Spencer Gulf Cities

Regional Partnership Priorities



September 2022

Acknowledgement of First Nations people

We pay our respects to the traditional owners of the land on which we live and work. We acknowledge their ancestors and their sharing of their country. We pay respect to the many Aboriginal groups and cultures that work, walk and live in the Upper Spencer Gulf region.



Foreword

The Upper Spencer Gulf Common Purpose Group Inc. (trading as Spencer Gulf Cities (SGC)) is a strategic partnership between the cities of Port Pirie, Port Augusta and Whyalla. Spencer Gulf Cities' core role is advocacy to support our regional communities and economies to be healthy, strong and have the support needed to grow.

The opportunity for growth

The Upper Spencer Gulf (USG) region has historically been a significant economic contributor to the state and nation through its natural resources and industrial outputs. Over the last decade, the regional economy has diversified to capitalise on those natural resources to become a significant renewable energy 'powerhouse'. Planned public and private sector investment in hydrogen power, supported by significant infrastructure projects over the next five years, will further establish the region as one of the most important nationally in meeting emissions targets.

Not only is the region blessed with significant mineral and renewable energy resources, but it is also home to some of the most significant First Nations cultural heritage, natural biodiversity assets, and landscapes in the world. More and more opportunities are being opened up for tourists, visitors and locals to sustainably engage in cultural and nature-based experiences across the region. These experiences are both rare and unique.





Foreword

Purpose of the document

SGC and its member councils recognise the significant economic potential of the region as well as the need to increase the economic enabling capacity of the region to capitalise on that potential. SGC recognises the need to 'bring the community on the journey' by ensuring that communities and existing businesses benefit and thrive from forecast economic growth. Equally, SGC recognises that growth must be sustainable in order to protect, conserve and value the significant environmental and cultural assets on which we depend.

The purpose of this document is to align our advocacy efforts and collective resources to key priority actions and outcomes that can increase the capacity of the region (economic, social and environmental) to support forecast growth (currently estimated at $15billion investment and 9000 jobs). The future looks bright for the USG region. SGC and its member councils look forward to working with existing and welcoming new community members, businesses and investors; working together to deliver sustainable and exciting regional growth.

The South Australian Government, State Planning Commission is undertaking key planning processes that will influence and support delivery of future growth for the USG region and for each of the three regional cities.

Setting well-informed regional priorities will serve the following purposes:

- Inform future growth planning for the region including consideration of social and environmental impacts of growth
- Support the adoption of an Upper Spencer Gulf Structure Plan for the region to provide greater certainty to the community and stakeholders about the long-term vision for the region
- Inform the preparation of new Regional Plans for the Eyre and Western, Far North and Mid-North and Yorke Planning Regions, to be published by the State Planning Commission
- Guide intergovernmental strategic planning, collaboration and support

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SGC Regional Partnership Priorities

Establishing key priorities

In this document, SGC has identified its key priorities and has assessed its role and capacity to deliver on those priorities. The document is informed by consultation with member councils, community and industry regional representatives and key stakeholders including Regional Development Australia organisations, and South Australian Government agencies.

SGC looks forward to working with these stakeholders to establish required structures, mechanisms and partnerships to enable focused collaboration, sharing of resources, and sharing of intelligence to deliver forecast growth for the benefit of both the region and the state.

Key actions and outcomes

Set out below are the key actions and outcomes aligned to six regional priority areas of focus. SGC roles are focused on advocacy and facilitation. SGC will work with key stakeholders to align efforts and collective resources to collaboratively achieved these aims.

Economic Development

- SGC Investment Profile
- Regional rebranding / public relations media campaign
- Renewable Energy Centre of Excellence / Education & Skills Hub

Infrastructure

- State Planning Commission Regional Plans
- Regional Transport & Infrastructure Plan 2030
- Water and electricity need analyses
- Rating Equity

Housing

- SGC Housing Strategy
- SGC Housing Taskforce
- Project Case Management Resources
- Common Infrastructure Funding Models
- Public Housing

Image & Liveability

- Social Services

Workforce, Education & Skills

- Workforce, Education & Skills Advisory / Working Group
- SGC regional workforce plan / strategy

Environment

- Climate Change / Environment Discussion Paper

1.

Economic Development



SGC Investment Profile

The Upper Spencer Gulf is a key area for current and future economic growth within South Australia, attracting significant capital investment by both private enterprise and State Government and with a significant pipeline of planned and potential public and private sector projects.

SGC has identified as a key priority the need to develop a high-level 'Investment Profile' for the region that describes planned and potential growth as well as the key enabling capacity constraints that may inhibit or delay that growth. The Investment Profile will inform and assist SGC advocacy efforts and encourage economic capacity building to enable delivery of growth. It will also be accessible to governments and investors in the region as a tool to support their own investment efforts.

SGC will work with stakeholders to document and describe current and forecast economic investment across the region, including:

- Opportunities specific to target growth areas such as renewable energy, mining and minerals processing, tourism, manufacturing, personal services, allied health and circular economy
- Identified major projects (public and private) and key enablers for delivery of those projects e.g. land use planning considerations, construction and skilled workforce (including identifying and quantifying skills needs), housing (type, location, timing, affordability level), infrastructure; key partners, milestones and interdependencies; and opportunities to capitalise on / leverage planned major projects.

Significant planning and investigations currently being undertaken by the South Australian (SA) Government will inform this work.

Known investigations / planning currently being undertaken by SA Government agencies include:

- Department of Trade & Investment, Planning & Land Use Services Agency (PLUS) development of a USG Structure Plan (and supporting investigations) and Port Pirie Master Plan
- Department for Energy & Mining, Office of Hydrogen Power SA, Infrastructure SA, Department of Treasury and Finance, major project investigations and planning (Northern Water Supply, Hydrogen Jobs Plan & Hydrogen Hub) and SA Water investigations into increasing / alternate water supply to Port Pirie

Information and intelligence will also be sought from other key stakeholder partners including SGC member councils, RDAs, industry groups and business investors.

1.

Economic Development



Regional rebranding / public relations media campaign

SGC recognises that sustaining and growing the regional economy and communities is influenced by the image of the region and its cities. Successfully retaining and attracting residents, attracting new residents, new industries and enhancing the footprint of current industries as well as building the tourism economy in the SGC are linked to a positive image. Achieving a positive lift to image will also lift community pride and contribute to improved community wellbeing.

A regional rebranding exercise would aim to reflect the diversification of the economy over the last decade including growth in renewable energy, tourism and value adding to the longer standing mining and industrial sectors. Investment into civic infrastructure, health, education, coastal activities, attractions and placemaking across the region is also impacting positively on lifestyle and liveability. SGC recognises the opportunity to change existing, often ingrained perceptions of the region and create a new narrative to showcase all the region has to offer.

SGC will develop a discussion paper that explores the benefits of development of a regional brand, and considers the context of existing stakeholder brands, potential partners in a new regional brand and potential to deliver a positive media and public relations campaign (with or without a new regional brand). Opportunities to engage the community in regional branding discussions will also be considered.

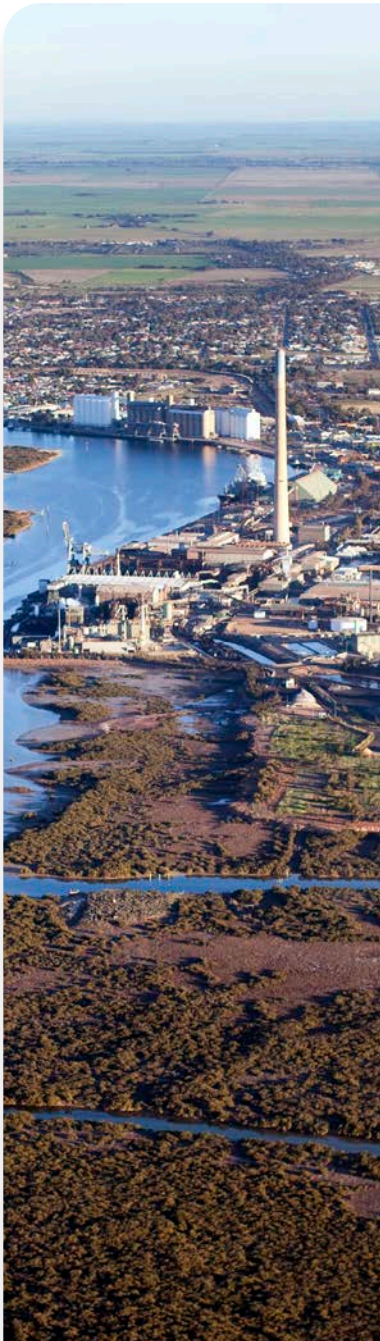
1.

Economic Development

Renewable Energy Centre of Excellence / Education & Skills Hub

Current and forecast major renewables projects will require increased workforce and skills capacity. SGC is keen to see development of a Renewable Energy Centre of Excellence / Education & Skills Hub to attract skills to the region and grow a suitably skilled local workforce. Establishment of an education and skills hub will capitalise on the unique and significant opportunities in this sector (all renewable energy sources including hydrogen production capacity) and address the aligned significant need for skills development and attraction. Creating a pipeline of locally sourced workforce to support further renewable energy sector growth will assist in retaining long term community benefit, rather than relying predominantly on a Drive-In-Drive-Out (DIDO) or Fly-In-Fly-Out (FIFO) workforce.

A business case could be explored in collaboration with State and Federal Government (to be determined). Considerations include composition, purpose, outcomes and benefits; potential partners (government, industry and other stakeholders) and aligned needs and aspirations; roles, and potential contributions to the project and opportunities to capitalise on regional knowledge and resources. Links could be created to Uni Hub Spencer Gulf and the planned Port Augusta Technical College, as well as with the HILT CRC and proposed repurposing of the former Whyalla High School into the regional home for SA's Regional Hydrogen capability and Centre of Excellence for Hydrogen Production, Export and Use.





A truly collaborative approach is needed

2.

Housing



There is a shortage of housing across the region with demand outstripping supply, both for rental housing and for housing for purchase. Rentals are needed at all affordability levels (social, affordable and market), tenure length (temporary, short-term and longer term), typology (one, two and three+ bedrooms; detached + semi-detached; low + medium density) and timeframes (immediate, next 3-5 years + longer term). The shortage is severely impacting workforce attraction (and therefore impeding business sustainability and growth), capacity for community members to age in place and is increasing already high levels of disadvantage (people being displaced, particularly low-income workers and unemployed).

Housing is a key enabler for filling current job vacancies and attracting workforce for forecast jobs – housing is needed to attract workforce for building (including houses), project construction, project delivery, general workforce (to retain employees, and fill vacancies), and for tourism and visitor attraction. The forecast pipeline of investment is unlikely to be delivered without increasing workforce in regions; in turn the region cannot deliver the workforce needed without additional housing. In addition, our ageing population requires smaller and affordable dwellings and the increasing levels of homelessness and housing stress in the region is increasing the need for social and affordable housing options.

Housing projects need to reflect the changing demographic attracted to the region due to the large number and type of projects and the nature of workers in the short and long term that will be attracted to these jobs. It is likely that there may need to be city specific responses coordinated under an overall region wide strategy.

Housing investment in the region is complex and requires strong collaboration, out-of-the-box thinking and targeted policy and program settings to address key barriers including access to finance, return on investment, cost of common infrastructure and access to and cost of labour and materials.

2.

Housing

SGC Housing Strategy

SGC has already invested significant resources in development of a base level of information on housing supply and demand and will utilise the intelligence gathered to develop a 'skeleton' regional housing strategy. The skeleton strategy will also be informed by intelligence made available through the current State Planning Commission investigations for the region. Strategy and information gaps will then be identified and resourcing pursued to address gaps and finalise a strategy.

Supporting this strategy could be city specific strategies and actions, including proposals that individual councils are progressing across a range of housing types.

SGC 'Housing Taskforce'

Given the importance of housing as a key enabler for the region, SGC, is seeking to collaborate with State Government to form a Housing Taskforce to inform achievement of housing outcomes (including development and monitoring of progress against the Housing Strategy). Taskforce membership to include representatives from SGC member councils, RDAs, senior officers from state government agencies, industry groups, private sector businesses (real estate agents, developers, builders, employers) and the community housing sector. It is suggested the taskforce be formed for a 5-year period with a review after 12 months.

Public housing

SGC recognises the high need for upgrade, replacement and expansion of public housing across the region. Much of the existing stock is ageing, and there is also an increasing need for diversity in public housing typologies (smaller dwellings as well as housing for larger family groups). SGC is seeking to work with the SA Housing Authority (SAHA) to ascertain its plans for the upgrade of existing and development of new public housing owned and managed by SAHA in the region.

SGC recognises the need, in collaboration with regional stakeholders and SAHA, to determine the current shortfall in public housing across the region (type, location, number) and advocate for solutions to be developed to address that shortfall (including addressing regional building and construction sector capacity challenges). Opportunities to develop housing on government owned land and potential partnerships with private sector developers and community housing providers could also be considered to enable development of public housing.

2.

Housing

Project case management resources

Current resourcing and expertise based in the region to case manage housing development is minimal. There are potential projects of varying sizes being identified by regional stakeholders that need various levels of case management expertise to bring them to fruition as soon as possible. Case management resources are needed to help regional stakeholders implement housing projects to increase supply to meet current and forecast demand.

A range of support is needed in line with project size to enable:

- Sharing of information, case studies, templates and tools to inform project delivery
- Aggregation of demand to increase project viability
- Identification of suitable land in locations aligned to aggregated demand
- Assessment and addressing of barriers to development
- Identification of project partners and negotiation of outcomes to deliver housing

Key outcomes would include moving regional housing projects forward, establishing a pipeline of housing supply projects (aligned to demand), and enable regional workforce supply to in turn enable delivery of major projects. A key player in this work will be Renewal SA who to date has not had a strong focus on regional housing projects nor has been able to appropriately balance profit margins having regard to additional housing build costs in regions.

Case managers can act as an 'independent arbiter' with credible knowledge, experience and expertise to assist in:

- Delivering strategic, 'major' housing projects
- Identifying and facilitating suitable funding, financing and operational models
- Assisting in navigating planning, regulatory and policy settings and requirements
- Identifying and facilitating Crown land access and rezoning
- Facilitation of collaborative delivery of infrastructure
- Project management to fast-track delivery of projects.

Common infrastructure funding models

The cost and responsibility for delivery of common infrastructure can be a significant barrier to unlocking regional housing growth. SGC is advocating for establishment of a model for co-investment in common infrastructure to improve housing development project viability, share risk and accelerate project delivery.

SGC has identified the need for options to be explored including establishment of a Regional Housing Development Infrastructure Fund (or similar) and pilot / specific funding for the SGC region (e.g. 'Economic Enterprise Zone' funding in recognition of the pipeline of economic opportunity). Alternate models for infrastructure provision and funding could be explored including accessing Australian Government National Housing Finance and Investment Corporation (NHFIC) funding and alternative funding mechanisms for utility infrastructure delivery (particularly water).

3.

Workforce, Education and Skills



As is being experienced nationally, there is a critical shortage of suitably skilled and work ready workforce available in the USG region to fill current and deliver forecast jobs. The shortage is being experienced across all sectors and all levels (entry-level, low-skilled, skilled, apprenticeship, traineeship and professional), with an increasing reliance on DIDO or FIFO workforce (particularly in growth sectors). Additionally, there remains high levels of socioeconomic disadvantage in the region with unemployment rates remaining above 9%. Emerging and growing industries in the region provide opportunities to grow the population and to offer skills development opportunities to a currently available workforce. The significant impact of the housing shortage on workforce attraction, highlights the need to unlock latent workforce capacity through increasing participation and assisting unemployed and underemployed people into work.

Workforce, Education & Skills Advisory / Working Group

SGC aims for a Workforce, Education & Skills Advisory / Working Group to be established comprising representatives from all three levels of government, RDA organisations, education & training sector regional representatives, and key industry groups. The predominant focus for the group would be advocacy for development of a Regional Workforce Strategy, establishment of a hierarchy of needs with specific actions and timeframes (informed by the workforce strategy). The group could also inform advocacy for increased regional, place-based resources and programs that support development of a pipeline of work ready and suitably skilled workers, aligned to current and forecast workforce needs, as well as address socio economic disadvantage.

3.

Workforce, Education and Skills

SGC regional workforce plan / strategy

SGC is advocating for development of a regional workforce 'roadmap' that sets out workforce and skills need (current and forecast), pathways and programs to build workforce; identify actions, resources, and partnerships. The regional workforce plan would quantify forecast workforce needs to fill current vacancies, deliver forecast investment projects (public and private), and meet emerging industry, occupation and skills needs in the longer term (i.e. 5-10 years).

The plan would also consider structural changes to our industry base and future of work such as hydrogen, renewables, industry 4.0, automation and how this will impact industries and workers; impacts of an ageing population and need for more services. The plan would outline a framework, support and resources needed to deliver the pipeline of skills and workforce required, informed by industry demand.

Key areas of focus would include:

- Meeting current and forecast regional workforce needs through
  - » 'Grow your own' – upskilling, reskilling, unemployment into work, work readiness training, increased access to child care, increased access to public transport, development of education and skills pathways for local people aligned to 'where the jobs are' and 'where the jobs will be in the future'. It is noted that regional based government projects and potentially council specific projects, could facilitate skill development opportunities for under and unemployed people.
  - » Workforce attraction – skilled and unskilled – intrastate, interstate and skilled migration
- Increasing regional training capacity and capability including potential greater role for 'enterprise' training + increasing capacity of regional TAFE offering
- Increase employer recruitment and HR capacity and capability
- Creating job opportunities aligned to existing regional available skills (particularly in lower skilled occupation, entry-level roles)
- Improving key regional metrics including reducing current levels of disadvantage (including unemployment, education levels and average wage) and increasing participation rate



4.

Infrastructure

As a result of the significant volume of private and public investment and pipeline of future projects, coordinated land use and infrastructure planning in the Upper Spencer Gulf is critical for the ongoing success and viability of the region. SGC plays a key role in advocating for infrastructure planning and regionally significant infrastructure delivery to support sustainability and future growth.

State Planning Commission Regional Plans

The State Planning Commission is developing a range of regional plans that will inform SGC's advocacy for key enabling infrastructure. A key planning document will be the Structure Plan for the Upper Spencer Gulf (currently under development). The Structure Plan will ensure there is high-level strategic direction to manage the expected investment and potential growth in the region; including identifying priority requirements for infrastructure to respond to economic growth scenarios. The draft Structure Plan is expected to be adopted within the Regional Plans program as part of the development of the Far North, Eyre and Western and Yorke Peninsula and Mid North Regional Plans (noting each city is in a different planning region).

SGC aims to maximise opportunities created through State Planning Commission regional planning processes including identifying and advocating for key infrastructure projects / augmentation to support economic and community growth.

SGC Regional Transport & Infrastructure Plan 2030

The cost of freight and logistics for business and industry is impacted by current gaps in, and quality and capacity of, freight routes (road transport) and efficiency and cost of accessing multiple forms of transport (road, rail, air, and marine). Another key challenge for the region is ensuring the safe interaction between visitors and tourists with large freight and construction related vehicles.

SGC is currently in the process of updating its Regional Transport & Infrastructure Plan to produce a 2030 plan that reflects key changes including:

- Regional transport infrastructure needs to support key growth sectors and more generally, requirements to support regional economic growth
- Increasing impacts of climate change on the provision of infrastructure
- Demographic changes.

4.

Infrastructure

Water needs analysis

SGC recognises the importance of access to water to support economic and community growth. The vision for the region is to have sufficient fit for purpose water for regional centres to support domestic use, industry and economic development needs; and community liveability use (including urban greening).

It is anticipated that current state government planning investigations (including development of a business case for investment in the significant Northern Water Supply Project (https://northernwatersupply.sa.gov.au and SA Water investigations for increased supply for Port Pirie) will inform SGC's advocacy for regional water needs. SGC will work with state government to determine water supply and demand analysis gaps (sufficiency of allocation, quality of supply and infrastructure capacity) and advocate for gaps to be addressed. Water infrastructure priorities are anticipated to address ageing of existing infrastructure, impacts of climate change on water supply, and new infrastructure to support growth.

Demand and supply analysis will also have a focus on regional self-sufficiency of supply, maximising use of technology (e.g. desalination), water capture (rainwater, stormwater) and use of recycled water. SGC will also seek to maximise regional benefit of the Northern Water Supply Project including access to and use of water, job creation and skills development, and supporting infrastructure and advocate to ensure potential environmental impacts are well managed.



4. Infrastructure



Electricity infrastructure needs analysis

The region is a significant and growing contributor to South Australia's renewable energy industry and has the capacity for further growth, particularly in solar energy and hydrogen production. SGC advocacy supports continued transition of heavy industry to use of renewable energy, development of battery storage, connections to maximise regional use and sustainable export of energy.

SGC will engage with key stakeholders to determine timing, scope and depth of electricity infrastructure planning being undertaken for the region and advocate for key infrastructure needs to support economic and community sustainability and growth.

SGC will seek to ensure stakeholder analysis and planning addresses:

- Sufficiency of supply aligned to forecast growth, with a focus on regional self-sufficiency
- Maximising use of regionally generated renewable energy (including capitalising on planned hydrogen projects) and creating opportunities to export electricity via infrastructure augmentation and connection to existing networks
- Delivering access to sustainable and affordable electricity energy to support new residential and commercial development
- Identifying key infrastructure needs and capacity gaps to support economic and community sustainability and growth and identifying potential infrastructure delivery partners
- Exploiting opportunities for the region to be a "centre of excellence" in green energy provision and use
- Clarify where responsibility (individually/jointly) may lie for the funding and delivery of infrastructure between federal, state and local government and developer contributions and roles

4.

Infrastructure

Rating equity

Expectations and legislative responsibilities on local government to support community and economic sustainability and growth, continue to increase. At the same time, expectations on local government to maintain and grow community assets, and deliver services, planning and infrastructure within tightening fiscal budgets is also growing.

A critical legislative barrier for SGC member councils is the current restriction on local government capacity to generate revenue on an equitable basis from the renewable energy sector. Councils in South Australia face considerable rating constraints that prevent them from equitably allocating the rating burden and resulting in local communities cross subsidising selected land uses. These constraints include the inability to levy appropriate and equitable rates on electricity generators (including wind farms and solar farms) as a result of the exclusion of improvements such as electricity generating plant and equipment from capital valuations under legislation. SGC is advocating for state government consideration of the key issues and potential solutions set out in the AEC report commissioned by Legatus Group Inc. in 2020 (please refer here).



5.

Image & Liveability

SGC's member councils play critical roles in improving the image and liveability of their cities and the region through community service delivery, placemaking and delivery of civic, recreational, visitor, transport and other forms of infrastructure. Councils also play a pivotal role in community development, welcoming of new residents, economic development support, and city marketing and promotion. Whilst much of this work is 'normal business' for SGC member councils, it is of paramount importance to regional sustainability and growth.



Social Services

Each of the three cities has aligned but different social service needs and gaps. SGC will engage with key stakeholders (member councils, industry and state government), to determine social needs and associated service gaps. Opportunities for better coordination of services and reducing social and financial disadvantage will also be a focus. A number of informing investigations are currently being undertaken for individual cities that can inform SGC advocacy.

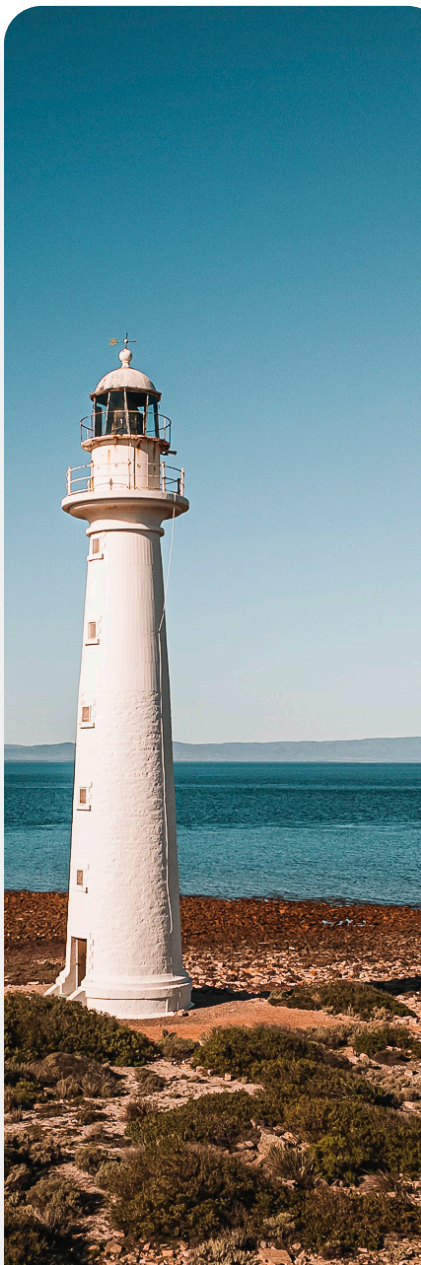
6. Environment

SGC recognises that sustainable environmental management, including consideration of the impacts of climate change, is critical to community wellbeing and economic stability and growth.

Climate Change / Environment Discussion Paper

SGC will develop a discussion paper to inform its advocacy in this area. In recognition of the current planning investigations being undertaken for the region by external stakeholders, SGC will determine the scope and depth of current investigations around climate change and environmental considerations including:

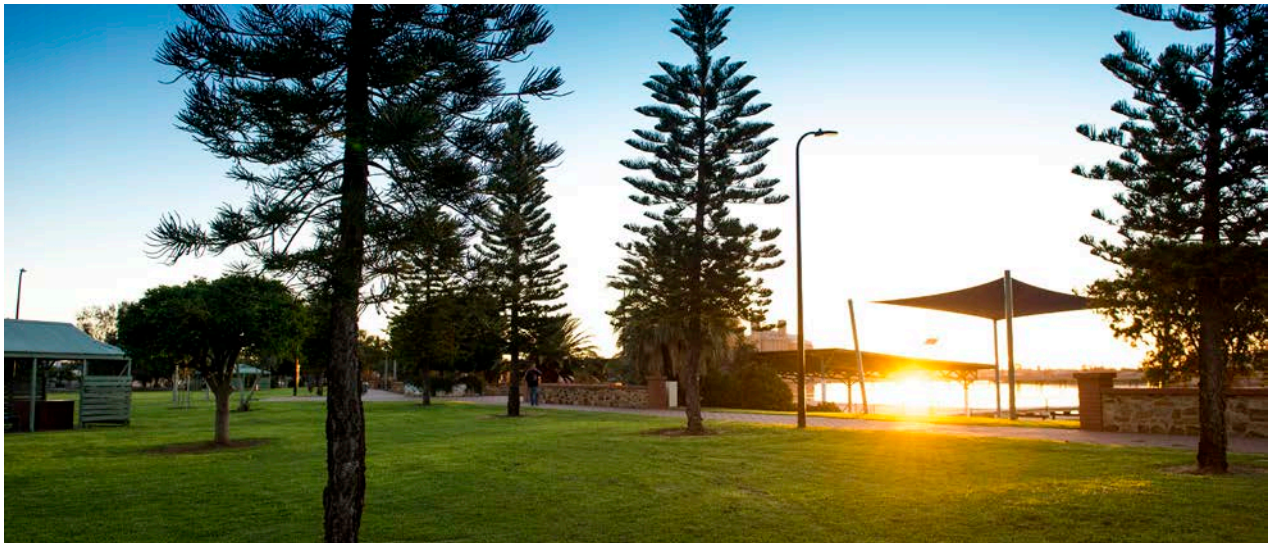
- Environmental opportunities and challenges (current and forecast) in relation to climate change, management of biodiversity, environmental protection and management, revegetation, soil quality, pollution, air and water quality along with risk management strategies
- Opportunities to protect, showcase and sustainably capitalise on key environmental assets e.g. for ecotourism experience development
- Considerations around environmental impacts of growth
- Potential value adding opportunities from environmental waste
- 'Environmental infrastructure' e.g. tide gates, rock walls, walking / cycling trails



Regional partnerships

Spencer Gulf Cities recognises the ‘once-in-a-generation’ opportunity that planned and forecast growth projects present for the USG region and its communities. It equally recognises the need to ‘get it right’ in terms of planning and support for growth to ensure existing communities and businesses benefit and that long lasting legacy is delivered in the form of growth in population and prosperity.

A truly collaborative approach is needed between SGC, all three levels of government, industries and the community sector to deliver the initiatives outlined. SGC is also keen to establish a formalised governance structure at leadership level (SGC Mayors and SA Government Cabinet) and at officer level (SGC, state government agencies, RDAs and other key regional organisations) to ensure the region has the required capacity to support planned growth. Efficient and effective communication, commitment and resourcing is needed as part of a regional partnership framework and approach; with any new structures complementing existing city specific structures and supports (e.g. the Port Pirie Taskforce).





'once-in-a-generation' opportunity

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Spencer Gulf Cities acknowledges the Local Government Research & Development Scheme funding that contributed to the preparation of this document.