and Associates, *Eyre Peninsula Climate Change Adaption Plan Project Stage 1*, January 2013).

Stage 2 of the project – the preparation of the Regional Climate Change Adaption Action Plan – was completed in February 2014. (Seed Consulting Services and URPS, *Regional Climate Change Adaption Plan for the Eyre Peninsula*, prepared for the Eyre Peninsula Climate Change Agreement Committee, February 2014).

Stage 2 focuses on adaption and resilience as this puts priority on planning for future opportunities, rather than mitigation (i.e. the assessment of vulnerability and climate change risks). The Adaption Plan is important for planning economic development and infrastructure projects. For example, the proposal to construct a multi-commodity port at Cape Hardy for Iron Road's Central Eyre Iron Project needs to consider the potential long term impacts of rising sea levels and storm surges, given that the infrastructure will have a life span of approximately 100 years.

The Adaption Plan provides a framework for considering the potential impacts on agriculture, bio-diversity conservation management, fisheries, Local Government (Coastal development, Peri-urban expansion, road maintenance), and water resources management.

These have been identified as priority areas for decision making because the impacts can affect the region's economic base, community functioning, natural environment and their collective interaction. The Plan suggests the application of decision lifetimes in assessing climate change impacts, because different projects will be impacted in different ways across very different timeframes. Some of these timeframes will be short, but others require longer term considerations. (Seed Consulting, et al, *Regional Climate Change Adaption Plan*, 2014, pp. 25-49).

RDAWEP will consider the application of the Adaption Plan framework in business case and project development deliberations where deemed appropriate.

Water Security

Water supply is arguably the most important issue concerning the sustainability, growth and prosperity of the region. The Eyre Peninsula does not have abundant natural water resources. The potable water supply is drawn from isolated local groundwater aquifers, but is reliant on top-up supply from the River Murray.

The Tod River, about 18 kms north of Port Lincoln, is the only significant surface water catchment in the region, but due to high salinity levels the Tod Reservoir is no longer used for water supply.

SA Water manages the regional water system. Whyalla, Iron Knob and Kimba are connected to the State water system from the River Murray. The southern and western parts of the region are supplied by a pipeline from groundwater basins. The two networks are connected between Kimba and Lock, providing a mixture of River Murray and aquifer water to the west of the region. In 2011-12 the Eyre Peninsula mains water consumption was 16.2 GL, with approximately 1.7 GL drawn from the River Murray. (Department of Environment, Water and Natural Resources (DEWNR). *Eyre Peninsula Demand and Supply Statement Annual Review 2013*, July 2014. This data does not include The City of Whyalla, which is connected to a separate supply network for the Upper Spencer Gulf from the River Murray).

The 2013 annual review of demand-supply projections indicated that, based on current population growth and potential climate change impacts, the demand for potable water is expected to exceed supply in 2024-2025, and the demand for all water resources (i.e. non-potable water used by industry) is not projected to exceed supply prior to 2050. These predictions are assessed annually. (DEWNR, 2014, Executive Summary).

Long-term sustainable water use is a key issue for the region. With forecast population growth and increasing water demand from industry, there is growing community desire for the establishment of desalination plants to supplement the existing supply.

The SA Water Long Term Plan investigated seven options to augment water supply on the Eyre Peninsula. (Government of South Australia, SA Water, *SA Water's Long Term Plan for Eyre Region*, November 2008, p.51).

In 2013, SA Water advised that the preferred options are either: the adoption of supply efficiencies on the Iron Knob to Kimba pipeline, or a small seawater desalination plant of about 2.5 GL (with capacity for future expansion to 5 GL) to supplement the groundwater basin supply network. SA Water's preferred location for the desalination plant is in the vicinity of Sleaford Bay, south of Port Lincoln. (SA Water presentation to the Eyre Peninsula Water Security Reference Group, 11th June 2013).

The merit of seawater desalination has been widely discussed across the region. The RDAWEP Board has identified the provision of desalination plants as one of the region's most critical needs, but there are differing community opinions about how many plants should be established and where they might be located. Some people want small desalination plants at different strategic sites around the region for the provision of localised water supply.

The existing water supply network, which relies on top-up supply from the River Murray, is short-term, single generation planning. Given the present state of the River Murray, it is seemingly absurd that Whyalla's mains water supply is drawn from this source and that a slurry of Murray River and aquifer water is being provided as far away as Ceduna. Desalinated water might not be cost-effective with present technologies but, with 2,000 kilometres of coastline around the region, it might be the only long term option for a sustainable water supply.

Collaboration between the private and public sectors might provide a desalination plant solution. A condition for the development of mining ventures on the Eyre Peninsula is that the mining companies must have a self-sufficient water supply. Several desalination plants have been proposed. SA Water has advised that it will assess water applications from mining companies on a case-by-case basis, including partnership opportunities to provide a public water supply. (SA Water presentation to the Eyre Peninsula Water Security Reference Group, 11th June 2013).

Local Government Water Catchment Management Schemes.

Local Government recognises the need for the sustainable management of water resources and has adopted a range of water catchment management and reuse strategies to minimise reticulated water consumption. These include the implementation of dual reticulation schemes for existing businesses and new residential developments, and water recycling schemes in parks, reserves and sporting ovals. (E.g. City of Port Lincoln, *Strategic Directions Review, 2012*, p. 26).

The *Waterproofing Whyalla* project is an exemplary project in this regard and significantly expanded the city's recycled water distribution system to irrigate median strips, ovals, parks and reserves. Project benefits included: increased recycled water provision throughout the city; a reduction in water costs; a reduction in the amount of water drawn from the Murray River, and the minimisation of pollutant discharge into the marine environment of Spencer Gulf. (City of Whyalla, *Waterproofing Whyalla*, 2010; Primary Industries and Regions SA, Regional Development Media Release, *Waterproofing Whyalla's future*, 19 September 2011).

The City of Port Lincoln Stormwater Management Plan was approved by the Stormwater Management Authority in February 2014. The Plan identifies five projects for implementation during 2014-2017, at a cost of \$2.672 million. The projects will be implemented with funding from the City of Port Lincoln and the Local Government Stormwater Management Authority.

RDAWEP is pursuing other water re-use projects with the City of Port Lincoln, including the use of saline fish processing waste water to irrigate the Port Lincoln Race Course and Golf Club.

Renewable Energy

The region's natural assets of consistent wind resources, abundant sunshine, high wave action and a landscape suitable for large scale wind farms make it ideal for the development of renewable energy projects. Two wind farms are located at Cathedral Rocks near Port Lincoln and Mt Millar near Cowell, which supplement the power transmission network on the lower Eyre Peninsula.

RDAWEP is in the process of facilitating several renewable energy projects at Whyalla – e.g. with the production of biofuel, which has the potential to reduce reliance on fossil fuel products. An industrial symbiosis project is also being progressed, which will reduce energy use and provide opportunities for the exchange of industrial materials, water and by-products to optimise operations and supply chains. Pumped hydro pilot projects, using a combination of wind and water to drive turbines, are being facilitated for power generation. These opportunities will enable the region to make a significant contribution to the Australian Government's target of producing 20% of the nation's energy through renewable energy resources by 2020.

Sustainable Communities: Social

Regional Housing Profile

In 2011, 31.8% of the region's occupied dwellings (6,973) were owned outright, 30.8% (6,752) were mortgaged and one-third (33.7%, 7,396) were rental properties. The level of home ownership was notably higher in the eight smaller Councils – e.g. Kimba (53.0%), Elliston (51.2%), Streaky Bay (49.5%) and Franklin Harbour (49.1%), averaging 48.0% - compared with Whyalla (24.1%), Port Lincoln (28.6%) and Ceduna (31.9%) see **Table 27**.

Outright home ownership in Whyalla and Port Lincoln was lower than the regional average. Conversely, the proportion of rented dwellings was above the regional average in Whyalla (39.0%), Port Lincoln (36.0%) and Ceduna (38.6%), whereas the average across the region's eight smaller Councils was 23.0%.

The majority of dwellings (78.5%) were traditional separate houses. This percentage is markedly higher in the smaller Councils (averaging 94.0%) compared with Whyalla (67.5%) and Port Lincoln (75.7%). The region has very few flats, units and apartments (4.7% of dwellings) with the majority (8.3%) located in Port Lincoln.

LOCAL GOVERNMENT AREA	OCCUPIED PRIVATE DWELLINGS		OWNED OUTRIGHT		OWNED WITH A MORTGAGE		RENTED	
	No.	%	No.	%	No.	%	No.	%
Whyalla	8,937	88.7	2,153	24.1	3,037	34.0	3,489	39.0
Port Lincoln	5,518	87.3	1,581	28.6	1,715	31.1	1,988	36.0
Ceduna	1,274	80.9	406	31.9	314	24.7	492	38.6
Cleve	687	70.2	307	44.6	194	28.2	159	23.1
Elliston	427	55.5	218	51.2	89	20.9	104	24.4
Franklin Harbour	479	63.6	235	49.1	117	24.4	106	22.1
Kimba	411	76.7	218	53.0	85	20.7	87	21.2
Lower Eyre Pen	1,735	72.7	719	41.4	651	37.5	322	18.5
Streaky Bay	757	66.6	374	49.5	179	23.7	176	23.3
Tumby Bay	1,047	70.5	495	47.2	251	23.9	263	25.1
Wudinna	484	78.3	234	48.3	99	20.5	127	26.2
REGION	21,943	81.3	6,973	31.8	6,752	30.8	7,396	33.7

Table 27: Occupied Private Dwellings and Ownership Status. (ABS Census 2011).

Three bedroom dwellings comprise over half of the region's housing stock - 57.5% of dwellings. This is relatively consistent in all Council areas with the exception of Whyalla where three bedroom dwellings comprise 63.2% of housing. (ABS, Census 2011).

In 2011 the region had 7,395 rental properties with 74.1% (5,481) located in Whyalla and Port Lincoln (3,487 and 1,992 dwellings respectively). Almost half (47.2%) of the region's rental properties are located in Whyalla. The overwhelming majority (95.2%) of the region's housing authority properties (2,758 dwellings) are located in Whyalla, Port Lincoln and Ceduna, with most (68.5% or 1,889 dwellings) located in Whyalla – **Table 28**.

On the basis of housing cost, the region is a comparatively cheap place to live. The median weekly rent in 2011 was \$150, compared with \$220 per week for South Australia. The median monthly mortgage was \$1,300 compared with the State average of \$1,500 – **Table 29**.

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LOCAL GOVERNMENT AREA	RENTAL PREMISES – LANDLORD TYPE						
	Real Estate Agent	State or territory housing authority	Person not in same household	Housing cooperative, community, church group	Other landlord type	Landlord not stated	TOTAL
Whyalla	1,007	1,889	351	23	169	48	3,487
Port Lincoln	712	597	506	35	103	39	1,992
Ceduna	96	139	120	51	65	21	492
Cleve	10	24	76	4	30	16	160
Elliston	4	14	57	0	16	13	104
Franklin Harbour	19	4	52	6	15	9	105
Kimba	0	12	47	3	15	10	87
Lower Eyre Pen.	50	8	176	6	47	34	321
Streaky Bay	22	26	81	0	29	16	174
Tumby Bay	48	14	138	19	24	22	265
Wudinna	3	23	68	0	21	12	127
REGION	1,972	2,758	1,678	190	547	250	7,395

Table 28: Rental Premises, Landlord Type. (ABS Census 2011).

Rental charges and mortgages vary across the region and both have been subject to increases in recent years. Between 2006 and 2011, the median rent in the region increased by about 39.3% and the average monthly mortgage increased by 41.4%. The largest rental increases occurred in Franklin Harbour (78.2%), Kimba (60.4%) and Tumby Bay (57.9%). The largest mortgage increases were recorded in Whyalla (76.4%), Elliston (66.6%), Streaky Bay (57.6%) and Franklin Harbour (51.9%).

Pending mining and industrial developments are believed to be an influencing factor on the cost of housing. Advice from the CEO of Tumby Bay Council in 2012 indicated that the 57.9% rental increase mainly occurred during 2010-11 as a direct result of Centrex Metals employees being based in Tumby Bay to plan the Port Spencer development. This might also explain the higher than average rental at Franklin Harbour where 85 people are employed in the mining sector.

LOCAL GOVERNMENT AREA	MEDIAN WEEKLY RENT			MEDIAN MONTHLY MORTGAGE		
	2006	2011	% Increase	2006	2011	% Increase
Whyalla	104	150	44.2	737	1,300	76.4
Port Lincoln	141	180	27.6	997	1,300	30.4
Ceduna	100	136	36.0	823	1,192	44.8
Cleve	70	85	21.4	754	733	-2.8
Elliston	60	62	3.3	650	1,083	66.6
Franklin Harbour	101	180	78.2	737	1,120	51.9
Kimba	53	85	60.4	498	575	15.5
Lower Eyre Peninsula	100	140	40.0	867	1,200	38.4
Streaky Bay	100	140	40.0	708	1,116	57.6
Tumby Bay	95	150	57.9	800	1,200	50.0
Wudinna	68	84	23.5	600	758	26.3
South Australia	-	220	-	-	1,500	-
REGION	n/a	150	39.3	n/a	1,300	41.4

Table 29: Regional Median Rent and Mortgage Costs, 2006 and 2011. (ABS Census 2006 and 2011).

Escalating house prices in Whyalla are believed to result from proposed industrial developments in the city. Whyalla has been identified as a key housing growth zone and been touted as the next Pilbara, with opportunities to benefit from the growing mining and resources sector. (Jo Studdert, Regions strike the mother lode, Mining means the nation's growth will be outside the capitals, Weekend Property, *The Weekend Australian*, December 3-4, 2011, p.6).

Housing Issues and Challenges

Regional population growth, ageing and anticipated mining and industrial developments are expected to create increased demand for affordable and specialist housing in the private and public sector in forthcoming years.

The Impact from Mining

If Iron Road's Central Eyre Iron Project secures development approval, the project will create substantial demand for housing at Wudinna, Port Neill and Tumby Bay. The potential impact on housing and community infrastructure is of concern to Local Government and was addressed at the Mining Round Table in November 2013, and EPLGA Conference in February 2014.

The combination of population ageing and mining development led the Tumby Bay Council to prepare structure plans for Tumby Bay and Port Neill in anticipation of housing growth demand. The plans identified land for future housing development. (Master Plan, *Tumby Bay Sustainable Future Structure Plan – Stage 1 Discussion Paper*, May 2012 and *Port Neill Sustainable Future Structure Plan, Consultation Report*, June 2013). This initiative should be adopted by other Councils likely to be impacted by mining housing demand, such as Wudinna, Kimba and Franklin Harbour.

Population Ageing

The housing demand from an ageing population and the movement of retirees is likely to change the housing profile in forthcoming years. This is expected to affect:

- Housing densities and occupancy rates as people move into smaller dwellings,
- The demand for housing in larger towns as retirees move closer to health and community services, and
- The demand for specialist housing types, including retirement housing and independent and supported aged-care facilities. (Government of South Australia, *Eyre and Western Region Plan*, April 2012, p.41).

The housing needs of the elderly are addressed in the Whyalla Aged and Disability Care Master Plan and will be pursued on a regional basis when the Community Services Target Team is formed.

Aboriginal Housing

There is increasing demand from Aboriginal people for public sector housing. With growing Aboriginal populations in Ceduna, Port Lincoln and Whyalla, additional housing is needed to avoid overcrowding and poor health outcomes related to Aboriginal disadvantage. There is also a need for more purpose-built housing at Yalata, Oak Valley and Koonibba.

Public Housing and Affordable Rental Properties

The shortage of public housing and affordable rental properties is putting pressure on local agencies to meet the housing demand from homeless people. This need is acute in Port Lincoln where the demand for affordable rental properties well outstrips supply. There are homeless people and families with children in different sections of the region, but the number is not known.

The greatest need is among people who are ‘couch surfing’, living in overcrowded homes, or escaping domestic violence. (*Port Lincoln Times*, Struggle to find enough houses, Tuesday, October 2, 2012, p.1).

Housing Finance Regulations

Regional housing is more affordable than in Adelaide, but financial regulations are making home ownership prohibitive for first home buyers, single people, and low to middle income earners. Since the GFC, banks have limited home loans to 80% of capital value, with loans over this amount contingent on lender’s mortgage insurance (LMI). The two approved LMI companies have adopted risk mitigation strategies which prohibit the provision of LMI in certain postcode areas. This makes it difficult to purchase housing in smaller towns because many people are unable to save a 20% deposit. (*ABC News*, Mortgage insurance protects banks not home buyers, Wednesday 16th July, 2014).

Health and Aged Care Services

RDAWEP does not have a direct role in the planning or provision of health and aged care services and infrastructure. Health services are provided by the Australian Government through the Department of Social Services, and the South Australian Government through the SA Health, Country Health SA Local Health Network (CHSALHN).

The Australian Government services are provided through the Country North SA Medicare Local (CNSAML), which covers the RDAWEP region and most of South Australia, incorporating 40 hospitals, 27 community health centres and 10 Aboriginal health services. In view of the size and demographics of the CNSAML, health activities are focused in eleven community health clusters, with three clusters covering the RDAWEP region – i.e. the Upper Eyre, Far West and Lower Eyre Local Health Clusters. (Medicare Local, Country North SA, *Annual Report 2012-13*, 2013, p.6).

State Government health provision is provided by six health services covering Whyalla, Port Lincoln, Ceduna, Eastern Eyre, Mid-West, and Lower Eyre. Each health service has a Health Advisory Council and a 10-Year Local Health Service Plan (to 2019 or 2020) providing a long term vision for health services. The Plans are supported by a three-year implementation plan prepared by a regional task group. The implementation plan for the RDAWEP region encompasses the Eyre Peninsula, Far North and the Flinders Ranges. (Country SA Health Service Implementation Planning, *10 Year Health Services Plans Implementation Plan Years 1-3, Eyre, Far North and Flinders Ranges*, 2011).

Given the region’s size, it is understandable that the Royal Flying Doctor Service (RFDS) provides valuable services, including patient transport, emergency evacuations and medical retrievals.

Aged care services are provided in most townships by the health services, private and not-for-profit agencies, with high care, low care, multi-purpose, residential and dementia care services available.

Health Issues and Priorities

The task force Implementation Plan provides the best summary of issues and priorities to deliver better health outcomes. Key issues in the Plan include:

- The remote location puts some residents a long distance from major health service centres.
- There are difficulties accessing health services due to the lack of public transport.
- The area has high risk factors from smoking, insufficient physical activity and obesity.
- Patients over 65 years of age account for about one third of all separations in hospitals.
- The Aboriginal population has a much younger age profile than the general population, but is hospitalised at twice the rate of the non-Aboriginal population.

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- Workforce shortages are magnified in remote areas, and the recruitment and retention of an experienced workforce is a priority which must be met to maintain core health services.
- There is a need to overcome health service access issues through the rollout of desktop video conferencing through Telehealth and strengthening Broadband capacity in remote areas (which is expected to be achieved through the NBN rollout).

Identified health priorities for the Eyre, Far North and Flinders Ranges area include:

SECTOR	PRIORITIES
Mental Health	<ul style="list-style-type: none"> • Increase the focus on mental health and well-being, early intervention, illness/suicide prevention and substance misuse. • Develop a coordinated network of services. • A multi-disciplinary team to support an integrated 24/7 emergency response service.
Primary Health Care	<ul style="list-style-type: none"> • Build capacity for primary prevention and early intervention to be 'everybody's business' and integrated across the continuum of care. • Identify opportunities for the development of a network or partnership model to facilitate a regional approach to health planning. • Develop a model of care that builds capacity for providing culturally safe outreach services aligned to the needs of remote communities in the region. • Develop a model of care which builds the capacity of smaller sites to provide more comprehensive support to transient and vulnerable Aboriginal people.
Aged Care and Respite	<ul style="list-style-type: none"> • Establish Geriatric Evaluation and Management units at Port Lincoln and Whyalla that provide services to satellite units. • Increase community based care through innovative models for ageing in place. • Enhance care models for clients with dementia or with complex behaviour. • Improve and increase the respite options for older persons and their carers.
Maternal and Birthing Services	<ul style="list-style-type: none"> • Establish a community midwifery model of care that is collaborative between midwives, general practitioners, specialist obstetricians and health services. • Ensure sustainable and high quality obstetric and neonatal services models.
Emergency Services	<ul style="list-style-type: none"> • A model of care for emergency response to suit local needs, resources and capacity. • Up-grade Accident and Emergency equipment and communication technology.
Early Childhood Development, Paediatrics and Youth	<ul style="list-style-type: none"> • Increase local access to specialist paediatric services and Child Development Units, building on existing services. • Enhance multi-disciplinary networks across service providers to encourage open and patient centred collaboration. • Expand promotion, prevention and early intervention strategies.
Aboriginal Health	<ul style="list-style-type: none"> • Develop a culturally responsive health service. • Promote Aboriginal community health and wellbeing. • Encourage improved pathways for Aboriginal people accessing health services. • Make a commitment to the satellite health units and remote outlying communities across all priority actions, recognising their isolation and other unique needs. • Develop and sustain partnerships in the provision of services. • Recognise that resident general practitioners are critical in rural South Australia for the provision of primary health care services. • Address issues impacting on the patient including access to services as close to home as possible, transport to and from services locally and to major centres, and the provision of services which recognise cultural and other diversity. • Develop infrastructure to maintain a high standard of health service facilities. • Ensure consistent and reliable monitoring of safety and quality across all services. • Advocate for other community priority needs that may be managed outside of CHSALHN, such as dental services.

Table 30: Identified Health Priorities - Implementation Plan Years 1-3, Eyre, Far North and Flinders Ranges, 2011. (Country SA Health Service Implementation Planning, *10 Year Health Services Plans Implementation Plan Years 1-3, Eyre, Far North and Flinders Ranges*, 2011, pp. 2-4).

Aged Care Issues

Workforce attraction and retention: The attraction and retention of an aged care workforce is an ongoing issue. The demand for aged care services is beginning to outstrip workforce supply. This will escalate markedly in forthcoming years because the aged care workforce is itself ageing. It is estimated that about half of the Australian workforce (approximately 240,445 workers) will retire in 15 years. This will not only reduce the size of the workforce substantially, but will bring a loss of experience and capability. (McCrinkle Strategy and Research Forecast, *Aged Care Puzzle*, 2014).

Over half of the region’s health care and social assistance workforce (50.9% or 1,520 people) was aged 45 years and over in 2011. Data supplied by an aged care provider on the lower Eyre Peninsula indicates that most of the service provision in 2013 was undertaken by 71 independent contractors (60 female and 11 male), most of whom (59.2% or 42 workers) were over 50 years of age. (RDAWEP consultation workshop with aged care providers, Port Lincoln, 3rd July 2013).

AGE RANGE	20+	30+	40+	50+	60+	70+	Unknown Age	TOTAL
FEMALES	0	7	13	20	15	1	4	60
MALES	0	2	3	3	3	0	0	11
TOTAL	0	9	16	23	18	1	4	71

Table 31: Independently Contracted Care Workers, Lower Eyre Peninsula, 2012-13.

It is difficult to recruit qualified and experienced staff due to the poor wages, part-time nature of the work, the 7-days per week working requirement, and the distances which need to be travelled to provide services across the region. Recruitment is a continuous process and some positions need to be advertised several times before being filled. The salaries being offered in aged care are generally poor in comparison with the wider health industry. Nursing staff in aged care facilities earn approximately \$30 per hour compared with \$40 per hour for nurses in regional hospitals. (RDAWEP, workshop, Port Lincoln, 3rd July 2013).

The health care and social assistance sector has a high proportion of part-time and casual positions. In 2011, about half (50.6%) of the region’s health care and social assistance workforce (which includes the aged care sector) worked between 1 and 34 hours per week, with the largest proportion (21.8%) employed for 25-34 hours per week.

INDUSTRY	Number of Hours Worked								Total Workforce
	1-15		16-24		25-34		35-39		
	No.	%	No.	%	No.	%	No.	%	
Health care and social assistance	361	12.1	500	16.7	652	21.8	607	20.3	2,986

Table 32: Number of Hours Worked in the Health Care and Social Assistance Industry. (ABS, 2011 Census, *Expanded Community Profile, Eyre Peninsula and South West*, Table X 38).

Much of the aged care service provision is being undertaken by contractors who boost their hours to sustainable salary levels through part-time work with a number of different aged care service agencies. (RDAWEP consultation workshop with aged care providers, Port Lincoln, 3rd July 2013).

- **Workforce Training:** The need to train replacement workers is becoming a key issue and is exacerbated by increasing minimum qualification levels. Certificate III in Aged Care is now the minimum requirement for employment. Training is easier to provide in Whyalla and Port Lincoln due to proximity to TAFE SA Regional campuses, but there are logistical, travel and cost implications for people who reside in more remote townships to access training courses.

An Aged Care program provided by TAFE in 2013-14 assisted workforce training at Whyalla but there is a need for similar courses in other areas. An Indigenous-specific Aged Care course was offered in Port Lincoln in May 2014 by a private RTO – see **Aboriginal Aged Care Issues**.

Consultation with Port Lincoln TAFE in June 2014 identified the need to provide outreach training services for aged care in the region's smaller townships. Port Lincoln TAFE has indicated a willingness to provide this service which will be pursued by RDAWEP.

- **Lack of Community Awareness and Poor Perceptions of the Aged Care Sector:** There is a lack of awareness in the broader community about the extent and growth of the ageing population, with a resultant lack of understanding about aged care service issues and the wider socio-economic ramifications. The aged care sector also does not have an attractive profile and is not considered a desirable career pathway by many people.

There is a need for marketing and reinforcement about the growth of the aged sector in regional planning documents, particularly Local Government plans, because Councils are likely to bear much of the responsibility for providing the social and community infrastructure to meet the needs of ageing communities – see **Other Issues** below.

- **Diminishing Funding for Service Provision:** Aged care funding increases are not commensurate with aged population growth, resulting in a reduction of services. Providers are finding it difficult to meet increasing demand and waiting lists have resulted. Waiting lists for high and low care packages in the region doubled during 2012-13 and this is expected to continue.
- **Remoteness and size of the region:** The size of the region is disadvantageous to service provision. Care workers are required to travel longer distances to provide client services and the cost and time spent travelling reduces the amount of care which can be provided. Inequitable services are therefore emerging with less service being given to clients in remote locations. Some areas of the region receive no services at all because care workers cannot be recruited.
- **Changing Regulatory Environment:** Not-for-profit providers are finding it difficult to meet changing infrastructure standards. Matthew Flinders Home Inc. in Port Lincoln faces a major dilemma because nursing homes are now required to provide 1 bathroom per bedroom per patient. Matthew Flinders Home has 16 double units where the clients share bathroom facilities, but the cost to comply with the new standards is prohibitive. Funding is not available to undertake the infrastructure improvements, which need to be undertaken via loans.
- **On-line access:** The introduction of on-line aged care information and services via the Myagedcare website could be problematic for many elderly people due to a lack of computer literacy and poor Internet services in several parts of the region. The on-line access initiative makes assumptions about the equity of Internet services and the successful roll-out of the NBN. RDAWEP is of the opinion that the introduction of on-line services is premature, and should have been deferred until the communications infrastructure was in place.
- **Aboriginal Aged Care Issues:** Aboriginal Aged Care facilities are available at Ceduna and Oak Valley, but there is a need for more services. Most Aboriginal aged care is provided by families within the home. However, some Aboriginal people are not receiving carer funding as they do not identify themselves as carers. The requirements for carer registration are also a deterrent for some Aboriginal people. (RDAWEP consultation workshop with aged care providers, Port Lincoln, 3rd July 2013).

In May 2014, 10 women and 2 men participated in an Aboriginal Aged Care training program in Port Lincoln. The program provided traineeship wages to undertake a Certificate III in Aged Care and was funded by a collaborative partnership between DFEEST, the Indigenous Employment Program, and Job Services Australia. A major incentive was that all of the trainees who gained their Certificates would be offered employment in Port Lincoln.

- **Whyalla Aged Care Issues:** Whyalla has an increasing demand for aged care services, especially high care dementia services. In 2011, 20.36% of the Whyalla population was over 60 years of age and further growth is predicted. While Whyalla has a number of well-established aged care services there is a need for forward planning and service provision to meet future needs. There is increasing demand for overnight and day time carer respite services, in particular dementia respite services. In 2012, Whyalla Target Team consultation identified the need for an Aged Care Masterplan, incorporating disability and dementia care, which is close to being finalised.

Other Issues:

- There is a need to keep aged people living independently in their homes for as long as possible; however, support programs for low cost house repairs and maintenance are no longer available.
- A fairer funding model needs to be determined because the existing model (based on population per km²) disadvantages aged care service provision in larger regions.
- There is an urgent need for more aged care medical specialists to meet growing service demand.
- There are issues with the efficacy of discharge planning from Adelaide Hospitals, often resulting in a client being stranded in Adelaide because the carer has been sent back to the region.
- There is a need to ensure that local Councils have effective ageing strategies in their planning documents. (Note: Under the *SA Public Health Act 2011*, Local Councils are now required to prepare Public Health Plans. The plans are being prepared and will provide an opportunity to address the needs of the aged sector. (*Port Lincoln Times*, Councils combine to look at community health, Tuesday, February 25, 2014, p.7).

Liveability and Community Amenity

The pursuit of initiatives for the long-term sustainable development of the region requires finding the right balance between economic and employment development, and environmental, community and liveability considerations. This is necessary to preserve the assets, attributes and amenity of the region and its townships.

Resident perceptions about the future of their communities and their 'sense of place' are critical to this balance, because they underpin a person's understanding about what makes the region the place where they wish to live, work and raise their families.

The land-use conflicts which have emerged in recent years – such as concerns about the impact of mining on agricultural production, and the use of scenic recreational land for industrial development – involve different perceptions about how a place should be.

This is explicit in the title adopted by the SOS group in the Tumby Bay Council. *Save Our Sustainability* is the maxim because the proponents genuinely believe that mining in the Koppio area will adversely affect their liveability, the local environment and food production. Similarly, the Alternative Ports Working Party genuinely believes that the Point Lowly peninsula is not the best place for a new port, or industrial development. They fear it will destroy the environment and amenity of the most desirable recreation and tourism area near Whyalla, with the potential to severely impact the cuttlefish aggregation in False Bay.

The Tumby Bay District Community Consultative Group (TBDCCG) was formed not just to function as a community consultative committee for mining developments, but to ensure that the wider Tumby Bay community has a voice about the potential impact of major developments on the amenity and liveability of the Tumby Bay Council area – see **Attachment 2**.

In all of these instances, the people involved do not harbour 'anti-change' attitudes, but are concerned that new developments value-add to their communities rather than destroy the qualitative characteristics which make them liveable.

The 14 principles underlying the State Government *Eyre and Western Region Plan* provide a strategic framework for achieving development balance and emphasises the need to plan, manage, protect, build upon and strengthen regional assets and attributes. The identification and protection of *desired town character* repeatedly appears throughout the document. (Government of South Australia, Department of Planning, Transport and Infrastructure, *Eyre and Western Region Plan*, April 2012, p.17).

The problem is that very little investigation has been undertaken to identify what *desired town character* actually is. The statement begs the question 'Whose desire?' If it is the desire of the region's residents and communities then it is time to ask them about their aspirations for the liveability and amenity of their communities. The EPNRM Board pursued this investigation with a series of workshops during 2014 about what is valued in the region, and how the protection of these values might be managed. Such considerations need to be carefully pursued when planning the development of the region and its social and community infrastructure.

Recreation Activities and Infrastructure

It is widely accepted that sporting and recreational activities contribute to stronger social networks and more cohesive communities. Indeed, the social fabric of most Australian rural towns has traditionally been based around sporting clubs. This is certainly the case on the Eyre Peninsula where the sports and recreation participation rate exceeds the State and Australian averages for both men and women (i.e. Region 83.1%, State 81.0% and Australia 82.5%). (Government of South Australia, Office for Recreation and Sport, *Participation in Exercise, Recreation and Sports in Regional SA*, Fact Sheet No 10, July 2006).

The research also indicates that the region has above average participation levels as players, spectators, club officials, administrators and volunteers. (Government of South Australia, Office for Recreation and Sport, *Trends in Recreation and Sport*, 2011, pp. 8-9 and *Participation in Exercise, Recreation and Sports in South Australia*, Summary Sheet, 2012).

Most towns in the region have either a single or a number of sporting facilities which provide the infrastructure to support the traditional sports of Australian Rules football, netball, cricket, tennis, basketball, bowls and golf. Local Government is the main provider of this infrastructure. However, much of the infrastructure is dated with upgrades overdue through a lack of Council funding.

The co-location of sporting clubs within a single facility is regarded as the most cost effective way of managing and sustaining sports infrastructure. This is well recognised across Australia and has been brought about by sport and recreation trends which have seen: increasing operational costs, greater competition for declining sponsorship dollars, declining participation in competitive team sports, increased participation in fitness and solo activities (such as walking, aerobics, gym exercise, cycling, swimming and running), and a decline in volunteering – making it difficult to retain coaches, officials, and administrators. (Office for Recreation and Sport, 2011, part 1, pp.2-7).

The operation, management and maintenance of stand-alone sports facilities by individual sports clubs is no longer sustainable - particularly when there is a duplication of facilities in a town. There are significant financial and operational benefits to be gained from the co-location of sporting clubs into a shared facility. This arrangement spreads the maintenance burden and operational costs between clubs, creates critical opportunities for obtaining sponsorships, shares the cost of providing higher quality facilities and enables the delivery of a broader range of sporting activities (e.g. soccer, basketball, baseball, softball etc.).

The rationalisation of sporting facilities has occurred in Port Lincoln and Streaky Bay, and similar projects are being progressed at Cummins, Ungarra, Poochera and Whyalla, and other facilities in Port Lincoln. RDAWEP is supporting these initiatives with advice to secure capital funding.

Arts and Cultural Infrastructure

Nearly all towns have sporting facilities but community and cultural infrastructure provision is less comprehensive across the region. Most towns have some form of community institute or memorial hall but very few towns have specialised or dedicated facilities to support arts and cultural activities such as historical museums, libraries, art galleries, cultural centres, theatres, cinemas etc.

The region has two premier arts and cultural facilities: (1) the Middleback Theatre in Whyalla which opened in 1986 and is managed by Country Arts SA (CASA), and (2) the Civic Hall complex in Port Lincoln, which dates from the late 1870's and is managed by the City of Port Lincoln.

The region has two specialist Indigenous arts centres – the Ceduna Aboriginal Arts and Cultural Centre at Ceduna and Kuju Arts at Port Lincoln. These facilities have visual arts workshops and sell the work of local Aboriginal artists.

Community participation in arts and cultural activities appears to be strong and growing. There are active arts, crafts, theatre, photographic, writing, historical and other groups in many towns. Some of these groups are surviving quite well in makeshift and less than adequate facilities. However, several plans are in progress to upgrade facilities to make them more suitable for the operational needs of arts and cultural groups.

One of the issues concerning arts and cultural development is that meaningful participation data is not available. CASA collects basic event attendance data but a comprehensive audit of cultural facilities, services, arts and cultural groups has not been undertaken. Given the historical importance of sport in rural townships it is understandable that most local Councils have prepared recreation and open-space plans, but community cultural development planning is an incidental part of Local Government strategic and business planning.

The need for more proactive community cultural development planning is recognised by Local Government – e.g. the City of Port Lincoln established a community Public Arts Group in 2013 to advise Council about art-in-public-places policy. RDAWEP recognises that cultural development should be supported and has identified the need for a comprehensive cultural audit of the region in the future.

These various recreation and cultural development initiatives will enhance the liveability and social fabric of the region's towns. They are also important strategies for workforce attraction and retention because they help to make the region a more desirable place in which to live.

Access to International, National and Regional Markets

Regional Infrastructure Challenges

Efficient infrastructure is essential for the region's effective functioning, growth and economic competitiveness. But the infrastructure is of varying age and condition, and there are problems with capacity, maintenance, and supply and demand.

The condition of infrastructure is constraining development and preventing many opportunities from being realised. The key issues concern limited water and natural gas supply; the capacity and reliability of the electricity supply, poor mobile communications, and the market access constraints of the transport infrastructure (road, rail, ports and airports). The pending establishment of numerous mining and industrial initiatives has highlighted the need for long term infrastructure solutions.

Natural Gas Supply

Whyalla is the only town in the region with a natural gas supply. The gas is supplied from the Moomba to Adelaide pipeline via a lateral line passing through Port Pirie. The remainder of the region is reliant on bottled gas supply. The lateral gas pipeline is sufficient to meet the current needs of industry at Whyalla, however, demand is likely to increase in future years as businesses seek more efficient means of operation. The pending establishment of new mining and industrial enterprises will drive the demand for increased gas provision in the Upper Spencer Gulf. The limited capacity of the lateral supply line is a deterrent to industrial and economic growth at Whyalla because many proposed industrial initiatives may not proceed if the gas supply is not increased.

Various studies have estimated that the gas infrastructure upgrade could cost between \$30 and \$144 million, depending on which option is adopted. (Potential Energy and GPS Engineering, *The Case for Increasing Natural Gas to the Upper Spencer Gulf*, 2004, and Potential Energy and GPS Engineering, *Increased Gas Supply to the Upper Spencer Gulf*, Potential Energy and GPA Engineering, April 2011).

The 2011 study found that the cost of providing the gas infrastructure will deter gas consuming industries from Whyalla and that government support is necessary to overcome this price disadvantage. (Potential Energy et al, 2011, p.3 and 64).

Power Supply

Power to Whyalla is supplied by ElectraNet via 275/132kV substations at Davenport and Cultana. The lower Eyre Peninsula transmission system is comprised of a single 132kV transmission line from Whyalla supplemented from wind farms at Cathedral Rocks and Mt Millar. Due to the extensive distances, the Port Lincoln supply has a back-up system of three diesel turbine generators operated by Synergen, in the event that the transmission network fails.

The western section of Eyre Peninsula is supplied by SA Power Networks via a 66kV transmission line from Wudinna to Ceduna and Penong. Other parts of the network have 66kV, 32kV and 11kV distribution systems. Port Neill is powered by three single phase 11kV lines from Lipson, and Fowlers Bay is not connected to the network and relies on a diesel generated power.

The transmission lines from Whyalla to Port Lincoln were established in 1967 and are in poor condition. The line west of Wudinna is in very bad condition. Condition assessments indicate that conductor corrosion, strand breakage and vibration damage have been commonplace.

Some lines were partially upgraded in 1998 and 2008 to increase thermal rating capacity. But a recent assessment by ElectraNet recommended that conductors, earth wires and towers be replaced prior to 2020, with some sections needing replacement prior to 2015. ElectraNet estimated that transmission upgrade to a 275kV system will cost between \$635 and \$910 million. (ElectraNet, *Lower Eyre Peninsula Reinforcement, RIT-T: Project Specification Consultation Report*, February 2012, pp.17-18).

An upgrade of the transmission network is essential to enable proposed mining developments to commence operation. ElectraNet commenced feasibility assessments for a new transmission line in 2011, and completed an economic assessment report in January 2013. Consultation has since occurred with landowners who will be affected by the infrastructure corridor, and it is anticipated that easement acquisition will be completed by 2017-18. (ElectraNet, *Reinforcing electricity supply to Eyre Peninsula*, presentation to Tumby Bay District Community Consultative Group, August 2014).

ElectraNet cannot commence construction of the new transmission infrastructure until it is economically viable to do so. This will occur as soon as a mining company, or some other major power consumer, is given development approval.

Communication Challenges

Reliable and fast communications infrastructure is critical to community functioning and business development. In 2011, Internet broadband connection in private dwellings in the region, Whyalla, Port Lincoln and Ceduna were below the rates for South Australia and Australia but, with the exception of Whyalla, other connection systems exceeded the State and Australian rates.

Access to Internet at Home (Proportion of Occupied Private Dwellings)	Whyalla %	Port Lincoln %	Ceduna %	Region %	South Australia %	Australia %
With Broadband connection	55.6	57.5	53.3	56.3	63.5	67.1
With dial-up connection	2.5	3.0	2.7	3.2	3.5	2.9
Other connection	3.5	4.7	4.3	4.4	4.1	3.9

Table 33: Access to Internet at Home in the Region, South Australia and Australia.(ABS, 2011).

Telecommunications will be substantially improved with the roll out of National Broadband Network (NBN) infrastructure. The NBN will deliver fibre-to-the-premises in Whyalla, Port Lincoln, Kimba, Cleve, Cowell, Tumby Bay and Ceduna. Other towns will receive wireless or Next Generation satellite services. The roll-out program is scheduled for completion in June 2016.

The provision of interim NBN satellite services was scheduled for May to September 2014 as a temporary measure until NBN launched its own Long Term Satellite Service, scheduled for 2015. (Hon. Malcolm Turnbull MP, Minister for Communications, *Media Release*, Interim Satellite Service expansion to provide relief for remote Internet Users, 3 April, 2014).

When completed, 93% of Australian premises will receive Broadband via fibre optic cable, but the remainder, including the bulk of remote communities, will be served by a combination of Next Generation fixed wireless and satellite technologies (4% via fixed wireless and 3% via satellite).

Cummins will be among the 4% of towns to get fixed-wireless and the rest of the Eyre Peninsula, including Elliston and Streaky Bay, will have satellite. (*Port Lincoln Times*, Fast Internet Takes Time, 2 April 2012).

Concern has been expressed that the inferior wireless and satellite services may disadvantage some businesses and households. Fibre-to-the-premises technology will provide Broadband speeds of up to 100 megabits per second, but the wireless and satellite services will provide download speeds of 12 megabits per second. As most remote Aboriginal communities will only be provided with satellite services it has been argued that the NBN roll-out will maintain disadvantage and widen, rather than close the gap between Indigenous and non-Indigenous communities. (ABC News, *NBN disparity threatens to widen the gap*, 12 July 2011).

Some of the region's smaller towns with satellite services might be disadvantaged in comparison with larger regional centres. However, NBN Co has confirmed that towns with a satellite connection will be better off because the new satellite services will be superior with capability for large files. (J Dennis, NBN Co Advisor, Stakeholder Relations, presentation to RDAWEP Board, 18 May 2012).

One issue is that NBN Co has a town size threshold which means that some smaller towns (including those with hospitals, such as Wudinna) might not be connected to fibre even if the infrastructure runs past the town. NBN Co is reviewing its Extension Policy so there is a chance that the fibre connection of some smaller towns might be reconsidered. RDAWEP will argue for fibre connection wherever possible, because this will provide better opportunities for on-line business growth. RDAWEP will also continue to foster business use of the Internet through forums and workshops to encourage development of the region's digital economy.

Mobile Phone Coverage

Mobile communication coverage extends across the region via Telstra Next G and 4G networks, giving a level of Broadband and mobile phone service to most communities. Other network providers (Optus and Vodafone) have expanded their coverage in recent years and offer service alternatives, mainly in or near the cities of Port Lincoln and Whyalla.

Many areas near Port Lincoln and Whyalla suffer communication “black spots” with fluctuating and non-existent mobile phone and wireless broadband reception. The “black spots” are largely caused by local topography and signal reflection from the ocean at coastal locations. Areas to the north of Port Lincoln in the District Council of Lower Eyre Peninsula and DC Tumby Bay are notorious for poor mobile and Internet services, being either non-existent or regularly losing signal.

A community meeting about this matter with Telstra at Ungarra in 2011 was informed that it was cost prohibitive to construct additional mobile phone towers to service small rural communities. This message was reiterated in August 2013. The Ungarra and Districts Progress Association has made several unsuccessful attempts over the years to have additional mobile phone towers installed. (*Port Lincoln Times*, Phones not so mobile, Tuesday, August 13, 2013, p.3).

Community frustration with poor mobile and Internet services led to a petition being circulated in February 2014. The petition advocated improved services in the coastal areas of Poonindie, North Shields and Louth Bay and adjacent areas. By May 2014 approximately 3,000 signatures had been collected, along with 90 written statements about the experience of businesses and individuals. (*Port Lincoln Times*, 3,000 sign for better coverage, Thursday, May 22, 2014, p.4). Key concerns included: frustration with paying full-time fees for part-time services, the lack of communication during emergencies, the inability of students to complete school work and homework via the Internet, impediments to business innovation, and impacts on the agriculture industry such as the inability to get timely notification of best grain prices (and loss of income estimated at \$3.13 million per annum) and inability to get weather notifications and changes to silo site opening hours.

The petition coincided with an Australian Government announcement about a \$100 million program to improve mobile coverage and competition in regional Australia. RDAWEP and the EPLGA initiated a “black spot” survey with the region’s eleven member Councils and lodged a joint submission to the Department of Communications, Mobile Coverage Program in February 2014.

The large number of “black spots” on the lower Eyre Peninsula is concerning because DC Lower Eyre Peninsula is the fastest growing LGA in the region. Growth is expected to continue with numerous estate developments in progress to cater for housing demand. Substantial growth is anticipated in Tumby Bay and Port Neill during 2015-19 due to the impact of several mining developments. Another concern is that the Port Lincoln Airport, near North Shields, has about 80,000 business passengers per annum and the travellers usually cannot get mobile signal after disembarking. (Department of Planning, Transport and Infrastructure, *Port Lincoln-Adelaide Air Passenger Survey Report, November-December 2011*, January 2012, pp. 1-6).

Business growth is being impeded by poor mobile communications. During 2014 RDAWEP conducted a major series of Business On-line workshops to enhance business digital capacity. However, the workshops in towns along the west coast of the Eyre Peninsula experienced smaller participant numbers due to non-existent, inadequate or unreliable mobile signal in these areas.

If the RDAWEP region is to be economically competitive and be marketed as a quality place in which to live and work, it is reasonable to expect that mobile signal will not drop out during phone calls, especially when the caller is in direct line of sight to a major regional centre, as is the case at Louth Bay, Point Boston, North Shields and Poonindie. RDAWEP and the EPLGA met with Telstra Senior Executives about these various issues on 20th August 2014, and the matter is being pursued.

Road Network

The region is bounded by the Eyre Highway, Lincoln Highway and Flinders Highway which are part of the National Highway 1 network and the maintenance responsibility of the State Government Department of Planning, Transport and Infrastructure (DPTI).

The region has a network of 12,742 kilometres of local roads, 94.9% of which are unsealed. Most of these roads are the maintenance responsibility of local government, but some are classified as 'rural arterial' roads and are the responsibility of DPTI. The eleven local Councils collaborate through the EPLGA to develop a strategic regional roads plan, which is supported by funding from the Special Local Roads Program. (SMEC, *Road Priority Assessment 2014 Summary Report*, for Eyre Peninsula Local Government Association, April 2014, pp.5-9). Road maintenance and development, however, is a major financial burden for the Councils due to the size of the road network and limited ability to raise capital from the ratepayer base.

Grain, mineral resources, freight, food product and other commodities are primarily being transported by road, which is compounding Council maintenance costs. There is also a need to substantially upgrade the road network to accommodate future development.

The ability of Local Government to maintain and upgrade roads was severely diminished by the May 2014 Australian Budget which determined that the \$18 million supplementary road fund to South Australia will not be extended, and the General Purpose component of the Local Government Financial Assistance Grants program is also being frozen. The result is a loss of about \$6 million in funding in 2014-15, which will grow to about \$19 million per annum from 2016-17. (South Australian Region of Councils Report, *Identified Local Government Road Funding for SA Councils*, 15th May 2014).

Key road network needs include:

- **Highway upgrades to improve safety:** The region's highway network only has two passing lanes (on the Flinders Highway at Port Lincoln). Increasing highway use by road trains and a growing self-drive tourism sector - notably "grey nomads" towing caravans or driving large mobile homes - has led to local demand for the strategic installation of passing lanes to improve road safety. The Eyre Highway has been rated as one of the worst in Australia for safety, notably in the section between Kimba and Poochera. (*Port Lincoln Times*. Eyre Highway named SA's worst: RAA, Tuesday, July 30, 2013, p.2).

The narrowness of the Tod Highway between Kyancutta and Karkoo is problematic as trucks and road trains have become larger and wider. Substantial improvements are needed on the Lincoln Highway north of Port Lincoln to the airport due to the combination of increased road train, tourism and commuter traffic, the lack of passing ability, and a 110km speed limit.

The need to upgrade the highway network is recognised in the State Government Draft *Integrated Transport and Land Use Plan*, with road widening, shoulder sealing, passing lanes and provision of rest areas identified. (Government of South Australia, *The Integrated Transport and Land Use Plan*, Draft, October 2013, p.132).

- **Road developments to support mining operations:** The region has designated routes for double road trains, but there is a need for triple road train routes to support mining operations. Councils are negotiating road upgrades and maintenance agreements with mining companies.
- **Port Lincoln London Street Bridge:** A major upgrade of the bridge over a railway line is needed to increase safety and divert heavy vehicle movement from nearby residential areas.

- **Old Flinders Highway:** Major reconstruction of the former highway entrance to Port Lincoln is necessary to improve safety for school buses, tourists, and the fast growing residential community, and to reduce the recurrent maintenance cost burden for DC Lower Eyre Peninsula.
- **Kingoonya to Wirrulla Road:** This rubble surface road provides a 290 km link between the Eyre Highway and the Stuart Highway in northern South Australia. The road is strategically important because it links the Flinders and Outback Tourism Region to the Eyre Peninsula Tourism Region, providing a short cut of about 420kms because it avoids the need to travel via Port Augusta. Traffic along the road has grown noticeably in recent years, due to use as a main drive-in-drive-out route by mining employees working at Roxby Downs and Prominent Hill. (RDAWEP, *Building Eyre Peninsula as a Tourism Destination*, January 2012, p.33). The road is very rough in parts and susceptible to washout in some sections. The upgrade cannot proceed until capital development funding has been sourced.

Rail Network

The Eyre Peninsula's railway network is an isolated and aged narrow gauge railway system that is not connected to the national standard gauge network. This prevents the region's commodities from being transport to national markets by rail. A standard gauge line from the Arrium steelworks factory connects Whyalla to the national network but there is no rail connection between Whyalla and the rest of the Eyre Peninsula.

The Eyre Peninsula rail network is generally in poor condition. The Wudinna to Port Lincoln line and parts of the Kimba to Cummins line are the only sections to have been refurbished. Grain train operations have been curtailed on most lines resulting in grain being hauled from rail depots in central Eyre Peninsula to Port Lincoln by road. This is escalating road train use and exacerbating pressure on the road network.

A line from Kevin (near Penong), approximately 70kms west of Ceduna, is used to cart gypsum for export from Thevenard Port. In 2012, GRA and GWA signed a 5-year contract for gypsum freight services including an agreement for a \$15 million capital upgrade of the railway line. The upgrade will ensure that existing freight levels can be maintained and provide scope for future growth.

Mining development has augmented the need to upgrade rail infrastructure as some mining operations have a preference for rail (or slurry pipelines where possible) over road cartage. New rail corridors may need to be established to support future mining operations. Options include:

- Extend the Cummins to Kimba line 27km from Ungarra to Port Spencer at Lipson Cove. This would provide a more effective and efficient rail network across the south eastern part of the region and link Port Spencer with four iron ore deposits.
- Provide a narrow gauge connection between Kimba and the Arrium rail network. This would link the Eyre Peninsula rail network to Whyalla, providing alternative market access options for minerals and grain, but would not provide connection to the national standard gauge network. This option would need agreement by Arrium.
- Construct a standard gauge link from the Whyalla to Port Augusta railway line to Port Bonython to cater for planned developments at Point Lowly. This connection is included in the Spencer Gulf Port Link proposal to construct a deep water port at Port Bonython – see **Port Infrastructure**.

These options might bring some market access benefits but, in view of the poor state of the Eyre Peninsula rail network, an extension of the narrow gauge rail system may not be a viable economic development solution. The fact that rail safety and use regulations for gradients, curves and load bearings have changed since the narrow gauge network was constructed means it may be impracticable as well as cost prohibitive to upgrade of the network for mining use.

The emerging mining industry nevertheless provides an opportunity to thoroughly examine the long term benefits of connecting the Eyre Peninsula to the national standard gauge rail network, including the provision of a connection to a Cape class port facility.

The construction of a new standard gauge railway line from Warramboo to Cape Hardy has been proposed to support Iron Road's Central Eyre Iron Project, at a cost of US\$0.79 billion. If this proposal proceeds it will provide the first standard gauge railway line on the Eyre Peninsula, but the line will be isolated from the national system. The Iron Road project may provide an opportunity to link the Eyre Peninsula to the national standard gauge rail network at some future time by way of a line from either Cape Hardy or Warramboo to Whyalla. This option is being investigated in the Regional Mining and Infrastructure Plan. (*RMIP*, pp.60-66, also see *Port Lincoln Times*, Rail changes should reduce impact, Thursday, January 30, 2014, p.6).

If a connection to the national rail system was to occur, there might be merit in extending the line to Port Lincoln at some future time to create greater minerals and grain access to international, national and regional markets, and support initiatives for tourism and food product development. The high cost of providing standard gauge rail infrastructure – at approximately \$4million per kilometre – would need to be carefully considered in feasibility analyses for these proposals.

Port Infrastructure

The region has approximately 2,000kms of coastline making ports infrastructure critical for commodities export. A key issue is that South Australia does not have a port with the capability to load Cape-sized vessels (i.e. bulk carriers with a dead weight tonnage (dwt) or capacity to carry cargoes of 80,000-180,000 tonnes). Cape-size vessels are typically very large in size, deep drafted, and only a small number of ports around the world have the infrastructure and water depth to accommodate these vessels. Due to economies of scale, Cape-sized bulk carriers have become the benchmark for cost effective shipping. The lack of port infrastructure to accommodate these vessels is consequently constraining South Australia's export capability and global market competitiveness.

The region's four commercial ports are located at Whyalla, Point Lowly, Port Lincoln and Thevenard. The Whyalla and Point Lowly ports are single user facilities. Arrium owns and operates the Whyalla Port. SANTOS operates Point Lowly port to export gas and petroleum products from the Cooper Basin. Port Lincoln and the Port of Thevenard are operated by Flinders Ports but have multiple users. Bulk grain infrastructure at both ports is owned and operated by Glencore (formerly Viterra) and the ports are important handling facilities for the region's fishing industry. Thevenard is also a major export facility for mineral sands, gypsum and salt.

Growing concern about the efficacy of the Port Lincoln and Thevenard facilities led the former Eyre Regional Development Board to commission a major study of the ports in 2008-9. (At the time Whyalla was not part of the Eyre Peninsula region so the Whyalla ports were not part of the study). The *Eyre Peninsula Ports Master Plan* identified several common operational and capability issues at both ports:

- Shipping (with the exception of an oil berth at Port Lincoln) was restricted to bulk carriers as the facilities do not have container handling infrastructure.
- The ports had efficiency constraints due to conflicting product handling and transport requirements of different users.
- There was potential for cross-contamination from using bulk loading infrastructure for different commodities.
- The use of single conveyors required wharf closure for wash down between loading different commodities, resulting in additional demurrage costs to users from loading delays.

- Wharf infrastructure was generally inadequate for existing demand.
- There was a need for better quality loading and storage infrastructure to increase efficiency and operational capability.
- There was a need to improve rail and road access – particularly at Port Lincoln where road trains have to carry grain through the heart of the CBD.
- Both ports lacked the capability to meet the storage and commodity transfer needs of emerging mining developments. (Parsons Brinkerhoff, *Eyre Peninsula Ports Master Plan*, January 2009, pp.39-56).

The rationalisation of the competing needs of the fishing and bulk export industries was identified as a major issue at both facilities. A key recommendation was that the fishing fleets should be relocated from the Port Lincoln and Thevenard wharves to nearby purpose-built unloading facilities to overcome fishing industry operational deficiencies. It was also recommended that the infrastructure at both ports should be upgraded to improve supply chain logistics and enhance export capability.

Thevenard Port: Thevenard is the major port on the South Australian West Coast (SAWC). Export tonnages have increased in recent years from 1,680,385 tonnes in 2004 to 3,005,528 tonnes in 2011. Exports declined to 2,180,888 tonnes in 2013, largely due to reduced mineral sands production by Iluka as a result of falling market prices for zircon. Exports are expected to increase in future years when new mineral sands mines in the far west of the region commence operation. (Flinders Ports Shipping Statistics, www.flindersports.com.au).

Port operations are constrained by infrastructure capability. The required upgrade works include deepening the Yalata Channel (from 8.2 metres to 10.7 metres) and widening the channel approach corners to increase vessel capacity from 25,000 tonnes to 45,000 tonnes; and upgrading or replacing the ship loader with a system capable of operating at 1,500-2,000 tonnes per hour. Ideally, the belt loader should be replaced with a dual system to overcome product cross-contamination and minimise wharf closures for wash-down.

Thevenard Marine Offloading Facility: The construction of a purpose-built Marine Offloading Facility will support the Great Australian Bight (GAB) fishing industry, and achieve operational efficiencies at Thevenard wharf by relocating the fishing fleet. Bulk export vessels presently have priority use of Thevenard wharf, causing fishing vessels to wait for berth access to unload their perishable catch. This use conflict incurs operational costs for the fishing industry through a loss of income from deteriorating product quality, and/or the substantial cost of steaming to Port Lincoln or Port Adelaide to offload. The steaming cost in fuel and loss of fishing time is estimated at \$29,400 per trip to Port Lincoln and \$39,800 to Port Adelaide.

During 2012, one operator had to steam to Port Adelaide on ten occasions, incurring additional operational costs of approximately \$400,000. Cost blowouts of this scale are unsustainable and are jeopardising the viability of the GAB fishing fleet. (District Council of Ceduna, *Thevenard Marine Offloading Facility, Supplementary Business Case*, April 2013).

Construction of the Marine Offloading Facility will assist the achievement of operational inefficiencies at Thevenard wharf because it includes the provision of sheltered berthing facilities for the Thevenard Port pilot boat and tug boats. (District Council of Ceduna, 2013, pp. 11-13 and 29-30).

The District Council of Ceduna has been pursuing funding to construct the \$8.9 million Marine Offloading Facility, but the grant applications have been unsuccessful. The project is presently unable to proceed, and this has potentially serious economic implications for the Ceduna area. Direct expenditure by the fishing industry to about 20 businesses in Ceduna is estimated at \$7.5 to \$12.3 million per annum. This expenditure is at risk because the GAB fishing fleet is considering relocation options if the Offloading Facility is not constructed.

Port Lincoln: Port Lincoln is one of the best natural deep water ports in the southern hemisphere and is the main export terminal for the region's grain industry. The port has berth depths of up to 15.2 metres and capacity to service Panamax and small Cape size vessels. The facility is managed by Flinders Ports. Glencore owns and operates a large grain silo complex, with two bulk grain loaders servicing two berths at the wharf.

The port is serviced by the region's narrow gauge railway system but most of the grain is carted to the silos by road. Increasing road train travel through the Port Lincoln CBD is considered a significant safety concern by many and has led to requests for a heavy vehicle by-pass.

Due to the deep water, the port is believed to have considerable export growth potential. However, the facility has limited land, and little potential for expansion due to the rail corridor and adjacent residential and commercial sites. Multiple land ownership of the port site, limited wharf space and conflicting user needs make the facility congested and inefficient. As with the port of Thevenard, the Port Lincoln wharf is used by the fishing industry and there are similar conflicts from competing uses. The proposed development of a new fishing unloading facility, as recommended by the *Ports Master Plan*, is being pursued at nearby Proper Bay – see **Lukin Quays Development** below.

The growth in cruise tourism, with approximately one cruise ship per month scheduled for 2014-15, has heightened the need to improve port operations. A design concept has been prepared for a staged \$1.65 million upgrade of the wharf site and infrastructure to improve land use, circulation, access, and public safety. The project is a joint initiative of the City of Port Lincoln, SATC, Flinders Ports and RDAWEP. (Oxigen, *Port Lincoln Wharf Concept Design Project*, Draft 2, June 2014).

Lukin Quays Development: A Port Lincoln Wharf Relocation Committee was formed in 2012 to develop a purpose built offloading facility for the fishing industry. The committee, comprising representatives of the fishing industry and RDAWEP, supported the *Ports Master Plan* proposal to develop a facility at the former BHP wharf in Proper Bay, and undertook preliminary consultation to ensure that the wharf design would meet the needs of different seafood sectors. (*Port Lincoln Times*, Wharf industry input, Tuesday 20th March, 2013 p.4).

The wharf and adjacent land is owned by the Lukin family business, Port Lincoln Proper Pty Ltd. The wharf is part of a larger proposal to develop adjacent land with an industrial precinct and two housing estates to provide the investment capital. The plan includes a new western link road to help address traffic issues in the Port Lincoln CBD - particularly fishing industry heavy vehicle movement between the Port Lincoln wharf and the Port Lincoln Marina.

The Marina has an extensive housing development but is also the base for the fishing fleet. This has brought conflicts between fishing operations and residential amenity from noise, odours and other impacts from loading and unloading activities. The City of Port Lincoln Council and RDAWEP are supporting the Lukin Quays development because numerous community, economic and other benefits will be derived from the project.

A City of Port Lincoln, Deferred Urban Zone Development Plan Amendment, was approved by the South Australian Minister for Planning on 1st August 2014, which will enable the project to proceed. RDAWEP is facilitating the project development by assisting negotiations about wharf infrastructure and aligned industrial precinct options.

Port Spencer: The Centrex Metals mining venture at Wilgerup originally intended to export iron ore from Port Lincoln. This proposal required the provision of iron ore loading infrastructure at a cost of \$63.25 million (Parsons Brinkerhoff, 2009, Appendix C). This export option was strongly opposed by the Port Lincoln community on environmental grounds, the increase of road-train movements through the CBD, and concerns about potential cross-contamination from exporting grain, minerals and seafood from the same wharf.

Alternative port options were investigated. Lipson Cove (Port Spencer), 21kms north of Tumbly Bay, was identified as an ideal location because it was close to highway and rail infrastructure and several iron ore deposits on the lower Eyre Peninsula, the site provided 20 metre plus deep water within 500 metres of the shoreline (eliminating the need for dredging and minimising the cost of jetty infrastructure), and there were no native vegetation or Native Title issues.

The Port Spencer proposal will support iron ore mining operations at Wilgerup and the Fusion JV with Eyre Iron Pty Ltd at Koppio. However, grain will also be exported. Free Eyre, an Eyre Peninsula based agricultural company, is part of the design team investigating the viability of grain export.

Centrex originally intended to develop the port in four stages. Stage one received provisional development approval in December 2012 and stage two received major project status in May 2013 (*Port Lincoln Times*, Tick for new port, Tuesday, May 28, 2013, p.1). However, in November 2013, Centrex reassessed the Port Spencer concept development and announced the adoption of transshipment technology, because it reduced the capital development cost from \$250 to \$142 million, and substantially reduced operational costs by eliminating the need for tug boats and related infrastructure. (*Port Lincoln Times*, Alternative plan for port, Thursday June 12, 2014, p.3 and Centrex presentation to TBDCCG, 9th July 2014).

Centrex also rescheduled mining projects due to falling commodity prices and moved back to prefeasibility to reassess the resource base at different sites. (*Centrex Metals ASX Announcement*, Centrex and WISCO reschedule Fusion in line with changing market conditions, September, 2013).

These decisions have deferred mining operations and the Port Spencer development by several years (i.e. beyond 2018) as Government approval will be needed for the transshipment system. The feasibility of the Fusion JV was also delayed because negotiations and mediation failed to reach agreement about land access for drilling exploration in several areas of the Bald Hills near Koppio during 2014. (*The Advertiser*, Business Journal, Drilling delay for Centrex, Tuesday, May 6, 2014, p.32).

Cape Hardy: Iron Road Limited's Central Eyre Iron Project at Warrambo, near Wudinna, is the biggest magnetite resource project in Australia and one of the top 20 projects in the world. The mine has an estimated magnetite reserve of 3.7 billion tonnes, and a 30+ year life based on exporting an average of 20 million tonnes per annum. (Iron Road Ltd. *ASX Release and Media Announcement*, May 2013).

Iron Road has proposed the development of a new port at Cape Hardy, 7km south of Port Neill and approximately 15kms north of Port Spencer. The estimated capital development cost for the port is US\$0.49 billion. (Iron Road Ltd. *ASX Release and Media Announcement*, February 2014).

The port will have the capacity to load Cape-sized vessels via a 1.4km long jetty. The proposal requires the provision of a new 145km infrastructure corridor from the mine, which will include the construction of a new standard gauge railway line and power and water infrastructure. (Iron Road, *ASX Release and Media Announcement*, 16 August 2013, and Iron Road, *CEIP DFS Presentation*, March 2014).

The development was given major project status by the South Australian Government on 15th August 2013 and major project facilitation status by the Australian Government in March 2014. The project is expected to create 1,600 jobs during construction and 650 permanent operational positions. The development includes the provision of a worker accommodation village (with capacity for up to 550 people) at Wudinna. (Christopher Russell; *The Advertiser*, Major jobs boost for South Australia as iron Road project declared a major development, Thursday, August 15, 2013).

The port is designed as a multi-commodity facility enabling the export of grain. However, third party users will need to provide their own storage facilities and handling conveyors, and seek their own development approvals. (Iron Road, *Central Eyre iron Project FAQ Sheet*, April 2014).

Given the close proximity of Cape Hardy to Port Spencer, it is unforeseeable that the State Government will support the development of two port facilities along this section of coast. Iron Road and Centrex are both pursuing the construction of ports because mining feasibility studies need to demonstrate project viability from mine to port to attract financial investment. This matter will be resolved by a State Government Taskforce which has been established to pursue the recommendations of the Regional Mining and Infrastructure Plan (RMIP). The RMIP identified the need for a Cape-size port facility on the eastern coast of Eyre Peninsula to support mining ventures on the lower Eyre Peninsula. (Government of South Australia, *South Australian Regional Mining and Infrastructure Plan*, June 2014).

This need was also identified as the number one infrastructure priority for regional South Australia by Regional Development SA in 2013. However, it was also recognised that the facility should have multi-commodity capacity to provide an alternative grain export option for the agricultural industry. (SCM and S. Joyce Consulting, *Regional Development South Australia – Prioritising South Australia’s Regional Infrastructure projects*, Project Report for Regional Development South Australia, December 2013, p.17).

Whyalla: Mining companies have identified the need for a bulk commodities export facility near Whyalla to cater for emerging mining projects in the north of the State. The SANTOS port cannot be used as the jetty does not have bulk loading infrastructure and an upgrade for bulk commodity export would be cost prohibitive. Arrium’s \$200 million upgrade of Whyalla Port to increase export capacity was opened on 30th July 2013, but the facility is unavailable for third party use. However the option to provide third party access is presently under review.

A new deep sea port facility capable of servicing Cape size vessels has been proposed for Port Bonython by a Spencer Gulf Port Link Consortium, led by Flinders Ports Holdings. The \$650-\$700 million facility was granted major project status in March 2012. The Consortium is presently working with mining companies to define the timing of mine developments and the likely commodity volumes that are to be exported. (Flinders Ports Pty Ltd (2012) *Flinders Ports website and Media release March 2012*, www.flindersports.com.au).

The consortium is pursuing development approvals. The Draft Environmental Impact Statement was released for community consultation in November 2013. (Flinders Ports Pty Ltd (2012) *Flinders Ports website and Media release March 2012*, www.flindersports.com.au and Spencer Gulf Port Link, *Port Bonython Bulk Commodities Export Facility, Draft Environmental Impact Statement*, November 2013).

It should be noted, however, that the Port Bonython proposal is for the export of mineral commodities only, and will not include the infrastructure for grain export. The location is not ideal for grain export or export services for mining developments on the lower Eyre Peninsula.

Lucky Bay: An alternative port solution, a Common User Export Facility (CUEF), is being developed at Lucky Bay, north of Cowell, using a transshipment system to get iron ore to market. The facility is being developed to support IronClad Mining Limited’s operation at Wilcherry Hill, north of Kimba.

The original proposal in 2012, was to transport the ore in sealed containers from Wilcherry Hill to Lucky Bay by road train, then load the containers onto barges for transport to vessels moored in the Spencer Gulf. The cost and efficiency of the container system was reviewed and IronClad modified the process to haul the iron ore in bulk tippers. The use of bulk tippers increases the haul load capacity by 4 tonnes per trailer, and substantially reduces the number of containers needed, producing cost savings of about \$21 million. (*Port Lincoln Times*, Green Light for Lucky Bay Port, Thursday, December 5, 2013, p.6).

Transshipment technology has several advantages compared with a typical deep water port. The system overcomes the need to construct expensive jetty infrastructure to access deep water and can be established at a fraction of the cost.

For example, the estimated cost of the original Port Spencer proposal (with a 500 metre jetty) was approximately \$250 million, and Port Bonython (with a 3km long jetty) will cost about \$700 million. In comparison, the cost of the landside construction at the Lucky Bay CUEF will be about \$7 million. (*The Advertiser*, Iron Clad plan for success, SA Business Journal, Tuesday November 26, 2013, p.53 and IronClad, ASX Announcement, *Government Approves Port Development*, 3rd December 2013).

The CUEF infrastructure provision also has the advantage of a much shorter construction timeframe (i.e. about 5-6 months) and less environmental impact than a traditional bulk commodities port. The combination of less capital investment and a smaller development period means that transshipment technology is better suited to the needs of smaller or junior mining companies, many of which are pursuing operations on the Eyre Peninsula. A transshipment system can therefore help smaller commodity producers by making marginal projects more viable.

The Lucky Bay CUEF is vital infrastructure for the Eyre Peninsula's fast developing mining operations that are close to being production ready, because there is presently no other realistic option for the provision of a bulk commodity minerals export facility within the next few years.

The Lucky Bay CUEF will be able to service mining companies well into the future because the facility has the capacity to grow as export tonnages increase. When fully developed with a permanent floating harbour moored in Spencer Gulf, the CUEF will be much more efficient and cost effective and will be able to export the commodities of other mining companies, as well as grain. (RDAWEP, *Lucky Bay Harbour Development, Business Case for a Major Upgrade of Lucky Bay Harbour*, Final Report February 2012).

The State Government gave development approval in April 2011 and, in July 2012, the project received \$2.212 million from the RDAF and \$306,000 from the State Government RDIF. However, due to changing the ore transportation process from sealed containers to bulk tippers, the project had to seek further development approval for the bulk buffer storage facility. Development approval was given in December 2013. Construction is scheduled for completion in March 2015.

Containerisation: With the exception of a small oil berth at Port Lincoln, the region's port facilities do not have container handling infrastructure. This is problematic for graphite mining companies which need to export graphite in small containers. At present, the best available transport option is to load containers onto trucks for export from Port Adelaide. The option to include container handling infrastructure as part of the Lukin Quays wharf development is being investigated with assistance from RDAWEP.

Airports

Commuter air services provide vital transport in the region for business, industry, tourism, health, education, social and recreational travel purposes. The region's three airports with regular passenger transport (RPT) services are located at Port Lincoln, Whyalla and Ceduna. The facilities are owned and operated by Local government - the City of Whyalla, District Council of Ceduna and the District Council of Lower Eyre Peninsula (for Port Lincoln Airport). In addition to RPT, the airports provide facilities and services for freight transport, charters, defence aircraft, medical retrieval, general aviation operations and, more recently, oil and gas exploration and support services. The region's airports have different infrastructure needs.

Port Lincoln Airport: Port Lincoln is South Australia's busiest regional airport, with passenger numbers reaching 200,000 in 2011. The latest passenger survey indicates that 40.4% of passengers between Adelaide and Port Lincoln travelled for business purposes - i.e. 80,000 passengers per annum - with most of these (71.9%) employed by the private sector. (Department of Planning, Transport and Infrastructure, *Port Lincoln-Adelaide Air Passenger Survey Report, November-December 2011*, January 2012, pp. 1-6).

Port Lincoln Airport has recently undergone a major redevelopment costing \$13,318,120. The project included the construction of a new terminal building with facilities befitting a regional gateway (inclusive of security screening), provision of a new taxiway and apron, reconfiguration of the airport entrance road, landscaping and provision of a larger car parking area, and associated improvements to lighting and electrical infrastructure.

The development was able to proceed because of income derived from increased passenger use and the District Council of Lower Eyre Peninsula was successful in securing grant funding of \$4.5 million from the Australian Government RDAF, \$1.022 million from the State Government RDIF; \$350,000 from the SA Tourism Commission, and \$940,909 from the Australian Government for the installation of security equipment.

The airport was the highest priority RDAWEP project in 2011. Construction of the new airport began in May 2012. The facility commenced operation on Tuesday 6th August 2013. The airport was formally opened on 29th January 2014.

Whyalla Airport: Whyalla Airport is the busiest airport in the upper Spencer Gulf and the fourth busiest regional airport in South Australia. In recent years, passenger volumes have been consistent at 65-70,000 per annum, with a growth rate of 6-7% since 2009/10. In 2012-13 there was growth rate of 9.6% (76,826 passengers) and it is predicted that annual passenger numbers will reach about 200,000 in 2025-26. (Hudson Howells, *Discussion Paper, Whyalla Airport Governance Model and Development Opportunities*, March 2012, page 11 and The Airport Group, *Whyalla City Council Preliminary Airport Review*, February 2013, pp.17-19).

The Whyalla Airport required a substantial upgrade to improve its operational effectiveness and cater for increasing passenger use from the mining, tourism, defence and business sectors. The airport has two runways, three taxiways, a general aviation apron, a sealed RPT apron and a lawn helicopter parking area. The main sealed runway and taxiway have pilot activated lighting for night time use. Other infrastructure includes refuelling facilities, hangars, a pump house with associated firefighting equipment, and a power house with a backup 90KV generator.

The terminal building was small, had few facilities for travellers, and passenger use exceeded the capability and capacity of the infrastructure, which was substandard for a regional gateway. With anticipated industrial and mining growth the upgrade of Whyalla Airport became urgent.

The City of Whyalla has considered a range of development options over the years. The Airport development was assisted in 2013 with the provision of a \$300,000 grant from the RDAF and a \$600,000 State Government grant from the Enterprise Zone Fund Upper Spencer Gulf and Outback. The construction of the \$3 million terminal building was completed in July 2014. (*Whyalla News*, Million dollar airport makeover, Thursday August 8, 2013, p.1 and News Release, Minister Gail Gago, *Funding for Whyalla Airport Upgrade*, Tuesday 6th August 2013).

Ceduna Airport: Passenger numbers at Ceduna have grown from 9,608 in 1996-97 to 24,410 in 2011-12. This is a growth rate of 10% over the previous 10 years, with 19.7% growth since 2007. The daily passenger movement is predicted to grow 18.8% to 29.7% by 2030. (District Council of Ceduna, *Draft Ceduna Airport Master Plan*, November 2012, pp. 17-21).

Ceduna Airport is the largest airport on the SAWC. The facility provides public landing strips and associated infrastructure for passenger transport and general aviation operators. The main runway is sealed and has the capacity to support Fokker F27 48 seater aircraft and DASH 8 50 seater aircraft. A second runway has a gravel surface and is largely used for light aircraft.

The airport is the major conduit for the FIFO workforce at Iluka Resource's Jacinth Ambrosia mine, 80kms north of Yalata.

Due to growing passenger numbers, the RPT operator (Rex, Regional Express) increased the frequency of air services to Ceduna. The airport infrastructure is subsequently operating at full capacity, particularly during peak travel periods, and is considered inadequate for existing and projected use.

Ceduna Council prepared a Master Plan for the facility upgrade which recommended a range of development options including the construction of a new terminal building; provision of a new taxi way, apron and runway, and construction of associated commercial servicing facilities. The Master Plan was released for community consultation in November 2012 but the consultation outcomes are under continuous review. (District Council of Ceduna, *Draft Ceduna Airport Master Plan*, November 2012).

In 2014, BP Australia Pty Ltd decided to pursue the search for oil in the Great Australian Bight and determined to base its headquarters in Adelaide, with the FIFO staff for the oil rigs to be transported via helicopters from Ceduna. (Mathew Doran, *BP pushes ahead with Bight oil search*, ABC News, 15th May 2013). This decision accelerated the need to upgrade sections of Ceduna Airport to support the helicopter services.

In May 2014, BP awarded the helicopter services contract to the Texas-based Bristow Group. Ceduna Airport will therefore house three Ec225 helicopters, with one aircraft dedicated to ferry crew and equipment to the oil rigs, one dedicated to rescue and retrieval services, and the third serving as back-up. This arrangement requires the leasing of ground at the airport to Bristow and the construction of a hangar and support office blocks. It is anticipated that additional works might be required to alter the ground apron and taxiways. The arrangements are being pursued. (*West Coast Sentinel*, \$138 million Contract Boost, Thursday, May 8, 2014, p. 1).

Other Airports: The region has other smaller airports with a mixture of sealed and unsealed runways and pilot-activated lighting at Wudinna, Streaky Bay, Tumbay Bay, Kimba, Cleve, Elliston, Cowell, Cummins, Lock and Minnipa. These facilities require varying infrastructure upgrades. The airports are owned and operated by local Councils and the desired upgrade works are cost prohibitive. Government funding support is needed for capital development if arrangements cannot be reached with the private sector. Wudinna District Council is presently negotiating a substantial upgrade of Wudinna Airport with Iron Road Ltd to support the Central Eyre Iron Project at Warramboo. (Wudinna Council presentation to RDAWEP Board, 26th July 2013).

The Iron Road DFS indicated that the airport would be upgraded to accommodate Bombardier Q400 aircraft, and includes increasing the runway pavement width, improvements to the taxiway, apron, lighting and parking facilities, and provision of a new terminal building. (Iron Road, *ASX Release and Media Announcement*, 26 February 2014, p.20).

In addition to meeting mining workforce needs, the facility upgrade will enable Wudinna Aerodrome to be positioned as the regional gateway to the central Eyre Peninsula and Gawler Ranges tourism regions. The return of RPT services to Wudinna might occur as a result of the aerodrome upgrade, which will benefit both the Wudinna community and the mining operation.

Trade Patterns and Commodity Prices

Mining developments will provide opportunities to diversify the economy, create jobs and develop communities. However, this will not occur unless mining projects secure the investment capital to proceed.

Mine to port viability needs to be demonstrated to attract financial investment. Market demand and the value of resources are the critical factors underlying commercial viability, as is the value of the Australian dollar. Australian export markets were markedly impacted during 2012-13 when the value of the Australian dollar peaked at US\$1.06 in September 2012.

Mining companies need to match resource export volumes with market values and the Australian dollar, in order to manage financial risk. For example, in 2011 Iluka Resources exported 400,264 tonnes of mineral sands through Thevenard Port, but reduced exports to 246,887 tonnes in 2012 when the Australian dollar value was high, and the market price (for zircon in particular) was lower. (Annual Export Reports, www.flindersports.com.au).

If resources values fall, the capital development plans of emerging mining companies are at risk of not being implemented. The greatest risk is with larger projects which require substantial infrastructure investment, such as the construction of Cape-class bulk export port facilities.

The main concern for Australian trade is reliance on strong demand from Asia, particularly China and Japan. Nearly half of Australia's export income is presently derived from these two countries, but China is the main driver. (Barry Fitzgerald, China can't be taken for granted, *The Weekend Australian*, July 6-7, 2013, p.23). The demand is largely for two commodities – coal, and iron ore. According to the well-respected Economic Journalist, Terry McCrann, Australia is now totally hostage to China. (Terry McCrann, *China the Known Unknown*, *The Weekend Australian*, 26-27 May 2012, p.30).

The commodity price of iron ore has been incredibly variable in recent years. Since the GFC in 2008-09, China's demand for iron ore helped to drive iron ore prices to a peak of \$187 per tonne in late 2011, more than three times higher than the pre-crisis peak. However, the Chinese economy deteriorated in the first and second quarters of 2012, and iron ore prices fell to \$137.50 per tonne in May 2012 – the level last seen in February 2011. (*The Weekend Australian*, Get Ready for the End of the Boom, 19-20 May 2012, p.14).

In May 2014 the price dropped to \$US98.50 per tonne, a fall of 26% from January, and in August 2014 the price was below US\$90 per tonne. (*The Advertiser*, Iron ore plunges below US\$100, May 20, 2014). According to information provided by Iron Road, iron ore prices are expected to remain resilient, but independent forecasters believe it is unlikely to see average prices above recent year peaks. (Iron Road Limited, *Central Eyre Iron Project Definitive Feasibility Study*, March 2014, p.11).

The Central Eyre Iron Project is believed to be an exception. The ore is high quality magnetite (at 67% iron with low impurities), which makes it attractive because it does not require pelletisation. This brings performance and cost savings to the production process and minimises environmental emissions (which is of interest to China). In view of the magnetite quality, Iron Road estimated that it will receive an average of US\$185 per tonne for the life of the mine, due to a quality premium differential of US\$18 per tonne. (Iron Road, *CEIP DFS*, March 2014, pp.8 and 13).

The variability of iron ore prices has potential to negatively impact on mining ventures in the region, and should serve as a timely warning about the economic dangers of relying too much on a single commodity. Iron ore prices will need to increase markedly to achieve Iron Road's DFS target.

Trade Agreements

The Australian Government has been actively pursuing Free Trade Agreements (FTA) and successfully signed FTAs with South Korea and Japan in April 2014. The negotiations toward an FTA with China were ongoing, with the likelihood that success will grow export opportunities for Australian business and industry.

The Japan Australia Economic Partnership Agreement (JAEPA) substantially improved trading terms through reduced tariffs and will create immediate benefits for some industries. Japan is Australia's second largest export market and trading partner. In 2012-13, Australia's exports to Japan were valued at \$48.6 billion, accounting for over 16% of Australia's total exports. (*Press Release*, Department of Prime Minister and Cabinet, Japan Australia Economic Partnership Agreement, key Outcomes, April 2014, www.pm.gov.au).

Significantly for the region, the JAEPA will benefit agriculture with tariffs of up to 219% eliminated or substantially reduced on many agricultural exports. The JAEPA will reduce the tariffs on beef, barley, canola, wool and lamb. Beef exporters will receive the greatest benefits with the tariff being halved. Australia is the first beef exporter to secure preferential access to Japan, which will give marketing advantages over major competitors.

Another benefit is that the tariffs on seafood – shrimps, prawns, rock lobsters, abalone, oysters, crabs, Yellow Fin Tuna and Bluefin Tuna - will be phased out over 7 years. The current 3.5% tariff on tuna will not be removed for 10 years, which has not been well received by the tuna industry. The tuna industry has advised that this position has been taken by Japan to protect its domestic industry. However, with tuna export value of \$200 million per annum, the 3.5% tariff equates to \$7 million which is a lot of money for the industry to forego. (Email advice to RDAWEP, 8th April 2014).

Energy and mineral resources such as coal, iron ore and liquefied gas already enter Japan duty free because Japan is totally reliant on the import of these resources, and there is high demand. The JAEPA will lead to Japan removing tariffs on all remaining resources products over the next 10 years, including nickel and ferro-manganese. (Press Release, April 2014, www.pm.gov.au).

With imports, the removal of Australian tariffs on Japanese goods is expected to reduce the cost of Japanese cars and electronic goods (digital cameras, televisions etc.). This might please many Australian consumers, although the availability of cheaper Japanese cars is unlikely to be welcomed by the flailing Australian car industry. While there will be perceived winners and losers with FTA's, the opportunities arising for exporters will continue to improve as trade tariffs are reduced.

Comparative Advantage and Business Competitiveness

Industrial diversity is one of the region's greatest attributes and underpins its comparative advantage and competitiveness. This is exceptionally important for economic growth and sustainability because it gives the region resilience through not being reliant on a few industries and products for its prosperity.

Business Overview

NUMBER OF BUSINESSES BY INDUSTRY - at 30 June	2007	2008	2009	2010	2011
Agriculture, Fishing and Forestry	2,199	2,149	2,057	2,040	2,014
Mining	17	16	17	20	15
Manufacturing	190	186	176	169	171
Electricity, Gas, Water and Waste Services	14	12	11	11	9
Construction	680	675	671	671	685
Wholesale Trade	103	103	101	94	94
Retail Trade	411	408	402	389	389
Accommodation and Food Services	202	188	181	181	172
Transport, Postal and Warehousing	324	316	318	318	311
Information Media and Telecommunications	13	10	7	7	4
Financial and Insurance Services	284	284	281	299	301
Rental, Hiring and Real Estate Services	383	382	384	397	406
Professional Scientific and Technical Services	185	188	176	189	189
Administrative and Support Services	121	119	124	125	120
Public Administration and Safety	12	10	13	12	12
Education and Training	27	27	30	29	26
Health Care and Social Assistance	122	130	151	170	167
Arts and Recreation Services	33	30	30	27	26
Other Services	233	218	207	227	245
Not Classified	28	35	46	59	65
TOTAL	5,581	5,486	5,383	5,434	5,421

Table 34: Number of Businesses by Industry, RDAWEP Region 2007-2011. (ABS, Census 2011).

Small and large businesses are the backbone of the regional economy providing goods and services, employment and sponsorship to local communities and community clubs. Small business sustainability is directly related to the success of the region’s major industries – i.e. agriculture, manufacturing, fishing, aquaculture, health care, mining and tourism. These key industries provide most of the region’s employment and many small businesses have been established to directly support and service them.

In 2011, the region had 5,421 businesses, with the largest proportion (2,014, 37.2%) in the agricultural and fishing sector – see **Table 34**. The construction industry had the second largest number of businesses (685, 12.6%), followed by the rental, hiring and real estate sector (406, 7.5%). Most businesses (3,080, 56.8%) were owner operated, non-employing businesses. SMEs made up 99.9% of businesses employing less than 200 people, and 79% of these were micro-businesses employing less than 5 people - **Table 35**.

Since 2007, there has been a 3.0% decline in the number of businesses overall (with a notable decline in the agriculture and fishing, retail trade, and accommodation and food service sectors). However, the health care and social assistance industry experienced substantial business growth of 36.9%, from 122 businesses in 2007 to 167 in 2011. This is believed to result from the ageing of the regional population and increased demand for aged care services.

NUMBER OF BUSINESSES – at 30 June	2007	2008	2009	2010	2011
Number of non-employing businesses	3,050	3,033	3,011	3,095	3,080
Number of employing businesses: 1-4 employees	1,309	1,272	1,212	1,245	1,222
Number of employing businesses: 5+ employees	1,222	1,181	1,160	1,094	1,119
TOTAL NUMBER OF BUSINESSES	5,581	5,486	5,383	5,434	5,421

Table 35: Number of Businesses by Employees, RDAWEP Region 2007-2011. (ABS, Census 2011).

NUMBER OF BUSINESSES 30 June 2011	Whyalla	Port Lincoln	Ceduna	Cleve	Elliston	Franklin Harbour	Kimba	Lower EP	Streaky Bay	Tumby Bay	Wudinna	TOTAL
Number of non-employing businesses	479	1,000	226	171	108	125	107	350	153	184	129	3,080
Number of employing businesses: 1-4 employees	205	317	94	75	53	55	47	144	68	81	63	1,222
Number of employing businesses: 5+ employees	168	313	92	58	50	42	36	135	70	75	59	1,119
TOTAL BUSINESSES	852	1,630	412	304	211	222	190	629	291	340	251	5,421
BUSINESS ENTRIES 2011												
Number of non-employing businesses	75	131	24	13	7	10	8	34	22	16	8	357
Number of employing businesses: 1-4 employees	30	26	11	7	6	5	4	12	8	7	8	127
Number of employing businesses: 5+ employees	4	12	5	3	3	3	0	5	3	3	4	44
TOTAL ENTRIES	109	169	40	23	16	18	12	51	33	26	20	528
BUSINESS EXITS 2011												
Number of non-employing businesses	107	134	22	21	16	16	13	38	17	19	19	427
Number of employing businesses: 1-4 employees	12	30	6	3	3	0	0	8	3	4	3	72
Number of employing businesses: 5+ employees	12	10	4	3	0	3	3	5	3	3	0	42
TOTAL EXITS	131	174	32	27	19	19	16	51	23	26	22	541

Table 36: Business Numbers, Business Entries and Exits 2011 by LGA. (ABS, Census 2011).

In the major regional centres in 2011, Port Lincoln had the largest number of businesses (1,630 or 30%) followed by Whyalla (852, 15.7%) and Ceduna (412, 7.6%). In the regional Councils, Lower Eyre Peninsula had the largest number of businesses (629, 11.6%) followed by Tumby Bay (340, 6.3%) – see **Table 36**.

In 2011, many Council areas experienced more business exits than entries, with the exception of Ceduna (8 new businesses established) and Streaky Bay (10 new established). The business exits and entries were equal in Tumby Bay and Lower Eyre Peninsula.

NUMBER OF BUSINESSES – at 30 June	2007	2008	2009	2010	2011
BUSINESS ENTRIES					
Number of non-employing businesses	-	392	378	420	357
Number of employing businesses: 1-4 employees	-	124	120	116	127
Number of employing businesses: 5+ employees	-	66	52	38	44
TOTAL NUMBER OF BUSINESS ENTRIES	-	582	550	574	528
BUSINESS EXITS					
Number of non-employing businesses	-	502	501	397	427
Number of employing businesses: 1-4 employees	-	108	96	71	72
Number of employing businesses: 5+ employees	-	67	56	55	42
TOTAL NUMBER OF BUSINESS EXITS	-	677	653	523	541

Table 37: Business Entries and Exits, RDAWEP Region 2007-2011. (ABS, *Census 2011*).

From 2008 to 2011, over 500 new businesses were established each year. There have been a similar number of business exits per annum since 2010, but over 600 exited per annum during 2008-9 at the time of the GFC.

The number of businesses in the mining sector is presently very small (15, 0.3%). However, due to high levels of minerals exploration in recent years, the mining industry experienced the greatest growth in employment since 2001 (79.2%), followed by the health care and social assistance industry (29.5%) – see **Table 26**. Anticipated growth in both of these industries is likely to create numerous commercial and employment opportunities for businesses providing goods and services to these sectors.

The RDAWEP Business Development Unit is providing training programs to strengthen and improve the capability of the SME sector. This includes training in business planning and management, programs to enhance on-line capability, and tendering and related programs to enhance capacity to undertake major projects and ensure that businesses can meet the rigorous pre-qualifications of the mining and resources processing industries.

During 2013-14 RDAWEP Employment and Skills Development programs provided training to meet the workforce needs of the retail and aged care sectors and this provision will continue into the future. Continuation of the region’s Indigenous Economic Development Strategy is providing opportunities for more Aboriginal people to pursue business enterprises. This will help to diversify Aboriginal cultural tourism products and create additional opportunities for Aboriginal employment.

Quality

The concept of quality is emerging as a distinctive regional attribute.

The region is renowned both domestically and internationally for its diverse and premium range of seafood. The regional brand, *Eyre Peninsula – Australia’s Seafood Frontier*, has been highly successful in promoting the reputation of the Eyre Peninsula as a world leader in quality seafood production.

'Premium food and wine from our clean environment' is one of the seven strategic priorities of the South Australian Government to drive State economic development. Given that the Eyre Peninsula produces 100% of the State's Southern Bluefin Tuna, 100% of Marine Finfish, 97% of oysters, 62% of abalone and 97% of the State's total aquaculture production, the region is well positioned to reap substantial benefit from the State marketing campaign – see *Fishing and Aquaculture* p. 58.

The benefits are beginning to emerge. RDAWEP is working with several seafood industry stakeholders and Government agencies to assess China as a target export market. As part of the State's China Engagement Strategy, the South Australian Government through PIRSA (and in partnership with Food SA and the SA Wine Industry Association), initiated a diverse Agribusiness Trade Calendar in 2014 including onshore and offshore events, to promote South Australian food products. (Government of South Australia, DMITRE, *South Australia – China Engagement Strategy*, November 2013, and PIRSA, Food SA and SA Wine Industry Association, *Agribusiness Trade Calendar – China 2014*).

RDAWEP, with business partners PIRSA and Food SA, hosted several delegations of Chinese business representatives in the region during 2014, including companies and associations such as Ocean Park, Australia Original Food Centre, Fujian Ming Cheng Group and the Hong Kong Association of Restaurateurs.

During 2013-14, the RDAWEP Opinion Leaders Program also brought high profile media representatives and domestic and international buyers to the region. The buyers are strategically selected to ensure that the local industry can effectively maximise new market opportunities. For example, restaurateur and Chef Jimmy Shu visited seafood businesses in Port Lincoln in December 2013. Jimmy has a high quality restaurant chain in Darwin, Cairns and Melbourne, and came to South Australia to open a restaurant in Adelaide. He has a high media profile and will be an excellent ambassador for the region's seafood.

The Opinion Leaders Program also showcases Eyre Peninsula's food and tourism industries through print, radio and television media to increase the brand message. The region's aquaculture reputation for sound environmental management and sustainable operational practices is being championed to promote the production of high quality seafood from a pristine environment.

The region is well known for its high quality grains, 97% of which is exported on average. The pristine, unblemished nature of the region's landscapes, seascapes and conservation parks is also gaining a strong reputation. This has led to the region being lauded for high quality and very different nature based tourism experiences – such as swimming with tuna, cage diving with Great White Sharks, and whale watching at the Head of the Bight.

The region's tourism and food experiences are being jointly promoted to position the Eyre Peninsula as a culinary tourism destination. RDAWEP, with support from PIRSA, produced a culinary adventure guide in 2014 to promote the region's agriculture (prime grain and meat) wineries, boutique products, cafes and seafood, including an Eyre Peninsula Seafood Trail to attract culinary tourism. (RDAWEP, *The Eyre Peninsula Culinary Adventure Guide*, 2014). This strategy was being supported with the translation of the RDAWEP Seafood of Eyre Peninsula booklet into Mandarin to target the growing Chinese market. (RDAWEP, *The Seafood of the Eyre Peninsula*, 2012). A marquee digital video piece was also translated and subtitled into Mandarin.

Other qualitative characteristics are emerging as distinguishing regional features.

- **High quality magnetite:** The magnetite from Iron Road's Central Eyre Iron Project at Warrambo is high quality at 67% iron with very few impurities, and considerably higher in quality than the iron ore from being exported from the Pilbara. The magnetite is expected to attract a quality premium differential of US\$18 per tonne over the market price. (Iron Road, *Central Eyre Iron Project, Definitive Feasibility Study*, March 2014, pp.6, 8 and 13).

- **High quality graphite:** Graphite is relatively common across the world, but high purity, large flake graphite is rare. The graphite mines at Uley (Valence Industries), Kookaburra Gully (Lincoln Minerals), Campoona and Waddikee (Archer Exploration) are reputed to contain the largest flake and best quality deposits in the world, and are very low in impurities. New technologies are driving world demand for high purity flake graphite, particularly for manufacturing graphene, which has growing demand for advanced technological and medical applications. The region is therefore uniquely positioned to provide this product to the world, and research initiatives are being pursued for advanced graphene applications – see **Innovation** below. (Valence Industries, *Regional Manufacturing on Eyre Peninsula*, Eyre Peninsula Presentation, June 2014, p.28; *Australia's Paydirt*, Lincoln sees positives in graphite brotherhood, April 2014, p.31; Archer Exploration Limited, *ASX Release*, Graphene Readily Extracted from Campoona Graphite, November 2013).
- **High quality kaolin:** Minotaur Exploration's Carey's Well kaolin mine near Poochera is regarded as containing the brightest and whitest kaolin in the world (at ISO brightness of 80). High quality kaolin is much sought after for the production of high quality paints, inks, plastics and ceramic finishes. (*Australia's Paydirt*, The great bright, white hope for Minotaur, June 2012, p. 28).
- **High quality zircon:** Iluka Resources' Jacinth Ambrosia mine, 80kms north of Yalata, is regarded as the largest deposit of the highest quality zircon the world. Zircon is used for a diverse range of products, notably high quality ceramic finishes. Since commencing the mine in 2007, Iluka has found other substantial deposits across the area at Tripitaka, Gullivers, Typhoon and Dromedary. Numerous other mineral sands sites are being explored in nearby sections of region along the Ooldea Range and Maralinga Tjarutja Lands – e.g. Diatreme Resources and Lost Sands. These deposits have the potential to produce similar quality mineral sand resources.

Renewable Energy Opportunities

Renewable energy has potential to become a key industry due to the region's natural assets of consistent wind resources, abundant sunshine and high wave action. The region has an estimated 300 cloud free days per annum, making it an ideal location for large scale solar energy farms. The Eyre Peninsula also has a landscape suitable for large scale wind farms, with four zones experiencing wind speeds above 8 metres per second and the potential to produce more than 10,000MW of generation. (Macquarie, Worley Parsons and Baker & McKenzie, *Green Grid, Unlocking Renewable Energy Resources in South Australia*, 2012 p.1).

Several renewable energy projects are being progressed.

- **Green Grid Proposal:** In July 2010, the Macquarie led consortium prepared a feasibility study to assess the transmission and generation potential for wind energy on the Eyre Peninsula. The report supported a case for wind farm investment in four zones at Port Lincoln, Elliston, Cleve and Port Augusta. The proposal requires the construction of a 500kV transmission network.

Stage 1 will cost \$613 million and generate 2,000MW of power worth \$4.5 billion, with operational costs estimated at \$11.7 million per annum. This investment create 1,400 direct and 1,600 indirect jobs during construction, and approximately 5,000 FTE jobs in the first 20 years of operation.. Stage 2 would double the generation to 4,000MW at an extra cost of \$296 million for capital and \$6.6 million per annum for operations. This would enable the project to provide power to Heywood in Victoria, and Mount Piper in New South Wales in the longer term. (Macquarie et al, 2012 pp.41-43).

The project would increase the State contribution to the 2020 Renewable Energy Target from 5.7% to approximately 30%, at a lower cost to the overall economy. (Macquarie et al, 2012, p.4).

In 2012 RDAWEP coordinated a delegation of key industry members to meet with Canberra representatives about the proposal and promote the renewable energy potential of the Eyre Peninsula. RDAWEP has not been advised about further progress since the delegation.

- **Wind Hydro Pilot Project:** Australian company Pacific Hydro specialises in hydro-electric technology and has several projects in Australia, Chile, Brazil and the Philippines. Hydro-electric technology uses a mixture of wind and water to generate electricity. Wind generators power pumps to transfer water to reservoirs, which is then passed through turbines to generate power. This combination produces a more efficient means of power generation as the hydro component maintains power production during low wind periods. Pacific Hydro has a pilot sea water site north of Coffin Bay. (www.pacifichydro.com.au).

In August 2013, RDAWEP hosted a technical delegation from the State Grid Corporation of China to consider the feasibility of using saline Tod Reservoir water for wind hydro power generation. The freshwater option is being investigated in liaison with SA Water. This option provides an opportunity for the constructive use of a large body of non-potable water.

- **Muradel Biofuel Demonstration Plant:** Australian company, Muradel, is developing a commercial scale demonstration site at Whyalla to produce sustainable biofuel from microalgae. Whyalla was the preferred site because of the climate conditions, available flat and non-arable land, abundant seawater, established transport infrastructure, and availability of skilled labour. Demonstration trials occurred during 2013-14 to identify the most cost efficient method to produce biofuel, compared to fossil-derived products. (Muradel development brochure 2013, *Fast Tracking Nature Sustainably*, www.muradel.com.au).

Muradel was formed from a joint research project by the University of Adelaide, Murdoch University and SQC Pty Ltd. Muradel has developed efficient, high recovery, low energy harvesting technology which is arguably the most economical in the world. The plant incorporates technology to enable the sustainable production of green crude from microalgae without impacting on agriculture or bush land. The crude can potentially be refined to produce fuel matching the engine performance of fossil-derived diesel, petrol and jet fuel.

- **Renewable Liquid Transport Fuels:** RDAWEP has been assisting the University of Adelaide ARC, Centre of Excellence in Plant Cell Walls (CEPCW) to investigate the use of alternate feedstocks for biofuel production. The project is researching the use of agave, wheat straw and weedy plants to produce biofuel and includes the integration of solar thermal energy in the production process.

The project includes the establishment of trial sites in Whyalla, liaison with farmer groups for additional trial and production sites, and industry engagement to test the commercial application of the concept and encourage the uptake of renewable transport fuels.

In 2013 CEPCW lodged a grant application with the Australian Renewable Energy Agency, (ARENA) Emerging Renewables Fund to support the project. However in May 2014, as part of Australian Government budget deliberations, it was announced that ARENA was being disbanded. The future of the project is unknown at this point in time.

Two projects that were being pursued did not eventuate.

- **Wave Energy:** Adelaide based company, Wave Rider Energy, has developed unique wave harnessing technology to produce power and a pilot plant was originally going to be tested at Lock's Well near Elliston, because the wave climate in the area is the best available in South Australia. However, successful sea trials in 2013 provided sufficient data to make the Elliston pilot testing unnecessary. (www.waveriderenergy.com.au).

A wave energy plant would produce one megawatt of electricity and be capable of powering 500-700 homes – i.e. a town the size of Elliston. There is potential to use wave energy systems to power water desalination plants at several locations around the coast of Eyre Peninsula, or generate energy for mining operations. RDAWEP will pursue other opportunities for establishing wave energy plants to support regional development.

- **Whyalla Solar Oasis Thermal Project:** In 2010 a Solar Oasis Consortium commenced the development of a 40MW solar thermal project at Whyalla. The \$230 million project was the first commercial scale solar thermal plant under development in Australia and had the capacity to generate 66 GW of solar power per annum (i.e. enough to power 9,500 homes and reduce greenhouse gasses by 60,000 tonnes per annum - equivalent to taking 17,000 cars off the road). The project was funded with a \$60 million grant from ARENA in 2012. But in June 2013, ARENA terminated the funding deed on the grounds that the consortium had failed to meet some of the grant conditions. The matter was being negotiated but the project is unlikely to be reactivated. (*Whyalla News*, Solar Oasis at risk of being scrapped, Thursday June 6, 2013, pp.1-2).

Innovation

The pursuit of innovative technologies and cutting edge research, the development of new and value-added products, and the identification of more efficient processing and supply systems, will give the region comparative advantages and strengthen the economy through further diversification of its business and product base. Numerous initiatives of this nature are presently being pursued in the region. These include, but are not limited to:

Educational Innovation

- The UniSA's Regional Sustainability Centre at Whyalla Campus is researching and proposing different options to encourage long term regional sustainability. The Centre for Regional Engagement has produced tailored programs to meet the needs of regional South Australia including the provision of a healthy workforce.
- Minnipa Agricultural Centre, in liaison with SARDI, is developing best practice farm management strategies to value-add to farming techniques in low rainfall environments.
- TAFE SA Regional has developed facilities to provide specialised courses in solar and other renewable energy technologies.
- The Australian Maritime and Fisheries Academy is investigating the feasibility of extending its courses to provide higher level firefighting and safety training, as well as helicopter underwater escape technique (HUET) training. These are presently unavailable in the region.

Agricultural Research and Development

The two agricultural research organisations - the Eyre Peninsula Agriculture Research Foundation and Lower Eyre Agriculture Development Association – have been driving research, development and extension activities for the agriculture industry since 2004. This includes the provision of research, planning, financial and other support to assist the Minnipa Agriculture Centre.

Fishing, Aquaculture and Seafood Innovation

- The aquaculture industry is characterised by a high level of innovation, particularly in the tuna sector. This includes value-adding initiatives with Southern Bluefin Tuna breeding and the direct marketing of fresh fish to Japan. In turn, the success of the tuna industry in developing such ideas has been the catalyst for new research in marine science by bodies such as SARDI and the Lincoln Marine Science Centre at Port Lincoln. (Econsearch, report prepared PIRSA, May 2012, p. 38).

- The region's seafood sector is renowned internationally for its premium seafood which is appreciated by some of the world's most respected chefs. The industry has demonstrated innovative value-adding initiatives over the years including farming techniques, processing, packaging and marketing initiatives – such as the Seafood Flavour Wheel developed during 2012-13 in association with the Queensland Alliance for Agriculture and Food Innovation, Fisheries Research and Development Corporation and Food SA.
- During 2013-14 the SA Oyster Growers Association (SAOGA), in association with RDAWEP, the EPA and DMITRE, investigated options for recycling plastic oyster basket waste to bring cost and operational efficiencies to the oyster industry while overcoming the need to discard the baskets as land fill. The project demonstrates an innovative and ethical approach by the industry to safeguard its clean and green image by pursuing environmentally sustainable operational practices.
- SAOGA, with support from RDAWEP, is presently pursuing R&D for the development of a spat hatchery near Port Lincoln to safeguard the South Australian oyster industry into the future, and overcome industry reliance on spat from Tasmanian hatcheries.

New Product Development

- **Graphene Product Development:** In 2014, Valence Industries and Archer Exploration signed agreements with the University of Adelaide's, School of Chemical Engineering to investigate new applications for graphene, ranging from heavy industry and new technology applications to medical use. Valence will contribute \$800,000 to establish a Graphene Research Centre placing the University of Adelaide at the forefront of global graphene innovation and marketing. Archer Exploration will provide \$200,000 for the Research Centre development. (Natasha Ewendt, *Port Lincoln Times*, Local graphite in research project, Tuesday, April 1, 2014, p. 3).
- **Guar Bean Trial:** The Mining Industry Participation Office (MIPO) was created by the State Government to help South Australian manufacturing companies develop capability to meet the supply demands of the expanding mineral and energy resources industries. Oil and gas companies currently use guar bean (mainly grown in India) as a key ingredient in hydraulic fracturing, the drilling technology that has opened up new resource fields. Hydraulic fracturing (fracking) has brought new supplies of natural gas to market. The Guar Bean Trial is a MIPO initiative at three pilot sites in SA – Whyalla, Port Augusta and Marree. The pilots require irrigation for the trial period. The Port Augusta and Marree sites have produced successful crops. Despite having no irrigation, the Whyalla site produced a guar crop and further development options are being pursued with assistance from RDAWEP.
- **Cuttlefish Interpretive Centre, Interpreting Whyalla:** RDAWEP and the City of Whyalla have been pursuing the development of a state-of-the-art marine interpretive centre at Whyalla. The Cuttlefish Interpretive Centre (CIC) is being developed as a world class facility to position Whyalla as a regional tourism gateway with an international focus. It is envisaged that the CIC will incorporate interpretive technologies and smart data applications, which will position the facility as one of the most advanced interpretive centres in the world. The services of a specialist interpretive centre consultant are being sought to prepare interpretive scenarios for the CIC and existing Whyalla Maritime Museum. The interpretive options are to be based on case studies of world best practice and are to be specifically designed to target the growing Asian tourism sector and younger 'techno-savvy' audiences.

Advanced Manufacturing

- **Graphite Manufacturing Plant:** Valence Industries investment in graphene research will create an opportunity to establish a high tech, advanced manufacturing industry in the region. Valence is proposing to construct a highly automated graphite manufacturing plant at Port Lincoln.

Negotiations are being pursued with Archer Exploration and Lincoln Minerals to process their graphite through the facility. This project will realise value-added options for the Uley, Campoona and Kookaburra Gully graphite mines, enabling the manufacture and sale of graphene products instead of unprocessed graphite. This will boost the viability and profitability of the mining ventures and create manufacturing employment opportunities on the lower Eyre Peninsula. (Valence Industries, *Regional Manufacturing on the Eyre Peninsula*, presentation, June 2014).

- **Upper Spencer Gulf (USG) Regional Synergies Project:** This project is a collaboration between Curtin University, DMITRE, USG industries and RDAWEP to determine if industrial synergies can reduce processing costs, improve profitability and benefit the USG environment. The project incorporates an ‘industrial symbiosis’ process for analysing opportunities for the exchange of materials, energy and water from industrial inputs, outputs, by-products and supply chains. Industry technical staff have been mapping material flows and identified 32 potential water, energy and other synergies with five identified as priorities for further development. The project report recommended the establishment of a Whyalla/USG industrial council to coordinate further development and assist with project implementation.

These various initiatives value-add to the diversity of the region’s industries and products and enhance competitive advantages over other South Australian regions. RDAWEP will continue to support and encourage the development of innovative projects and research to improve business competitiveness and position the region as a centre of excellence for new technologies.

Attachment 2: Stakeholder Consultation and Partnerships

Effective Cross-sectoral and Intergovernmental Partnerships

RDAWEP has established an extensive stakeholder consultative structure to ensure that it is fully informed about regional issues and needs, and can respond appropriately. The structure was developed over many years, from previous operation as the Eyre Regional Development Board and Whyalla Economic Development Board.

The consultative structure is comprised of Target Teams, a Regional Consultation Network, and a Business Development Program.

Target Teams

The Target Teams are the primary mechanism for consulting with industry clusters across the region. Five industry-based Target Teams have been established for Tourism, Agriculture, Seafood, Eyre Peninsula Business, and Whyalla.

The Tourism Target Team was established in 2009. The Agriculture Target Team and Eyre Peninsula Business Target Team were formed in 2011. The Seafood Target Team was restructured in 2012 and largely comprises the membership of a Marine Parks Advisory Committee formed in 2010 to voice industry concerns about the establishment of Marine Parks around the Eyre Peninsula. The Whyalla Target Team was established in July 2012 to provide business and community advice about economic development in the City of Whyalla.

Target Teams members represent a breadth of interests within their industry sectors and are able to provide the best possible information about issues and needs from an industry perspective. The Target Teams are facilitated by RDAWEP staff and provide their advice to RDAWEP through minutes, and reports tabled at Board meetings.

With the exception of the Whyalla Target Team (which has a City of Whyalla focus), the Target Teams have a whole-of-region focus with membership drawn from townships across the region. RDAWEP Board members are represented on many of the Target Teams. The details are provided in the RDAWEP Business Plans.

The Upper Spencer Gulf is a designated *Place-based* region. The Whyalla Target Team has therefore adopted a *placed-based* approach for economic development, using the knowledge and skills of the Whyalla community to identify priorities, and determine local solutions to economic, social and environmental challenges.

Sub-Regional Target Team Groups

Tourism Target Team planning is enhanced with the creation of sub-regional groups in June 2013. Five groups were formed for the West Coast, Lower Eyre, Eastern Eyre, Central and Gawler, and Far West and Nullarbor regions. The groups were formed to encourage greater levels of industry and local community input into tourism planning and decision making processes.

The sub-regional groups comprise 60 members with representation from the Tourism Target Team, RDAWEP Board, tourism operators, Business and Tourism Associations, Local Government, Visitor Information Centres, Aboriginal organisations and government agencies. This initiative will continue through 2014-15, but will be reviewed to assess effectiveness.

RDAWEP Stakeholder Consultation Network

RDAWEP Board members and staff participate on numerous groups and committees to ensure that the organisation is fully informed about the region’s changing circumstances and emerging needs.

The stakeholder consultation network provides RDAWEP with ongoing intelligence from an intra and inter-agency perspective. The network has the advantage of Government agency participation, providing organisations with direct lines of communication to Government departments and policy makers - see Figure 3: **RDAWEP Stakeholder Consultation Network**. Key network groups include:

NETWORK GROUP	PRIMARY PURPOSE
<p>Regional Employment Network Government and non-government agencies in the Eyre Peninsula and Whyalla.</p>	Meet formally and informally to plan and implement employment skills and workforce development initiatives, including project partnerships and the joint funding of training and skills development programs.
<p>Upper Spencer Gulf Common Purpose Group (USGCPG) RDA Whyalla and Eyre Peninsula, Yorke and Mid North and the Far North, and the provincial cities of Whyalla, Port Augusta and Port Pirie.</p>	Provide leadership and a common front for initiatives to address key economic and social issues in the Upper Spencer Gulf region and improve the quality of life of USG communities.
<p>Eyre Peninsula Regional Facilitation Group A State Government initiative in 2002 to facilitate regional improvements through inter-agency communication, coordination and cooperation at a senior management level.</p>	To achieve targeted service delivery, optimise resource allocation, reduce service duplication and address the regional priorities identified in the South Australian Strategic Plan.
<p>Eyre Peninsula Water Security Reference Group Comprising SA Water, DEWNR, EPNRM Board, RDAWEP, local governments and EPLGA. Meets annually (or as required).</p>	Formed in 2007 as a reporting mechanism to the community about matters related to water security and usage and the condition of prescribed groundwater resources.
<p>Marine Parks Advisory Group Formed in 2010 by representatives from all sectors of the regional fishing industry.</p>	Provide industry-based advice about the South Australian Government plan to establish Marine Parks around the coast of Eyre Peninsula and the potential economic impact on the industries and coastal communities that rely on fishing for their economic sustainability.
<p>Eyre Peninsula Integrated Climate Change Agreement (EPICCA) Formed in 2010 by an agreement between the Government of South Australia, EPNRM Board, RDAWEP and the EPLGA.</p>	Developing a cooperative approach to initiatives to address climate change in the region. EPICCA is currently working on a major climate change adaption plan for the region.
<p>Whyalla Development Focus Group (WDFG) Representatives from State Government: DPTI, PIRSA, DMITRE and the Urban Renewal Authority; Private Sector: Santos, BHP Billiton, Port Bonython Fuels and Flinders Ports; and Community Governance Sector: City of Whyalla Mayor and RDAWEP Board.</p>	Acts as a conduit for communications between the Whyalla community, the private sector and the State Government about development and other matters in Whyalla and surrounding areas. Input from the general community is provided via the Whyalla Community Consultation Group.



Regional Plan – RDA Whyalla and Eyre Peninsula

NETWORK GROUP	PRIMARY PURPOSE
<p>Eyre Peninsula Local Government Association (EPLGA) An executive body for the region's 11 member Councils. (The EPLGA is based in the RDAWEP Port Lincoln office enhancing cooperation and consultation between the organisations).</p>	<p>Provide a cohesive viewpoint, strong voice and forum for cooperation to assist in the delivery of local government services across the region. This includes engagement with and the development of partnerships with State Government, industry, the community and RDA to promote the economic and social prosperity the region.</p>
<p>Regional Development South Australia (RDSA) RDSA comprises the seven South Australian regional RDA's plus RDA Adelaide Metropolitan.</p>	<p>As a collective group, the RDA's work together to be regional development practitioners for the State. RDSA meets regularly to share ideas and discuss strategic infrastructure needs across regions to capitalise and maximise development opportunities.</p>
<p>AgriFood National Regional Initiative A Regional Advisory Group with representation from PIRSA, the EPLGA, RDAWEP and the seafood, mining and agricultural industries.</p>	<p>An 18-month Australian Government funded program (established in 2013) to drive sustainable skills development and employment in the primary industry sector (agriculture and mining).</p>
<p>Tumby Bay District Community Consultative Group (TBDCCG) A community-based consultative group formed in January 2013 primarily comprising residents of the Tumby Bay district, with an independent Chair from RDAWEP.</p>	<p>Provide a community forum for the discussion of major development and other projects in the Tumby Bay district and providing community comment and feedback on planning, development and other issues to government agencies, private sector developers, RDAWEP and the District Council of Tumby Bay.</p>

Business Development Program

The RDAWEP Business Development Unit provides an extensive needs-based business development program, which includes skills training workshops to address business needs. Business needs are identified through verbal, written and web-based electronic surveys to ensure that workshops meet the expectations of business owners and managers. The program provides a second source of information to RDAWEP regarding issues and needs impacting the SME sector.

New Partnerships Established

The following new partnerships were created during 2013-14:

PROJECT/INITIATIVE	PARTNERS	PROJECT SUMMARY
<p>Elliston Coastal Trail Committee (reactivated in March 2014).</p>	<p>District Council of Elliston, Elliston Coastal Facilities Committee, EPNRM and RDAWEP</p>	<ul style="list-style-type: none"> Oversee the Elliston Coastal Trail project design and implementation.
<p>Tourism Target Team – Sub-Regional Groups (Initiated in June 2013 and activated shortly thereafter).</p>	<p>Tourism operators, Progress and Tourism Associations, Visitor Information Centres, Local Government and Government agencies – approximately 60 representatives in total.</p>	<ul style="list-style-type: none"> Creation of 5 sub-regional Tourism Target Team Groups for West Coast, Lower Eyre, Eastern Eyre, Central and Gawler and Far West and Nullarbor to drive sub-regional tourism development initiatives.

PROJECT/INITIATIVE	PARTNERS	PROJECT SUMMARY
<p>Port Lincoln Seafood Processors Action Group (Initiated in 2014).</p>	<p>15 seafood processor companies, West Coast Cray Fisherman’s Association, South Australian Rock Lobster Advisory Council, South Australian Sardine Association, Australian Southern Bluefin Tuna Association and RDAWEP.</p>	<ul style="list-style-type: none"> In liaison with RDAWEP, SA Water, the EPA and DSD, to determine a sustainable, long term and cost-effective solution for the disposal of saline waste from the fish processing sector.

Proposed Stakeholder Consultation Strategy for 2014-16

During 2014-16 RDAWEP will maintain existing partnerships and consultative structures, but will implement additional initiatives to engage stakeholders in the regional planning process.

Local Government Communications

As part of the process of engaging with the EPLGA, RDAWEP has determined a schedule of face-to-face meetings with Councillors and Managers. The purpose is gather information about the issues, concerns, priorities and desires of individual Councils direct from Elected Members and staff. These meetings will be conducted by the RDAWEP CEO, Economic Development Managers and Special Projects Manager, with the engagement responsibility based on best-fit personal contacts at each Council.

A spreadsheet template has been distributed to each Council to track the progress of Council and community initiated projects in each LGA and assess their eligibility for funding from different State and Australian Government programs. This provides RDAWEP with project descriptions for inclusion in regional plans and assists the determination of project ‘spade-readiness’ for grant applications. Projects will be monitored throughout 2014-16.

New Target Teams

Consultation with regional stakeholders during 2013-14 identified the need to address aged care, health, disability, childcare and transport related issues, including the:

- Ageing of the regional population and increasing demand for aged care services.
- Difficulty in attracting qualified and experienced health practitioners.
- Limited availability of services for disability and child care in smaller townships.
- Increasing use of the road network for grain cartage due to the poor state of the rail network, and resultant road maintenance and cost impacts on Local Government.
- Rising registration and other costs in the agriculture sector from the need to use larger vehicles to achieve operational economies of scale.
- Need to reassess road network legislation classifications to enable the use of larger vehicles, such as road-trains, on more regional roads.

In view of these concerns the RDAWEP Board, at its meeting in March 2014, endorsed the establishment of two new Target Teams to provide industry based advice:

1. A Community Services Target Team to investigate and address aged care, health, disability and child care issues, and
2. A Transport Target Team to address operational, infrastructure and logistical issues impacting the transport sector.

These Target Teams will be established during late 2014. Both Target Teams will have a whole-of-region focus.

Regional Plan – RDA Whyalla and Eyre Peninsula

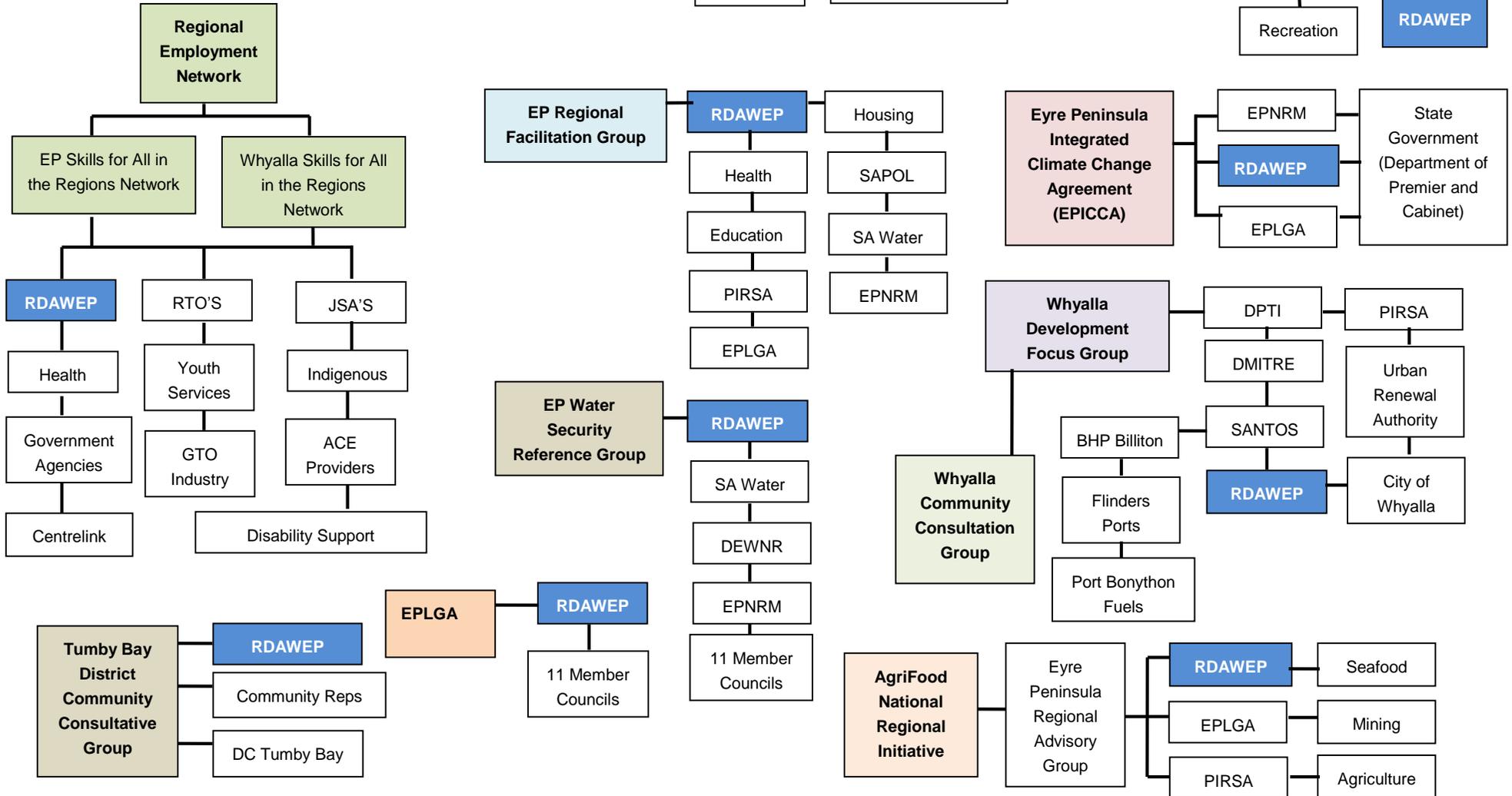


Figure 3: RDAWEP Regional Consultation Network.

Stakeholder Engagement in Development of the Regional Plan

Information derived from the consultative structure provides the primary source of local intelligence about regional issues, needs and opportunities, which is incorporated into RDAWEP planning.

The stakeholder engagement during 2013-14 was extensive and is detailed in the 2013-14 Business Plan, **Annual Report on Outcomes**, August 2014. The data, drawn from monthly RDAWEP staff reports, documents the following level of engagement during 2013-14 via meetings, focus groups, presentations, and high profile public events:

- Over 700 meetings between RDAWEP and key groups in the Regional Consultation Network.
- 21 Target Team meetings, including tourism sub-regional group meetings and a teleconference.
- 8 meetings with the Tumby Bay District Community Consultative Group, at Tumby Bay and Port Neill.
- 40 business development workshops, with an average attendance of 17 businesses per workshop.

This list excludes numerous ongoing meetings held as required with Government, non-government agencies and the private sector, primarily for the coordination of skills training and workforce development programs.

It should be noted that this documentation was derived from a monthly reporting template that was found to be dissatisfactory. A much improved template was designed and tested in July for full implementation in August 2014. The new template enables much better tracking of meetings and the documentation of issues to be incorporated in RDAWEP regional planning. The new template will be used throughout 2014-15, but will be reviewed as part of the RDAWEP continuous improvement process.

Regional Plan Review

The RDAWEP Board reviews the Regional Plan, regional vision and regional priorities annually at a strategic planning workshop. The Board workshop follows staff planning workshops held to review RDAWEP activities and provide strategic direction for Board consideration.

This 2014-16 Regional Plan will be issued for feedback from Local Government, Target Teams and key agencies on the Regional Consultation Network. Comments and feedback about the regional vision and priorities will be incorporated where appropriate into future RDAWEP regional planning.