

Literature Review – Murraylands and Riverland Region

August 2017

The purpose of this report is to summarise plans, reports and other documents relevant to skills, training and employment in this region. At the end of this report you will find the documents from which this information has been drawn. This will assist us, and stakeholders participating in the engagement process, to build on what is already known about the region.



Regional Overview

The Murraylands and Riverland comprise 8 local councils with a combined population of approximately 71,000 people (4.2 percent of the state population). The region is predominately rural with larger townships at Barmera, Berri, Loxton, Mannum, Murray Bridge, Renmark and Waikerie. The 36,500 square kilometres of land is used largely for agriculture, horticulture and viticulture (particularly grain, wool, dairy, citrus, fruit and grapes). The region is served by main highways and is located on key transport routes between Adelaide and the eastern states.

Based on the most recent Census results there has been a significant increase in the number of people in the 60 to 69 age group and the 70 to 84 age group, and a significant decrease in the 35-49 age group, pointing to an ageing population. It is also noted that the percentage of Health Care and Social Assistance businesses in the region is lower compared to the average for the State and has decreased since 2012 along with the number of jobs in the sector.

These statistics may indicate that there is a disconnect between the services that will be needed in the region compared to what is being offered now.

The River Murray, with its associated wetlands and wildlife, is a major tourist attraction. Towards the coast, the Coorong National Park, Lake Alexandrina and the shores of Lake Albert are all well-known tourist attractions, particularly for recreational boating and fishing.

The Murraylands and Riverland region has a strong Aboriginal culture and heritage. In 2011 there were 2,409 Aboriginal people in the region, an increase of 16.9 percent since 2006. The main Aboriginal communities are Ngarrindjeri, Ngaiawang, Ngawait, Nganguruku, Ngintait, Ngaralte, and Ngarkat. Significant efforts are being made to encourage Aboriginal people to finish school, maintain housing and jobs and improve their health.

Industries

The Agriculture, Forestry and Fishing sector is the largest employer in the region accounting for approximately 25 percent of the region's jobs, along with making up over 26 percent of all output for the region. The region is more dependent on agriculture production to drive its economy and employment than any other region. In turn, the State is reliant on the region, as the largest source of agricultural production in the State, producing 25 percent of the agricultural gross regional product.

The next largest industry employer is manufacturing (11 percent) with food product manufacturing accounting for nearly half of all manufacturing jobs. Retail Trades make up 10 percent of jobs followed by Health Care and Social Assistance (9.1 percent).

Much of the region's economy is based on commodity trade, which is subject to global markets for both imports and product exports. Primary producers are price-takers and have very little control over the commodity markets leaving them exposed to significant risks in a market downturn or demand fall.

Ngarrindjeri Regional Authority signed the first Kungun Ngarrindjeri Yunnan Agreement (KNYA) ('Listening to Ngarrindjeri People Talking') with a corporate partner - Fulton Hogan. This signing is a recognition and formalisation of the ongoing partnership between Fulton Hogan and the Ngarrindjeri Regional Authority, to achieve the aspirations of the Ngarrindjeri people.

Riverland

The Riverland sub-region comprises the District Councils of Loxton Waikerie, Berri Barmera and Renmark Paringa with major town centres of Renmark, Berri, Loxton, Waikerie, Barmera and Monash. Primary production is the key economic driver in the region, with the production of a diverse range of crops. More than half of the State's (and quarter of Australia's) wine grapes are grown in the Riverland which is the largest grape producing region in Australia. The Riverland also produces approximately 33 percent of the citrus, 19 percent of the almonds and 8 percent of the stone fruit produced in Australia. The Riverland is located on key transport routes to the eastern states and has a regional airport, which provides access for light planes.



Murraylands

The Murraylands sub-region comprises the Councils of Mid Murray, Karoonda East Murray, Southern Mallee, Coorong and the Rural City of Murray Bridge. Primary production is the key driver of the economy with approximately 10 percent of South Australia's food produced in the area.

Two significant abattoirs are located in the region, Thomas Foods International and Big River Pork. Both facilities are undergoing significant expansion, which will result in increased output and employment.

Big River Pork employs 230 people and expects to increase its workforce by 140 people during this period of expansion.

Many of the upcoming developments in the region incorporate advanced technology in food production, such as facilities at the Monarto South Precinct. The local workforce needs to be upskilled in these latest technologies to boost local employment and enable food company expansion at the rate needed.

Opportunities

Tourism is a key industry for the region, accounting for 14 percent of the region's workforce, with significant potential for growth. The South Australian Tourism Commission (SATC) has estimated an increase of 39 percent (at full potential) in tourism expenditure in the region by 2020. Maximising tourism potential will help to ensure diversity in the region's economy. The Riverland produces some of the finest food and wine in Australia and is integral to the Government's effort to secure international recognition for the state's premium food and wine. Growth requires investment in upgrades to infrastructure to attract tourists and educating the region's service companies in best-practice tourism services.

There are projects of varying size planned around the region for expanding tourism accommodation, which will involve some construction job opportunities in the near future. Examples include the planned redevelopment of the Bridgeport Hotel, Renmark Hotel and Berri Hotel.

Plans for the expansion of Monarto Zoo would make the zoo an international safari destination. The plan will see land purchased for 21 private lodges in the middle of the new, expanded safari precinct.

The expansion would roughly double Monarto Zoo's 42-strong workforce and bring significant economic benefits to the Murraylands by extending the time many of the zoo's 133,000 annual visitors – mostly day visitors – would spend in the region.

Given the region's ageing population, there is a focus on aged care programs and support, which will create employment opportunities. There is also a focus on the changes to the National Disability Insurance Scheme (NDIS) to ensure regional providers are appropriately equipped to manage and succeed with the changes. The NDIS Market Position Statement South Australia 2016 indicated that the workforce supporting the NDIS needs to double its full-time equivalent (FTE) workforce by 2018 to ensure it can appropriately support the estimated participants in the region.



A significant number of construction projects have been approved or are in the planning phase, which will result in construction jobs and some ongoing jobs. These are expansions of existing businesses or improvements to existing facilities and infrastructure.

Within the region there are several major capital investment proposals. It is estimated that there is at least \$124 million in private business investment and an estimated \$1.022 billion in infrastructure development, of which \$992 million is for wind and solar farms.

The \$100 million development of The Bend Motorsports Park at Tailem Bend will provide the region with opportunities in tourism and service related industries. It is estimated that 140 new jobs will be created during the 12-month construction phase. An independent economic study has shown that once the project is in full operation, 1,631 full-time jobs will be created and it will attract 339,000 additional visitors to the region. It is estimated that the facility will significantly increase visitors to nearby regions and increase opportunities for service businesses in surrounding areas.



In February 2017, a \$14 million investment to expand operations at Big River Pork in Murray Bridge was announced, resulting in 140 new full-time equivalent ongoing jobs, and 46 construction jobs. The investor has a demonstrated commitment to employing locally. The increased capacity will also benefit local farmers, transport operators and feed suppliers.

Ingham's Enterprise has announced a \$275 million investment in expanded facilities to double its current capacity across South Australia. Sites include Monarto, Yumali and Murray Bridge. This investment will result in 700 jobs during construction and 850 ongoing full-time jobs, however not all will be within the Murraylands and Riverland region. The region expects around 30 direct jobs and around 400 indirect jobs through transport and trade.

Costa has recently announced a \$60 million expansion to its mushroom production facility at Monarto, which is expected to create 200 new ongoing jobs in the region. The South Australian Centre for Economic Studies has estimated this expansion will grow the State's product by \$158.9 million over the next ten years.

Renewable energy presents an opportunity in the region. Currently there is a \$1 billion battery and solar farm facility planned to be built at Morgan by the Lyon Group. This project is expected to employ 270 people during construction, with minimal numbers for the ongoing operations. There is also a proposal for the Palmer Windfarm to be built in the Mid Murray Council region, which is a \$550 million project. The project anticipates 320 jobs will be created across the 3-year construction phase, with approximately 60 ongoing jobs (direct and indirect).

The Jane Eliza Waterfront Estate in Renmark is a significant project currently under construction. The project includes 457 residential allotments, a marina, an opportunity for a solar farm and a potential educational precinct.

Challenges

The region's economy is highly dependent on agricultural production for employment and growth. It is therefore important for the region to diversify to mitigate the risk of over reliance on agriculture – for example, through expanding the tourism industry. The dominance of seasonal crops, means that there is a heavy reliance on attracting seasonal workers to the region - many of whom are from overseas.

Murray Bridge has attracted significant numbers of overseas migrants, many of whom require considerable help to develop literacy and numeracy skills in order to be job ready.

The town is experiencing some challenges integrating the different cultures into the local community and economy.

The unemployment rate in the Murraylands and Riverland has fallen from 8.7 percent in March 2016 to 6.6 percent in March 2017.

Murraylands and the Riverland are seeing significant growth in population however are challenged in meeting the skills and jobs demands in industries that are traditionally not deemed attractive to job seekers in the region.

Programs like *Jobs 4 Murraylands* are working to educate job seekers on the variety of job opportunities in the food industry in addition to supporting employers to sustain their workforce. *The River Change* is an initiative of Regional Development Australia Murraylands and Riverland and the Department of State Development. The initiative has been established to attract retrenched workers into the Murraylands and Riverland region to fill local job demands.

The *Jobs, Growth and Investment 2016-2020 Report* surveyed local businesses and found that attracting and retaining external skilled labour is a major challenge, as is the lack of skilled people in the region. While people can be upskilled through training, there is a negative perception of some low-skilled prospective employees. Fifty three percent of local businesses use training providers outside of the region because they can't source, or are unaware of, suitable local providers. This imposes considerable additional training costs for local businesses.

Energy and water security underpins job security in the region, therefore one of the keys to unlocking jobs growth is to bring forward infrastructure investment in the region.

Failure to meet the NDIS targets and requirements poses a risk to the region in terms of participants leaving the area to access services. It is critical to the region that there are sufficient local resources to service the estimated 1,600 participants (2019 estimate) in the NDIS. These positions include management and administration, marketing, HR, direct support and Allied Health, manufacturing and trades.

Summary

The Murraylands and Riverland is a predominately rural region. Much of the region's economy is based on commodity trade, which means it is vulnerable to movements in global markets. Developing tourism across the region will help mitigate dependence on agriculture and help grow jobs and the economy.

Several investments have been announced to expand local facilities – for example Ingham's Enterprises, Costa, Lyon Groups battery and solar farm, Renmark's Waterfront Estate, Big River Pork and the Bend Motorsports Park – this presents great opportunities for the region.

Challenges include: attracting and retaining skilled labour; the lack of skilled local people and of suitable local training providers; effectively servicing the future estimated number of NDIS participants; integrating local communities and new migrants effectively; and bringing forward infrastructure investment in the region to secure sources of energy and water.

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