Economic Issues

No. 29

Decline and Rejuvenation: The Provincial Cities of South Australia

January 2011

South Australian Centre for Economic Studies

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ISSN 1445-6826

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Director's Note

Welcome to the twenty ninth issue of *Economic Issues*, a series published by the South Australian Centre for Economic Studies as part of its Corporate Membership Program. The scope of Economic Issues is intended to be broad, limited only to topical, applied economic issues of relevance to South Australia and Australia. Within the scope, the intention is to focus on key issues – public policy issues, economic trends, economic events – and present an authoritative, expert analysis which contributes to both public understanding and public debate. Papers will be published on a continuing basis, as topics present themselves and as resources allow.

The Centre especially acknowledges and extends its thanks to the Department of Trade and Economic Development (DTED and the Department of Treasury and Finance (DT&F) for their financial support of the Economic Issues series. Without this support it would not be possible to undertake the depth of analysis of issues affecting the South Australian economy.

The paper is, however, prepared totally independently of government agencies. The views expressed in the report are the views of the authors.

Michael O'Neil
Executive Director
SA Centre for Economic Studies
January 2011

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Decline and Rejuvenation: The Provincial Cities of South Australia

Overview

South Australian regional areas have experienced rejuvenation in economic activity commencing in 2001 and accelerating in mid 2004/05, following a period of decline during the 1990s. This analysis confirms the recent period of growth and examines factors which may have played a contributing role.

Economic decline as measured by population, income per capita, unemployment and economic activity was observed across the Provincial Cities of South Australia through the 1980s and 1990s. Since 2001 various indicators suggest the decline has halted and rejuvenation begun in most areas. Data analysis has identified a number of factors as likely to have driven or contributed to this economic cycle. The most prominent of these factors have been an increasing labour force participation rate particularly in nearing-retirement age groups, growth in the proportion of workers with non-school qualifications particularly at certificate level, higher school retention rates, diversification of the industry base and income sources, increasing in-migration including from overseas and growth in small and medium enterprise income.

The question begs: what has driven this rejuvenation in the Provincial Cities and their rural hinterland and what is required to continue and to accelerate the growth rate of the major Provincial Cities? It is likely that some factors have improved as a result of local initiatives and state government policy (particularly support for minerals exploration and investment), while others derive from external economic trends and federal government policy.

There has been investment and diversification of employment into new industries but this has not been matched by new vocational and post-secondary infrastructure to raise the skill level of regional populations. There is a need for better planning and identification for regional priorities, whether it be necessary infrastructure, education/training, health, the environment, energy, water, etc. Each region in which the Provincial Cities are located is different and has different needs – e.g., improvement in regional health services, transport infrastructure, natural resource management, student accommodation and lifestyle infrastructure to support an ageing population.

How best to keep the momentum going – to strengthen sustainable industries and to achieve population growth, investment, diversification of industry and employment, exports targets support regional South Australia? What is required is a much stronger focus and consideration of regional South Australia including a much greater commitment to local decision making. That is the subject of other papers in this Economic Issues Paper series, in this paper we consider the rejuvenation of regions and the challenge to maintaining sustainable growth and competitiveness.

1. Introduction

There is renewed interest in regional development – led by developments in the European Union – but also more locally, with the intention to "regionalise the South Australian Strategic Plan". South Australia has also recently adopted uniform regional boundaries and has linked Regional Development Boards into the Commonwealth initiative of Regional Development Australia (RDA).[1] While still in embryo, these institutional reforms focus attention on specific regions as the basis for economic growth and sustainable development – through improving competitiveness, increasing investment, reducing economic and social disparity, improving the management of environmental assets, facilitating exports, the provision of new infrastructure, services and access to education, training and employment.

The paper points to the "renewal or rejuvenation" of regions in South Australia, but the challenge of building sustainable growth and competitiveness remains ever present. Improving services in regional communities, building capacity and the resilience of local communities and supporting local decision making is critical to future growth and prosperity of regional South Australia.

> "For South Australia to achieve its full potential it is imperative that our regions fulfil their potential. Many of the challenges, opportunities and constraints outlined in this Statement will be experienced more acutely across regional South Australia.
>
> The regions account for just over a quarter of the State's population and full-time equivalent jobs, approximately 40 per cent of total exports and almost 25 per cent of total output (GSP)" (EDB: *Economic Statement*, March 2009).

The purpose of this paper is to examine demographic and labour market trends, income profiles, business profiles, transport and communication sectors, industry profiles and educational trends in the Provincial Cities of South Australia. The six Provincial Cities considered in the analysis are Mount Gambier, Murray Bridge, Port Augusta, Port Lincoln, Port Pirie and Whyalla; the cities are the major population centres in the newly established Regional Development Australia network.

The Provincial Cities have emerged from a period of decline in the mid-90s, entering a period of renewed prosperity after 2001. The analysis concentrates largely on two time periods; 1996 to 2001 and 2001 to 2006. Explanations are provided as to the causes of economic and social trends in the cities as well as future prospects for growth. The paper is divided into the following sections: Section 2 examines recent demographic trends, Section 3 considers employment related issues and the labour force, Section 4 discusses trends in incomes, Section 5 examines economic activity in the regions, Section 6 describes the Provincial Cities industry profiles, Section 7 covers education and qualifications and Section 8 refers to the SEIFA ranking of the Provincial Cities.

1.1 The Provincial Cities

The Provincial Cities are the most important population centres in non-metropolitan South Australia. They act as regional hubs for smaller towns and the agricultural sector which drive regional economic growth and provide employment for local residents in specialised industries. The populations of the Provincial Cities range from 14,000 to 25,000 and have, until 2001, been in decline. After 2001 the Cities experienced a rejuvenation due to strong economic growth led by local innovation in, *inter alia*, the agricultural and aquaculture industry, food and meat processing, minerals exploration and production in the far-north and mid-north of the State and tourism. Mature industries such as manufacturing have been in decline for many years with newer industries such as renewable energy, tourism, food processing and viticulture providing new employment opportunities helping to diversify the industry base of the Provincial Cities and their hinterland. Improved prospects for the Provincial Cities have been created by successful diversification away from traditional sources of employment such as manufacturing towards new growth industries which are driven, in part, by demand in Asia for Australian raw materials and primary products.

2. Population

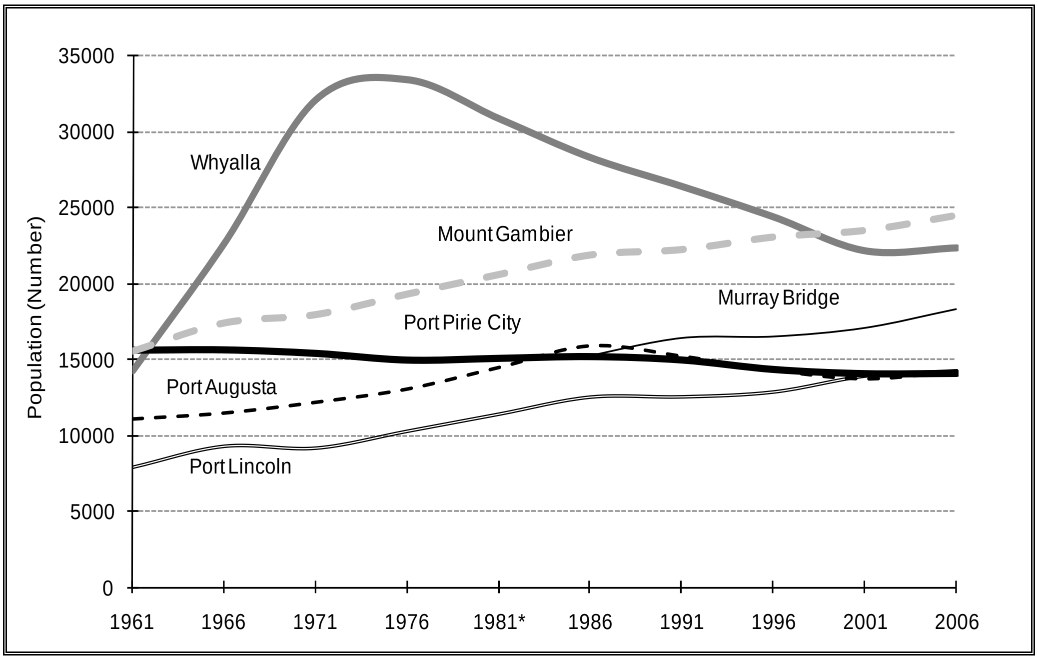
Population growth is an important driver of economic growth. Net outward migration reduces the pool of skilled workers available to participate in the labour market. The Provincial Cities were adversely affected by population decline in the mid-90s as significant numbers of residents relocated to more prosperous regions of the State or moved interstate. Between 2001 and 2006 the trend reversed with residents lured to the Provincial Cities by the opportunity of work in the booming mining and agricultural sectors. The following section examines recent population trends as well as historical trends in the Provincial Cities with the focus of the analysis on aggregate population numbers, growth rates, population turnover, migration patterns and age structure. Analysis of Indigenous population characteristics such as population growth rates, the proportion of Indigenous Australians living in each Provincial City and age structure is provided to facilitate a comparison with non-Indigenous population trends.

2.1 Population Growth from 1961-2006

Figure 2.1 charts aggregate population levels in the Provincial Cities. Whyalla's population has fluctuated more than other Cities doubling over the 15 year period from 1961 to 1976. Whyalla's population growth was built on the success of the steel and ship building industries. Between 1941 and 1978, 63 ships were built in the City which provided stable employment to the town's residents. The closure of the shipyards in 1978 led to an exodus of families in search of new employment opportunities. The population continued to decline until 2001 when it stabilised, and in recent times the population has grown with the expansion of OneSteel, new mineral discoveries and large scale solar energy investment.

Historically Murray Bridge, Port Lincoln and Mount Gambier have experienced consistent population growth over the last 45 years. Sustained economic growth supported by the success of local businesses and the expansion of key industries has provided a relatively constant stream of new jobs to residents. Cut backs in Port Augusta's public sector in the 1990s resulted in job losses and out-migration, while Port Pirie's population growth was adversely affected by larger employers such as Zinifex[2] reducing their workforce at the town's lead smelter from 1,330 in 1990 to 690 in 2006.

Figure 2.1
Historical Population Change
Provincial Cities - 1961 to 2006



Note: * Data for 1981 is not based on actual population estimates and is calculated as a midpoint of population estimates for 1976 and 1986

Source: ABS, Census, various.

2.2 Population growth from 1996-2006

Between 1996 and 2001 the aggregate population of the Provincial Cities declined as principally large industries reduced the size of their respective workforce, public utilities were privatised and public assets were sold, and the employment impacts of technological change were felt across the banking sector, telecommunications and transport. Between 2001 and 2006 growth in newly emerging industries contributed to a reversal of population decline encouraging an additional 5,000 residents to take up residence in the Provincial Cities.

In Port Lincoln, Mount Gambier and Murray Bridge growth in population followed the successful path of diversifying the local economy, value adding to agricultural production and export growth. Growth in Port Lincoln was due to aquaculture, tuna fishing, food and intensive livestock industries and tourism. Mount Gambier's fortunes followed the expansion of the softwood timber industry, tourism, transport services and livestock farming, while the population of Murray Bridge followed the success of large employers such as the T&R meat processing plant employing more than 1,000 workers and exporting meat products in excess of $600 million annually. The success of local industries such as T&R at Murray Bridge has sustained employment and encouraged new residents to relocate to the City. Whyalla, Port Pirie and Port Augusta experienced outmigration of the population through to 2004/05 when their fortunes began to turn driven by growth in the key industries of agriculture and minerals processing.

Population growth appears to be a critical factor in the economic rejuvenation of the Provincial Cities, Overall, the Provincial Cities that experienced strong population growth have exhibited stronger economic growth.

> "A bigger population provides the workforce for an expanding economy, a bigger local market for our goods and services, an opportunity to export and bring wealth into the state, a greater skills base, a more diverse community and a deeper pool of talent" (*The Advertiser,* Population growth is path to SA's prosperity, 17th February 2009).

The most recent data (not shown in Table 2.1) – for 2009 – shows that the aggregate population for the six Cities had increased from 110,053 in 2008 to 114,984 in 2009 with Murray Bridge and Mount Gambier adding a further 300 persons each to their 2008 population numbers.

Table 2.1
Aggregate Populations
Provincial Cities, Adelaide and South Australia - 1996 to 2008

	1996	1998	2000	2002	2004	2006	2008p
Mount Gambier	23,061	23,114	23,390	23,587	23,907	24,534	24,928
Murray Bridge	16,512	16,625	16,993	17,302	17,757	18,402	19,101
Port Augusta	14,318	14,065	14,020	13,718	14,080	14,444	14,542
Port Lincoln	12,851	13,155	13,637	13,942	14,089	14,251	14,452
Port Pirie- City	14373	14338	14134	14,093	13,995	14,127	14,229
Whyalla	24,371	23,669	22,658	22,103	22,148	22,287	22,801
Provincial Cities	105,486	104,966	104,832	104,745	105,976	108,045	110,053
Adelaide	1,078,437	1,090,526	1,102,445	1,114,990	1,127,198	1,145,812	1,172,105
South Australia	1,474,253	1,489,552	1,505,038	1,521,127	1,540,434	1,567,888	1,603,361

Note: Data is available for each year, only alternate years are shown. p = estimates are preliminary.
Source: 1996 to 2000: ABS, Population Estimates by Statistical Local Area, 1996-2001, Cat. No. 3218.0; 2002 to 2008: ABS, Population Estimates by Statistical Local Area, 2001-2008, Cat. No. 3218.0.

Growth patterns in aggregate population numbers for the Provincial Cities relative to Adelaide and South Australia are varied (Table 2.2). The population growth rate of the Provincial Cities from 1996 to 2000 was -0.6 per cent compared to 2.2 per cent for Adelaide and 2.1 per cent for South Australia. From 2004 to 2008 the Provincial Cities had population growth rates which matched (or exceeded) Adelaide and South Australia.

Table 2.2
Population: Percentage Changes and Growth Rate
Provincial Cities, Adelaide and South Australia- 1996 to 2008

	1996-2000	2000-2004	2004-2008	1996-2008	Average Annual Growth 1996-2008
Mount Gambier	1.4	2.2	4.3	8.1	0.65
Murray Bridge	2.9	4.5	7.6	15.7	1.22
Port Augusta	-2.1	0.4	3.3	1.6	0.13
Port Lincoln	6.1	3.3	2.6	12.5	0.98
Port Pirie- city	-1.7	-1.0	1.7	-1.0	-0.08
Whyalla	-7.0	-2.3	2.9	-6.4	-0.55
Provincial Cities	-0.6	1.1	3.8	4.3	0.35
Adelaide	2.2	2.2	4.0	8.7	0.70
South Australia	2.1	2.4	4.1	8.8	0.70

Source: 1996 to 2000: ABS, Population Estimates by Statistical Local Area, 1996-2001, Cat. No. 3218.0; 2002 to 2008: ABS, Population Estimates by Statistical Local Area, 2001-2008, Cat. No. 3218.0. SACES calculations.

2.3 Contribution of Indigenous Population

The proportion of the total population which is identified as Indigenous is larger in the Provincial Cities in comparison to South Australia (Table 2.3). This creates a number of challenges in overcoming Indigenous disadvantage such as: lower life expectancy, poor academic performance, higher unemployment and lower incomes.[3] Improving education outcomes for Indigenous Australians and equipping them with the necessary skills to work in growth industries such as mining, agriculture and transport, or more mature industries such as manufacturing, will enable the Indigenous population to make a valuable contribution to the regions in which they live and reduce the level of disadvantage. The younger age structure of the Indigenous population is an important asset to regional communities because it provides a source of underutilised labour in a workforce which is ageing and nearing retirement.

Table 2.3
Indigenous Proportion of the Population
Provincial Cities and South Australia- 1996 to 2006 (Per cent)

	1996	2001	2006
Mount Gambier	1.1	1.3	1.6
Murray Bridge	3.9	4.1	4.3
Port Augusta	14.4	15.2	16.6
Port Lincoln	4.5	4.8	5.1
Port Pirie	1.6	2.0	2.3
Whyalla	2.5	2.9	3.6
Provincial Cities	4.0	4.4	4.9
South Australia	1.4	1.6	1.7

Source: 1996 and 2001 - ABS, unpublished data; 2006 - ABS 2006 CDATA ONLINE. SACES calculations.

Table 2.4 shows the population growth rates for Indigenous and non-Indigenous Australians between 1996 to 2001 and 2001 to 2006. High fertility rates amongst Indigenous Australians contributes to the population growth rate and share of the Provincial Cities population.[4] It also alters the structure of the Indigenous population pyramid which is comprised largely of young people aged less than 25 years of age and exerts some small influence on the aggregate population growth rate of the Provincial Cities.

Table 2.4
Population Growth Rates by Indigenous Status
Provincial Cities and South Australia- 1996 to 2006 (Per cent)

	Indigenous change		Non-Indigenous change	
	1996 to 2001	2001 to 2006	1996 to 2001	2001 to 2006
Mount Gambier	19.6	26.3	-1.5	4.5
Murray Bridge	7.5	12.5	1.5	8.0
Port Augusta	5.9	16.7	-10.4	1.5
Port Lincoln	4.9	12.6	2.3	3.0
Port Pirie	27.1	16.1	-4.8	0.3
Whyalla	19.7	24.4	-12.3	-0.9
Provincial Cities	9.9	17.1	-4.7	2.7
South Australia	11.2	12.7	0.7	2.2

Source: 1996 and 2001 - ABS, unpublished data; 2006 - ABS 2006 CDATA ONLINE. SACES calculations.

2.4 Migration to the Provincial Cities

Since 2001 the Provincial Cities have experienced renewed in-migration leading to an expansion of the labour force. Strong economic conditions including investment in residential accommodation and recent advertising campaigns encouraging residents from other parts of the State to relocate have been the main factors behind the growth. Local governments of the Provincial Cities have recognised the benefits of attracting new residents; providing incentives such as affordable housing developments and the construction of community facilities to further encourage new residents to move to their city.

The Provincial Cities have specifically targeted older residents highlighting the many benefits and advantages of living in a regional city. For example, Port Pirie has launched a promotion campaign encouraging baby boomers to retire to the city, highlighting its close proximity to Adelaide and the Flinders Ranges, its warm Mediterranean climate and abundant and affordable supply of land making it inexpensive to build new homes. Part of the campaign involves the construction of a retirement village with 91 independent living units and 17 self-contained apartments worth $22 million. Port Augusta is attempting to draw retirees to the town by releasing 100 blocks of land in the Augusta Lifestyle Village which is built around a large community hall and offers services such as: a swimming pool, gym, office space, hairdressing salon, barbecue area and 46 lock up garage areas. Both developments will generate local jobs in the construction sector and are expected to attract new residents.

Migrants to the Provincial Cities come from three sources; other regions in South Australia, other states and territories and overseas countries. Table 2.5 shows the breakdown of migrant sources for the last two censuses in 2001 and 2006. Most migrants were drawn from other regions of South Australia and to a lesser extent from other States and Territories. A much smaller number came from overseas (in most cases less than 2 per cent) indicating the difficulty of attracting overseas migrants to regional areas.

Murray Bridge has had the most success in attracting new migrants. Since 2001, Uzbeks, Afghans and Sudanese migrants have settled in Murray Bridge; by 2009 there were 150 Sudanese living and working in the town. Work in T&R's meat processing centre attracts low skilled migrants who are lured by the many jobs at T&R not requiring any tertiary qualifications[5]. Since 1999 T&R has increased employment from 230 people to over 1,200 by 2009 with further expansion planned requiring an additional 300 workers by 2010.[6] In 2008 the business imported 100 Chinese workers on temporary work visas who have significantly contributed to the local economy. Darren Thomas owner and chief executive of T&R noted that, "The economic multiplier effect to South Australia of T&R's operations is well over $1 billion with major flow-on benefits to other companies in the region". Access to imported labour is a key factor in the competitiveness of T&R operations. The revival of the meatworks has a flow on effect in other sectors of the economy increasing the demand for local housing and boosting retail sales. Murray Bridge is also identified as a "population growth pole" in the thirty years plan for Adelaide along with Gawler to the north and Sellicks/Aldinga to the south.

Table 2.5
Persons by Place of Usual Residence 5 Years Ago
Provincial Cities - 2001 and 2006 (Per cent)

	Mount Gambier	Murray Bridge	Port Augusta	Port Lincoln	Port Pirie - City	Whyalla
2001						
Same usual address 5 years ago	51.7	55.8	59.4	49.6	61.8	62.2
Different usual address from 5 years ago:						
Same SLA	23.7	20.7	20.2	22.9	19.0	22.4
South Australia	13.0	14.3	10.8	15.8	11.6	8.0
Another State or Territory	5.8	3.7	3.3	4.9	2.9	2.9
Overseas	0.9	1.0	0.3	0.8	0.5	0.7
2006						
Same usual address 5 years ago	55.4	57.8	63.5	54.6	62.6	63.1
Different usual address from 5 years ago:						
Same SLA	24.4	20.0	17.9	21.7	20.5	22.0
South Australia	12.6	16.0	12.7	17.6	13.1	9.5
Another State or Territory	5.7	3.3	4.4	4.6	2.9	3.8
Overseas	1.5	2.3	1.2	1.2	0.8	1.5

Note: People who migrated into a region less than 5 years before the census and left that region before the census date are not counted.
Source: ABS, Unpublished data. SACES calculations.

2.5 Population turnover

Population turnover is calculated by summing the number of arrivals and departures and dividing by the total population of the City,[7] effectively measuring the number of gross moves in and out of a region. It may be the case that the total population of a city is relatively stable but many of the residents are different from the previous period. This has implications for policies in the regions as new residents may be from different demographics, e.g., in Port Lincoln many new retirees have moved to the City.

Table 2.6 shows data relating to arrivals and departures, net migration and population turnover for the Provincial Cities in 2006. Population turnover in the Provincial Cities is below the average population turnover of all SLAs in South Australia which has an average population turnover of 53 per cent. Net migration for 2006 was positive in Murray Bridge and Port Lincoln.

Table 2.6
Arrivals, Departures, Net Migration and Population Turnover
Provincial Cities - 2006 (Per cent)

	Arrivals	Departures	Net Migration	Population turnover
Mount Gambier	4,077	4,519	-442	41.8
Murray Bridge	3,347	2,575	772	38.5
Port Augusta	2,103	2,212	-109	37.7
Port Lincoln	2,742	2,331	411	43.3
Port Pirie- City	2,020	2,107	-87	34.4
Whyalla	2,750	3,193	-443	32.1

Note: People who migrated into a region since 2001 but left that region before the census date are not counted.
Source: ABS, Perspectives on Regional Australia: Population Turnover, 2006, Cat. No. 1380.0.55.005.

2.6 Demography

Higher fertility rates have resulted in the Provincial Cities having a slightly larger proportion of the population in the 0 to 14 year old cohort in comparison to South Australia. In 2006 21.2 per cent of the Provincial City population and 18.5 per cent of the South Australian population respectively were in the 0 to 14 year old category. All remaining cohorts in the Provincial Cities are of similar proportion to South Australia. The population pyramids of the Provincial Cities and South Australia are similar in shape with more than half the population aged between 25 years to 64 years. For details on population by age for each Provincial City, 1991 to 2006, see Appendix A.

In 2006 12.8 per cent of the Provincial City population and 13.3 per cent of the South Australian population were in the 15 to 24 year old category. These proportions are approximately 10 per cent less compared to the proportion of the population which make up the 0 to 14 year old cohort. The difference is accounted for by the high proportion of young adults moving to Adelaide and interstate in search of greater employment opportunities. The pattern is similar in metropolitan Adelaide but is particularly acute in the Provincial Cities where young labour market entrants have a narrower industry base to secure employment and reduced educational opportunities relative to Adelaide. Students from Provincial Cities who perform well academically in year 12 move permanently to the larger capital cities in pursuit of a university education and employment.

The University of South Australia operates the Whyalla campus offering courses in the fields of business and accounting, nursing and rural health, computer and information science, applied statistics, social work, community wellbeing and arid lands technology. This offers a possible solution to mitigating the loss of younger residents relocating from Whyalla and the region. Offering more places to foreign students would permit the expansion of existing programs and the introduction of new courses which would encourage local year 12 graduates to live and study in Whyalla. However, this would require new infrastructure such as student accommodation.

2.7 Indigenous demographics

Table 2.8 shows the Indigenous population in all the Provincial Cities, Adelaide and South Australia is younger than the non-Indigenous population. Approximately 37 per cent of the Indigenous population is aged between 0 and 14 years. Lower life expectancy and high mortality reduces the percentage of Indigenous Australians aged over 65 years. Comparing the Indigenous and non-Indigenous population pyramids in the Provincial Cities with South Australia indicates demographic trends are similar regardless of location. Higher birth-rates and higher mortality amongst Indigenous Australians are a State-wide occurrence driven by socio-economic factors within their community and not by circumstances which are specific to the Provincial Cities.

Table 2.7
Population by Age
Provincial Cities and South Australia - 1991, 1996, 2001 and 2006 (Per cent)

		0-14	15-24	25-44	45-64	65+	Total
Provincial Cities Defined by LGA	1991	24.1	15.2	30.9	19.0	10.8	100.0
	1996	23.5	13.3	30.2	20.7	12.2	100.0
	2001	22.8	12.4	28.7	22.8	13.3	100.0
	2006	21.2	12.8	26.4	24.9	14.8	100.0
South Australia	1991	21.1	15.1	31.2	19.7	12.9	100.0
	1996	20.5	13.6	30.2	21.6	14.1	100.0
	2001	19.7	13.1	28.7	23.9	14.7	100.0
	2006	18.5	13.3	26.7	26.1	15.4	100.0

Source: 1991, 1996, 2001 data: ABS, unpublished data; 2006: ABS, 2006 CDATA Online. SACES calculations.

Table 2.8
Indigenous Population by Age
Provincial Cities and South Australia – 2006 (Per cent)

	0-14	15-24	25-44	45-64	65+	Total
Provincial Cities	37.2	19.2	26.9	13.4	3.3	100.0
South Australia	36.4	19.7	26.8	13.6	3.5	100.0

Source: ABS, 2006 CDATA Online. SACES calculations.

3. Employment, Unemployment and Labour Force

Employment trends in the Provincial Cities are principally driven by the success of the dominant industries. Port Lincoln has experienced stronger employment growth due to the expansion of the aquaculture industry which provides stable employment for many of the town's residents; Whyalla on the other hand has struggled to secure new employment and investment although the growth in mining and steel production and now solar generation have stabilised the employment/industry base. The following section examines trends in full-time and part-time employment, unemployment rates and labour market participation rates for the Provincial Cities over two periods 1996 to 2001 and 2001 to 2006.

3.1 Employment Growth

Between 1996 and 2001 total persons engaged in full-time employment in the Provincial Cities **declined** by approximately 1,200 persons with the decline partially offset by a rise in part-time employment of just over 400 persons (Table 3.1). In contrast, total persons in full-time employment in South Australia **increased** by more than 6,000 persons and part-time employment increased by approximately 20,000 persons over the same period. The decline in full-time employment in the Provincial Cities to 2001 reflected weaker economic growth and downsizing/staff layoffs by major employers in the key industries.

Table 3.1
Persons Employed Full Time and Part Time
Provincial Cities and South Australia – 1996, 2001 and 2006

	Full time			Part time		
	1996	**2001**	**2006**	**1996**	**2001**	**2006**
Mount Gambier	6,529	6,501	6,771	2,648	2,914	3,214
Murray Bridge	3,957	3,926	4,422	1,822	1,978	2,386
Port Augusta	3,194	2,958	3,424	1,576	1,595	1,770
Port Lincoln	2,709	3,225	3,649	1,584	1,715	1,956
Port Pirie	3,772	3,465	3,665	1,950	1,940	2,047
Whyalla	5,935	4,784	5,321	2,596	2,442	2,566
Provincial Cities	26,096	24,859	27,252	12,176	12,584	13,939
South Australia	389,495	395,954	426,179	175,185	194,877	218,546

Source: 1996 and 2001: ABS, Unpublished data; 2006: ABS, 2006, CDATA ONLINE. SACES calculations.

Between 2001 and 2006 the labour market strengthened in the Provincial Cities with full-time employed persons **increasing** by approximately 2,400 persons and part-time employment **increasing** by approximately 1,500 persons.

Aggregate changes in full-time and part-time employment are put into perspective when the change in aggregate employment is converted to growth rates. In Table 3.2 the growth rate of full-time and part-time employment in the Provincial Cities between 1996 and 2001 was -4.7 and 3.4 per cent per cent respectively. In South Australia over the same period full-time jobs growth was 1.7 per cent and part-time jobs growth was 11.2 per cent.

Table 3.2
Percentage Increases in Persons Employed
Provincial Cities and South Australia – 1996 to 2006

	Full time			Part time			Total		
	1996 to 2001	**2001 to 2006**	**1996 to 2006**	**1996 to 2001**	**2001 to 2006**	**1996 to 2006**	**1996 to 2001**	**2001 to 2006**	**1996 to 2006**
Mount Gambier	-0.4	4.2	3.7	10.0	10.3	21.4	2.6	6.1	8.8
Murray Bridge	-0.8	12.6	11.8	8.6	20.6	31.0	2.2	15.3	17.8
Port Augusta	-7.4	15.8	7.2	1.2	11.0	12.3	-4.5	14.1	8.9
Port Lincoln	19.0	13.1	34.7	8.3	14.1	23.5	15.1	13.5	30.6
Port Pirie	-8.1	5.8	-2.8	-0.5	5.5	5.0	-5.5	5.7	-0.2
Whyalla	-19.4	11.2	-10.3	-5.9	5.1	-1.2	-15.3	9.1	-7.5
Provincial cities	-4.7	9.6	4.4	3.4	10.8	14.5	-2.2	10.0	7.6
South Australia	1.7	7.6	9.4	11.2	12.1	24.8	4.6	9.1	14.2

Source: 1996 and 2001: ABS, Unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

The economic recovery of the Provincial Cities between 2001 and 2006 reversed the decline in employment over the previous five years leading to a 9.6 per cent increase in full-time jobs and 10.8 per cent increase in part-time jobs compared to a 7.6 per cent and 12.1 per cent increase in full-time and part-time jobs respectively for South Australia.

3.2 Unemployment

Unemployment reached double digit figures during the late 1990s and has declined consistently since then although it remains well above the State average by the close of 2008 (Table 3.3).

Table 3.3
Unemployment Rate (Per cent)
Provincial Cities, Adelaide and South Australia, 1998 to 2008

	1998	2000	2002	2004	2006	2008
Mount Gambier	11.3	8.7	6.7	5.4	5.7	6.0
Murray Bridge	13.3	12.4	9.1	6.6	6.7	7.3
Port Augusta	12.7	12.2	10.3	9.9	5.6	8.4
Port Lincoln	10.9	11.4	9.8	7.8	4.4	5.4
Port Pirie	13.5	13.6	13.1	11.7	6.3	.
Whyalla	12.6	12.8	11.4	11.8	6.1	6.7
Adelaide	9.7	8.1	6.6	6.7	5.4	4.9
South Australia	9.7	8.2	6.7	6.4	5.0	4.8

Note: Data for 2007 to 2008 only available by SLA. Therefore, unemployment rates are not shown for Port Pirie LGA in 2008.
Source: 1997 to 2001: ABS, Regional Statistics, South Australia, 2002, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001; 2007: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, June Quarter 2007 [data available on request]; 2008: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, December Quarter 2008, http://www.workplace.gov.au, accessed July 2009.

The Department of Education, Employment and Workplace Relations' survey of employer's recruitment experiences found higher levels of unemployment in the Provincial Cities in comparison to Adelaide and South Australia are caused by a skills mismatch. Lower year 12 graduation rates combined with a smaller proportion of the population with tertiary qualifications restricts the entry of some in the labour force to skilled jobs in industry. For example, the resource sector requires technical skills, trade skills and project management skills acquired from vocational educational training and university courses. More limited educational opportunities in the Provincial Cities prevent enough young workers from acquiring these skills which excludes them from skilled professions. In other major industries such as hospitality and retail young residents of Provincial Cities often lack basic literacy, numeracy and employability skills making it difficult to obtain employment. The combination of skills mismatch and lack of low-skilled and entry level jobs contributes to unemployment being higher in the Provincial Cities relative to Adelaide and South Australia.

Youth unemployment and Indigenous unemployment is higher than the general unemployment rate, as shown in Table 3.4. Improvements in skills training, career advisory services and skills development for students and disadvantaged job seekers is necessary to address the problem. Whyalla's Goal 100 program developed jointly by *South Australia Works* and the Whyalla Economic Development Board is an initiative which has been successful in providing the youth and Indigenous Australians with basic skills with which to enter the workforce helping to break the cycle of long-term unemployment. The Hon Paul Caica, MP (then) State Minister for Employment, Training and Further Education (2007) said; "We are now developing 'Goal 100-type' projects with employers in areas such as Coober Pedy, Port Augusta and Northern Adelaide...we also have a project dedicated to training Indigenous participants to become apprentices and trainees". The program provided skills training in mechanical reasoning, electrical training, self-development, team building, literacy and numeracy, work experience and site visits; with a 75 per cent success rate for participants who completed the course. There are plans to further expand the project to incorporate training in areas such as hospitality, aquaculture, retail and heavy industry which are key Provincial City industries currently experiencing skills shortages.

Table 3.4
Unemployment Rate for Indigenous Persons (Per cent)
Provincial Cities and South Australia – 1996, 2001 and 2006

	1996	2001	2006
Mount Gambier	25.9	18.8	18.9
Murray Bridge	25.8	19.4	15.7
Port Augusta	33.0	28.0	19.2
Port Lincoln	25.0	25.3	17.7
Port Pirie	60.3	46.3	21.5
Whyalla	25.2	34.6	22.7
Provincial Cities	30.6	27.6	19.2
South Australia	24.5	20.3	16.0

Note: Data for 1991, 1996 and 2001 is based on location on census night while data for 2006 is based on place of usual residence.
Source: 1991, 1996 and 2001: ABS, *Time Series Statistics*, 2001 Census of Population and Housing; 2006: ABS, *2006 Census Tables*, Census of Population and Housing, Cat. No. 2068.0. SACES calculations.

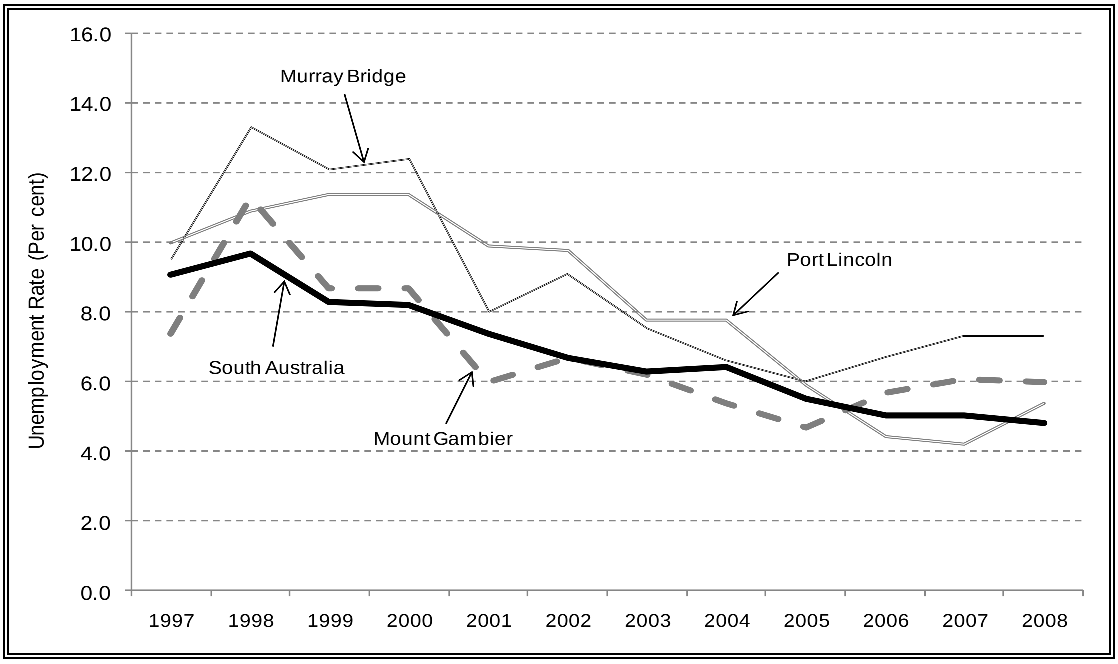
From 1997 to 2008 the Provincial Cities consistently had a higher unemployment rate relative to South Australia with only Mount Gambier's and Port Lincoln's unemployment rates comparable to the South Australian average (see Figures 3.1 and 3.2). Over time there has been a downward trend in unemployment across the Provincial Cities with the Upper Spencer Gulf cities of Port Pirie, Port Augusta and Whyalla closing the differential between their unemployment rates relative to South Australia.

Indigenous Australians have significantly higher rates of unemployment than non-Indigenous Australians which contribute to social problems such as welfare depending and poverty. In 1996 the Indigenous unemployment rate stood at 30.6 per cent in the Provincial Cities compared to 24.5 per cent for South Australia (Table 3.4). By 2006 Indigenous unemployment had fallen to 19.2 per cent in the Provincial Cities compared to 16.0 per cent for South Australia with Port Pirie reducing Indigenous unemployment by two-thirds over the period 1996 to 2006. Although there has been a decline in Indigenous unemployment in both the Provincial Cities and South Australia one-fifth of the Indigenous population in the Provincial Cities remain out of work.

Comparing non-Indigenous unemployment rates in Table 3.3 with Indigenous unemployment rates in Table 3.4 shows Indigenous unemployment is more than three times non-Indigenous unemployment in both the Provincial Cities and South Australia in 2006. Indigenous disadvantage, of which one measure is the level of unemployment, is a State-wide issue and is not specific to the Provincial Cities.

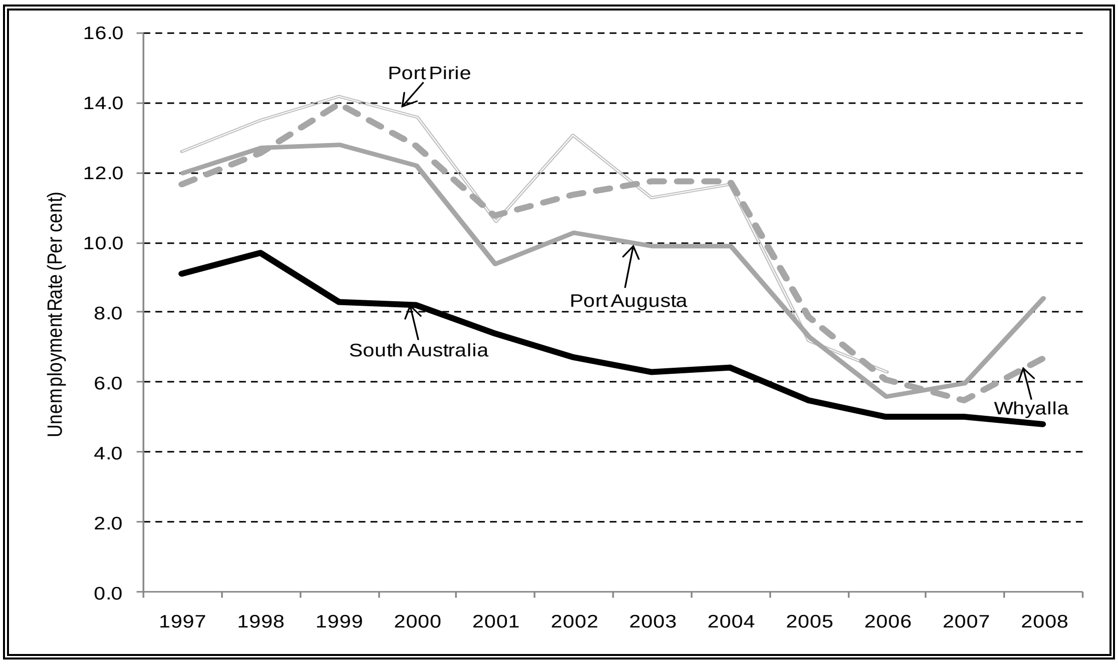
The composition of the labour force in each of the Cities, the proportion of Indigenous unemployment, higher rates of youth unemployment and the special needs of young people endeavouring to enter the labour market illustrates regional differences in labour markets and the importance of local, customised responses to the challenge of "skilling the labour force" and workforce participation.

Figure 3.1
Unemployment Rate (Per cent)
Provincial Cities and South Australia – 1997 to 2008



Source: 1997 to 2001: ABS, Regional Statistics, South Australia, 2002, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001; 2007: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, June Quarter 2007 [data available on request]; 2008: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, December Quarter 2008, http://www.workplace.gov.au, accessed July 2009.

Figure 3.2
Unemployment Rate (Per cent)
Provincial Cities, Adelaide and South Australia – 1997 to 2008



Note: Data for 2007 and 2008 only available by SLA. Therefore, unemployment rates do not appear for Port Pirie LGA in 2007 and 2008.

Source: 1997 to 2001: ABS, Regional Statistics, South Australia, 2002, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001; 2007: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, June Quarter 2007 [data available on request]; 2008: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, December Quarter 2008, http://www.workplace.gov.au, accessed July 2009.

3.3 Participation rates

The labour force participation rate is the percentage of working age persons (i.e., 15 to 65 years) in the economy who are either employed or unemployed but looking for a job. People who do not participate in the workforce are generally students, homemakers or retirees. The participation rate is affected by economic factors which impact on the level of employment; when economic growth is strong the participation rate is likely to rise as job opportunities increase and vice versa. Other social factors such as changes in social norms, casualisation of the workforce, expansion of health services and improved education opportunities for women have increased the female labour force participation rate in the Provincial Cities and South Australia. The evolution of the participation rate in the Provincial Cities is examined across two time periods:

- 1991 to 1996 and;
- 2001 to 2006

Between 1991 and 1996 participation rates in the Provincial Cities and South Australia declined by 4 per cent and 3 per cent respectively due to the recession of the 1990s (Table 3.5). The collapse of the State Bank in South Australia exacerbated the impact of the recession with unemployment peaking higher than the national unemployment rate. The participation rate declined between 1991 and 1996 as discouraged workers exited the labour force.

Table 3.5
Labour Force Participation Rates (Per cent)
Provincial Cities and South Australia – 1991, 1996, 2001 and 2006

	1991	1996	2001	2006
Mount Gambier	66.3	63.4	65.1	65.5
Murray Bridge	62.7	58.6	58.2	58.4
Port Augusta	65.5	59.0	57.4	59.8
Port Lincoln	62.7	58.2	61.6	64.7
Port Pirie	57.8	55.0	52.7	53.5
Whyalla	64.1	60.2	57.4	59.1
Provincial Cities	63.7	59.4	58.9	60.3
South Australia	62.5	59.4	60.4	62.2

Source: 1991, 1996 and 2001: ABS, Unpublished data; 2006: ABS, 2006 CDATA ONLINE, SACES calculations.

Between 2001 and 2006 the participation rate in the Provincial Cities increased due to stronger economic conditions but still remain lower than the State average. With the exception of Port Lincoln, participation rates in the Provincial Cities are yet to fully recover to rates observed in 1991.

Male and female participation rates in the Provincial Cities and South Australia decreased in response to the recession between 1991 and 1996 (Table 3.6). Between 2001 and 2006 male participation rates remained constant but female participation rates across the Provincial Cities and South Australia increased exceeding the female participation rate before the recession in 1991. The changes in male/female participation rates are due to a number of factors canvassed in a range of reports and discussion papers. However, the decline and stabilisation of the male participation rate is an important indicator of the structural changes experienced particularly by non-metropolitan regions and labour markets.

Table 3.6
Labour Force Participation Rates by Gender (Per cent)
Provincial Cities and South Australia – 1991, 1996, 2001 and 2006

		1991	1996	2001	2006
Provincial Cities by LGA	Males	75.5	70.4	67.7	67.0
	Females	52.0	48.7	50.4	53.8
South Australia	Males	73.2	68.9	68.2	68.7
	Females	52.2	50.4	52.9	56.1

Source: 1991, 1996 and 2001: ABS, Unpublished data; 2006: ABS, 2006 CDATA ONLINE, SACES calculations.

The labour force participation rates presented in Tables 3.5 and Tables 3.6 are based on data collected through the census which is administered every five years to households in Australia. Data collected through the census can sometimes be unreliable compared to data collected through the Australian Labour Force Survey. Common sources of bias in census results are non-responses and misinterpretation of questions leading to inaccurate answers. Labour force participation rates produced using the labour force survey are less likely to have problems of this nature due to the face to face interview method of collection and the use of trained interviewers who can elicit accurate responses.[8] The labour force survey's main source of bias is random sampling error which is reduced by the ABS selecting a large sample size for the survey.

Yearly average labour force participation rates for males and females in South Australia derived using the ABS labour force survey are provided in Table 3.7. There are only minor differences between the participation rates calculated using the labour force survey in Table 3.7 and the census data in Table 3.6, so that the trend decline shown in Tables 3.5 and 3.6 is likely to be a reliable approximation of the history of the labour market in the respective Cities.

Table 3.7
Yearly Average Labour Force Participation Rates by Gender (Per cent)
South Australia – 1991, 1996, 2001, 2006 and 2008

	1991	1996	2001	2006	2008
Males	73.5	70.9	68.4	69.3	70.6
Females	51.2	52.8	51.9	56.0	56.5
Persons	62.2	61.6	60.0	62.5	63.4

Note: Data is available for all months, only the average of years 1991, 1996, 2001, 2006, 2008 are shown.
Source: ABS, Labour Force, Australia, September 2009, Cat. No. 6202.0.

Participation rates by age cohort for the Provincial Cities and South Australia are provided in Table 3.8. Between 1991 and 1996 participation rates declined across all cohorts except in the 45 to 64 year old age group in South Australia. During the growth period of the Provincial Cities between 2001 and 2006 participation rates increased for all age cohorts. 'The prime aged worker cohort' aged 25 to 44 years has the highest participation rate and there is no significant difference between participation rates for prime aged workers in the Provincial Cities or South Australia.

Table 3.8
Labour Force Participation Rates by Age Group (Per cent)
Provincial Cities and South Australia – 1991, 1996, 2001 and 2006

		1991	1996	2001	2006
Provincial Cities by LGA	15-24	70.7	68.2	65.0	67.9
	25-44	80.5	78.6	77.4	79.0
	45-64	61.0	59.2	61.5	67.0
	65+	12.6	4.2	5.4	6.5
South Australia	15-24	69.2	65.3	64.6	66.8
	25-44	82.3	80.1	79.9	81.7
	45-64	62.0	63.1	66.0	70.6
	65+	7.8	4.8	6.1	7.7

Source: 1991, 1996 and 2001: ABS, Unpublished data; 2006: ABS, 2006 CDATA ONLINE, SACES calculations.

Indigenous participation rates in the Provincial Cities and South Australia were below non-Indigenous participation rates in 2006 and are yet to recover to 1991 levels (Table 3.9). Mount Gambier has the highest Indigenous participation rate with 58 per cent of the Indigenous population engaged in the labour force.

Table 3.9
Labour Force Participation Rates for Indigenous Persons (Per cent)
Provincial Cities and South Australia – 1991, 1996, 2001 and 2006

	1991	1996	2001	2006
Mount Gambier	62.9	60.0	61.2	58.1
Murray Bridge	51.3	51.0	48.7	50.7
Port Augusta	52.1	46.9	39.2	43.1
Port Lincoln	59.6	60.1	49.3	48.3
Port Pirie	50.4	43.4	42.3	43.5
Whyalla	54.9	50.9	46.0	50.7
Provincial Cities	53.9	50.5	44.4	46.9
South Australia	55.5	53.9	49.4	51.0

Note: Data for 1991, 1996 and 2001 is based on location on census night while data for 2006 is based on place of usual residence.
Source: 1991, 1996 and 2001: ABS, *Time Series Statistics*, 2001 Census of Population and Housing; 2006: ABS, *2006 Census Tables*, Census of Population and Housing, Cat. No. 2068.0. SACES calculations.

4. Income

The following section examines income dynamics of the Provincial Cities with analysis focusing on the change in average taxable income and wage and salary income. The decline in the number of unincorporated businesses operating in the Provincial Cities and income distribution is also discussed.

4.1 Taxable Income

Taxable income is the amount of income remaining after deductions to which marginal tax rates are applied. Taxable income is derived from a range of sources including: wages and salary,[9] own unincorporated business income,[10] superannuation and annuity income[11], investment income[12] and 'other' income sources.[13] For most individuals wages and salaries comprise the largest proportion of their income; in the Provincial Cities wages and salaries comprise approximately 85 per cent of total income for individuals. Average taxable income is calculated by dividing total taxable income in an area by the number of taxable residents[14] which provides a measure of living standards in a LGA. High average taxable income indicates higher living standards and vice versa.

Average taxable incomes in the Provincial Cities were generally lower than those in Adelaide and South Australia in 2005 (Table 4.1). However, average taxable income in the Provincial Cities has grown at a consistent rate similar to that of Adelaide over the period from 1997 to 2005 with Port Lincoln recording the strongest growth rate (Table 4.2).

Table 4.1
Average Taxable Income ($)
Provincial Cities, Adelaide and South Australia – 1997 to 2005

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mount Gambier	27,822	29,337	31,103	32,094	33,893	34,708	36,197	38,126	39,327
Murray Bridge	24,746	26,164	27,456	27,280	28,790	30,377	31,319	33,063	34,006
Port Augusta	27,857	29,462	30,202	30,330	32,108	33,847	35,940	37,790	39,038
Port Lincoln	27,285	29,144	30,985	32,323	37,914	37,071	39,940	39,035	41,504
Port Pirie	28,053	28,555	29,845	30,610	32,574	34,415	35,814	36,178	37,870
Whyalla	31,975	33,613	35,081	34,242	36,098	36,997	38,526	40,996	42,938
Adelaide	29,622	31,127	32,681	33,850	36,054	36,865	38,309	40,465	42,489
South Australia	29,021	30,473	31,964	32,863	35,254	37,968	39,349	41,186	43,062

Source: 1997 to 2001: ABS, Regional Statistics, South Australia, Cat. No. 1362.4; 2002 to 2005: ABS, National Regional Profiles, Cat. No. 1379.0.55.001.

Table 4.2
Percentage Increases and Average Annual Growth in Average Taxable Income (Per cent)
Provincial Cities, Adelaide and South Australia – 1997 to 2005

	1997 to 2001	2001 to 2005	1997 to 2005	Average Annual Growth Rate 1997 to 2005
Mount Gambier	21.8	16.0	41.4	4.4
Murray Bridge	16.3	18.1	37.4	4.1
Port Augusta	15.3	21.6	40.1	4.3
Port Lincoln	39.0	9.5	52.1	5.4
Port Pirie	16.1	16.3	35.0	3.8
Whyalla	12.9	18.9	34.3	3.8
Adelaide	21.7	17.8	43.4	4.6
South Australia	21.5	22.1	48.4	5.1

Source: 1997 to 2001: ABS, Regional Statistics, South Australia, Cat. No. 1362.4; 2002 to 2005: ABS, National Regional Profiles, 2002-2006, Cat. No. 1379.0.55.001. SACES calculations.

4.2 Wage and Salary Income

Wages and salary income is the largest component of taxable income. Average wage and salary incomes have increased consistently in the Provincial Cities over the period from 1995/96 to 2005/06 and there has been little change in the relative rankings based on average taxable income (Table 4.3). OneSteel’s operations in Whyalla requires the use of skilled workers such as engineers, project management staff, skilled tradespeople and professionals which are in short supply and command higher remuneration. The workforce is also highly unionised giving workers more bargaining power to negotiate pay increases. While not shown here, the growth rate in wages and salaries for each of the Cities was marginally below that for Adelaide and South Australia for the ten years ending in 2006.

Table 4.3
Average Wage and Salary Income
Provincial Cities, Adelaide and South Australia – 1995/96 to 2005/06

	1995/96	1997/98	1999/00	2001/02	2003/04	2005/06
Mount Gambier	23,197	25,366	27,581	29,359	32,107	33,871
Murray Bridge	20,067	22,534	23,047	24,911	27,735	29,373
Port Augusta	23,282	25,397	26,828	29,963	33,862	36,388
Port Lincoln	21,510	23,756	25,377	28,152	30,056	32,097
Port Pirie- City	22,787	24,971	26,718	28,562	31,265	34,124
Whyalla	27,901	30,865	31,111	33,811	37,019	40,335
Provincial Cities	23,566	25,901	27,107	29,377	32,225	34,549
Adelaide	25,002	27,308	29,351	31,634	34,366	37,141
South Australia	24,119	26,388	28,324	30,566	33,292	35,989

Note: Data is available for each year, only alternate years are shown.
Source: 1995/96 to 1999/00: ABS, Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, Cat. No. 6524.0.55.001; 2001/02 to 2005/06: ABS, Estimates of Personal Income for Small Areas, 2001/02 to 2005/06, Cat. No. 6524.0.55.002. SACES calculations.

4.3 Own Unincorporated Businesses

Unincorporated businesses include: sole traders, partnerships and trusts.[15] In the overall economy and regional economies there is continual creation and destruction of unincorporated businesses as the local economy goes through cyclical fluctuations of growth and decline. Unincorporated business operations in the Provincial Cities have declined at an average annual rate of 2 per cent between 1996/97 and 2005/06 compared to 1.6 per cent average annual decline in South Australia (Table 4.4).

Table 4.4
Number of Unincorporated Businesses
Provincial Cities, Adelaide and South Australia - 1996/97 to 2005/06

	1996/97	1999/00	2002/03	2005/06
Mount Gambier	2,536	2,353	2,173	2,101
Murray Bridge	1,772	1,595	1,586	1,457
Port Augusta	780	713	531	508
Port Lincoln	1,345	1,334	1,361	1,343
Port Pirie- City	1,005	812	754	677
Whyalla	886	731	634	660
Provincial Cities	8,324	7,538	7,039	6,746
Adelaide	73,151	69,891	66,823	66,660
South Australia	129,046	116,213	115,846	109,763

Note: Data is available for each year but only every third year is shown.
Source: 1995/96 to 1999/00: ABS, Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, Cat. No. 6524.0.55.001; ABS, Population Estimates by Statistical Local Area, 1996-2001, Cat. No. 3218.0; 2002/03 to 2005/06: ABS, Estimates of Personal Income for Small Areas, 2001/02 to 2005/06, Cat. No. 6524.0.55.002; ABS, Population Estimates by Statistical Local Area, 2001-2008, Cat. No. 3218.0. SACES calculations.

Mount Gambier's decline of unincorporated businesses is driven by structural changes in the dairy industry with consolidation and amalgamations of farming units. In the Upper Spencer Gulf Cities of Whyalla, Port Pirie and Port Augusta the average annual decline in unincorporated business operations was approximately 3 to 4 per cent due to declining population and slower economic growth. Port Lincoln did not experience a decline in the number of unincorporated business operations because of consistent population growth.

4.4 Superannuation and Annuity Income

Superannuation and annuity income includes superannuation and similar pensions and annuities paid by an Australian superannuation fund, retirement saving account, life assurance company or by the Commonwealth. Average superannuation and annuity income is calculated by dividing total superannuation and annuity income in an LGA by the number of persons receiving such a payment. Table 4.5 summarises average superannuation and annuity income in the years 1996/97, 1999/00, 2002/03 and 2005/06 for the Provincial Cities.

Adelaide has higher average superannuation and annuity income than all the Provincial Cities with the exception of Port Lincoln which has drawn many self funded retirees to live in the City between 1996 and 2006.

Table 4.5
Average Superannuation and Annuity Income
Provincial Cities, Adelaide and South Australia – 1996/97 to 2005/06

	1996/97	1999/00	2002/03	2005/06
Mount Gambier	11,989	12,284	15,573	19,115
Murray Bridge	11,936	12,256	14,814	16,648
Port Augusta	12,585	14,384	16,638	18,734
Port Lincoln	11,197	12,647	15,561	21,736
Port Pirie- City	9,769	10,698	12,798	15,593
Whyalla	7,683	10,518	11,886	14,249
Provincial Cities	11,097	12,278	14,752	17,811
Adelaide	14,168	15,314	18,919	22,256
South Australia	13,683	14,771	18,218	21,470

Note: Data is available for each year but only every third year is shown.
Source: 1995/96 to 1999/00: ABS, Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, Cat. No. 6524.0.55.001; 2002/03 to 2005/06: ABS, Estimates of Personal Income for Small Areas, 2001/02 to 2005/06, Cat. No. 6524.0.55.002. SACES calculations.

4.4 Income Distribution

The income distribution of the Provincial Cities differs from Adelaide. The proportion of households earning lower incomes, i.e., nil to $249 is high, while the proportion of households earning high incomes of $1400 or more is lower in comparison to the metropolitan areas of Adelaide (Table 4.6).

Table 4.6
Proportion of Population with Particular Gross Household (Weekly) Incomes (Per cent)
Provincial Cities, Adelaide and South Australia – 2006

	Negative/nil-$249	$250-$499	$500-$799	$800-$1399	$1400 or more	Total
Mount Gambier	11.0	16.8	21.7	29.4	21.2	100.0
Murray Bridge	12.4	21.0	23.4	27.4	15.8	100.0
Port Augusta	10.7	16.1	23.4	27.0	22.8	100.0
Port Lincoln	10.5	16.6	22.0	27.5	23.4	100.0
Port Pirie- City	14.5	23.4	22.4	22.3	17.4	100.0
Whyalla	15.2	18.5	18.4	22.4	25.4	100.0
Provincial Cities	12.5	18.7	21.6	26.1	21.1	100.0
Adelaide	9.5	14.9	20.5	26.5	28.6	100.0
South Australia	9.7	15.7	21.0	26.8	26.7	100.0

Source: ABS, *Census Data*. SACES calculations.

The greatest degree of income inequality exists in Whyalla where a high proportion of households earn less than $249 per week and a high proportion of households earn more than $1,400 a week. The income disparity is caused by wide variation in the level of skills local residents possess, the number of people on Commonwealth pensions and benefits and the number of retirees.

The heaviest concentration of low income households is in Port Pirie with approximately 35 per cent of the population earning under $499 per week compared to 25 per cent of Adelaide residents. Only 17.4 per cent of Port Pirie residents earn more than $1,400 per week compared to 28.6 per cent in Adelaide and 21.1 per cent in the Provincial Cities.

5. Economic Activity

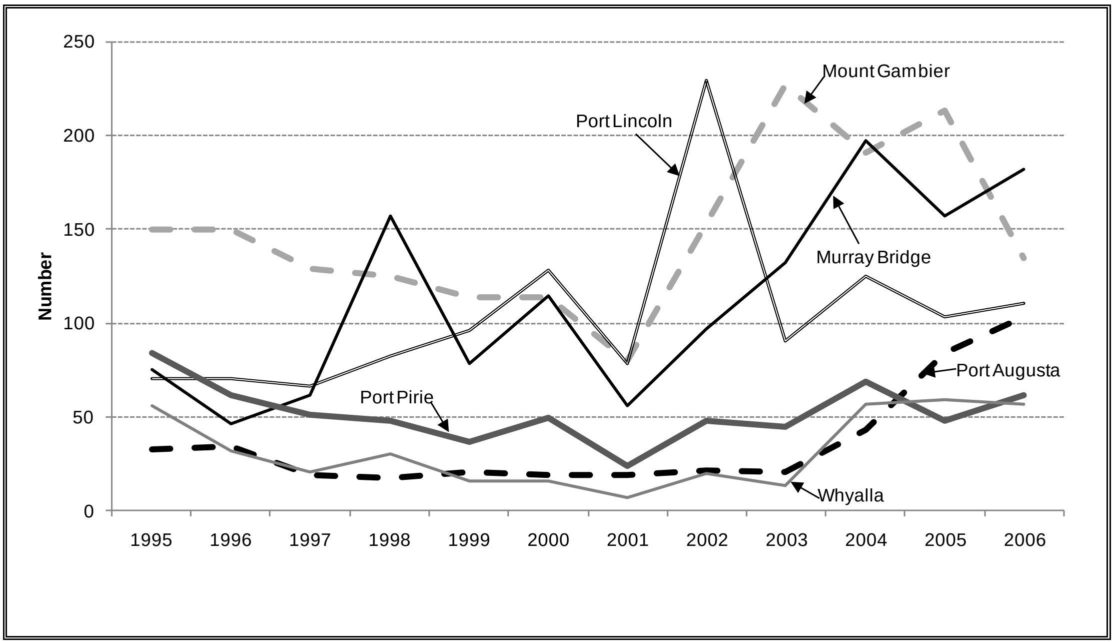
New construction of residential and non-residential buildings such as commercial office space is an important indicator of the level of economic activity in the economy. Significant investment is required by households to construct a new home, and by private property developers to build commercial buildings. In times of economic prosperity residential and non-residential construction is higher with individuals making more discretionary expenditure because of greater job security and greater disposable income. The next section examines residential and non-residential building approvals, the number of employing and non-employing business entries, revenue from aircraft passengers and the value of exports and imports.

5.1 Residential Building Approvals

The value of residential building approvals in South Australia was approximately 3 per cent of gross state product or $2.5 billion in 2009[16]. Residential construction directly impacts on the economy through the creation of jobs and tax revenues for the government. Indirect effects of residential construction are enjoyed by firms which supply goods and services associated with construction of new homes such as: building material supplies i.e., timber, bricks and cement; and household items i.e., appliances, furnishings and furniture. Population growth increases demand for new homes. Therefore residential construction provides an indication of two trends; the economic prosperity of the city and the size of population growth. Figure 5.1 shows the aggregate number of residential dwellings constructed in the Provincial Cities from 1995 to 2006.

Between 1995 and 2001 the Provincial Cities experienced virtually no growth in the number of residential building approvals with the exception of Port Lincoln and Murray Bridge. Stagnant building approvals is linked to economic and population decline. In July 2000 the First Home Owner's Grant (FHOG) was introduced making saving a deposit for a new home easier. Individuals were provided with a $7,000 lump sum providing they satisfied the eligibility criteria. After 2001, the effects of the FHOG combined with near record low interest rates led to an increase in the number of residential building approvals in all the Provincial Cities. By 2006 the number of new residential building approvals was triple the rate in Murray Bridge and Port Augusta and nearly double in Mount Gambier compared to 2001 approval levels. This has provided employment opportunities in the construction sector, building materials sector and retail sector.

Figure 5.1
Number of Residential Dwelling Unit Building Approvals
Provincial Cities – 1995 to 2006



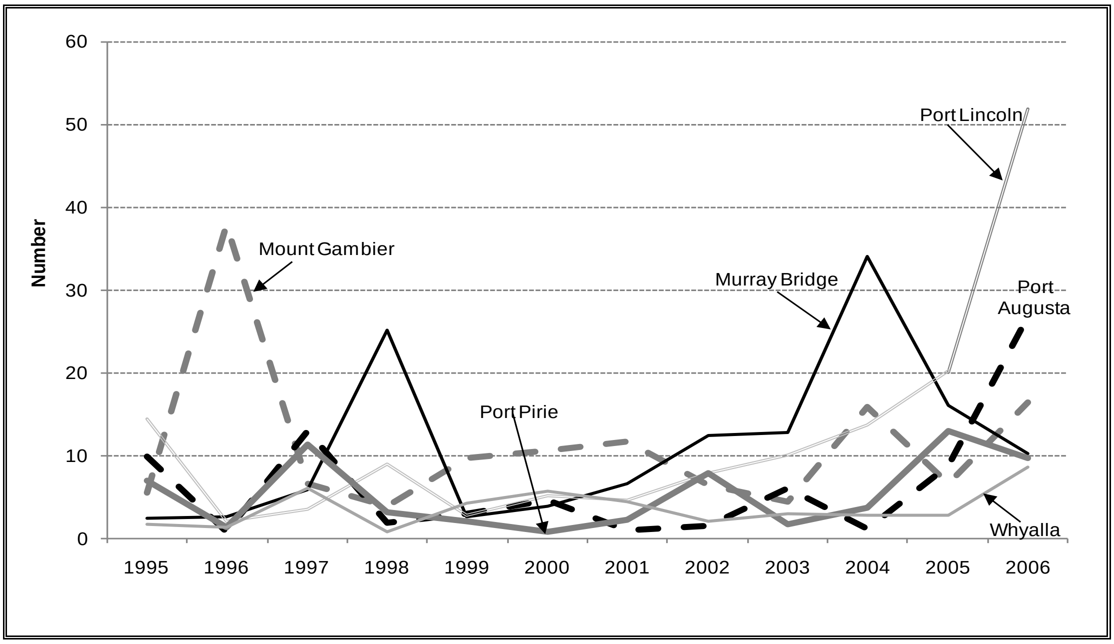
Source: 1995 to 2001: ABS, Regional Statistics, South Australia, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

5.2 Non-residential Building Approvals

Non-residential building approvals include the approval for the construction of buildings such as: factories, shops, hotels and commercial offices as well as alterations and additions to existing buildings, approved renovations and refurbishments and approved installation of integral building fixtures. Not included in non-residential construction are items such as: roads, bridges, railways and earthworks. Figure 5.2 shows the value of non-residential building approvals for the Provincial Cities from 1995 to 2006.

The value of non-residential building approvals in 1995 was $40.6 million the majority of which was attributable to high construction approvals in Mount Gambier. In 2001 the value of construction in the Provincial Cities had declined to $30.2 million. Non-residential construction accelerated after 2005 with approvals valued at $124 million; four times the value of construction in 2001. Appendix C contains the number of new residential dwelling unit approvals and the value of non-residential building approvals in tabular form for individual Provincial Cities, the aggregated Provincial Cities, Adelaide and South Australia.

Figure 5.2
Value of Non-Residential Building Approvals ($m)
Provincial Cities – 1995 to 2006



Source: 1995 to 2001: ABS, Regional Statistics, South Australia, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

5.3 Business Entries

A partial indicator of the strength of the economy is the number of new business entries per annum. A business entry event in Australia is categorised as the registration of a new business for an ABN and an allocation of a GST role.[17] Business entries can be of two types; they can be non-employing businesses or employing businesses. Non-employing businesses are classified in two ways; either they do not have an active income tax withholding role or they have not remitted income tax withholding statements for five consecutive quarters. Examples of non-employing businesses include: sole proprietorships in which the owner is categorised as self-employed and partnerships which have no employees. Employing businesses employ their own staff and have an active income tax role e.g., a local retail outlet.

The creation of new businesses helps to diversify the employment and industry base of the local economy and provides employment opportunities for local residents. In the years 2003/04, 2004/05 and 2005/06 there has been a consistent stream of new non-employing business entries in the Provincial Cities (Table 5.1). In 2005/06 there were 714 non-employing business entries most of which were operating in Mount Gambier, Murray Bridge and Port Lincoln. Non-employing business data shows rejuvenation in the Provincial Cities with the creation of more than 2,000 new businesses between 2003/04 and 2005/06.

The number of employing business entries for the years 2004, 2005 and 2006 is provided in Table 5.2. There have been approximately 1,000 new employing businesses created between 2004 and 2006 in the Provincial Cities. The number of non-employing business entries and the number of employing business entries is shown in Appendix D.

Data for businesses with 1 to 4 employees over the period 2003 to 2007 is provided in Table 5.3. The average annual growth rate of employing businesses in the Provincial Cities with one to four employees matches the average annual growth rate for South Australia. Strong growth in the number of employing businesses with one to four employees is a result of strong population and economic growth driving increased demand in the Provincial Cities.

Table 5.1
Number of Non-Employing Business Entries
Provincial Cities and South Australia – 2003/04 to 2005/06

	2003/04	2004/05	2005/06
Mount Gambier	147	186	183
Murray Bridge	126	123	126
Port Augusta	69	72	84
Port Lincoln	153	132	162
Port Pirie	87	87	75
Whyalla	78	87	84
Provincial Cities	660	687	714
South Australia	15,324	14,190	14,520

Source: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

Table 5.2
Number of Employing Business Entries
Provincial Cities and South Australia – 2003/04 to 2005/06

	2004	2005	2006
Mount Gambier	117	99	99
Murray Bridge	60	66	57
Port Augusta	45	30	27
Port Lincoln	81	93	72
Port Pirie	48	48	57
Whyalla	33	39	45
Provincial Cities	384	375	357
South Australia	5,235	6,231	5,775

Source: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

Table 5.3
Number of Employing Businesses with 1 to 4 Employees
Provincial Cities and South Australia– 2003 to 2007

	2003	2004	2005	2006	2007	AAGR 2003 to 2007*
Mount Gambier	381	423	462	492	516	7.88
Murray Bridge	222	255	288	282	306	8.35
Port Augusta	93	93	114	114	141	10.96
Port Lincoln	282	288	351	372	393	8.65
Port Pirie	213	228	246	237	252	4.29
Whyalla	138	159	174	204	222	12.62
Provincial Cities	1,329	1,446	1,635	1,701	1,830	8.33
South Australia	23,688	26,172	29,382	29,856	N/A	8.02

Note: * The average annual growth rate for South Australia is calculated over the period 2003 to 2006.
Source: 2003 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001; 2007: ABS, Counts of Australian Businesses, including Entries and Exits, Jun 2003 to Jun 2007, Cat. No. 8165.0.

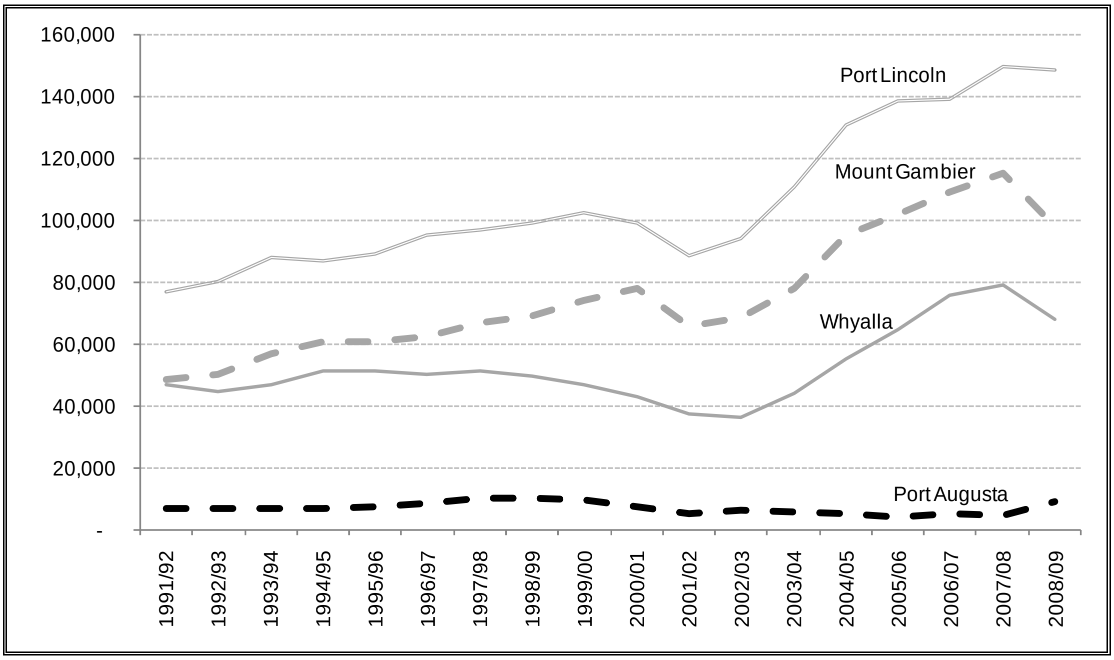
5.4 Transport and Communication

Modern transportation links are critical to the Provincial Cities development given the small size of their local markets, distance from suppliers and isolation from overseas markets. For regional economies to prosper essential infrastructure that allows people and goods and services to be transported locally and overseas is a prerequisite for development. The four types of transportation links which are used to connect the cities to local and external markets are: road, rail, sea and air.

5.5 Air Transportation

Mount Gambier, Port Augusta, Port Lincoln and Whyalla all have their own airports to service their region. Port Lincoln has the largest number of annual passenger movements by aircraft due to the longer commuting distance to Adelaide (646 kilometres by road). The growing tourism industry also draws local and overseas visitors along with the tuna industry which draws visitors from Japan. High passenger arrivals are indicative of greater economic activity in the Provincial Cities; therefore an examination of air passenger numbers moving in and out of the Provincial Cities provides an indicator of the strength of the Provincial City economies (see Figure 5.3).

Figure 5.3
Total Passenger Movements by Aircraft
Mount Gambier, Port Augusta, Port Lincoln and Whyalla – 1991/92 to 2008/09



Source: Department of Infrastructure, Transport, Regional Development and Local Government, 'Airport Traffic Data 1985/86 to 2008/09', http://www.bitre.gov.au/, accessed November 2009.

From 1991/92 to 2000/01 the Provincial Cities had consistent passenger numbers year on year. The closure of Ansett and its subsidiaries in September 2001 combined with the effects of the September 11 attacks and the SARS epidemic led to a temporary fall in aircraft passenger numbers travelling through Provincial City airports.[18] After this decline stronger economic growth combined with stronger population growth doubled passenger numbers travelling through Port Lincoln, Mount Gambier and Whyalla between 2002/03 and 2007/08.

Port Augusta has a smaller volume of aircraft passenger numbers, only recently experiencing significant increases in passenger movements. Between 2007/08 and 2008/09 passenger numbers nearly doubled (increasing by 94 per cent on 2007/08 numbers). The increase is attributable to the arrival of the carrier, Sharp Airlines, which introduced one additional daily service between Port Augusta and Adelaide Monday to Friday.[19] The improved flight schedule and more frequent service provides greater flexibility for tourists wishing to visit the Flinders Ranges via Port Augusta, making it more attractive to visit the region. As a consequence Port Augusta has experienced an increase in aircraft passengers.

Table 5.5 shows the increase in total revenue from aircraft passengers travelling to and from Mount Gambier, Port Lincoln, Port Augusta and Whyalla over three time periods (see Appendix E for year on year data).

Table 5.5
Percentage Increases in Total Revenue Passengers by Aircraft (Per cent)
Mount Gambier, Port Augusta, Port Lincoln and Whyalla– 1991/92 to 2008/09

	1991/92 to 1997/98	2001/02 to 2007/08	1991/92 to 2008/09
Mount Gambier	37.0	74.8	101.3
Port Augusta	48.4	-10.0	32.6
Port Lincoln	26.0	69.4	93.2
Whyalla	9.3[1]	113.4	44.9

Note: [1] The Whyalla Airlines crash occurred on 31st May 2000.
Source: Department of Infrastructure, Transport, Regional Development and Local Government, 'Airport Traffic Data 1985-86 to 2008/09', http://www.bitre.gov.au/, accessed November 2009. SACES calculations.

5.6 Sea Transportation

Port Lincoln, Port Pirie and Whyalla have operating sea ports used to export goods, minerals and primary products such as grain. Table 5.6 shows the value of imports and exports which are handled through the three ports for 2007/08. The value of exports exceeds imports in all three Provincial Cities. Port Lincoln exports the greatest value of products mostly comprising grain, tuna, seafood, wool and beef all of which are produced in the region. Whyalla exports large quantities of steel, steel related products and minerals from nearby mines.

Table 5.6
Value of Imports and Exports by Sea ($ millions)
Port Lincoln, Port Pirie and Whyalla– 2007/08

	Value of Imports	Value of Exports
Port Lincoln	126.76	430.81
Port Pirie	8.37	167.45
Whyalla	30.07	388.33

Source: Department of Infrastructure, Transport, Regional Development and Local Government, 'Australian Sea Freight, 2007-2008', http://www.bitre.gov.au/, accessed November 2009.

5.7 Road Transportation

The Australian road network linking the Provincial Cities to Adelaide and other Australian cities allows produce and manufactured goods to be delivered to local and overseas markets. The proportion of the population in the Provincial Cities employed in transport in 2006 was 2.3 per cent compared to 1.8 per cent in South Australia (Table 5.7). Mount Gambier's successful timber industry and the contribution of Scott's Transport company has given the City the largest freight transport industry by employment out of all the Provincial Cities. In 2006 3.7 per cent of Mount Gambier's population were employed in the industry. In the other

Provincial Cities strong employment growth has been recorded in the road transport industry between 1996 and 2006.

Table 5.7
Number and Proportion Employed in the Road Freight Transport Class
Provincial Cities and South Australia – 1996, 2001 and 2006

	Number			Proportion (Per cent)		
	1996	2001	2006	1996	2001	2006
Mount Gambier	207	271	392	2.2	2.7	3.7
Murray Bridge	60	109	155	1.0	1.8	2.1
Port Augusta	55	120	135	1.1	2.5	2.4
Port Lincoln	38	83	101	0.8	1.6	1.7
Port Pirie	48	90	99	0.8	1.6	1.6
Whyalla	50	105	114	0.6	1.4	1.4
Provincial Cities	458	778	996	1.2	2.0	2.3
South Australia	5,358	8,107	12,391	0.9	1.3	1.8

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

5.8 Communication

Having an internet connection provides many valuable benefits to families including, *inter alia*, providing students with the means to carry out research for school and university, allow families to keep in contact with friends and relatives, pay bills on-line, access local and global media, buy products online or download movies and music. The Provincial Cities have a lower proportion of households with an internet connection compared to Adelaide and South Australia. In 2006, approximately 60 per cent of dwellings in Adelaide had an internet connection compared to 47.5 per cent of residents in the Provincial Cities (Table 5.8). In comparison to the OECD the take-up of broadband is lower in both Adelaide and the Provincial Cities with just one-third of residents using a broadband internet connection to access the web. Australia was ranked seventeenth in broadband take-up out of 32 OECD countries and was the fifth most expensive service provider.

Table 5.8
Number of Occupied Private Dwellings by Type of Internet Connection (Per cent)
Provincial Cities and South Australia – 2006

	Broadband	Dial Up	Other	Total with Internet Connection
Mount Gambier	26.6	24.1	0.7	51.4
Murray Bridge	18.1	26.8	0.7	45.6
Port Augusta	25.3	17.6	0.8	43.8
Port Lincoln	28.4	20.1	1.1	49.6
Port Pirie- City	22.8	19.0	0.8	42.6
Whyalla	30.0	18.3	0.6	48.8
Provincial Cities	25.5	21.3	0.8	47.5
Adelaide	33.1	26.1	0.7	59.9
South Australia	29.9	27.4	0.7	57.9

Source: ABS, *2006 Census Tables*, Census of Population and Housing, Cat. No. 2068.0. SACES calculations.

The implementation of the National Australian Broadband Network which will reach 90 per cent of premises and reduce the cost of internet services offering a faster speed at which information can be downloaded. This has many potential benefits for households and businesses in the Provincial Cities which are currently using internet connections operating at slower speeds. Faster downloads makes it easier to access information which saves time and contributes to businesses becoming more productive and competitive.

6. Industrial and Occupational Profiles

Section 6 provides background information on the industrial profiles of the Provincial Cities, as well as a brief overview of potential growth industries, industry characteristics and describes the economic conditions that currently predominate in each city. Data on industry composition such as the proportion of the population which is employed in each industry is also provided.

6.1 Background information

Economic growth in each of the Provincial Cities is more volatile compared to Adelaide due to a highly specialised industrial base comprised of several dominant industries. Economic volatility due to a narrow industry base is not a new phenomenon; the northern cities of the United Kingdom and the City of Detroit are just two examples. The Provincial Cities need to diversify their industry base to avoid sudden downturns and changes in demand for goods produced by their key industries. Encouraging local innovation of new products and processes is one way to achieve this goal.

The Provincial Cities have benefited from increased demand from China for Australian raw materials especially exports of iron ore, gold, uranium and copper. Port Augusta, Port Pirie and Whyalla have doubled employment in their mining and heavy engineering industries between 2001 and 2006. See Appendix F for employment by industry divisions, for the Provincial Cities and South Australia in the years: 1996, 2001 and 2006.

6.2 Growth industries in the Provincial Cities

Rural regions of South Australia have experienced significant growth in the last few years due to diversification into new agricultural products, the use of new technology and higher market prices. It is predicted that by 2020 the rural sector will be a $10 billion a year industry in South Australia.

> "Much of the most significant growth is occurring in intensive industries where key production factors, especially water supply can be controlled, but major growth is also expected to occur in the grain sector ... SA has become a national hub for the chicken, pork, aquaculture, potato, onion, almond and mushroom sectors" (*The Advertiser*, The state's economic strength, wealth and export future, 26th July, 2010).

The Provincial Cities act as regional hubs for rural South Australia and will benefit from the expansion of the rural sector and the additional income generated. Other growth industries include mineral exploration, mining, tourism and renewable energy. The locations of the Provincial Cities provide them with their own particular comparative advantages and as such their industry profiles differ.

6.3 Industry Profiles

The industry profiles of the Provincial Cities are characterised by high levels of specialisation in several industries with manufacturing playing a more significant role in the Provincial Cities compared to South Australia. Conversely, the service sectors i.e., the provision of business services, finance services and federal, state and local government administration employ a smaller proportion of the Provincial City population compared to South Australia. The dominant industries for each Provincial City as well as a short description of the opportunities new growth industries present are listed under each Provincial City heading. Appendix J provides additional information on several projects.

Mount Gambier

- Softwood timber industry;
- Tourism;
- Agriculture i.e., dairying, potatoes;
- Transport services.

Opportunities to expand the horticulture industry exist in Mount Gambier because of its excellent climate, fertile soil and reliable rainfall. More recently the region has moved into wine growing producing 10 per cent of the national output. The Mount Gambier council is also attempting to establish the area as a recognised wine growing region of Australia by applying for official recognition from the industry's main body.[20] The harvesting of Tasmanian Blue Gum trees, to begin in 2010/11, will generate $250 million to $300 million a year and create over 1,000 jobs as the trees reach maturity over the next five years.[21]

Murray Bridge

- Meat processing;
- Agriculture, i.e., dairying, chicken raising, pig breeding, tomatoes, snowpea growing;
- Tourism.

The growth plans for the T&R meat processing plant and the horticulture industry, including the designation of Murray Bridge as a population "growth pole" centre provide a strong impetus to growth in Murray Bridge. Murray Bridge and surrounding towns generate substantial employment opportunities due to their close proximity to the Murray River and access to large tracts of fertile soil. For example, Adelaide Mushrooms has recently established a $50 million mushroom farm at Monarto. The new structure is 1.5 times larger than the Melbourne Cricket Ground and employs more than 200 people. There are plans to further expand the workforce by 50 persons by the end of 2010.

Port Augusta

- Healthcare;
- Electricity generation;
- Police and corrective services.
- Tourism

Between 2001 and 2006 employment in hospitals, electricity generation, police services and corrective services increased by 180 persons. Great potential exists for agriculture with the proposed Seawater Greenhouse development able to provide a cheap alternative to turning seawater into fresh water. The ready supply of freshwater would change the dynamics of the region, providing the means for an expansion of agricultural output and level of employment in the sector.[22] Tourism is also a growing industry in the region. Port Augusta's proximity to the Flinders Ranges makes it an ideal place for tourists to base themselves while they explore the outback. In 2006 tourism expenditure in the Flinders Ranges region exceeded $250 million, employed 1,380 people and was responsible for $145 million of gross regional product. It is certain that some of the potential workforce (and their families) who are employed at the Roxby Downs mine site will choose to reside in Port Augusta providing a further boost to residential construction.

Port Lincoln

- Commercial tuna fishing;
- Aquaculture i.e., kingfish, abalone, oysters and mussels;
- Tourism;
- Food processing;
- Intensive livestock industries.

Between 1996 and 2001 employment in marine fishing increased from 364 persons to 640 persons while between 2001 and 2006 employment in the sector remained constant. Port Lincoln has well developed communication and transport systems as well as seafood processing and fish wholesaling industries. The agriculture and fishing industries employ large numbers of workers with non-school qualifications such as postgraduate degrees and professionals with bachelor degrees[23]. The city provides opportunities for highly qualified residents to obtain employment in their discipline with the region recently emerging as an international research location for aquaculture with emphasis on sustainable fisheries[24]. Clean Seas is also active in the Port Lincoln region collaborating with the University of Kinki in Japan to research the captive breeding of Tuna[25].

Employment growth is closely linked to the tuna industry which employs 2,000 of the town’s 14,000 residents and is valued at $200 million a year. Port Lincoln dominates the bluefin tuna industry with approximately 95 per cent of Australia’s bluefin tuna owned and farmed in the region. Strong demand from Japan combined with growing Asian markets outside of Japan offers further opportunity for expansion.

The tourism industry employs a growing number of Port Lincoln’s residents; commercial tuna fishermen now provide guided tours of the waters around the city which allow visitors to feed and swim with the tuna. Cruises in the Port Lincoln marina, cage diving with white-pointer sharks, desert excursions and visits to Lake Gardiner are also popular activities with tourists and provide employment opportunities for local tour operators.

Port Pirie

- Lead smelting and refining of silver, zinc, copper and gold;
- Transportation i.e., railways;
- Mining.

Mineral exploration is a new growth industry for the Port Pirie region. In 2007 exploration in South Australia made up approximately 15 per cent of the national mineral exploration budget or $260 million.[26] Port Pirie is suitably placed to benefit from the mineral exploration boom by providing a convenient fly-in-fly-out destination for employees servicing mines and exploring remote parts of the Flinders Ranges. Houses in the city cost less than $250,000 to purchase making it an affordable city for miners to base themselves in. Port Pirie is also a major support centre to the surrounding rural and agricultural sector.

Whyalla

- Iron and steel manufacturing;
- Renewable energy;
- Education services.

Between 2001 and 2006 employment in steel production in Whyalla increased from 1,314 persons to 1,498 persons and accounts for 17.9 per cent of employment in the town. Growth in the renewable energy industry has secured Whyalla as the Provincial City which provides cheap and clean energy. A $15 million solar power plant providing power to 1,000 homes will be completed by 2011. Capacity upgrades of the plant costing $355 million will provide enough power for more than 19,000 homes. The Project employs 250 construction workers from the town.

6.4 Business services

The proportion of the population involved in the provision of business services and finance in the Provincial Cities is smaller compared to South Australia. In 2006 5.4 per cent of the Provincial Cities population were involved in the provision of business services compared to 7.9 per cent of the South Australian population. The proportion of the population engaged in the finance industry in the Provincial Cities is 1.2 per cent compared to 1.7 per cent in South Australia. Overall only a small fraction of the State's population is involved in the finance industry.

Table 6.1
Proportion of Employed Persons in the Business Services and Finance Subdivisions (Per cent)
Provincial Cities and South Australia – 1996, 2001 and 2006

	Business Services			Finance		
	1996	2001	2006	1996	2001	2006
Mount Gambier	4.1	5.2	5.8	1.7	1.2	1.3
Murray Bridge	3.1	3.7	4.1	1.4	0.9	0.9
Port Augusta	4.0	5.3	5.0	1.5	1.0	1.0
Port Lincoln	4.5	5.4	5.7	1.8	1.4	1.7
Port Pirie	3.6	4.5	4.5	1.6	1.1	1.2
Whyalla	6.5	7.2	6.6	1.2	1.0	0.9
Provincial Cities	4.5	5.3	5.4	1.5	1.1	1.2
South Australia	7.4	8.3	7.9	2.2	1.8	1.7

Source: 1996 and 2001: ABS, Unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

6.5 Manufacturing Employment

Manufacturing is an important industry in terms of employment in the Provincial Cities with Port Augusta and Port Lincoln the major exceptions. Port Augusta is home to rail rolling stock manufacture which is a significant employer and one that the city is seeking to build on.. For each census year the Provincial Cities had a larger proportion of the workforce employed in the sector compared to South Australia. Approximately a quarter of Whyalla's population is engaged in manufacturing. Manufacturing employment has declined between 1996 and 2006 for both the Provincial Cities and South Australia but still employs a significant proportion of the workforce.

Table 6.2
Proportion of Persons Employed in the Manufacturing Division (Per cent)
Provincial Cities and South Australia – 1996, 2001 and 2006

	1996	2001	2006
Mount Gambier	20.5	20.9	18.2
Murray Bridge	19.3	14.9	18.8
Port Augusta	3.0	4.7	4.4
Port Lincoln	8.3	9.2	8.9
Port Pirie	18.5	17.8	16.5
Whyalla	30.1	25.3	24.1
Provincial Cities	18.6	16.8	16.2
South Australia	15.4	14.9	13.3

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

6.6 Aged care employment

The proportion of the population employed in accommodation for the aged and non-residential care services in the Provincial Cities and South Australia has grown over each census period but makes up only a small fraction of the total workforce (Table 6.3). Increasing employment in this area is a reflection of the ageing of the population that requires greater human resources to care for.

Table 6.3
Proportion of Persons Employed in Accommodation for the Aged and Non-Residential Care Services Classes (Per cent)
Provincial Cities and South Australia – 1996, 2001 and 2006

	Accommodation for the Aged			Non-Residential Care Services		
	1996	2001	2006	1996	2001	2006
Mount Gambier	0.0	0.1	1.3	1.3	0.9	1.2
Murray Bridge	0.5	0.1	1.1	1.5	0.9	1.4
Port Augusta	0.3	0.2	0.3	2.9	1.5	2.0
Port Lincoln	0.5	0.3	1.4	1.1	0.8	1.2
Port Pirie	0.7	0.2	2.0	1.0	1.3	1.3
Whyalla	0.0	0.3	1.6	2.1	0.9	1.7
Provincial Cities	0.3	0.2	1.3	1.7	1.0	1.4
South Australia	0.4	0.3	1.3	1.0	1.0	1.4

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

6.7 Government administration

Commonwealth and State Government Administration employ fewer workers in the Provincial Cities compared to South Australia while Local Government administration employs a similar proportion of the population in the Provincial Cities and South Australia (Table 6.4). Port Augusta has the highest proportion of the population employed in local government acting as a regional hub for the provision of government services for the Eyre and Far North region.

Table 6.4
Proportion of Persons Employed in the Central Government Administration, State Government Administration and Local Government Administration Classes (Per cent)
Provincial Cities and South Australia – 1996, 2001 and 2006

	Central Government Administration			State Government Administration			Local Government Administration		
	1996	2001	2006	1996	2001	2006	1996	2001	2006
Mount Gambier	0.6	0.6	0.5	0.9	0.7	1.2	1.0	0.8	1.0
Murray Bridge	0.6	0.8	0.7	0.6	0.8	1.8	1.1	1.1	1.2
Port Augusta	1.1	2.5	2.4	1.0	1.3	2.0	1.0	2.0	2.3
Port Lincoln	0.8	0.8	0.7	1.0	0.9	1.4	0.8	0.9	0.7
Port Pirie	1.0	1.3	1.1	0.5	0.8	1.3	1.3	1.1	1.1
Whyalla	0.5	0.9	0.7	0.5	0.5	1.0	1.1	1.4	1.3
Provincial Cities	0.7	1.1	0.9	0.7	0.8	1.4	1.0	1.2	1.2
South Australia	1.1	1.2	1.2	1.1	1.2	1.9	1.0	1.0	1.2

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

6.8 Employment in pubs, taverns and bars

The proportion of the population employed in pubs, taverns and bars fluctuates with the economic success of the Provincial Cities. From 1996 to 2001 the proportion employed in the industry decreased while between 2001 and 2006 employment increased (Table 6.5). If economic conditions in the Provincial Cities are favourable pubs, taverns and bars benefit from residents having more disposable income to spend. Economic decline in the mid-90s and renewed growth after 2001 closely precedes the performance of the industry. Overall the Provincial Cities have a higher proportion of the population employed in pubs, clubs and taverns compared to South Australia although total employment in the industry is relatively small. Note that contrary to the argument often advanced by the gaming industry the introduction of gambling opportunities has resulted in only minor employment gains.

Table 6.5
Proportion of Persons Employed in the Pubs, Clubs and Taverns Class (Per cent)
Provincial Cities and South Australia – 1996, 2001 and 2006

	1996	2001	2006
Mount Gambier	1.9	1.1	1.6
Murray Bridge	0.7	0.5	0.9
Port Augusta	1.6	0.9	1.7
Port Lincoln	2.1	1.0	1.7
Port Pirie	1.5	1.5	1.6
Whyalla	1.6	0.8	1.2
Provincial Cities	1.6	1.0	1.4
South Australia	1.1	0.8	1.3

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

6.9 Occupational Profiles

The occupational profiles of the Provincial Cities relative to South Australia show differences in the type of occupations and quantity of skilled workers in each city compared to metropolitan Adelaide and South Australia (Tables 6.6 and 6.7 and Appendix G).

Skills in high demand in the Provincial Cities are in the professions such as: education, health and community services, property services, business services, government administration and defence.[27] Professionals and associate professionals comprise 24.1 per cent of total employment in the Provincial Cities compared to 32.8 per cent in metropolitan Adelaide and 30.3 per cent in South Australia. Port Lincoln has the greatest proportion of professionals many of which are engaged in agriculture, forestry, fishing, and aquaculture[28] (see Appendix G).

There are greater proportions of tradespersons and related workers, elementary clerical, sales and service workers and labourers and related workers in the Provincial Cities compared to Adelaide and South Australia. Tradespersons and related workers are mostly employed in the manufacturing, construction, electricity, gas and water supply industry. The high proportion of low to intermediate skilled workers reflects the lower skills profile of the Provincial City population.[29]

The occupational profile of the Provincial Cities, Adelaide and South Australia are relatively stable over time taking a number of years to change in concert with changes in the industry structure of any region or city. Employment in the defence sector and mining are two cases that illustrate the subtle but slow changes over time. The proportion of persons employed by occupation for 2006 is summarised in Table 6.6 (see Appendix G for 2001 census data on employment by occupation).

Table 6.6
Employment by Occupation- Per cent
Mount Gambier, Murray Bridge, Port Augusta, Port Lincoln, Port Pirie (City), Whyalla, Provincial Cities, Adelaide, South Australia – 2006

	Mount Gambier	Murray Bridge	Port Augusta	Port Lincoln	Port Pirie-City	Whyalla	Provincial Cities	Adelaide	South Australia
Managers and Administrators	5.7	9.9	3.9	7.9	3.8	4.9	6.2	7.3	9.2
Professionals	12.9	8.9	13.5	14.1	12.2	13.7	12.6	20.2	18.1
Associate Professionals	11.6	10.0	13.0	12.0	11.9	11.3	11.5	12.6	12.2
Tradespersons and Related Workers	14.6	13.9	14.6	14.1	15.0	15.1	14.6	11.7	12.1
Advanced Clerical and Service Workers	2.2	1.9	1.7	3.0	2.1	1.7	2.1	3.0	2.9
Intermediate Clerical, Sales and Service Workers	16.5	14.3	19.7	15.7	16.2	14.8	16.1	18.1	16.9
Intermediate Production and Transport Workers	13.0	9.6	10.5	11.5	14.1	14.5	12.3	7.8	8.3
Elementary Clerical, Sales and Service Workers	10.6	10.1	11.3	9.0	12.4	10.5	10.6	9.9	9.4
Labourers and Related Workers	12.0	20.7	10.2	11.8	11.4	12.1	13.2	8.7	10.1
Inadequately described	0.7	0.8	1.5	0.8	0.8	1.4	1.0	0.8	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ABS, 2006 CDATA ONLINE.

7. Qualifications and Education

High school education equips individuals with the human capital necessary to learn new ideas and concepts; providing individuals with the ability to better understand the world around them. Unskilled jobs require employability skills including literacy and numeracy skills gained through school education. Obtaining additional skills such as a trade or bachelor degree require higher levels of education i.e., at least year 11 to get a trade and year 12 is required to gain entry into a university. Skills shortages and skills mismatches due to insufficient numbers of suitably educated or qualified professionals and low year 11 and year 12 retention rates hamper economic growth and pose a significant challenge for the Provincial Cities. The next section examines education trends in the Provincial Cities; specifically covering the proportion of the population that have competed year 11 and year 12. Year 12 completion rates are also provided by age cohort for 20 to 24 year olds and 25 to 29 year olds.

7.1 Schooling Level Attained

The proportion of people aged 15 years and over who have completed year 12 is significantly higher in Adelaide and South Australia in comparison to the Provincial Cities (Table 7.1). In 2006 the proportion of the population completing year 12 was 45.7 per cent in Adelaide and 41.8 per cent in South Australia compared to 28.5 per cent for the Provincial Cities. The lower rate in year 12 may also be due to a small proportion of students moving to Adelaide to undertake and complete year 12 studies, inflating the year 12 completion rate for Adelaide. The number of residents who have year 11 as their highest level of education is lower in Adelaide and South Australia in comparison to the Provincial Cities because more students in metropolitan Adelaide choose to go on to year 12 and complete further education. Recent increases in completion rates of Year 11 students in the Provincial Cities and South Australia have been influenced by changes to the school leaving age which has been increased from 16 years to 17 years (refer Appendix H for details of the new requirements).

Table 7.1
Highest Year of School Completed as a Proportion of the Population 15 and Over (Per cent)
Provincial Cities, Adelaide and South Australia - 2001 and 2006

	Year 11		Year 12	
	2001	**2006**	**2001**	**2006**
Mount Gambier	24.1	25.3	26.9	30.2
Murray Bridge	19.9	22.0	22.7	25.9
Port Augusta	25.0	27.7	21.7	25.1
Port Lincoln	23.2	24.8	26.3	32.1
Port Pirie- City	22.4	24.7	19.8	23.4
Whyalla	24.4	26.6	27.1	31.5
Provincial Cities	23.2	25.2	24.5	28.5
Adelaide	19.6	20.0	39.6	45.7
South Australia	20.3	21.0	36.1	41.8

Source: ABS, *Basic Community Profiles*, Census of Population and Housing. SACES calculations.

The proportion of 20 to 24 year olds and 25 to 29 year olds who have completed year 12 increased in Adelaide and South Australia but fell in the Provincial Cities over the period 2001 to 2006. The proportion of 20 to 24 year olds and 25 to 29 year olds with a year 12 qualification is greater in Adelaide and South Australia relative the Provincial Cities because of differences in high school retention rates (see Appendix H for further details).

Table 7.2
Number having Completed Year 12 as a Proportion of the 20-24 and 25-29 Year Age Groups
Provincial Cities, Adelaide and South Australia- 2001 and 2006 (Per cent)

	20-24		**25-29**	
	2001	**2006**	**2001**	**2006**
Mount Gambier	47.4	44.0	56.0	50.9
Murray Bridge	47.6	41.7	51.3	44.1
Port Augusta	46.5	40.2	45.7	46.2
Port Lincoln	50.0	52.3	52.7	58.3
Port Pirie- City	43.2	42.4	52.6	46.0
Whyalla	51.1	53.5	55.2	54.6
Provincial Cities	47.9	46.1	52.9	50.5
Adelaide	67.0	71.1	64.4	68.6
South Australia	63.6	67.0	61.8	65.4

Note: There are some minor difficulties with comparing data between 2001 and 2006. The data available in CDATA ONLINE differs slightly from that in the basic community profiles.
Source: 2001: ABS, *Basic Community Profiles*, Census of Population and Housing; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

7.2 Non-School Qualifications

Non-school qualifications include postgraduate degrees, graduate diplomas, bachelor degrees, advanced diplomas and diplomas and certificates. In the 2006 census 33.8 per cent of Provincial City residents over the age of 15 had a non-school qualification compared to 42.5 per cent for Adelaide and 40.5 per cent in South Australia (Table 7.3). Adelaide and South Australia have higher proportions of the population over 15 who have a bachelor degree or postgraduate degree, while the Provincial Cities have a higher proportion of the population with no qualifications.

At each census from 1996 to 2006 the proportion of the population in the Provincial Cities, Adelaide and South Australia reporting they have no qualifications has declined while the proportion of the population with either a bachelor degree or postgraduate qualifications has increased.

Table 7.3
Proportion of the Population 15 and Over by Level of Non-School Qualification Attained (Per cent)
Provincial Cities, Adelaide and South Australia - 1996, 2001 and 2006

	Postgraduate Degree	Graduate Diploma and Graduate Certificate	Bachelor Degree	Advanced Diploma and Diploma	Certificate	Level of education inadequately described	No Qualifications
1996							
Mount Gambier	0.36	0.83	4.64	4.42	15.27	0.61	73.88
Murray Bridge	0.19	0.40	2.69	3.76	13.31	0.56	79.10
Port Augusta	0.28	0.74	3.65	4.26	17.83	0.62	72.63
Port Lincoln	0.44	0.73	3.98	4.72	16.31	0.64	73.19
Port Pirie- City	0.16	0.45	3.00	3.25	14.85	0.42	77.86
Whyalla	0.70	0.72	5.13	4.67	21.27	0.52	66.98
Provincial Cities	0.38	0.66	4.00	4.22	16.76	0.56	73.42
Adelaide	1.39	1.36	8.14	6.56	15.09	0.83	66.64
South Australia	1.14	1.23	7.12	6.20	15.11	0.81	68.39
2001							
Mount Gambier	0.51	0.89	5.64	4.32	17.64	1.21	69.79
Murray Bridge	0.24	0.59	3.29	3.47	15.41	1.27	75.73
Port Augusta	0.36	0.76	5.17	3.75	19.09	1.12	69.75
Port Lincoln	0.40	0.76	5.49	4.43	19.36	1.86	67.70
Port Pirie- City	0.26	0.53	4.26	2.76	16.21	0.87	75.11
Whyalla	0.58	0.84	5.41	3.48	22.79	1.20	65.70
Provincial Cities	0.41	0.75	4.94	3.73	18.60	1.24	70.33
Adelaide	1.72	1.48	10.05	6.30	17.06	1.41	61.97
South Australia	1.41	1.33	8.89	5.88	17.19	1.40	63.89
2006							
Mount Gambier	0.69	0.96	6.61	4.79	21.04	1.59	64.31
Murray Bridge	0.39	0.71	3.88	4.39	20.21	1.40	69.03
Port Augusta	0.54	1.03	6.07	4.92	23.09	1.24	63.11
Port Lincoln	0.80	0.90	6.80	5.31	22.71	1.83	61.65
Port Pirie- City	0.53	0.61	4.89	3.79	19.53	0.81	69.85
Whyalla	0.88	0.76	6.82	4.30	24.42	1.36	61.45
Provincial Cities	0.65	0.83	5.92	4.57	21.89	1.39	64.74
Adelaide	2.50	1.60	12.32	7.60	18.50	1.38	56.09
South Australia	2.06	1.45	10.87	7.13	19.05	1.43	58.01

Source: ABS, *Time Series Profile*, Census of Population and Housing. SACES calculations.

8. Socio-Economic Index For Areas (SEIFA)

The SEIFA index provides a numerical ranking of the level of advantage or disadvantage in Australian towns and neighbourhoods. SEIFA scores rank different socio-economic characteristics relating to families or dwellings within an area based on data provided in the census. Some of the variables taken into account in the index include: average income, the unemployment rate, remoteness of the community, education level as well as other socio-economic characteristics which correlate with the degree of advantage or disadvantage in a neighbourhood or town.

An average SEIFA score of 1,000 is used as a reference score; neighbourhoods or towns which have scores above 1,000 are relatively advantaged while neighbourhoods with scores below 1,000 are relatively disadvantaged. Table 8.1 provides the SEIFA scores for the Provincial Cities based on 2006 census data. All the Provincial Cities score below the 1,000 point reference score indicating a higher degree of disadvantage within these cities. Lower SEIFA scores are driven by trends highlighted in the data analysis such as: lower average incomes, lower educational attainment and higher rates of unemployment compared to the rest of South Australia and Adelaide.

Port Lincoln has the highest SEIFA ranking of all the Provincial Cities as a result of its more highly educated workforce, higher than average taxable incomes and low unemployment rate.

Table 8.1
SIEFA for the Provincial Cities of South Australia, 2006

Provincial Cities	SEIFA score, 2006
Mount Gambier	914
Murray Bridge	878
Port Augusta	896
Port Lincoln	925
Port Pirie- city	876
Whyalla	882
Provincial Cities	895

Source: 2006: ABS, Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia - Data only 2006; Catalogue No. 2033.0.55.001.

The SEIFA index provides an "insight" into the challenges faced by regional centres in that, while they exhibit a strong sense of community/community spirit, regional centres need assistance to drive economic growth, investment, planning, and to establish strong export links and orientation. Regional labour markets are different to major metropolitan centres; education training and skill development opportunities are more limited and require customised local responses. Most importantly, regional/local decision making is critical to raising the capability and resilience of regional centres.

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Appendix A

Proportion of Population by Age (Per cent)
Provincial Cities and South Australia - 1991, 1996, 2001 and 2006

	0-14	15-24	25-44	45-64	65+	Total
1991						
Mount Gambier	24.6	15.4	31.6	17.1	11.3	100.0
Murray Bridge	23.4	14.6	29.8	19.7	12.4	100.0
Port Augusta	25.2	15.3	32.6	18.4	8.5	100.0
Port Lincoln	24.5	14.2	30.4	18.5	12.4	100.0
Port Pirie	22.8	14.0	29.1	21.0	13.2	100.0
Whyalla	24.2	16.7	31.4	19.5	8.2	100.0
Provincial Cities	24.1	15.2	30.9	19.0	10.8	100.0
South Australia	21.1	15.1	31.2	19.7	12.9	100.0
1996						
Mount Gambier	23.3	14.4	31.1	18.8	12.3	100.0
Murray Bridge	22.8	12.6	28.8	22.1	13.7	100.0
Port Augusta	24.8	13.2	31.4	20.3	10.3	100.0
Port Lincoln	24.1	12.8	29.8	19.6	13.7	100.0
Port Pirie	22.1	12.3	28.2	22.8	14.6	100.0
Whyalla	24.2	13.8	31.4	20.7	9.9	100.0
Provincial Cities	23.5	13.3	30.2	20.7	12.2	100.0
South Australia	20.5	13.6	30.2	21.6	14.1	100.0
2001						
Mount Gambier	22.7	13.3	29.9	21.2	13.0	100.0
Murray Bridge	22.6	11.5	27.8	23.6	14.5	100.0
Port Augusta	22.7	12.8	29.3	23.6	11.6	100.0
Port Lincoln	23.1	13.6	28.9	21.0	13.3	100.0
Port Pirie	22.2	11.3	26.0	24.7	15.7	100.0
Whyalla	23.2	12.2	29.6	22.9	12.1	100.0
Provincial Cities	22.8	12.4	28.7	22.8	13.3	100.0
South Australia	19.7	13.1	28.7	23.9	14.7	100.0
2006						
Mount Gambier	21.0	13.6	27.1	24.1	14.2	100.0
Murray Bridge	20.3	12.3	25.6	25.5	16.4	100.0
Port Augusta	21.3	13.4	27.3	26.0	12.0	100.0
Port Lincoln	21.7	13.2	26.7	24.1	14.4	100.0
Port Pirie	21.2	11.0	24.0	26.1	17.7	100.0
Whyalla	21.7	13.0	27.4	24.3	13.6	100.0
Provincial Cities	21.2	12.8	26.4	24.9	14.8	100.0
South Australia	18.5	13.3	26.7	26.1	15.4	100.0

Source: 1991, 1996, 2001 data: ABS, Unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

Appendix B

Unemployment Rate (Per cent)

Provincial Cities, Adelaide and South Australia – 1997 to 2008

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Mount Gambier	7.4	11.3	8.7	8.7	6.0	6.7	6.2	5.4	4.7	5.7	6.1	6.0
Murray Bridge	9.5	13.3	12.1	12.4	8.0	9.1	7.5	6.6	6.0	6.7	7.3	7.3
Port Augusta	12.0	12.7	12.8	12.2	9.4	10.3	9.9	9.9	7.3	5.6	6.0	8.4
Port Lincoln	10.0	10.9	11.4	11.4	9.9	9.8	7.8	7.8	5.9	4.4	4.2	5.4
Port Pirie	12.6	13.5	14.2	13.6	10.6	13.1	11.3	11.7	7.2	6.3	.	.
Whyalla	11.7	12.6	14.0	12.8	10.8	11.4	11.8	11.8	7.9	6.1	5.5	6.7
Adelaide	9.5	9.7	8.2	8.1	7.8	6.6	6.6	6.7	6.0	5.4	5.3	4.9
South Australia	9.1	9.7	8.3	8.2	7.4	6.7	6.3	6.4	5.5	5.0	5.0	4.8

Note: Data for 2007 to 2008 only available by SLA. Therefore, unemployment rates do not appear for Port Pirie LGA in 2007 and 2008.

Source: 1997 to 2001: ABS, Regional Statistics, South Australia, 2002, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001; 2007: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, June Quarter 2007 [data available on request]; 2008: Australian Government Department of Education, Employment and Workplace Relations, Small Area Labour Markets Australia, December Quarter 2008, http://www.workplace.gov.au, accessed July 2009.

Appendix C

Number of New Residential Dwelling Unit Approvals
Provincial Cities, Adelaide and South Australia - 1995 to 2006

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Mount Gambier	150	150	129	125	114	114	80	153	227	191	213	135
Murray Bridge	75	46	61	157	78	114	56	97	132	197	157	182
Port Augusta	32	34	19	17	20	19	19	21	20	43	84	103
Port Lincoln	70	70	66	82	96	128	78	229	90	125	103	110
Port Pirie	84	62	51	48	37	50	24	48	45	69	48	62
Whyalla	56	32	21	30	16	16	7	20	13	57	59	57
Provincial Cities	467	394	347	459	361	441	264	568	527	682	664	649
Adelaide	N/A	N/A	N/A	N/A	N/A	7,040	4,879	7,255	7,568	8,130	7,143	7,730
South Australia	9,684	5,911	6,234	7,119	7,795	9,853	6,731	10,936	10,878	11,927	11,089	11,405

Source: 1995 to 2001: ABS, Regional Statistics, South Australia, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

Value of Non-Residential Building ($m)
Provincial Cities, Adelaide and South Australia - 1995 to 2006

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Mount Gambier	5.4	37.8	6.6	3.8	9.7	10.5	11.7	6.3	4.4	15.8	6.6	16.4
Murray Bridge	2.4	2.5	5.9	25.1	2.5	3.9	6.5	12.4	12.8	34.0	16.0	10.2
Port Augusta	9.9	0.8	12.9	1.8	2.9	4.6	1.0	1.5	6.0	1.2	8.8	26.8
Port Lincoln	14.3	2	3.5	8.9	2.7	5.1	4.5	7.9	10.0	13.6	20.1	51.8
Port Pirie	6.9	1.2	11.4	3	2	0.7	2.1	7.8	1.6	3.6	13.0	9.7
Whyalla	1.7	1.3	6	0.7	4.1	5.6	4.4	2.0	2.9	2.8	2.8	8.6
Provincial Cities	40.6	45.6	46.3	43.3	23.9	30.4	30.2	37.9	37.7	71	67.3	123.5
Adelaide	N/A	N/A	N/A	N/A	N/A	N/A	619.1	621.6	815.8	1,027.0	899.5	1,004.7
South Australia	493.2	566.2	580.7	602.2	670.9	585.9	721.9	806.9	1,020.4	1,224.8	1,162.9	1,273.9

Source: 1995 to 2001: ABS, Regional Statistics, South Australia, Cat. No. 1362.4; 2002 to 2006: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

Appendix D

Number of Non-Employing Business Entries
Provincial Cities and South Australia – 2003/04 to 2005/06

	2003/04	2004/05	2005/06
Mount Gambier	147	186	183
Murray Bridge	126	123	126
Port Augusta	69	72	84
Port Lincoln	153	132	162
Port Pirie	87	87	75
Whyalla	78	87	84
Provincial Cities	660	687	714
South Australia	15,324	14,190	14,520

Source: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

Number of Employing Business Entries
Provincial Cities and South Australia – 2003/04 to 2005/06

	2004	2005	2006
Mount Gambier	117	99	99
Murray Bridge	60	66	57
Port Augusta	45	30	27
Port Lincoln	81	93	72
Port Pirie	48	48	57
Whyalla	33	39	45
Provincial Cities	384	375	357
South Australia	5,235	6,231	5,775

Source: ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001.

Appendix E

Total Revenue Passengers by Aircraft
Mount Gambier, Port Augusta, Port Lincoln and Whyalla - 1991/92 to 1999/00

	1991/92	1992-93	1993-94	1994-95	1995/96	1996/97	1997/98	1998/99	1999/00
Mount Gambier	48,802	50,633	57,282	60,782	61,205	62,783	66,871	69,271	74,477
Port Augusta	6,866	6,925	6,555	6,766	7,123	8,404	10,188	10,222	9,743
Port Lincoln	76,827	80,257	87,850	86,839	89,290	95,044	96,766	98,864	102,341
Whyalla	47,003	44,731	46,865	51,365	51,473	49,993	51,366	49,891	46,651

Source: Department of Infrastructure, Transport, Regional Development and Local Government, 'Airport Traffic Data 1985-86 to 2008/09', http://www.bitre.gov.au/, accessed November 2009.

Total Revenue Passengers by Aircraft
Mount Gambier, Port Augusta, Port Lincoln and Whyalla - 2000/01 to 2008/09

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Mount Gambier	78,058	65,998	68,501	78,198	95,502	102,121	109,435	115,365	98,247
Port Augusta	7,643	5,213	5,948	5,907	5,041	3,953	4,987	4,690	9,104
Port Lincoln	99,055	88,293	93,894	110,649	130,429	138,547	138,844	149,544	148,435
Whyalla	42,812	37,214	36,190	44,048	55,076	64,546	76,091	79,425	68,087

Source: Department of Infrastructure, Transport, Regional Development and Local Government, 'Airport Traffic Data 1985-86 to 2008/09', http://www.bitre.gov.au/, accessed November 2009.

Appendix F

Employment by Industry (Per cent)

Mount Gambier, Murray Bridge, Port Augusta and Port Lincoln - 1996, 2001 and 2006

	Mount Gambier			Murray Bridge			Port Augusta			Port Lincoln		
	1996	**2001**	**2006**	**1996**	**2001**	**2006**	**1996**	**2001**	**2006**	**1996**	**2001**	**2006**
Agriculture, Forestry and Fishing	4.4	5.9	5.3	15.4	16.3	9.4	1.1	0.9	0.7	10.7	13.4	12.3
Mining	0.2	0.1	0.3	0.5	0.3	0.6	0.5	0.8	1.9	0.3	0.3	0.5
Manufacturing	20.5	20.9	18.2	19.3	14.9	18.8	3.0	4.7	4.4	8.3	9.2	8.9
Electricity, Gas and Water Supply	0.8	0.7	0.6	1.5	0.9	1.0	4.8	5.0	4.6	1.4	0.8	1.0
Construction	6.6	6.0	7.1	4.9	5.6	5.9	5.8	6.9	7.3	6.7	7.4	8.7
Wholesale Trade	6.7	5.4	4.6	4.3	6.3	4.1	3.1	2.8	2.4	5.6	5.6	5.0
Retail Trade	17.2	19.1	18.5	14.7	16.6	18.5	17.3	19.2	17.0	17.2	18.0	16.7
Accommodation, Cafes and Restaurants	5.1	5.3	5.4	3.0	3.0	3.1	6.3	6.2	6.4	5.1	4.7	4.4
Transport and Storage	4.1	4.6	4.5	2.8	4.0	4.1	13.8	6.5	6.1	5.3	5.1	4.1
Communication Services	1.2	1.0	0.7	2.6	1.5	1.3	1.1	1.1	0.8	1.2	0.8	0.8
Finance and Insurance	2.5	2.3	2.1	2.0	1.4	1.4	2.0	1.7	1.5	2.5	2.3	2.3
Property and Business Services	5.2	6.2	6.8	4.1	4.8	5.1	4.8	6.5	5.7	6.2	6.8	7.2
Government Administration and Defence	2.7	2.2	3.0	2.5	3.0	3.8	3.7	6.2	7.3	2.9	2.9	3.0
Education	6.6	6.0	6.9	5.6	5.3	5.3	9.4	8.9	9.0	8.4	7.3	7.7
Health and Community Services	8.8	8.7	9.9	9.2	8.8	10.7	15.2	14.7	15.5	10.5	9.4	11.1
Cultural and Recreational Services	1.9	1.7	1.6	2.4	2.5	1.4	2.1	1.4	0.9	2.4	1.5	1.3
Personal and Other Services	3.8	3.8	3.7	4.5	4.5	4.3	5.3	6.0	7.2	4.3	3.9	4.3
Non-classifiable Economic Units	1.6	0.2	0.8	0.8	0.4	1.2	0.6	0.4	1.1	0.9	0.7	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

Appendix F (continued)

Employment by Industry- Per cent

Port Pirie, Whyalla, Provincial Cities Aggregated and South Australia - 1996, 2001 and 2006

	Port Pirie			Whyalla			Provincial Cities			South Australia		
	1996	**2001**	**2006**	**1996**	**2001**	**2006**	**1996**	**2001**	**2006**	**1996**	**2001**	**2006**
Agriculture, Forestry and Fishing	6.7	6.0	5.4	0.5	0.9	0.7	5.9	7.0	5.5	5.8	5.8	4.7
Mining	0.5	0.8	2.1	1.4	1.6	4.4	0.6	0.6	1.6	0.6	0.6	0.9
Manufacturing	18.5	17.8	16.5	30.1	25.3	24.1	18.6	16.8	16.2	15.4	14.9	13.3
Electricity, Gas and Water Supply	1.5	1.0	1.1	0.3	0.4	0.4	1.4	1.2	1.3	0.8	0.7	0.8
Construction	4.6	5.5	5.7	6.5	5.8	5.9	5.9	6.1	6.7	5.1	5.8	6.8
Wholesale Trade	3.8	4.4	3.2	3.3	3.1	2.3	4.6	4.7	3.7	5.8	5.0	4.4
Retail Trade	16.8	18.3	16.9	13.7	16.4	15.4	16.0	17.9	17.3	13.7	14.8	14.8
Accommodation, Cafes and Restaurants	5.1	4.5	4.6	3.8	4.2	4.0	4.7	4.6	4.6	4.4	4.6	4.5
Transport and Storage	4.4	4.2	3.6	3.1	3.7	3.4	5.1	4.6	4.2	3.8	3.8	3.9
Communication Services	2.1	1.2	0.7	1.0	0.7	0.6	1.5	1.0	0.8	1.8	1.7	1.3
Finance and Insurance	2.3	1.6	1.7	1.8	1.6	1.4	2.2	1.9	1.8	3.4	3.2	3.2
Property and Business Services	4.6	5.4	5.6	8.5	8.5	7.6	5.7	6.4	6.4	8.7	9.5	9.2
Government Administration and Defence	2.8	3.2	3.6	2.2	3.0	3.2	2.7	3.2	3.8	4.4	4.3	5.3
Education	7.4	7.3	8.4	7.9	8.3	8.9	7.4	7.0	7.6	7.5	7.2	7.5
Health and Community Services	11.8	12.6	14.5	10.7	11.3	12.6	10.7	10.6	12.1	11.7	11.6	12.9
Cultural and Recreational Services	2.2	1.9	1.2	1.2	1.0	0.7	2.0	1.7	1.2	2.2	2.1	1.8
Personal and Other Services	3.9	3.9	4.2	3.0	3.5	3.0	4.0	4.2	4.3	4.1	3.9	3.8
Non-classifiable Economic Units	0.9	0.4	0.9	1.1	0.6	1.3	1.1	0.4	1.0	0.9	0.5	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 1996 and 2001: ABS, unpublished data; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

Appendix G

Employment by Occupation (Per cent)
Provincial Cities, Adelaide and South Australia - 2001

	Mount Gambier	Murray Bridge	Port Augusta	Port Lincoln	Port Pirie-City	Whyalla	Provincial Cities	Adelaide	South Australia
Managers and Administrators	5.7	13.1	4.2	8.2	4.6	5.1	6.8	7.2	9.6
Professionals	11.6	8.6	13.0	13.2	12.1	13.0	11.8	19.0	17.0
Associate Professionals	11.2	9.8	13.3	11.3	11.9	11.6	11.4	12.1	11.7
Tradespersons and Related Workers	14.5	13.5	14.6	14.7	14.8	15.7	14.6	12.2	12.4
Advanced Clerical and Service Workers	2.6	2.1	1.9	3.8	2.5	2.4	2.5	3.5	3.3
Intermediate Clerical, Sales and Service Workers	15.5	13.1	19.9	14.7	15.5	14.8	15.4	18.1	16.7
Intermediate Production and Transport Workers	13.7	9.4	9.4	11.5	14.2	13.9	12.2	8.0	8.4
Elementary Clerical, Sales and Service Workers	10.9	9.6	10.9	9.7	12.4	10.5	10.6	9.9	9.3
Labourers and Related Workers	13.4	19.9	11.8	12.1	11.3	11.4	13.4	9.1	10.7
Inadequately described	0.9	1.0	1.0	0.8	0.8	1.5	1.0	0.9	0.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ABS, *2001 Census Tables*, Census of Population and Housing, Cat. No. 2068.0. SACES calculations.

Appendix H

State government school leaving age reform – South Australia

State Government legislation effective 1/1/2009 requires that "all 16 year olds … be in full time education or training until they achieve a qualification or turn 17." [GOSA (2008)] This is in contrast to previous arrangements allowing students to leave education at 16 years of age. It is intended that raising the school leaving age will increase the productivity of the labour force as well as encouraging greater value to be placed on education. SACES analysis shows a very high correlation of early school leaving with subsequent unemployment (and longer duration of unemployment) so it is important to place a greater premium of school retention, participation in post-school labour market programs as another means of entry to the workforce and TAFE/VET participation especially for the more disadvantaged.

Appendix I

Number having Completed Year 12 as a Percentage of Particular Age Groups (Per cent)
Provincial Cities, Adelaide and South Australia - 2001 and 2006

	15-19		20-24		25-29		30-34		35-39		40-44	
	2001	**2006**	**2001**	**2006**	**2001**	**2006**	**2001**	**2006**	**2001**	**2006**	**2001**	**2006**
Mount Gambier	14.6	20.1	47.4	44.0	56.0	50.9	36.5	54.1	30.4	36.9	24.8	32.5
Murray Bridge	15.2	20.7	47.6	41.7	51.3	44.1	33.3	51.2	26.4	34.1	23.0	26.9
Port Augusta	12.6	17.0	46.5	40.2	45.7	46.2	35.3	45.5	24.9	33.4	21.0	24.3
Port Lincoln	17.6	20.2	50.0	52.3	52.7	58.3	38.9	56.5	27.2	40.2	24.9	29.0
Port Pirie- City	14.1	18.1	43.2	42.4	52.6	46.0	33.5	48.0	20.5	34.8	16.5	22.8
Whyalla	18.2	25.2	51.1	53.5	55.2	54.6	37.5	55.2	25.3	38.9	20.6	27.3
Provincial Cities	15.6	20.7	47.9	46.1	52.9	50.5	36.0	52.4	26.2	36.6	22.1	27.7
Adelaide	27.8	33.0	67.0	71.1	64.4	68.6	51.9	66.3	44.3	54.4	41.6	46.9
South Australia	24.9	30.2	63.6	67.0	61.8	65.4	48.3	63.6	39.9	50.5	37.5	42.3

Note: There are some difficulties with comparing data between 2001 and 2006. The data available in CDATA ONLINE differs slightly from that in the community profiles.
Source: 2001: ABS, *Basic Community Profiles*, Census of Population and Housing; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

Number having Completed Year 12 as a Percentage of Particular Age Groups (Per cent)
Provincial Cities, Adelaide and South Australia - 2001 and 2006

	45-49		50-54		55-59		60-64		65 years and over	
	2001	**2006**	**2001**	**2006**	**2001**	**2006**	**2001**	**2006**	**2001**	**2006**
Mount Gambier	24.8	26.9	20.3	26.1	16.3	20.2	10.3	16.7	11.6	12.8
Murray Bridge	21.4	24.7	15.4	23.4	13.4	17.0	12.1	16.1	7.9	11.4
Port Augusta	14.7	21.7	14.7	18.5	10.9	14.2	8.6	13.7	8.3	13.2
Port Lincoln	24.4	27.0	16.7	27.6	18.2	20.7	12.4	21.1	10.6	14.2
Port Pirie- City	15.8	18.4	13.2	17.6	7.2	15.1	9.4	11.4	7.6	10.7
Whyalla	21.7	21.8	21.3	22.9	20.1	20.3	18.0	19.3	15.5	19.7
Provincial Cities	21.0	23.7	17.5	23.0	14.8	18.2	12.3	16.5	10.5	13.8
Adelaide	38.8	44.2	33.3	41.2	29.7	35.8	25.0	32.0	20.5	25.1
South Australia	35.4	39.9	30.2	37.6	26.4	32.3	22.3	28.6	18.5	22.9

Note: There are some difficulties with comparing data between 2001 and 2006. The data available in CDATA ONLINE differs slightly from that in the community profiles.
Source: 2001: ABS, *Basic Community Profiles*, Census of Population and Housing; 2006: ABS, 2006 CDATA ONLINE. SACES calculations.

Appendix J

Aquaculture – Port Lincoln

Port Lincoln is emerging as an international research location for aquaculture. This research has allowed the local industry to expand and facilitated global partnerships, marketing Port Lincoln a region of innovation. Port Lincoln-based Clean Seas Tuna formed a partnership with Japan's Kinki University in "seeking to breed southern bluefin tuna in captivity" to a saleable size, considered to be "globally significant research" [Russell, C (18/11/2008)]. Prior to this Kinkawooka Shellfish began a mussel farm in Boston Bay (adjacent to Port Lincoln) as a result of their research.

Tourism in Aquaculture – Port Lincoln

The presence of aquaculture has allowed Port Lincoln to expand their tourism industry. Visitors can swim with tuna, dolphins and giant cuttlefish as well as tour a working tuna farm [Crouch, B (22/5/2008)]. This example of vertical integration illustrates how diversification might spur further growth.

Exporting of Tasmanian Blue Gum Trees – Limestone Coast

The Limestone Coast has capitalised on its knowledge of forestry (The CSIRO Plantation Forest Research Centre is located in Mount Gambier) to create a new export industry in Tasmanian blue gum trees. The industry is expected to be worth $250-$300m when the trees reach maturity and create 1,000 jobs over the next five years [Austin, N (26/1/09)]. The waste from tree harvesting has also been converted into a new industry with Plantation Energy Australia planning to build a $25m plant in Mount Gambier turning the waste into wood pellets. The initial diversification utilises regional knowledge, local skills and natural resources to boost regional export income, as well as providing opportunities for vertical integration. It boosts social capital and learning by encouraging relationships between researchers and industry.

Wave Farm – South Australia's South-East Coast

Carnegie (an ocean wave energy company) proposes to use South Australia's natural currents to create a source of renewable energy. The project is in planning stage, with a 50MW trial plant planned for 2011 [Russell, C and Emmerson, R (11/2/2009)]. This diversification into new energy industries both responds to demand for renewable energy and markets South Australia as pioneering in renewable energy technologies.

Solar thermal power station – Whyalla

Wizard Power aims to build in Whyalla the world's first base-load plant that is not a hybrid with a natural gas-fired electrical plant [Jenkin (2008)]. This means it is reliant only on renewable energy and can store energy to emit in hours of darkness. The power station initially aims to power 1,000 homes. Whyalla has on average 301 days of sunlight per year, rendering it a perfect location for solar energy and experimental solar technology. This strategy capitalises on local resources in response to international demand and would mitigate Whyalla's higher costs resulting from the Federal government's proposed carbon trading scheme.

Geothermal-Generated Electricity – Innamincka

Origin Energy and "hot-rocks explorer Geodynamics" have created a partnership to explore the potential to utilise the environmentally-friendly energy stored in hot-rocks beneath Innamincka. The Advertiser (18/11/08) reported that "construction on a 50MW power station would begin before December next year (2009) to deliver commercial-scale power in 2011." This diversification will create jobs and increase skills of local labour, as well as recognising the area as a pioneer in this technology. The project utilises local resources in response to global demands.

End Notes

[1] The report of the Budget Sustainability Commission recommended that the Department of Trade and Economic Development's (DTED) regional development role be ceased including grants to the Commonwealth funded RDA Committees in 2013/14.

[2] Smelter now owned and operated by NYRSTAR.

[3] Steering Committee for the Review of Government Service Provision 2009, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, Canberra.

[4] *Ibid*. Note: one reason for highest growth rates may be due to variability in census data collection.

[5] Department of Education, Employment and Workplace Relations, 'Find a job', http://jobsearch.gov.au/findajob/, accessed November 2009.

[6] *The Advertiser*, 'Growth plans for Murray Bridge abattoir', 16/01/07, http://www.news.com.au/adelaidenow/, accessed September 2009.

[7] Calculating this from Tables 2.1 and 2.6 will produce different results because when estimating this measure the population count is modified to deal with non response to the place of usual residence 5 years ago question. See the explanatory notes for ABS, Perspectives on Regional Australia: Population Turnover, 2006, Cat. No. 1380.0.55.005.

[8] Specially trained interviewers are used to elicit responses. The first interview is face to face with the remaining interviews conducted by phone. Interviews are carried out each month generally on the Monday between the 6th and the 12th with the information gathered relating to the week before the interview i.e., the reference week. The survey consists of eight sub-samples (rotation groups) and each sub-sample stays in the sample for 8 months. Each month a new rotation group is added and one rotation group is dropped. For more information on the differences between the two survey methods see ABS, Labour Statistics: Concepts, Sources and Methods, Cat. No. 6102.0.55.001

[9] Wages and salaries includes: gross income as shown on PAYG summary, allowances, commissions, bonuses, tips, gratuities, consultation fees, honoraria and other payments for services, attributable personal services income, eligible termination payments and lump sums.

[10] Unincorporated business income includes: net income from business, distributions from partnerships and trusts for primary production activities, distributions form partnerships for non-primary production activities and net personal services income.

[11] Superannuation and annuity income includes: pensions and bonuses from life insurance companies.

[12] Investment income includes: interest from financial institutions and net rent or dividends from companies and trusts.

[13] Other income includes items such as foreign income.

[14] ABS, National Regional Profile, 2002-2006, Cat. No. 1379.0.55.001, Explanatory Notes.

[15] ABS, Information Paper: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, 1995-96 to 2000-01, Cat. No. 6524.0.

[16] Building Approvals Australia, Cat. 8731.0

[17] For more information on what constitutes a business see ABS, Counts of Australian Businesses, Including Entries and Exits, Cat. No. 8165.0.

[18] Department of Infrastructure, Transport, Regional Development and Local Government, 'Avline', January 2003, http://www.bitre.gov.au/, accessed November 2009.

[19] Flinders Ranges, 'New Weekend Flights to the Flinders Ranges', 26-05-09, http://www.flindersranges.com.au/, accessed August 2010.

[20] *The Australian*, 'Cool corner of country bids to join wine list', 12/07/10, http://www.theaustralian.com.au/business/industry-sectors/, accessed 20th August 2010.

[21] *The Advertiser* '1000 jobs in the spitting chips industry', 26/01/09, http://www.adelaidenow.com.au/business/ accessed August 2010.

[22] *The Advertiser*, 'The State's economic strength, wealth and export future' 26/07/10.

[23] ABS, 2006 CDATA ONLINE.

[24] Roland Wiefels, 'Consumer Requirements for Supply from Sustainable Resources', http://www.fao.org/, accessed November 2009.

[25] *The Advertiser*, 'Science key to state's aquaculture industry' 18/11/08.

[26] *Australian Mining*, Port Pirie Bracing for Boom, 19/09/07, http://www.miningaustralia.com.au/news/port-pirie-bracing-for-boom/, accessed 20th August 2010.

[27] ABS, 2006 CDATA ONLINE.

[28] *Ibid*.

[29] *Ibid*.