SOUTH AUSTRALIAN
CENTRE FOR ECONOMIC STUDIES
ADELAIDE & FLINDERS UNIVERSITIES

Regional Development Australia Whyalla and Eyre Peninsula

Overview

Geography

- RDA Whyalla and Eyre Peninsula covers an area of 170,500 square kilometres or 17.3 per cent of the State's land mass.

Population

- As at 30th June 2010 the region's population was 58,700 persons or 3.6 per cent of the State's population. The Indigenous population was estimated at 2,500 persons or 4.4 per cent of the region's population.

Economy and Labour force

- The region contributed $2,297 million to the State economy in 2006/07 or 3.4 per cent of gross state product.
- The four largest employing industries in the Whyalla Eyre Peninsula region were agriculture and fisheries (18.2 per cent), retail trade (14.3 per cent), manufacturing (11.9 per cent) and health and community services (10.9 per cent). Mining was relatively small at 1.4 per cent but is likely to show strong growth in the median term.
- The labour market is relatively strong with a participation rate above the State average and lower unemployment than the State average.
- Participation in VET courses is well above that for the State as a whole, while full-time participation in secondary school at age 16 is 71.4 per cent compared to South Australia at 78.4 per cent.
- NAPLAN reading results at year 3 are 15 percentage points lower than the State average but by year 7 they are 4.5 percentage points below the State average which indicates stronger school attendance over primary years of schooling.

Opportunities for growth

- Airport passenger numbers for Port Lincoln, Whyalla and Ceduna have grown at 6.7 per cent per annum over the last ten years (South Australia: 5.1 per cent) through a combination of domestic tourism demand, workforce growth and industry visitations.
- The region has research facilities that are closely integrated with the industry profile and industry output of the region and it is often the case that industry-research clusters are an engine of innovation and economic growth. One opportunity is clearly the region's potential in renewable energy, including large scale solar establishments.
- The region has a clean and green reputation for agricultural commodities and an international reputation for aquaculture products.

Education and Skills

- It is important that school attendance rates and completion rates are improved so that new entrants to the labour market have generic foundation skills as a platform to achieve higher certificate level qualifications.

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Indicators[1]

Geography and Population

	RDA Whyalla & Eyre Peninsula	South Australia
Geography		
Land area - square kilometres (includes unincorporated areas)	170,448	985,292
Land area as a percentage of the state - per cent	17.3	100
Area of agricultural land (2006) - hectares '000[2]	3,072	55,408
Demographics		
Total population (2010) - all persons	58,707	1,640,638
Males (2010) - all males	30,299	810,264
Females (2010) - all females	28,408	830,374
Change in population (2001-2010) - per cent change	5.5	9.0
Change in population (2001-2005) - per cent change	1.2	2.8
Change in population (2005-2010) - per cent change	4.2	6.0
Population as a percentage of state population (2010) - per cent	3.6	100.0
Population density (2010) - Persons/square kilometre	0.34	1.67
Birth rate (2010) - babies born per 1,000 people	13.1	12.2
Death rate (2010) - deaths per 1,000 people	8.1	7.9
Population projections (Dept of Planning and Local Government)		
2016	59,842	1,770,644
2021	60,685	1,856,435
2026	61,362	1,935,161
Projected change in population from 2011 to 2026 - per cent	4.46	16.1
CAGR for region, 2011-2026	0.29	1.0
Age profile (2010)		
0-14 years	20.7	17.8
15-24 years	12.3	13.6
25-34 years	12.1	13.0
35-44 years	13.7	13.6
45-54 years	14.3	14.0
55-64 years	11.9	12.3
65-74 years	8.2	8.0
75-84 years	4.9	5.3
85 years and over	1.8	2.3
Indigenous population (2006) - all persons	2,532	24,823
Indigenous population as a percentage of total population (2006) - per cent	4.4	1.6

Note: [1] All indicators exclude unincorporated areas of South Australia unless otherwise indicated.
[2] Excludes Maralinga, Tjarutja Lands and Yalata Aboriginal Reserve.

Economy 2006/07

	Gross value[1] added ($m)		Gross value added - per cent of total gross regional product		Employment by industry - per cent of total employment	
	RDA WEP	**South Australia**	**RDA WEP**	**South Australia**	**RDA WEP**	**South Australia**
Agriculture, forestry and fishing	325	2,603	14.1	3.8	18.2	4.9
Mining	122	2,224	5.3	3.3	1.4	0.9
Manufacturing	341	8,815	14.8	12.9	11.9	13.4
Electricity, gas and water	39	1,884	1.7	2.8	0.6	0.9
Building and construction	172	4,432	7.5	6.5	7.3	6.6
Wholesale trade	69	2,765	3.0	4.0	3.2	4.4
Retail trade	129	3,829	5.6	5.6	14.3	14.9
Accommodation, cafes and restaurants	52	1,476	2.3	2.2	4.6	4.4
Transport and storage	98	3,270	4.3	4.8	3.7	3.9
Communication services	23	1,467	1.0	2.1	0.7	1.3
Finance and insurance	59	3,993	2.6	5.8	1.6	3.9
Ownership of dwellings	205	6,074	8.9	8.9	0.0	0.0
Property and business services	128	6,533	5.6	9.6	5.9	9.3
Public administration and defence	44	2,417	1.9	3.5	3.5	5.4
Education	113	3,144	4.9	4.6	8.3	7.6
Health and community services	129	4,974	5.6	7.3	10.9	13.1
Cultural and recreational services	12	1,039	0.5	1.5	0.7	1.8
Personal services	43	1,547	1.9	2.3	3.2	3.9
Total[2]	**2,297**	**68,327**	**100**	**100**	**100.0**	**100.0**

Note: 1 The sum of gross value added across all industries plus taxes less subsidies on products equals gross regional/state product at purchasers prices. Gross value added for each region has been estimated by EconSearch using input-output (I-O) models. For additional information on gross value added and definitions of key terms, see ABS, Australian National Accounts, Concepts, Sources and Methods, 2000, Cat. No. 5216.0.

2 Total does not include net taxes (i.e. taxes less subsidies on products and production) paid by households and other components of final demand. Therefore totals do not sum to 100 per cent.

Supportive Statistics

	RDA Whyalla and Eyre Peninsula	South Australia
Trade[1]		
Exports (2006/07) - $ billions	1.8	27.4
Imports, (2006/07) - $ billions	2.0	30.8
Labour force		
Labour force (June 2011)	28,826	861,537
Total employed (June 2011)	27,364	814,507
Total unemployed (June 2011)	1,462	47,030
Participation rate (2009)	65.1	63.1
Unemployment rate (June 2011) - per cent	5.1	5.5
Number of job service/disability employment service providers	31	450
Education		
Full-time participation in secondary school education at age 16 (2006) - per cent	71.4	78.4
Participation in VET courses (2009) - per 1,000 persons	103.8	73.5

Supportive Statistics (continued)

	RDA Whyalla and Eyre Peninsula	South Australia
NAPLAN results[2] (2011) – average score		
Year 3		
Reading	342	402
Spelling	337	392
Numeracy	346	379
Year 5		
Reading	439	478
Spelling	439	474
Numeracy	448	471
Year 7		
Reading	510	534
Spelling	507	533
Numeracy	511	535
Health (selected LGAs)		
Low birth weight babies (2006 to 2008) - as a percentage of total births	7.4	6.8
Mothers who reported smoking during pregnancy (2006 to 2008) - per cent	26.3	16.7
Children fully immunised at 12 to less than 15 months of age (2008) - per cent	91.3	91.8
Obese persons 18 years and over[3] (2007-08) – per cent	18.9	17.4
Overweight (not obese) persons 18 years and over[3] (2007-08) – per cent	29.7	29.4
Housing characteristics		
Median house price (September quarter 2011) – Port Lincoln - $	265,000	360,000
Dwelling fully owned (2006) – per cent	32.4	33.7
Dwelling being purchased (2006) – per cent	27.8	33.5
Dwelling being rented (2006) – per cent	32.3	25.6
Rent assistance from Centrelink (March Quarter 2011) - per cent of population	5.5	6.5
Average residential valuation (2010) - $	223,014	344,446
Average rates per residential property (2010) - $	931	1,065
Income		
Average wage and salary income (2009) - $	40,628	41,896
Average own unincorporated business income (2009) - $	12,569	19,659
Average investment income[4] (2009) - $	6,847	7,651
Average superannuation and annuity income (2009) - $	24,288	24,793
Income support (selected LGAs)		
Age pension recipients (2009) - per cent	79.7	77.5
Disability support recipients (2009) - per cent	7.8	7.1
Single parent payment recipients (2009) - per cent	7.9	5.8
Unemployment benefit recipients (2009) - per cent	6.6	4.5
Long-term unemployment benefit recipients (2009) - per cent	5.0	3.2
Youth Unemployment benefit recipients (2009) - per cent	11.4	6.1
Low income and welfare dependant families with children (2009) - per cent	12.7	9.5
Children in low income families (2009) - per cent	25.2	22.0
Health care card holders (2009) - per cent	10.8	8.8
Pensioner concession card holders (2009) - per cent	25.8	23.6
Total Centrelink card holders (2009) - per cent	29.6	26.8

Supportive Statistics (continued)

	RDA Whyalla and Eyre Peninsula	South Australia
Tourism[5]		
Day visitors (2011)		
Number of domestic day trips – ('000)	429	10,472
Total expenditure by day trippers – $m	69	944
Average expenditure by day trippers – $	161	90
Number of overnight visitors (2011)		
Intrastate – ('000)	252	3,150
Interstate – ('000)	73	2,167
Domestic – ('000)	324	5,315
International – ('000)	13	530
Total – ('000)	337	5,845
Number of nights stayed (2011)		
Intrastate – ('000)	1,005	9,473
Interstate – ('000)	463	8,669
Domestic – ('000)	1,468	18,142
International – ('000)	110	8,454
Total – ('000)	1,578	26,596
Expenditure by overnight tourists		
Total domestic overnight expenditure (2011) - $m	169	2,922
Average expenditure by domestic overnight visitor (2011) - $	522	602
Characteristics of tourist establishments[6] (2011)		
Establishments (no.)	26	266
Rooms (no.)	929	12,652
Bed spaces (no.)	2,560	34,583
Persons employed (no.)	696	7,138
Occupancy rate (per cent)	57	62.4
Environmental		
Greenhouse gas emissions (2005/06) - tonnes per person	28.9	20.0
Airports		
Passengers per annum (2010/11)	291,047	7,756,574
CAGR of passenger numbers (2000/01 – 2010/11)	6.7	5.1
Gambling		
No. of electronic gaming machines (2009/10)	984	12,684
NGR (2009/10) - $/adult	711	571
Taxes (2009/10) - $/adult	246	222
No. of EGM's per 1,000 adults (2009/10)	14.9	9.9

Note:

1 The value of exports and imports at the regional level includes intrastate, interstate and international trade.

2 NAPLAN scores for the Whyalla and Eyre Peninsula region are based on a selection of DECS primary schools in Whyalla, Port Lincoln, Ceduna, Cleve and Elliston. NAPLAN results are reported using a common scale ranging from 0 to 1000 for years 3, 5, 7 and 9, the scale is divided into ten bands ranging from band one (lowest achievement) to band 10 (highest achievement) as students progress to higher year levels the national minimum standard band level increases reflecting the greater complexity of skills assessed. For more information on interpreting NAPLAN results see www.naplan.edu.au

3 Chronic disease and risk factor estimates not produced for the remote areas of Ceduna, Wudinna and Maralinga Tjarutja, estimates for other LGAs are based on synthetic predictions using 2001 NHS data.

4 Investment income includes: interest from financial institutions, net rent and dividends or distributions (including imputation credits) from an Australian company, corporate unit trust or public trading trust and distributions from trusts.

5 Tourism data on day visits, overnight visits, number of nights stayed, expenditure and characteristics of establishments is based on regional boundaries according to the South Australian Tourism Commission (SATC) and these differ slightly from Regional Development Australia boundaries (see regional and state profiles at http://www.tourism.sa.gov.au for maps of regions according to the SATC).

6 Accommodation includes hotels, motels and guest houses and serviced apartments with 5 or more rooms or units; holiday flats, units and houses of letting entities with 15 or more rooms or units; caravan parks with 40 or more powered sites and visitor hostels with 25 or more bed spaces. The breakdown of tourist establishments by type of accommodation e.g. hotels, motels, guest houses, bed and breakfast etc. is not available.

Summary graphs – businesses and employment by occupation

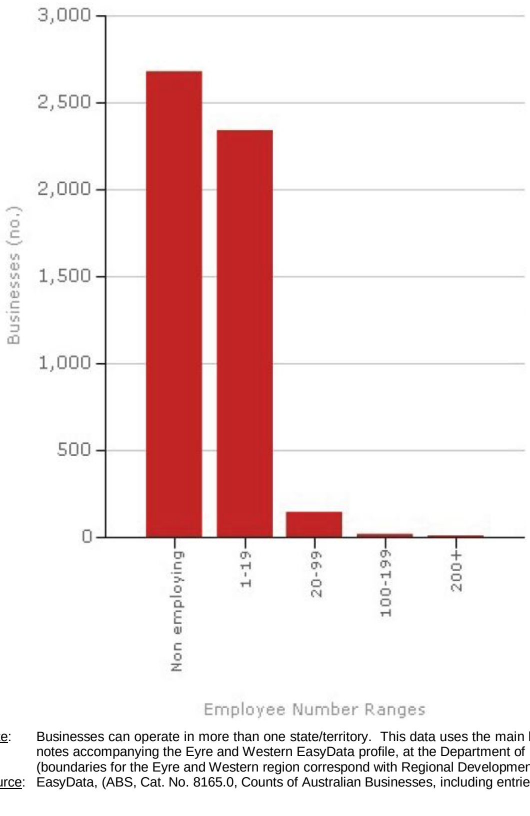
Figures 1 through 4 show data on the number of businesses by industry sector, number of businesses by employee ranges, number of businesses by turnover range and top five occupations by persons employed relative to South Australia.

Figure 1: Number of businesses by industry – RDA Whyalla and Eyre Peninsula, 2006/07

Note: Adheres to the Australia New Zealand Standard Industry Classification (ANZSIC) 2006, ABS Cat. No. 1292.0. Businesses can operate in more than one state/territory. This data uses the main location determined for the business. For more information on the data source, please refer to the explanatory notes accompanying the Eyre and Western EasyData profile, at the Department of Manufacturing, Innovation, Trade, Resources and Energy regarding number of businesses by industry (boundaries for the Eyre and Western region correspond with Regional Development Australia Whyalla and Eyre Peninsula boundaries).

Source: EasyData, (ABS, Cat No. 8165.0, Counts of Australian businesses, including entries and exits, June 2003 to June 2007).

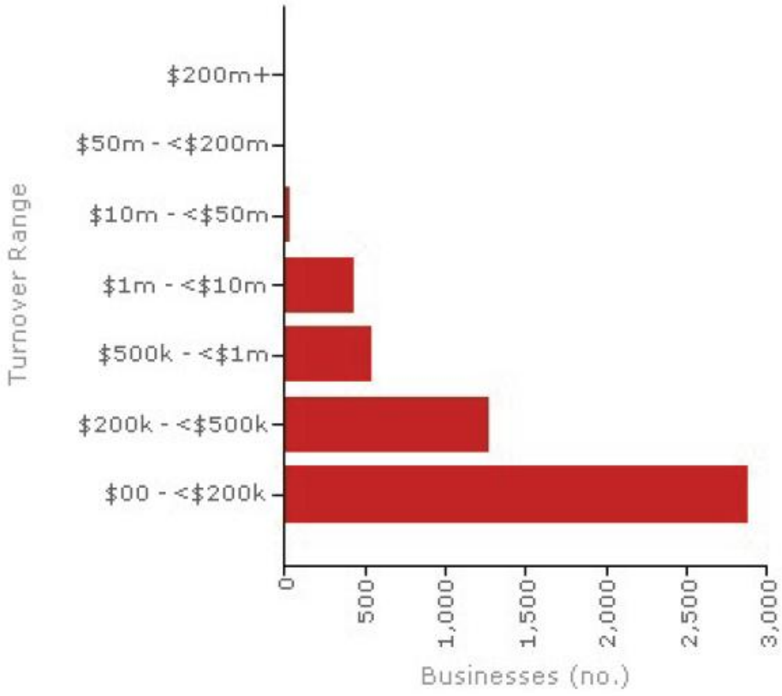
Figure 2: Number of businesses by employee ranges – RDA Whyalla and Eyre Peninsula, 2006/07



Note: Businesses can operate in more than one state/territory. This data uses the main location determined for the business. For more information on the data source, please refer to the explanatory notes accompanying the Eyre and Western EasyData profile, at the Department of Manufacturing, Innovation, Trade, Resources and Energy regarding number of businesses by employee ranges (boundaries for the Eyre and Western region correspond with Regional Development Australia Whyalla and Eyre Peninsula boundaries).

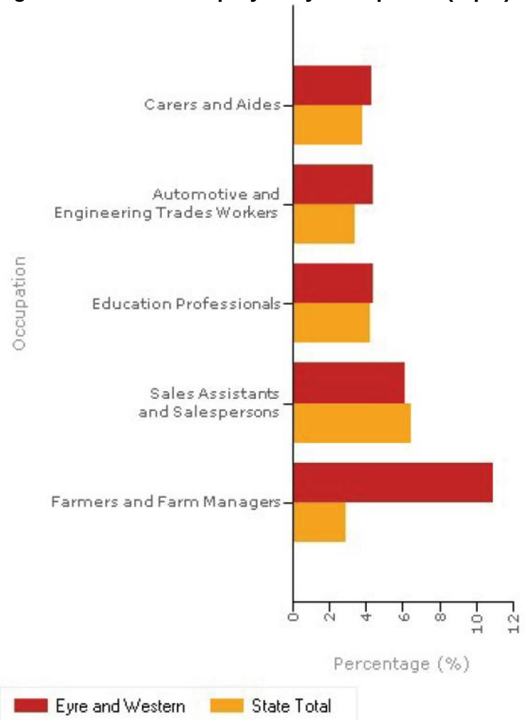
Source: EasyData, (ABS, Cat. No. 8165.0, Counts of Australian Businesses, including entries and exits, June 2003 to June 2007).

Figure 3: Number of businesses by turnover range – RDA Whyalla and Eyre Peninsula, 2006/07



Note: Businesses can operate in more than one state/territory. This data uses the main location determined for the business. For more information on the data source, please refer to the explanatory notes accompanying the Eyre and Western EasyData profile, at the Department of Manufacturing, Innovation, Trade, Resources and Energy regarding the number of businesses by turnover range (boundaries for the Eyre and Western region correspond with Regional Development Australia Whyalla and Eyre Peninsula boundaries).
Source: EasyData, (ABS, Cat No. 8165.0, Counts of Australian Businesses, including entries and exits, June 2003 to June 2007).

Figure 4: Persons employed by Occupation (top 5) – RDA Whyalla and Eyre Peninsula, 2006/07



Note: Adheres to the Australia New Zealand Standard Classification of Occupation (ANZSCO) 2006, ABS Cat. No. 1220.0 Presented at the Sub-Major Group (or 2-digit) level. Applicable to employed persons only.
Source: EasyData (ABS, Census of Population and Housing, 2006).

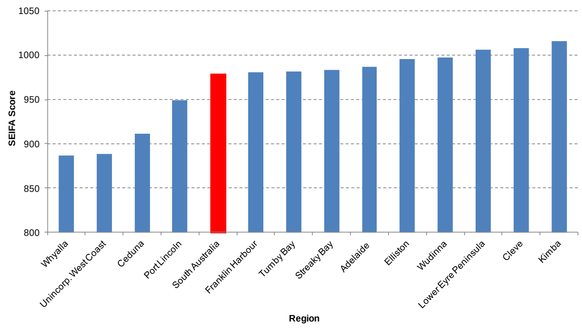
Indicators for local government areas

Figures 5 through 16 show selected indicators for Regional Development Australia Whyalla and Eyre Peninsula (RDAWEP) local government areas taken from the Public Health Information Development Unit (PHIDU) InstantAtlas. For comparison South Australia and metropolitan Adelaide are included in each graph. Brief commentary is provided of key trends or stand out characteristics in the data.

Based on the Socio-Economic Index for Areas (SEIFA index) Whyalla is the most disadvantaged LGA with a SEIFA score of 887; significantly below the South Australian average (979) and metropolitan Adelaide (987). The most advantaged areas are Kimba (1,016) followed by Cleve (1,008), (refer to Figure 5).

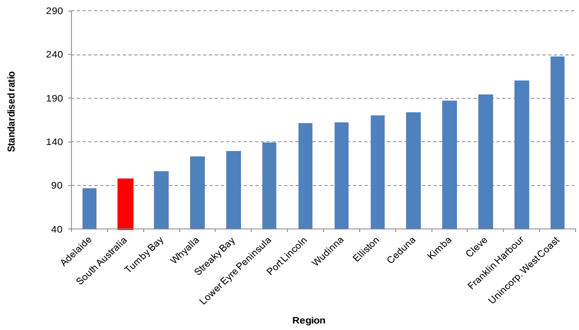
Based on a standardised ratio participation in VET is highest in Unincorporated West Coast (238) followed by Franklin Harbour (210) and Cleve (194). All LGAs of RDAWEP have higher participation in VET relative to South Australia (97) and metropolitan Adelaide (87), (refer to Figure 6).

Figure 5: Index of relative socio-economic disadvantage, 2006



Source: PHIDU InstantAtlas.

Figure 6: Participation in VET Standardised ratio, 2009



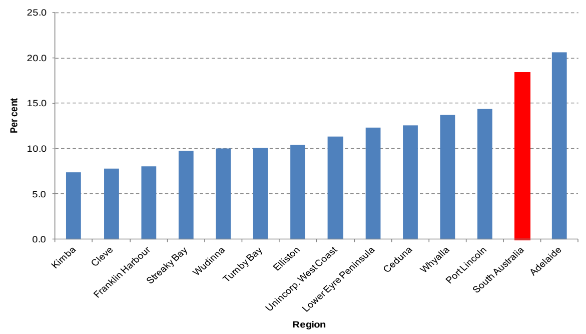
Source: PHIDU InstantAtlas.

The percentage of the population in RDAWEP who identify themselves as professionals is less than 15 per cent in all LGAs. Metropolitan Adelaide and South Australia have the highest proportion of professionals at 20.6 per cent and 18.4 per cent respectively (refer to Figure 7).

Conversely, the proportion employed as labourers is higher for all LGAs compared with metropolitan Adelaide (10.9 per cent) and South Australia (12.4 per cent), (refer to Figure 8). Elliston has the highest proportion of its workforce employed in agriculture, forestry and fishing at 49.4 per cent

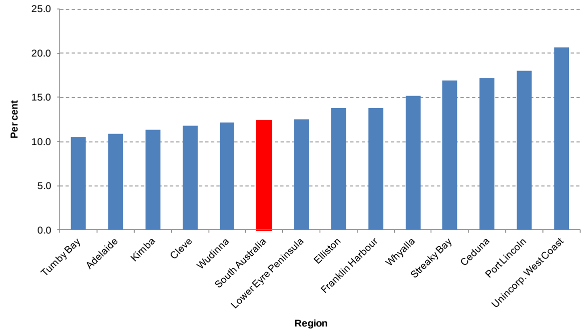
In Unincorporated West Coast 25.6 per cent of families with children are classed as low income families and receive income support followed by Ceduna (16.7 per cent) and Whyalla (15.7 per cent). This compares with 9.3 per cent in metropolitan Adelaide and 9.5 per cent in South Australia (refer to Figure 10).

Figure 7: Occupation – Professionals
Per cent of workforce employed as professionals by local government area, 2006



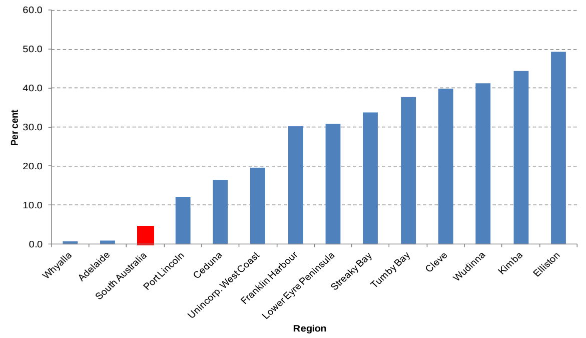
Source: PHIDU InstantAtlas.

Figure 8: Occupation – Labourers
Per cent of workforce employed as labourers by local government area, 2006



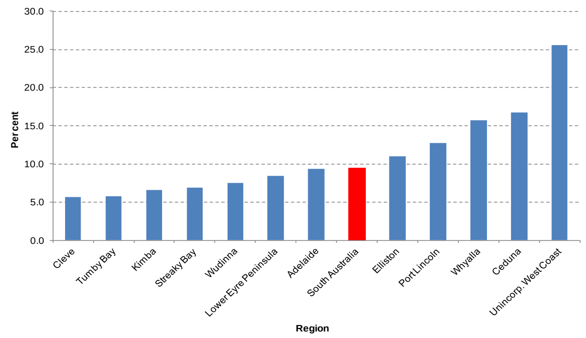
Source: PHIDU InstantAtlas.

Figure 9: Industry – Agriculture, forestry and fishing
Per cent of workforce employed in agriculture, forestry and fishing, 2006



Source: PHIDU InstantAtlas.

Figure 10: Income support recipients
Per cent of welfare dependent and other low income families with children, 2009



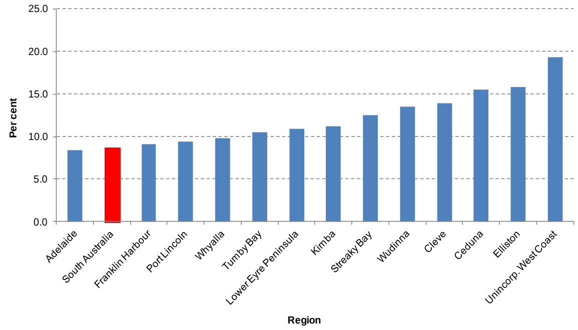
Source: PHIDU InstantAtlas.

Residents claiming Centrelink benefits such as, *inter alia* the aged pension and allowances are automatically entitled to a health care card. All LGAs of RDAWEP have a higher proportion of health care card holders than metropolitan Adelaide (8.4 per cent) and South Australia (8.7 per cent) (refer to Figure 11).

Unskilled and semi-skilled workers form 28.0 per cent of the workforce in Unincorporated West Coast followed by Whyalla (26.4 per cent) and Port Lincoln (23.1 per cent) above South Australia (18.2 per cent) and metropolitan Adelaide (16.4 per cent) (refer to Figure 12).

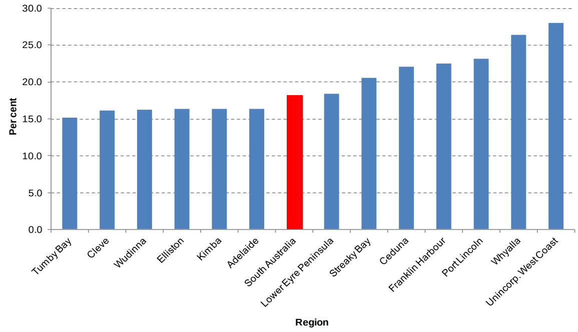
Full-time participation in secondary school education at age 16 is above the South Australian average (78.3 per cent) and metropolitan Adelaide (79.6 per cent) in Streaky Bay (90.5 per cent), Tumby Bay (86.7 per cent) and Lower Eyre Peninsula (80.9 per cent), (refer to Figure 14.)

Figure 11: Health care card holders
Per cent, 2009



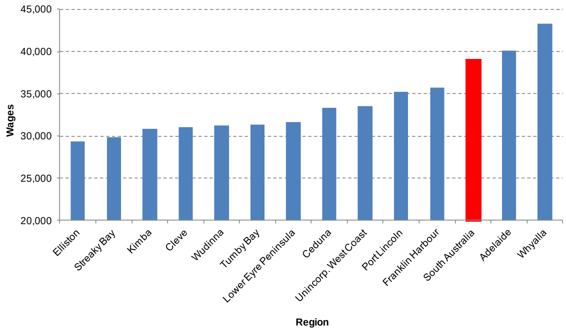
Source: PHIDU InstantAtlas.

Figure 12: Unskilled and semi-skilled workers
Per cent, 2006



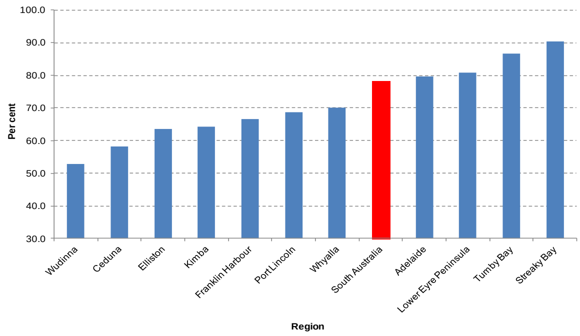
Source: PHIDU InstantAtlas.

Figure 13: Wages per capita
Dollars, 2005/06



Source: PHIDU InstantAtlas.

Figure 14: Education
Full-time participation in secondary school education at age 16, Per cent, 2006

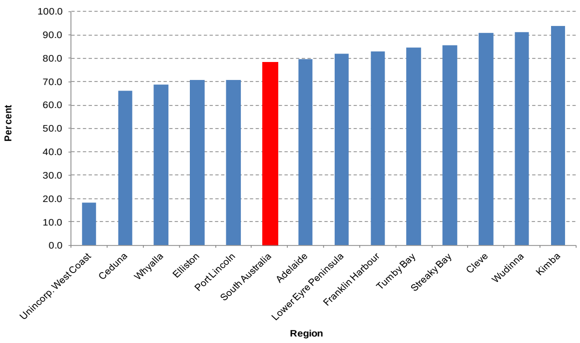


Source: PHIDU InstantAtlas.

The proportion of 15 to 19 year olds learning or earning is highest in Kimba (93.7 per cent) followed by Wudinna (91.3 per cent) and Cleve (90.8 per cent) compared with 78.4 per cent across South Australia and 79.5 per cent in metropolitan Adelaide, (refer to Figure 15).

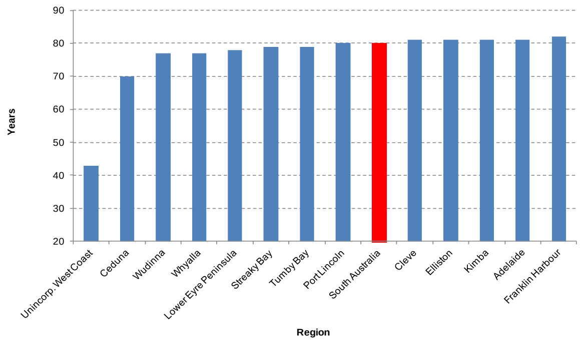
There is no significant difference in median age at death for South Australia (80 years) and LGAs in the RDAWEP region, except in Unincorporated West Coast (43 years) and Ceduna (70 years), refer to Figure 16.

Figure 15: Learning or earning
Per cent of 15 to 19 year olds either working or studying, 2006



Source: PHIDU InstantAtlas.

Figure 16: Median age at death, 2003 to 2007



Source: PHIDU InstantAtlas.

About the Whyalla and Eyre Peninsula regional plan

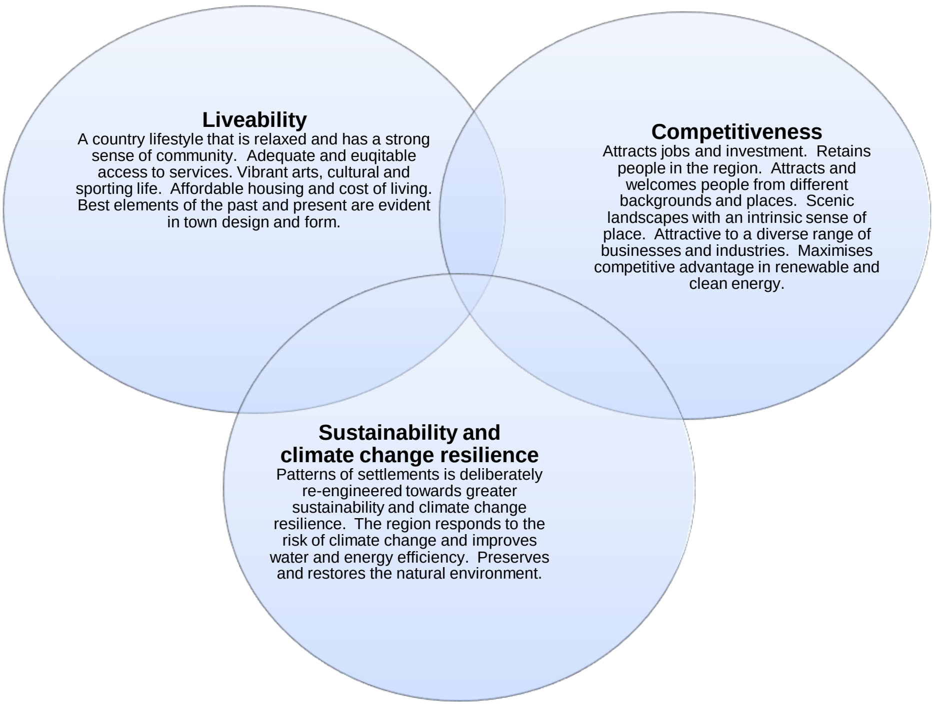
Whyalla and Eyre Peninsula's regional plan sets out the objectives of the region, helping state and local governments to plan for the provision of essential services and infrastructure and guide sustainable economic development and land use in the region.

The plan supports the achievement of a range of economic, social and environmental goals and is closely aligned to South Australia's State Strategic Plan, such that achieving regional goals and targets supports the achievement of state-wide objectives. In addition regional plans tie into state-wide plans for infrastructure, housing, water, natural resources management, waste management and South Australia's economic statement.

The plan has three overlapping objectives representing sustainable community development; these objectives are classified as (see Figure 17):

- Social - to maintain and improve liveability;
- Economic - to increase competitiveness; and
- Environmental - to drive sustainability and resilience to climate change

Figure 17: Objectives of the regional volumes of the South Australian planning strategy



Source: Eyre and Western Region Plan June 2011, Volume of the South Australian Planning Strategy.

Region at a glance[1]

The RDAWEP region covers an area of more than 170,448[2] square kilometres comprising eleven local government areas, two remote Aboriginal communities and one unincorporated area serviced by the Outback Communities Authority (OCA)[3].

1 Descriptions of the Whyalla and Eyre Peninsula region are sourced from Whyalla and Eyre Peninsula Regional Profile July 2011 (RDA Roadmap), and the Eyre and Western Regional Plan June 2011 (Department of Planning and Local Government).

2 Does not include the wider area of Maralinga Lands.

3 The Outback Communities Authority acts as a management authority for the outback. For more details about the Outback Communities Authority (OCA) functions and objectives see http://www.oca.sa.gov.au

Local government areas:

- Ceduna
- Cleve
- Elliston
- Franklin Harbour
- Kimba
- Lower Eyre Peninsula
- Port Lincoln
- Streaky Bay
- Tumby Bay
- Whyalla
- Wudinna

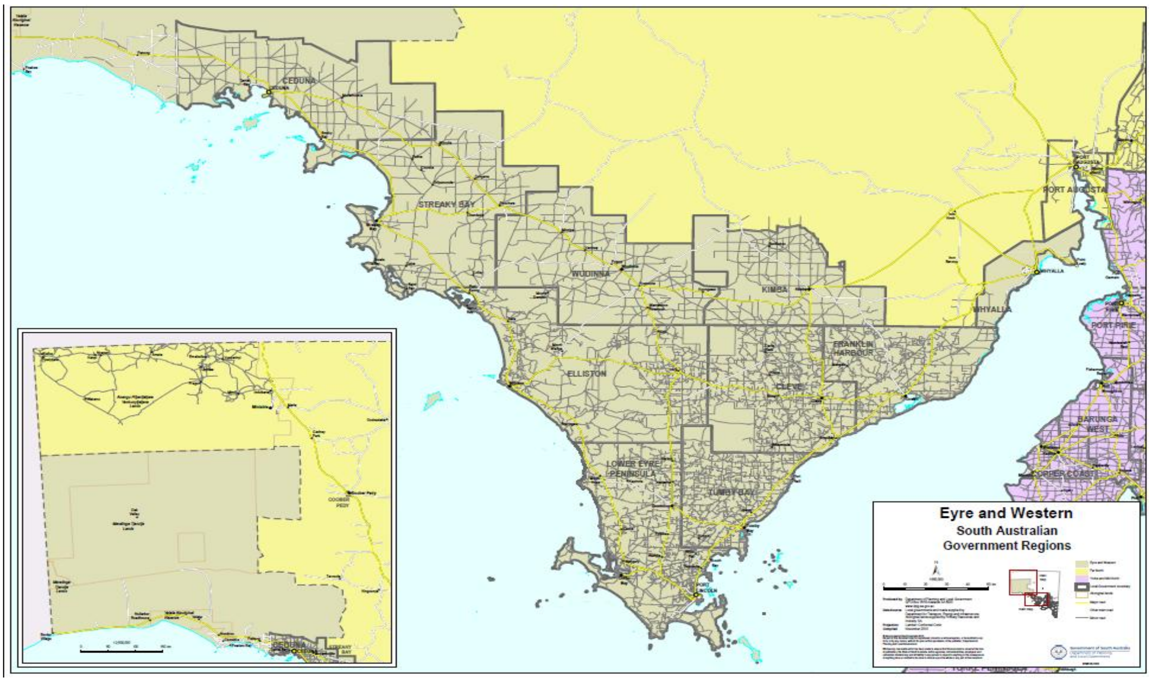
Unincorporated areas:

- Unincorporated West Coast

Aboriginal communities:

- Maralinga Tjarutja Lands
- Yalata Aboriginal Reserve

Figure 18: Map of Regional Development Australia Whyalla and Eyre Peninsula



Source: Department of Planning and Local Government of South Australia.

Facts about the region

- Characterised by a Mediterranean climate, summers are warm and dry and winters cool and wet.
- The estimated resident population of the region is 58,707 persons, excluding unincorporated West Coast[4] (ABS, 2010, preliminary estimate).
- Approximately 65 per cent of residents live in the two Provincial Cities of Whyalla and Port Lincoln.
- Economic activity is primarily based on agriculture, aquaculture and primary products processing and in Whyalla and surrounds, mining and steel making.
- Emerging industries include tourism, minerals exploration/processing, defence and renewable energy.
- Whyalla is the region's largest population centre with 23,214 persons (ABS, 2010, preliminary estimate) specialising in the manufacture of steel. The city has a major deep water port and is a commercial, educational and retail centre.
- Port Lincoln is the second largest city in the RDAWEP region with 14,726 persons (ABS, 2010, preliminary estimate) major industries are aquaculture, agriculture and tourism, the city has a deepwater port used principally for loading grain.

Box 1: Additional information about Whyalla and Eyre Peninsula

- Employment on the Eyre Peninsula is concentrated in agriculture and fishing. Whyalla remains a major manufacturing centre.
- Mineral exploration and subsequent discovery of resources such as iron ore offers the opportunity to diversify the region, providing new jobs directly in the construction and operation of mines and indirect jobs in sectors that support the operation of each mine such as transportation.
- A workforce study indicates many of the jobs created in the resources sector on the Eyre Peninsula will require formal qualifications, opportunities for workers without qualifications or experience will be more limited.
- High staff turnover in the mining industry will create additional replacement demand over the next decade.
- Major centres Whyalla and Ceduna are disadvantaged relative to the rest of the state based on SEIFA scores. Both these centres have higher rates of youth unemployment, long-term unemployment and jobless families compared with the State average.

Source: Skills for Jobs, The Training and Skills Commission's five year plan for skills and workforce development, 2011.

Key Issues for the region

Consultation with local governments, industry groups and communities revealed issues of most concern. Together these issues can be grouped under four themes, (A) environment and culture, (B) economic development, (C) population and settlements and (D) infrastructure and service provision.

Underlying each theme are principles and policies (e.g., as in A: Environment and Culture) to help realise the regions vision and full potential. Issues, challenges, opportunities and barriers as highlighted by the RDAWEP Regional Roadmap are grouped under each of the four themes and commentary is drawn from the RDA Roadmap (as in A.1, A.2, B.1 etc).

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4 Unincorporated West Coast has a population of 496 residents (ABS, 2010).

A. Environment and culture – Principles and policies

- *Recognise and protect the region's environmental assets;*
- *Protect people, property and environment from exposure to hazards;*
- *Identify and protect places of heritage and cultural significance, and desired town character;*
- *Create the conditions for the region to adapt and become resilient to the impacts of climate change.*

A.1 Climate change – Issues identified in RDA Roadmap

- Warmer sea and air temperatures, drier summers, declining rainfall, rising sea levels and more frequent and prolonged droughts caused by changing climatic conditions may impact on agriculture and aquaculture industries leading to greater variability in year-on-year crop yields.
- Cropping land may be damaged by wind and storm damage due to higher frequency of extreme weather events.
- A potential impact of climate change is that it may reduce the annual average rainfall of the more fertile and productive southern Eyre Peninsula causing greater variability in agriculture and aquaculture production.
- A reduction in annual average rainfall will impact the supply of fresh water supplies such that demand for potable water will outstrip supply in ten years. Alternative potable water sources such as desalination will be required.
- Climate change provides economic opportunities in the form of adaptation, leading to sustainable fishing, aquaculture and farming, greater use of renewable energy and investment in associated infrastructure, biofuel projects, environmental sustainability and new product development.
- Research at University of South Australia's Whyalla campus, Minnipa Agricultural Centre and Port Lincoln's Marine Science Centre is building the capacity of the region to adapt and adjust to climate change, promoting better farming practices and greater sustainability, productivity and profitability.

A.2 Renewable energy – Issues identified in the RDA Roadmap

- The region has the potential to supply 30 per cent of the Federal government's renewable energy target by 2020, providing new jobs and additional investment with surplus energy sold to South Australia and interstate.
- The region receives 300 cloud free days per year and is suitable for large scale solar energy development with plans to construct a solar thermal plant near Whyalla.
- The region is ranked amongst the top 10 locations in the world for wind power generation, two wind farms are operational and there is potential to support additional wind farms.
- Potential exists for the commercial development of energy generation by harnessing wave power; a pilot plant operates near Elliston and will be connected to the grid upon successful testing of its performance (expected deployment by 2011).

A.3 Water – Issues identified in RDA Roadmap

- Limited natural water resources are supplemented by ground water and the Murray River. It is estimated that population growth will cause demand for potable water to exceed supply sometime between 2017 and 2023 (Eyre Peninsula Demand and Water Supply Statement, April 2011), affecting the region's sustainability unless alternative water is sourced through desalination or other means.

- Over reliance on groundwater basins for potable water combined with low rainfall has overdrawn groundwater resources, leading to rising salinity and limiting the long term sustainability of underground basins for potable drinking water as the population grows.
- Stormwater capture and reuse is being integrated into new sub-divisions to irrigate open spaces and sporting complexes in place of potable water.
- The local community supports the establishment of a desalination plant to produce potable drinking water by 2014. The WEPRDA report that the mining industry cannot access the plant, as the SA Water Master Plan requires miners to provide water for their own needs.
- It is predicted that an additional 30 GL of water will be required for industrial purposes over the next five years to service the mining industry, although this water does not need to be potable.
- BHP's proposed desalination plant at Point Lowly will produce 80 megalitres of industrial quality water above what is needed each day to be made available to other users.
- An alternative option to Point Lowly, is a number of smaller scale desalination plants spread across the region, providing a more localised water supply.

B. Economic development – Principles and policies

- *Protect and strengthen the economic potential of the region's primary production land;*
- *Strengthen local commercial fishing and aquaculture industries;*
- *Reinforce the region as a unique and diverse tourism destination;*
- *Provide and protect well-sited industrial land to meet projected demand;*
- *Ensure that commercial development is well-sited and designed to support town function.*

B.1 Mining – Issues identified in RDA Roadmap

- Mining is an emerging industry. Growth has been driven by record levels of exploration expenditure and subsequent discoveries of heavy mineral sands, uranium, petroleum, coal, zinc, copper, gold, nickel, diamonds and iron ore.
- Jobs have been created in the construction and operation phase of mines, further jobs are expected to be created over the next five years; occupations in greatest demand are tradesmen, labourers and production and transport workers.
- Growth in mining is likely to attract residents seeking employment from other parts of the state.
- Whyalla is ideally situated to be 'South Australia's Mining Services Hub' possessing transport, engineering, business and retail industries to meet the needs of local and remote mineral developments; Whyalla has established an industrial site next to OneSteel's plant to support infrastructure development in the mining industry.
- Mining provides the benefit of diversification of the region's industrial base.
- Insufficient infrastructure hampers the efficient operation of mining activity and ability to export products to market cost effectively.

- Need for greater cooperation between mining companies and state and federal governments for infrastructure development.
- Recommencement of the Spencer Gulf Ferry Service will be an advantage for the booming mining industry reducing transit times for miners and their equipment across the gulf from Yorke Peninsula to Eyre Peninsula.

B.2 Tourism – Issues identified in RDA Roadmap

- Tourism is a growth industry; most visitors are attracted to coastal towns offering nature based experiences.
- The region's 350 tourist operators struggle to make modest profits because of static growth in domestic tourism and competition within the international market caused by the greater choice of tourist experiences.
- The tourism industry faces constraints such as lack of tourist infrastructure (e.g. signs, electricity and information bays), lack of business investment, lack of skills development for owners and employers, seasonal fluctuations in labour demand, labour shortages, difficulties attracting and maintaining a stable workforce (due to low pay and poor working hours i.e. mostly part-time or casual employment) and lack of residents with industry specific training, due to the isolation of the region from training centres.
- Recommencement of the ferry service will improve access to tourist destinations on the Eyre Peninsula and potentially encourage more visitors.
- There is a lack of awareness of Eyre Peninsula attractions.
- Many visitors are low-yield, travelling by caravan or motor-home spending little on accommodation, food or tours, minimising their economic impact, high-yield visitors such as Baby-Boomers form a small fraction of tourist numbers and there is little investment to target this group.
- The high Australian dollar further increases competitive pressures, as overseas travel gets cheaper, reducing the cost of airfares and overseas accommodation.

B.3 Agriculture – Issues identified in RDA Roadmap

- Agriculture is a growth industry the success of which is based on its ability to market clean and green products.
- Agricultural activity comprises sheep rearing and grain farming, especially, wheat, barley and legumes much of which is exported abroad to growing overseas markets in Japan, China, South Eastern Asia and the Middle East.
- Current challenges are susceptibility to the unpredictable nature of international commodity markets, the high Australian dollar, climate change, drought, increasing input costs, new technology, natural resource management pressures, market deregulation and changing consumer preferences.
- Reliance on agriculture makes the region vulnerable to seasonal and environmental factors. Reduced rainfall and increased temperatures will impact the grain industry.

B.4 Aquaculture – Issues identified in RDA Roadmap

- WEPRDA produces nearly all of Australia's Southern Blue Fin tuna, other seafood include, mussels, abalone, oysters, sardines, prawns and lobsters.
- The region is recognised around the world as a leader in best fishing practices and standards, producing high quality seafoods in a sustainable manner.
- Strong global demand will lead to favourable price increases in seafood over the long term and rising exports from the region
- Port Lincoln and Thevenard are the only unloading facilities for the fishing industry on the Eyre Peninsula capable of handling large commercial fishing vessels; this causes congestion with bulk cargo vessels because they are not set up to handle commercial fishing trawlers.
- Current challenges include the high Australian dollar (most seafood is exported), rising fuel costs, climate change, the adoption of new marketing standards in fish labelling and retailing, rising fuel prices, fluctuating interest rates and increasing wage rates.
- Port Lincoln's deep water port is congested with grain, minerals and other product handling restricting the access of aquaculture exporters to the wharf. Further growth of the mining industry over the next ten years will exacerbate the problem if other port facilities do not become available (e.g., Port Spencer).
- The establishment of a marine park around the Eyre Peninsula's coastline would have a detrimental impact on the aquaculture industry limiting the catch allowed to be taken.

C. Population and settlements – Principles and policies

- *Plan and manage township growth, and develop Structure Plans for key growth centres;*
- *Design towns to be sustainable and provide safe, healthy, accessible and appealing environments;*
- *Provide residential land for a supply of diverse, affordable and sustainable housing to meet current and future needs.*

C.1 Population – Issues identified in RDA Roadmap

- Population of the region has grown at a slower rate than South Australia.
- Growth of the mining industry is drawing people to Ceduna and Whyalla while seaside towns are growing due to the influx of people looking for a seaside lifestyle.
- Some (not all) inland towns have experienced population loss; these towns are important centres supporting the local sheep and wheat farming communities.
- The establishment of fewer/larger farms, poor seasonal conditions, historical movement of 15 to 24 year olds to larger metropolitan and provincial cities and the centralisation of services to larger towns has led to declining populations of smaller towns i.e. those with less than 1,000 people.
- RDAWEP expects regional population to grow at a faster rate than predicted by the Department of Planning and Local Government with future demand for residential housing outstripping supply.
- Over the past ten years Whyalla's population has grown as the city becomes a regional hub for mining and educational services.

- Growth of the mining industry is expected to increase school enrolments in Cowell, Lock, Ceduna, Kimba, Tumby Bay and Wudinna as families relocate to these towns.
- It is anticipated that over the next 30 years there will be an undersupply of public and private housing, new housing developments will be needed in the towns of Whyalla, Ceduna, Port Lincoln and Cowell which is expecting an influx of new residents.
- Population growth combined with a housing shortage is expected to lead to an appreciation of house prices in regional centres.

C.2 Education, skills and unemployment – Issues identified in RDA Roadmap

- The overall unemployment rate in RDAWEP is below the state average in 2010 and 2011.
- Limited education and lack of skills means a higher proportion of Indigenous Australians are long term unemployed compared with non-Indigenous.
- Lower high school retention rates compared with the state contributes to an overall level of education and qualifications which is below the state average especially amongst the Indigenous community.
- The region is above the state average for certificate level qualifications but below the state average for bachelor degrees and post-graduate degrees.

D. Infrastructure and services provision – Principles and policies

- *Protect and build on the region's strategic infrastructure.*

D.1 Infrastructure – Issues identified in RDA Roadmap

- The region has well developed core infrastructure in major cities but lacks road, rail, energy, port and water infrastructure in remote areas (where many mines are located) due to the region's large geographical size, sparse population, remoteness from Adelaide and small rate-payer base.
- Demand for infrastructure development is driven by the mining industry requiring significant investment in road, rail, energy and water infrastructure as well as in storage and bulk handling facilities at the regions ports.
- Limited natural water resources require investment in desalination infrastructure by mining companies to provide water for mineral processing.
- Lack of electricity transmission infrastructure and capacity impedes further development of renewable energy generation projects.
- There is a need for new rail corridors leading to specific port facilities (Port Spencer, Whyalla Port and Port Bonython) capable of handling cape size ships.
- Airport facilities at Port Lincoln, Ceduna and Whyalla need upgrading to accommodate fly-in fly-out mining operations and increased tourist numbers.
- Increased freight movements of minerals and agricultural products have caused roads to deteriorate; local government is unable to cover the cost of maintenance and needs state and federal government financial support.

Major projects

The following section contains a list of major projects in the RDAWEP region which have been approved, are in progress or are under consideration as outlined in the South Australian government's Major Developments Directory 2011/12.

Whyalla

Project title:	Whyalla hospital redevelopment and Regional Cancer Centre
Organisation:	SA Health
Project details:	Refurbishment of acute services facilities, including mental health, rehabilitation and palliative care services and integration of day surgery into operating theatres. Existing cancer treatment facilities will be upgraded and improved with new equipment.
Project cost:	$69.3 million
Estimated completion date:	August 2013

Project title:	Country Community Rehabilitation Centres
Organisation:	SA Health
Project details:	Construction of two ten bed facilities at Whyalla and Mount Gambier for people suffering from mental illness.
Project cost:	$7.3 million
Estimated completion date:	June 2013
Status:	2011-12 Capital Investment Statement

Project title:	Project Opal
Organisation:	OneSteel Ltd
Project details:	This project consists of two elements 1. Whyalla port facilities expanded to double loading capacity from 6.5 – 7.0 million tonnes per annum to 12 million tonnes per annum costing $200 million. 2. Acquisition of Peculiar Knob high-grade DSO Hematite project and Buzzard and Tui DSO hematite and magnetite deposits at Hawks Nest from WPG Resources for $346 million. In addition further expenditure of $50 million will fund infrastructure development at Peculiar Knob.
Project cost:	$596 million
Estimated completion date:	Fourth quarter of 2012
Status:	Subject to WPG shareholder approval

Project title:	Samphire Uranium Project (previously Mullaquana)
Organisation:	Samphire Uranium Pty Ltd
Project details:	Located 20km south of Whyalla the Samphire project has an inferred resource of 19,000 tonnes of uranium oxide. Exploration drilling underway is likely to increase the size the estimate.
Project cost:	Undisclosed
Estimated completion date:	Production expected to begin in 2013
Status:	Field trials scheduled leading into feasibility.

Project title:	Whyalla Terminal Replacement
Organisation:	ElectraNet Pty Ltd
Project details:	This project would replace the Whyalla Terminal substation with the installation of new transformers and the reconfiguration of the surrounding electricity transmission network.
Project cost:	$55 million
Estimated completion date:	June 2013
Status:	Pending

Project title:	Ocean Air Estate
Organisation:	Martin Wood Developments
Project details:	This development will consist of 1,500 allotments, currently 220 homes have been built, 350 blocks sold and a 185 unit retirement village has been approved.
Project cost:	$40 million
Estimated completion date:	Stages 1 - 7 are complete, balance completed in May 2013
Status:	In progress

Project title:	Whyalla Rare Earths Complex
Organisation:	Arafura Resources Limited
Project details:	Arafura will construct a rare earths processing plant in Whyalla linked by rail to Nolans Bore rare earths mine. Once operational the plant will supply ten per cent of the world's demand for rare earth elements.
Project cost:	$1 billion
Estimated completion date:	Not available
Status:	Bankable feasibility study in progress

Project title:	Advanced Energy Storage Technology
Organisation:	Wizard Power
Project details:	Construction of an array of Big Dish solar concentrators with a surface area of 500sqm each built near Whyalla. The plant is for demonstration purposes and houses an R&D facility.
Project cost:	$17 million
Estimated completion date:	June 2014
Status:	In progress

Ceduna

Project title:	Ceduna Health Service Redevelopment
Organisation:	Department of Health
Project details:	Construction of new acute hospital and redevelopment of the existing hospital to provide diagnostic, treatment and primary health care facilities.
Project cost:	$36 million.
Estimated completion date:	June 2012
Status:	Included in 2010/11 State Budget Capital Investment Statement

Project title:	Exploration for Petroleum Permits 37, 38, 39 and 40
Organisation:	BP exploration (Alpha) Ltd
Project details:	Four exploration permits have been awarded to BP to conduct 3D seismic testing off the coast of South Australia approximately 300km southwest of Ceduna.
Project cost:	$80 million
Estimated completion date:	2012 (for seismic survey)
Status:	In progress

Wudinna

Project title:	Wudinna transformer replacement
Organisation:	ElectraNet Pty Ltd
Project details:	Expansion of the Wudinna substation and installation of a second transformer. Secondary systems with the provision for remote control, data collection and national grid metering will also be installed.
Project cost:	$15 million
Estimated completion date:	June 2012
Status:	In progress

Port Lincoln

Project title:	Port Lincoln Hospital Redevelopment
Organisation:	SA Health
Project details:	Expansion of acute services, redevelopment of operating theatres and same-day patient unit and integrated primary health care facilities.
Project cost:	$39.2 million
Estimated completion date:	June 2016
Status:	2011-12 Capital Investment Statement

Eyre Peninsula

Project title:	Hematite Extension Project (HEP)
Organisation:	OneSteel Ltd
Project details:	Expansion of existing Middleback Ranges mine to sustain export sales of six million tonnes of hematite ore for at least the next ten years.
Project cost:	$390 million
Estimated completion date:	Not available
Status:	In progress

Project title:	Poochera Kaolin Mine
Organisation:	Minotaur Exploration Limited
Project details:	A high-quality kaolin mining and beneficiation project. Phase one of the project involved testing and construction of a pilot plant, next phase is mining feasibility and product demonstration plant.
Project cost:	$5 million
Estimated completion date:	December 2012
Status:	Under consideration

Project title: Cultana 275/132 kV Augmentation
Organisation: ElectraNet Pty Ltd.
Project details: Augmentation of high voltage substation at Cultana to maintain the quality, reliability and security of electricity supply on the Eyre Peninsula.
Project cost: $71 million
Estimated completion date: October 2014
Status: Pending

Project title: Eyre Peninsula Reinforcement
Organisation: ElectraNet Pty Ltd
Project details: Proposal by ElectraNet Pty Ltd to address limitations in the current network by considering a number of network development and non-network options including extending the capacity of the current network to the lower and central parts of Eyre Peninsula.
Project cost: $200 million - $1 billion
Estimated completion date: 2015 – 2018 (staged)
Status: Under consideration

Project title: Wilchery Hill Iron Ore Project
Organisation: IronClad Mining Limited
Project details: Located 40km North of Kimba a Mining Lease Proposal has been lodged with the intent to commence production by early 2012.
Project cost: $30 million
Estimated completion date: March 2012
Status: In progress

Project title: Wilgerup
Organisation: Centrex Metals Ltd.
Project details: Discovery of a 12.2 million tonne iron ore deposit (hematite) near Wilgerup on the central Eyre Peninsula has attracted substantial investment from Chinese partners. In October 2009 approval was given to modify infrastructure at Port Lincoln for the export of ore and in mid 2011 the mine received Australian government approval with exports to begin in late 2014 early 2015.
Project cost: $65 million
Estimated completion date: 2015
Status: approved

Project title: Wave Energy Converter Pilot Plant Project
Organisation: Wave Rider Energy Pty Ltd
Project details: Construction is nearly complete of a pilot plant harnessing wave energy, located on Lock Wells Beach near Elliston. The pilot plant will operate for 18 months to gather data and examine the long-term feasibility of the technology as an energy source.
Project cost: $5 million
Estimated completion date: November 2011
Status: Pending

Project title:	Eyre Iron Joint Venture
Organisation:	One or two magnetite mines and concentration plants situated between Port Lincoln and Port Neill on the Eyre Peninsula. Studies into mining, concentrating and plant design and services have also been carried out.
Project cost:	$1 billion (approximately)
Estimated completion date:	2014/15
Status:	Development

Project title:	Elliston Wind Farm – Tungketta Hill
Organisation:	Ausker Energies Pty Ltd
Project details:	A 16MW wind farm development with a view to further upgrades to a maximum capacity of 320MW. First stage is estimated at $40 million; second stage $130 million and final stage $480 million.
Project cost:	$650 million
Estimated completion date:	December 2012
Status:	approved

Project title:	Port Spencer
Organisation:	Centrex Metals Limited
Project details:	Centrex has proposed to develop a port at Port Spencer near Tumby Bay, capable of handling cape size vessels. The project consists of four stages, the first stage will allow for the direct shipping of ore and grain and the second stage for the export of magnetite.
Project cost:	$150 million - $200 million
Estimated completion date:	2015
Status:	Major project status granted

Project title:	Central Eyre Iron Project (CEIP)
Organisation:	Iron Road Limited
Project details:	Iron Road is considering constructing an iron ore mine on the Eyre Peninsula near Wudinna, prefeasibility study has been completed and preparation work for a Definitive Feasibility Study is underway.
Project cost:	$2.6 billion
Estimated completion date:	2015
Status:	In progress

Project title:	Gum Flat Iron Ore Project
Organisation:	Lincoln Minerals Limited
Project details:	Development of an iron ore mine at Gum Flat 20km west of Port Lincoln extracting 0.5 million tonnes of hematite-goethite DSO from an open-cut pit. Ore would be transported by road in containers and loaded onto ships for export.
Project cost:	$30 million (including removal of overburden)
Estimated completion date:	June 2012
Status:	In progress

Project title: Lucky Bay Bulk Shipping Port
Organisation: Sea Transport Corporation
Project details: Development of existing harbour and shallow draft transhipment solution for junior iron ore miners in the area at Lucky Bay near Cowell on the Eyre Peninsula, 200km northwest of Adelaide. Construction will include an undercover floating harbour.
Project cost: \$3 million - \$5 million
Estimated completion date: 2012
Status: Development Application being developed

Project title: Port (Spencer Gulf)
Organisation: Flinders Ports
Project details: Proposed construction of a new state-of-the-art port facility located at Port Bonython. The development will handle cape sized vessels capable of loading approximately 180,000 tonnes of cargo. Once fully developed to port will handle 50 million tonnes of bulk cargo per annum.
Project cost: \$600 million
Estimated completion date: Late 2015
Status: Awaiting approvals

Table 1: South Australian local government capital expenditure for 2011/12

Council	Local government expenditure 2011/12 (\$)
City of Whyalla	10,377,000
Ceduna	10,535,000
City of Port Lincoln	2,882,000
Streaky Bay	5,742,000
Wudinna	801,020
Cleve	2,318,000
Franklin Harbour	74,794
Elliston	2,973,000
Kimba	1,209,000
Tumby Bay	5,187,000
Lower Eyre Peninsula	18,421,000

Source: South Australian Major Developments Directory 2011/12.

Appendix A

Selected Statistics: Labour market outcomes

Regional Development Australia Whyalla and Eyre Peninsula

Population	RDA Whyalla and Eyre Peninsula	% of State Total	South Australia
Estimated Resident Population (ERP): June 2010	59,216	3.6%	1,644,582
Net Change in ERP 2009 to 2010	522	-	20,229
Rate of Population Change (%)	0.9%	-	1.3%
			% of Total Population
Youth (15-24)	7,251	12.2%	13.6%
Mature (45-64)	15,540	26.2%	26.3%
Aboriginal – Census 2006	2,784	5.1%	1.7%
People with a disability (15-64) – Census 2006	1,024	2.9%	2.7%
Labour Force (Dept of Education & Workplace Relations: March 2011)			
Total Employed	27,108	-	812,100
Total Unemployed	1,045	-	47,200
Unemployment Rate	4.9%	-	5.5%
Participation Rate (June 2010)	62.3%	-	62.7%
Industry Employment (Census 2006)			**% of Total Employment**
Agriculture, Forestry and Fishing	3,905	16.3%	4.7%
Retail Trade	3,401	14.2%	14.7%
Manufacturing	2,827	11.8%	13.2%
Health and Community Services	2,623	10.9%	12.7%
Qualifications (Census 2006)			**% of Total Population (15 years and older)**
Degree or higher	2,999	12.3%	13.0%
Diploma	1,840	7.5%	6.5%
Certificate Level III or IV	6,979	28.6%	14.3%
Training (NCVER 2009)		**% of State Total**	
VET Students	5,965	4.9%	121,851
Students reporting Disability	8.4%	-	6.2%
Aboriginal Students	11.7%	-	3.6%
Commencing Apprentices and Trainees (2008)	965	4.4%	21,960

Source: data extracted from Workforce Wizard, DFEEST, November 2011