



INQUIRY INTO REGIONAL INEQUAITY IN AUSTRALIA

Submission –Spencer Gulf Cities

Summary of presentation provided by Spencer Gulf Cities Executive Officer - 19 Nov 2019

Background

The Upper Spencer Gulf Common Purpose Group, trading as Spencer Gulf Cities, is a 20 year alliance between the South Australian regional city councils of Port Pirie, Port Augusta and Whyalla; providing a forum for collaboration and advocacy on issues of strategic importance to the Upper Spencer Gulf. The three cities have strong industrial, cultural, environmental, and economic connections and a dual role as a service centre for health, education, retail, and specialist services for rural hinterlands.

Despite strong economic potential, the Port Pirie, Port Augusta, and Whyalla communities face ongoing challenges including:

- Vulnerability to large, single industries subject to global influences
- Negative external perception of the three cities
- High unemployment and socio-economic disadvantage
- Duplication by agencies and lack of coordination across three separate regions

To ensure long term sustainability, economic growth and diversification must be underpinned by:

- Locally supported, industry-relevant tertiary education to grow the local skilled workforce
- Improvements to civic infrastructure, aesthetics and reputation
- Protection of key natural assets and landscapes
- Investment and prioritisation of strategic transport infrastructure
- Stronger regional decision making and coordinated, responsive Government

Inquiry Terms of Reference

1. Fiscal policies at federal, state, and local government levels:

Key points for noting:

- Taxation revenue – 81% federal, 16% states, 3% local
- Impacts regional communities with limited means of other revenue
- FAGs formula tries to address this, however overall revenue redistribution required
- Local government is an effective, on ground delivery agent

2. Improved coordination of federal, state, and local government policies:

Key points for noting:

- The three Spencer Gulf Cities are each in different state government regions – results in duplication
- Federal resources / coordination / programs allocated to regions often cover 80-90% of the state's landmass – results in resources being spread extremely thin (e.g. agency Regional Managers), or programs misaligned on the ground due to other boundaries
- 2012 USG MOU for Place Based response provided a good example of formal commitment and action across all three levels of government. 'Regional Deals' may offer similar benefits

3. Enhancing local workforce skills:

Skills to support economic growth:

- Pipeline of economic investment across the Upper Spencer Gulf (USG) region estimated at \$15 billion and 9000 jobs over coming years
- The region will require a combination of skilled migration, improved access to local training and higher education, and tailored approach to employment pathways for long-term unemployed

- USG is already facing existing workforce shortages – particularly in professional medical, engineering, business related skills. These workforce shortages are projected to increase in unskilled, trade and university qualified workers.
- Lack of skilled workforce is exacerbated by high level of disadvantage across the USG – Whyalla, Port Pirie, Port Augusta all in the top decile of both socio economic and education and occupation disadvantage (i.e. a mismatch of qualifications required to support growth and actual skills available in the region)
- Persistently high unemployment, particularly disengaged youth – solutions must be tailored to local needs

Local access to higher education:

- Local access to supported higher education is critical to future skilled workforce. As at November 2019:
 - Only 4.5% of USG population is currently studying for university level qualifications – compared to 16.2% across SA
 - Only 7.5% of the USG population currently holds degree level qualification, compared to 18.5% across SA
- The USG has long experienced market failure in tertiary education – no critical mass for profitable delivery in the region has resulted in withdrawal of services or 'fly-in-fly-out' workforce with little local capacity built.
- Uni Hub Spencer Gulf is providing a solution by delivering industry-endorsed qualifications and skill development pathways through partners - Flinders, Adelaide and CQ Universities. Academic learning is supplemented by local, industry-based tutors, campus coordinator who provides student support

Need for greater collaboration:

- Whilst vocational participation rates in the USG are consistent with the state average (around 25%), there is a strong demand, but low participation by USG businesses and limited opportunities for articulation and recognition of prior learning.
- Too many disparate/silo workforce skills, training, education programs at State and Federal level – results in confusion and disengagement by employers, inefficiencies, duplication, lack of coordination
- Need a 3-5 year consolidated skills and workforce development trial program tailored to the local needs of employers and communities in the Upper Spencer Gulf that leverages state/federal funding, meets industry workforce skills and training needs and generates stronger workforce engagement by the Upper Spencer Gulf community
- Local Employment Facilitator program is a good example of providing a locally driven, locally relevant solutions – facilitator, plus project funding – multi-trades, aged care, disability etc.

4. Infrastructure:

Key points for noting:

- USG Transport strategy (refer <https://upperspencergulf.com.au/initiatives/>) outlines significant crossroads and freight potential
- Impacts of requirements on regional airports – security screening, runways, terminals
- Key priorities:
 - underutilised ports and rail
 - national highway duplication from Port Wakefield to Whyalla – including priorities Warnertown, Port Augusta, Yorkeys crossing

5. Decentralisation policies:

Key points for noting:

- Decentralisation of population - 30 regional cities in Australia with populations over 30,000 and 10 with populations over 100,000 – none are in South Australia
- Impact on federal representation, advocacy voice, policy decisions, services etc.
- Aspirational vision for South Australian regions for 30% of the state's population to reside outside Greater Adelaide, to bring South Australia in line with the national average
- Capital city congestion a focus – regions have jobs, capacity, and support for growth – requires government support to change the narrative and encourage migration
- Skilled migration – Designated Area Migration Agreements (DAMA) – South Australia includes Adelaide and the regions – challenging for regions to compete with Adelaide - need separate provisions
- Centralisation of the public service - direct loss of jobs and residents living and working in regions and disconnect reflected in centralised policy and decision making – need long term commitment by state and federal governments to having a regional presence by all agencies – make the positions available in regions and provide incentives
- More public service jobs in regions provides a more stable economic base where industry sectors may fluctuate, provides well-paying jobs and career opportunities, and builds human capital and capacity in the community

Upper Spencer Gulf – Profile:

Upper Spencer Gulf – Top Five Industries of Employment (as at November 2019):

Port Augusta - Correctional and Detention Services (4.6%), Hospitals (4.1%), Primary Education (4.0%), Supermarkets (3.6%), Takeaway Food Services (3.0%)

Port Pirie - Copper, Silver, Lead and Zinc Smelting and Refining (10.1%), Aged Care Services (4.4%), Hospitals (4.2%), Supermarkets (3.5%), Social Assistance Services (3.2%)

Whyalla - Iron Smelting and Steel Manufacturing (12.3%), Iron Ore Mining (7.3%), Hospitals (4.2%), Supermarkets (3.9%), Primary Education (3.4%)

Data Snapshot (as at November 2019):

2016 Census	SA	PORT AUGUSTA	PORT PIRIE	WHYALLA
Total residents	1,676,649	13,808	17,364	21,828
Aboriginal population	2.0%	18.3%	3.6%	4.7%
Unemployment	7.5%	9.7%	10.7%	12.4%
Bachelor level qualifications	18.5%	7.9%	7.1%	8.6%
Current university study	16.2%	3.1%	4.3%	5.7%
Vocational level qualifications	25%	24%	25%	28%
No motor vehicle	7.5%	9.6%	9.5%	12.7%
No internet at home	17%	27%	28%	25%
Homeless rate per 10,000 people	37	77	39	40
SEIFA Index of socio-economic disadvantage (state decile)		1	1	1

2016 Census	SA	PORT AUGUSTA	PORT PIRIE	WHYALLA
SEIFA Index of education and occupation (state decile)		1	1	1
Worker Occupations (%)				
Professionals	20.3	14.7	13.7	14.7
Managers	12.6	8.6	10.6	7.6
Clerical and Administrative Workers	13.3	12.3	10.7	9.8
Community and Personal Service Workers	12.0	17.1	13.4	11.8
Technicians and Trades Workers	13.4	13.6	14.9	17.9
Labourers	11.1	11.9	12.7	11.4
Sales Workers	9.6	10.4	11.1	9.4
Machinery Operators and Drivers	6.1	9.4	11.2	15.0
Council Data				
Rate income 2020		\$19.9m	\$18.4m	\$21.1m
Rateable properties		7,740	10,286	12,034
Infrastructure Assets		\$187m	\$258m	\$259m