

**INQUIRY INTO REGIONAL INEQUAITY IN AUSTRALIA**  
**Spencer Gulf Cities**

**Presentation and Submission Summary, Anita Crisp – Tuesday 19 November 2019, 9.40 – 10.20am**

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**Background**

1. Spencer Gulf Cities a 20 year alliance between Port Pirie, Port Augusta and Whyalla – forum for collaboration and advocacy on issues of strategic importance to the Upper Spencer Gulf.
2. 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.
3. 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
4. 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;**

- taxation – 81% federal, 16% states, 3% local
- impacts regional communities with limited means of other revenue (ie carparking)
- FAGs formula tries to address this, but overall pie needs to be redistributed.
- Local government is an effective, onground delivery agent – just needs resources

**2. improved co-ordination of federal, state and local government policies;**

- USG – three cities in three different state regions – too much duplication
- Federal resources/coordination/programs often cover 80-90% of the state's landmass – spread too thin (AusIndustry Regional Mgr), or programs misaligned on the ground due to other boundaries.
- 2012 USG MOU for Place Based response 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;**

- \$15 billion, 9000 jobs in USG 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.
- Local access to supported higher education is critical to future skilled workforce.
- Despite ubiquitous on-line access to higher education, 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

- 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 Commonwealth level – confusing, inefficient, duplication, lack of coordination – confusion and disengagement by employers.
- 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, actually meet industry workforce skills and training needs and generates stronger workforce engagement by the Upper Spencer Gulf community
- USG is already facing existing workforce shortages (400+ current vacancies) – 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 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 (ie a mismatch of qualifications required and actual skills within the region)
- Persistently high unemployment, particularly disengaged youth – solutions must be tailored to local needs.
- Local Employment Facilitator program a good example of providing a locally driven, locally relevant solution – facilitator, plus project funding – multi-trades, aged care, disability etc

#### 4. infrastructure;

- USG Transport strategy – significant crossroads and freight potential
- regional airports – security screening, runways, terminals
- national highway – duplication Pt Wakefield to Whyalla – including priorities Warnertown, Pt Augusta, Yorkeys crossing
- underutilised ports and rail

#### 5. decentralisation policies;

- decentralisation of population and public service.
- 30 regional cities in Australia with populations over 30,000 and 10 with populations over 100,000 - None in SA.
- Impact on federal representation, advocacy voice, policy decisions, services etc
- Vision in SA regions for 30% of the state's population outside Greater Adelaide, to bring SA in line with the national average. It is aspirational, but we need to make a start.
- Capital city congestion a focus – what about regions – we have jobs, capacity and support for growth – just need government support to change the narrative and encourage migration.
- Skilled migration – Designated Area Migration Agreement (DAMA) – SA includes Adelaide and the regions – how can we compete with Adelaide ? Needs to be 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. P
- the more the public service is centralised, the more policy decisions are formed through a 'city' lens and the more connection with the country is lost."
- forced relocation of city based public servants doesn't work.
- Long term commitment by state and federal governments to having a regional presence by all agencies – not a quick fix, one off announcement – needs to be embedded into the way government operates, not separate to it.
- Ideally decision and policy makers also based in the regions.
- Make the positions available in regions and provide incentives, don't force existing staff to move.
- 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 – Top Five Industries of Employment:

- **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%)

### Upper Spencer Gulf – Data Snapshot:

2016 Census	SA
Total residents	1,676,649
Aboriginal population	2.0%
Unemployment	7.5%
Bachelor level qualifications	18.5%
Current university study	16.2%
Vocational level qualifications	25%
No motor vehicle	7.5%
No internet at home	17%
Homeless rate per 10,000 people	37
SEIFA Index of socio-economic disadvantage (state decile)	
SEIFA Index of education and occupation (state decile)	
<b>Worker Occupations (%)</b>	
Professionals	20.3
Managers	12.6
Clerical and Administrative Workers	13.3
Community and Personal Service Workers	12.0
Technicians and Trades Workers	13.4
Labourers	11.1
Sales Workers	9.6
Machinery Operators and Drivers	6.1
<b>Council Data</b>	
Rate income 2020	
Rateable properties	
Infrastructure Assets	

PORT AUGUSTA	PORT PIRIE	WHYALLA
13,808	17,364	21,828
18.3%	3.6%	4.7%
9.7%	10.7%	12.4%
7.9%	7.1%	8.6%
3.1%	4.3%	5.7%
24%	25%	28%
9.6%	9.5%	12.7%
27%	28%	25%
77	39	40
1	1	1
1	1	1
14.7	13.7	14.7
8.6	10.6	7.6
12.3	10.7	9.8
17.1	13.4	11.8
13.6	14.9	17.9
11.9	12.7	11.4
10.4	11.1	9.4
9.4	11.2	15.0
\$19.9m	\$18.4m	\$21.1m
7,740	10,286	12,034
\$187m	\$258m	\$259m