



INVEST

IN SOUTH AUSTRALIA



Photography by Sean Kelly, Arrium Mining

www.invest.sa.gov.au

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OVERVIEW





The State of South Australia

Key Location For Sustainable Business

- A robust, resilient, knowledge based economy – with capacity to grow.
- World leading minerals and energy assets – ranked as Australia's top destination for resource investment.¹
- Leading agriculture region producing quality products for global export markets.
- A strong manufacturing base, including automotive, submarines, warships and high-value advanced manufacturing.
- Home to Australia's wind and solar power industries.
- A world-class education system; leaders in research and development; flexible and skilled workforce; and the fifth most liveable city in the world.²

Diverse Industry Base



**MINERALS
& ENERGY**



AGRICULTURE



**RENEWABLE
ENERGY**



**ADVANCED
MANUFACTURING**



DEFENCE



HEALTH



EDUCATION

¹ Resourcestocks 2014
World Risk Survey

² EIU: A Summary of
Liveability Ranking and
Overview August 2014

Economy of Strength

Progressive and Steady Growth

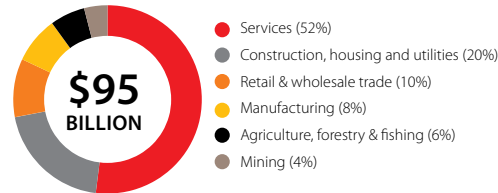
- Over two decades of uninterrupted economic growth
- Linked to fast growing Chinese, Indian and other Asian economies
- Major developments exceeding \$94 billion fuelling future growth
- 7% of Australian population

Industry Highlights

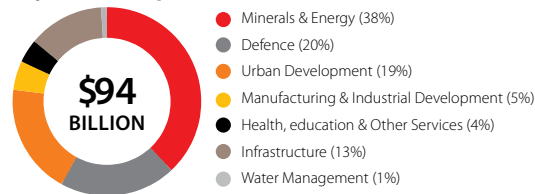
- 80% of Australia's uranium reserves
- 69% of Australia's copper resources
- 37% of Australia's wind power capacity
- 32% of Australia's defence industry
- 20% of Australia's grain production
- Home to Australia's largest onshore oil & gas province

\$ 94
BILLION
MAJOR PROJECTS

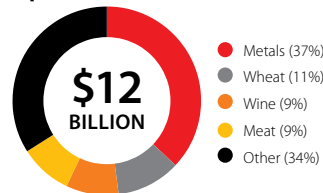
Gross State Product (2013/14)



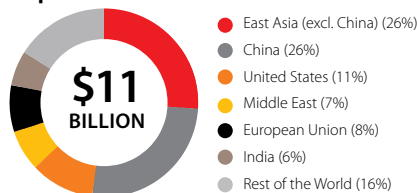
Major Developments (2013/14)



Exports (12 months to Oct 14)



Export Destinations (12 months to Oct 14)



The Australian Advantage

Strong Economic Credentials

- Australia has recorded over two decades of uninterrupted annual growth to 2014.
- The IMF estimate that in 2014 the Australian Government's net debt will be 15.8% of GDP, well below the average of 73.6% for advanced economies.

Stable Political and Legal Environment

- Australia's political environment is stable and open providing investors with a high degree of certainty and confidence.
- Australia's legal framework is efficient and transparent driven by a strong system of checks and balances.

Conducting Business

- The World Bank ranks Australia as the fourth easiest country to start a business and the third easiest country to obtain credit.
- Australia ranks third in the 2014 Index of Economic Freedom completed by the Heritage Foundation highlighting the ease of conducting business in Australia.

Strong Financial Service Sector

- The World Economic Forum ranks Australia fifth amongst the world's leading financial systems and capital markets.
- Australia's Big 4 banks are the pillars of the financial services sector each with a long term credit rating of AA- (Fitch, S&P) and Aa2 (Moody's).



23
YEARS OF
UNINTERRUPTED
**ANNUAL
GROWTH**

Australia is rated AAA by all three global rating agencies with real GDP growth expected to outperform other major advanced economies to 2019.

Advantages of South Australia

Low Cost Australian Business Location

- **Labour Costs** – South Australian full time labour costs are 6% below the Australian average and below all mainland capital cities.
- **Property Prices** – Adelaide's residential, commercial and industrial property prices are amongst the lowest of Australia's mainland capital cities.
- **Construction Price** – Adelaide is competitive in terms of construction costs for the development of new multi-residential, commercial and industrial properties.

Location

- Adelaide, the capital city of South Australia has been voted the fifth most liveable city in the world making it an ideal location for attracting a sustainable workforce.
- South Australia is also located at the centre of Australia's air, road and rail networks – with Adelaide Airport named Australia's fastest growing airport for international services.
- The South Australian time zone (Greenwich Mean Time +9.30 hours, or +10.30 during Daylight Savings time) is within two hours of major Asia Pacific centres.

A Government Open For Business

The South Australian Government is pro investment, supporting business including:

- Direct access to key government decision-makers.
- A Coordinator-General has recently been appointed to help stimulate private sector investment for projects with a construction value in excess of \$3 million. A Case Manager is appointed for each project to help streamline and support the approvals processes.
- An ambitious and successful red tape reduction program.

Adelaide: *The Most Liveable City*

- The 5th most liveable city in the world by the *Economist Intelligence Unit*.
- The lowest cost of living of all capital cities by the *National Centre for Social Economic Modelling*.



The National Centre for Social and Economic Modelling (NATSEM) ranked Adelaide as the cheapest capital city in its 2013 Household Budget Report.

5TH MOST LIVEABLE CITY IN THE WORLD



Source: ABS 6302, 6416, AECOM: The Blue Book 2014, EIU: A Summary of Liveability Ranking and Overview August 2014, NATSEM: Household Budget Report Cost of Living and Standard of Living Indexes for Australia June 2013

INDUSTRIES & MARKETS





Minerals

Australia's Top Destination for Resource Investment

South Australia has world leading mineral assets headlined by significant deposits of copper, gold, iron ore, uranium, rare earths and mineral sands. With continued exploration now is an opportune time to become involved in some of these projects, many of which are requiring cornerstone investors to develop their full value.



69%
COPPER

Copper & Gold

South Australia hosts 69% of Australia's economic demonstrated resources of copper and 28% of Australia's gold resources. Olympic Dam alone is the fourth largest copper resource in the world and fifth largest known deposit of gold.



28%
GOLD

Most of South Australia's known copper resources (95% +) are Iron oxide-copper-gold (IOCG) from which gold and uranium are obtained as by-products.



80%
URANIUM

Uranium

South Australia is the home of the Australian uranium industry with 80% of Australia's identified resources and 23% of the world's uranium resources.

The Port of Adelaide is one of only two licensed Uranium ports in Australia.

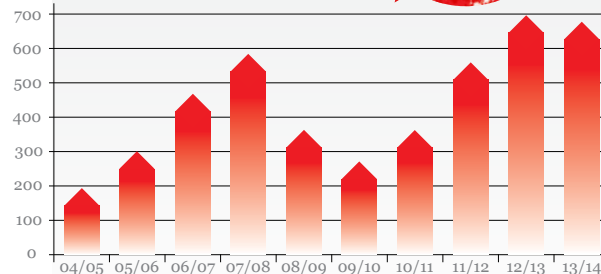


14
BILLION
TONNES
IRON ORE

Iron Ore

South Australia is the birthplace of the Australian iron ore industry with existing operational mines in the Middleback Ranges and North Gawler Craton. There are a range of other development/prospect projects across the State with identified resources of approximately 14 billion tonnes.

Mineral & Petroleum Exploration (\$m)



South Australia's **PACE** initiative (Plan for Accelerating Exploration) invests in early stage exploration attraction and leads the nation in:

- Unlocking new areas for exploration
- Streamlining approval processes
- Providing world leading geoscientific data.

**South Australia
has one of
the world's
best geological
databases**

*For detailed
sector analysis
please contact
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Australia.*

Oil & Gas

Emerging Unconventional Oil & Gas Boom

South Australia's history of oil and gas exploration extends back to 1866 with the first oil exploration in the Otway Basin. South Australia has 14 petroleum basins (12 onshore, 1 offshore, 1 on-and-offshore), however currently only three are producing commercial hydrocarbons.

Cooper Basin

The Cooper Basin is a world class hydrocarbon province (Australia's largest & most mature onshore) and has been the centre of South Australia's exploration and development activities for 50+ years.

The Cooper Basin is emerging as a major unconventional gas resource with existing oil and gas processing and transport infrastructure connecting the basin nationally to major cities and LNG export markets.

The US Energy Information Administration has estimated there is 93 trillion cubic feet of risked recoverable shale gas resources in the Cooper Basin. This is being targeted by several major joint ventures including:

- Santos, Beach Energy & Origin
- Beach Energy & Chevron
- Drillsearch & BG
- Senex Energy & Origin.

Otway Basin

Otway Basin contains both mature and immature conventional and unconventional oil and gas plays, with high potential for further discoveries. The onshore area is regarded as the State's second most prosperous petroleum basin.

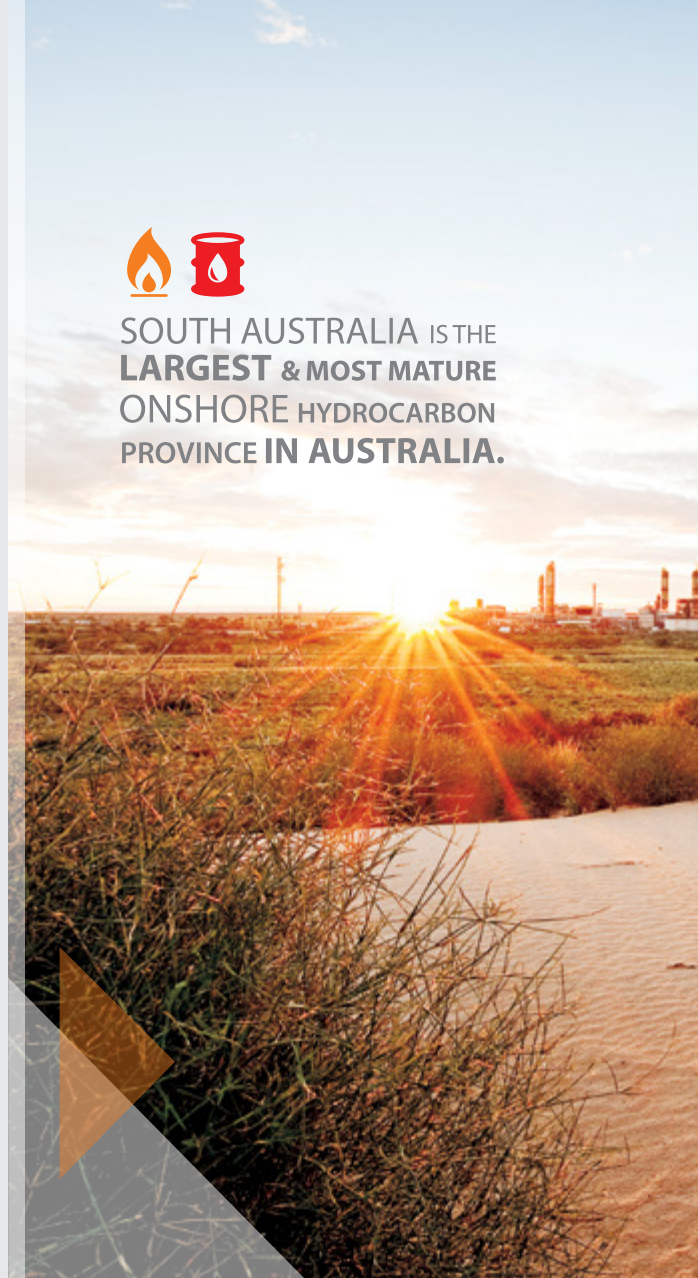
Bight Basin

The Bight Basin is of similar size to the Niger Delta, however, is significantly less explored. To date, most exploration drilling in the Bight Basin has focused on the margins of the Ceduna Sub-basin and the Duntroon Sub-basin. BP, Statoil, Chevron and Santos are currently pursuing leading exploration prospects in this area.

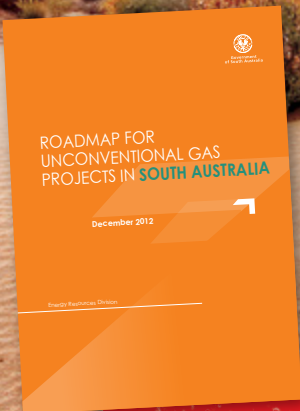
Source: Department of State
Development; US Energy
Information Administration



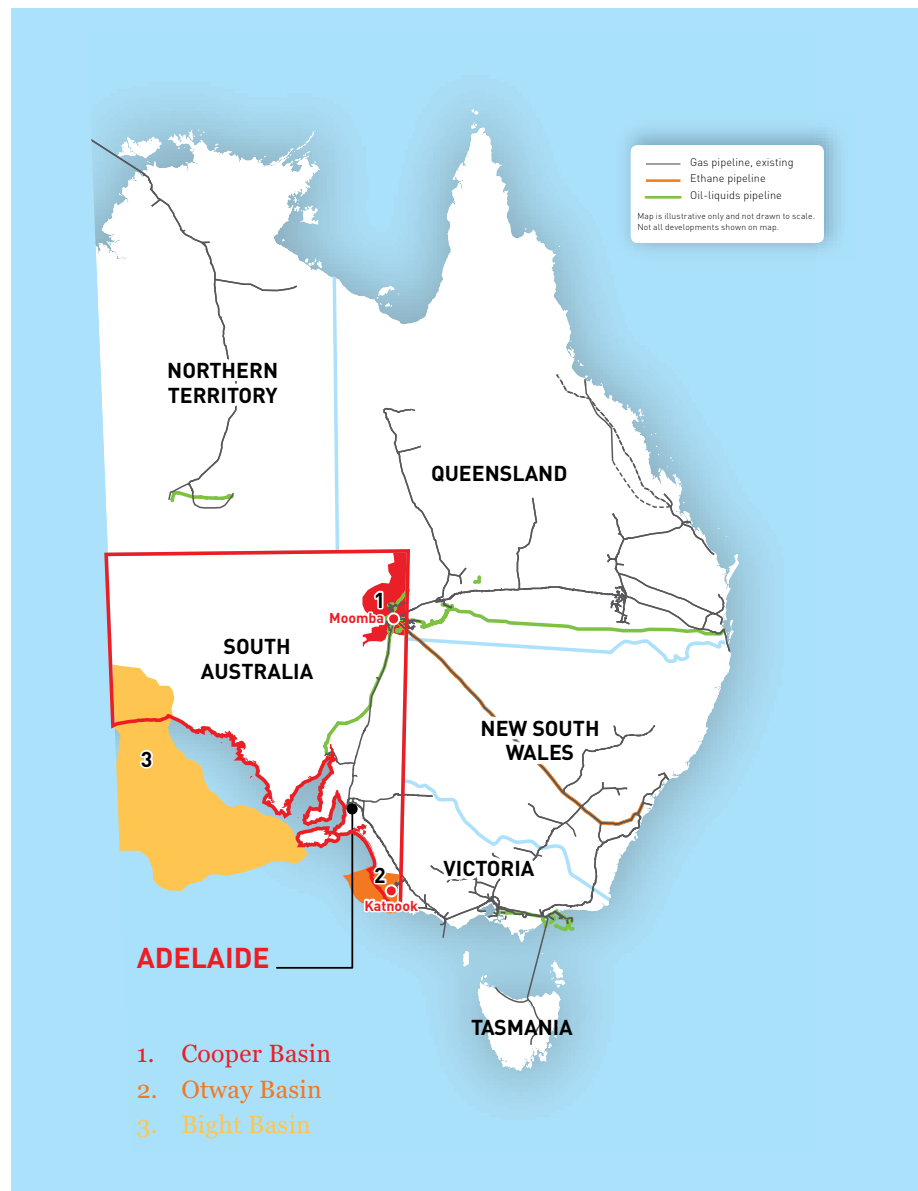
**SOUTH AUSTRALIA IS THE
LARGEST & MOST MATURE
ONSHORE HYDROCARBON
PROVINCE IN AUSTRALIA.**



*For detailed
sector analysis
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Australia.*



To download please visit
www.statedevelopment.sa.gov.au



Agriculture

World leading
agricultural
research &
development



Agriculture is South Australia's largest export earner with high quality products such as grains, seafood, meat, dairy, fruit and vegetables grown and produced in diverse, pristine, natural environments across the State.

Natural Advantages of a Pristine Environment

Sector Highlights

Fisheries & Aquaculture

- Southern Bluefin Tuna exports to Japan
- Southern Rock Lobster exported to Hong Kong
- Oysters, abalone, prawns, Yellowtail Kingfish

Livestock

- Lamb – 17% of Australian processing
- Chickens – 15% of Australian processing
- Beef and wool



Grain

- 7.5 million tonnes of production
- 85% of production exported
- 20% of Australian production

Dairy

- World leading dairy yields

Horticulture

- Potatoes, tomatoes, capsicum
- Mushrooms, almonds, citrus

Forestry

- 188,000ha of plantations
- Softwood Radiata pine
- Hardwood Tasmanian Blue Gums

*For detailed
sector analysis
please contact
Invest in South
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Renewable Energy

South Australia has a natural endowment in world class renewable energy resources such as wind, solar, geothermal and wave power. Approximately 30% of the State's electricity demand is met from renewable energy.

Wind

There are currently 16 operational wind farms in the State with installed capacity of 1205MW. Eight companies have invested \$2.79 billion in capital expenditure in operating projects to date. There are 9 additional sites approved or under consideration which increases forecast capacity increases forecast capacity by an additional 2,100MW.

Government studies have highlighted South Australia's Eyre Peninsula as the greatest untapped wind resource on the National Electricity Market. The Green Grid studies estimated potential capacity of the Eyre Peninsula could total 2,000 – 10,000MW subject to transmission infrastructure upgrades.

Solar

South Australia has the highest solar PV contribution to electricity demand across Australia (3.8%) with 1 in 5 households having a roof top solar PV panel and approximately 400MW of installed capacity.

The supply is driven by a world class solar resource with areas in South Australia recording irradiance levels of 2,500kWh/m² per annum.

Geothermal

South Australia has more than 90% of Australia's geothermal exploration investment. There are currently 9 deep wells drilled to reservoir depths across 3 key projects.

37% OF AUSTRALIA'S
**INSTALLED
CAPACITY
IN WIND ENERGY**



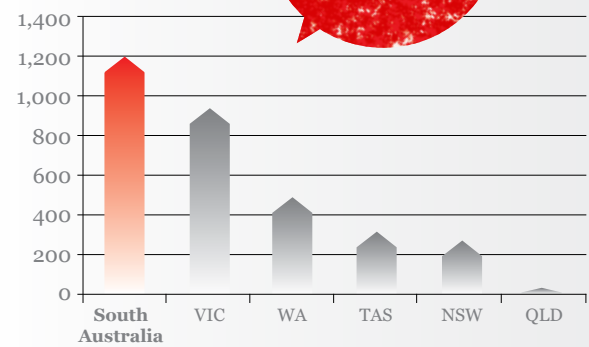
**Australia's
Leading
Renewable
Energy State**

*For detailed
sector analysis
please contact
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Australia.*

Source: Clean Energy Council



**Installed
Wind
Capacity (MW)
2013**



Advanced Manufacturing

South Australia has a long established manufacturing base and is Australia's leading manufacturing state as a proportion of Gross State Product. This sector is strategically and innovatively transitioning to a higher value advanced manufacturing industry.

Key Industry Highlights

- Australia's leading defence manufacturing.
- Home to approximately 100 bioscience companies with specialisations in biotherapeutics, gene based diagnostics, molecular plant breeding and genomics, stem-cell research and livestock productivity, and the Thebarton Bioscience Precinct, one of Australia's largest commercial bioscience precincts.
- Tonsley, a new sustainable and high tech advanced manufacturing precinct close to the CBD of Adelaide, already attracting universities and education institutions, ICT and technology companies, and advanced manufacturing businesses, including in mining services, renewable energy and health care.

MANUFACTURING
GROSS VALUE
ADDED (2013-14)

**\$7.21
BILLION**

Manufacturing percentage
of Gross State Product (%)



Source: ABS 5220, 6202

Drive for High-Value Manufacturing

8.33%
OF GROSS
STATE PRODUCT



To download a copy of 'Manufacturing Works'
please visit www.statedevelopment.sa.gov.au

Defence

South Australia is Australia's undisputed Defence State, the high technology centre of the nation's defence effort.

South Australia is Australia's "Defence State", the high-technology centre of Australia's defence effort.

Key Industry Highlights

- Capture 32% of Defence's in-country material spend
- Home to Defence's most complex projects: \$8 billion Air Warfare Destroyer build, multi-million dollar submarine maintenance, Orion aircraft upgrade and sustainment and confirmed assembly location for Australia's next generation of submarines.
- World-class maritime industrial precinct - Techport Australia, the nation's premier naval industry hub.
- Home to world leading defence companies with strengths in naval shipbuilding and sustainment, maritime patrol aircraft operations and support, military vehicle manufacture and support and systems engineering and integration.
- Key national Defence facilities including RAAF Edinburgh superbase, Woomera – the world's largest land based test facility and DSTO Edinburgh – the largest defence electronics research and development centre in the southern hemisphere.

32% OF
AUSTRALIA'S
DEFENCE
INDUSTRY



Collins Submarine
©Commonwealth of Australia

Home to world
leading defence
companies

ASC



trusted to deliver™

BAE SYSTEMS

COBHAM

GENERAL DYNAMICS
Land Systems

Raytheon
Australia

LOCKHEED MARTIN



Health & Biomedical Precinct

LARGEST HEALTH PRECINCT IN THE SOUTHERN HEMISPHERE



The Precinct will make a significant and direct contribution to the state and national economies. In addition to the stimulus provided during the construction phase, it is expected to provide employment for more than 8,000 staff and accommodate 6,000 students upon completion. Around 1,500 world leading medical researchers will be located at the Precinct.

- 1 The new Royal Adelaide Hospital
- 2 South Australian Health & Medical Research Institute Building 1
- 3 South Australian Health & Medical Research Institute Building 2 (proposed)
- 4 University of Adelaide
- 5 University of South Australia



South Australian Health & Medical Research Institute Building 1



Research Excellence

Innovative research focused on making a difference for global communities, including 1,500 world class researchers focused on developing and pioneering new treatments for global outcomes.

Integrated Health and Medical Science Precinct

Health Precinct including three major universities, CSIRO, private sector, state and federal government collaborations.

Inspiring Facilities

Brand new 25,000m², purpose-built research facility, co-located with a brand new state of the art hospital, supported by quality transport and communications infrastructure.

Leading Technology and Health Infrastructure

State of the art laboratories and equipment including a Cyclotron and proposed Proton Therapy Machine, the only one in the Southern Hemisphere.

Demonstrated Commercialisation

Precinct partners with track record of translating research and development to the marketplace.

**THE FIRST PROTON
THERAPY MACHINE
IN THE SOUTHERN HEMISPHERE**



Precinct Partners



*For detailed
sector analysis
please contact
Invest in South
Australia.*

World-class higher education and training institutions



Carnegie Mellon University
Australia



An Education City

Education & Training

Adelaide is Australia's education city with tens of thousands of international students from across China, India and Asia attending Adelaide's leading heritage and international universities. Adelaide also offers a range of vocational training supported by government initiatives to assist employers.

The University of Adelaide

Established in 1874, the University of Adelaide is associated with five Nobel prize winners and 100 Rhodes Scholars. The university is one of Australia's most research intensive universities with strengths in bio-medical sciences, physical sciences, engineering, IT, agriculture and social sciences.
www.adelaide.edu.au

The University of South Australia

The University of South Australia is the State's largest university and has a history of conducting research in partnership with industry. It enjoys the State's biggest intake of international students, while its off-shore program is Australia's fourth largest.
www.unisa.edu.au

Flinders University

Flinders University is renowned for world-class research, science and student satisfaction. The university's teachers regularly win awards for excellence, including the 2004 and 2006 Prime Minister's Award for University Teaching. Flinders graduates have a higher full-time employment rate than the national average.
www.flinders.edu.au

Carnegie Mellon University Adelaide

Carnegie Mellon is the prestigious American university offering world-class educational and research programs. It has an exceptional reputation for IT, Business and Public Policy Management.
www.australia.cmu.edu

Torrens University Australia

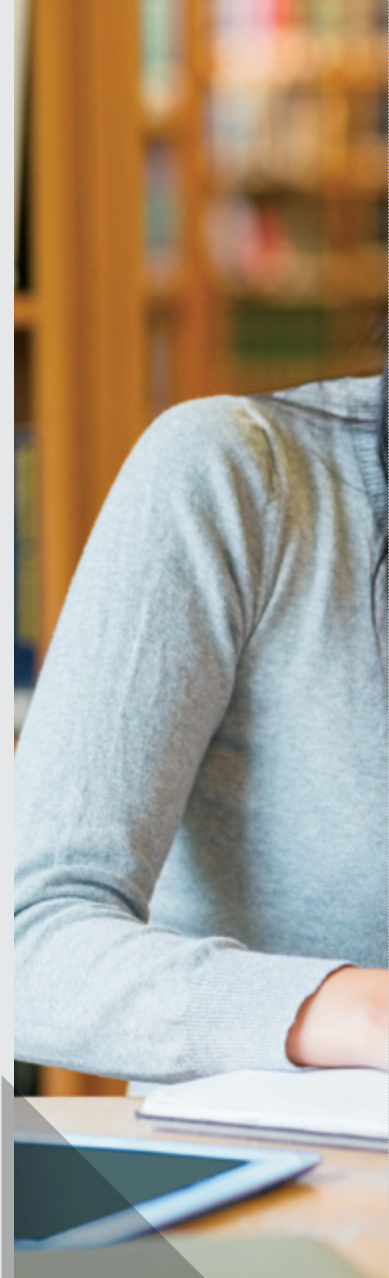
TUA offers career-focussed undergraduate and graduate degree programs to more than 800,000 students across 30 countries.
www.tua.edu.au

University College London

UCL was ranked 4th in the world by the 2009 Times Higher Education Supplement and opened its new School of Energy and Resources in Adelaide in 2009. The university is a world-class research focused university with local strengths in resources and energy.
www.ucl.ac.uk/australia

TAFE SA

TAFE SA is South Australia's leading vocational training provider offering a range of courses from Certificate to Degree level. TAFE SA specialises in IT, primary industries, manufacturing, business and tourism/hospitality.
www.tafesa.edu.au





Skills for All

The South Australian Government's *Skills for All* initiative supports businesses by developing workforce skills. This includes financial assistance to employers for industry related training costs.



www.skills.sa.gov.au

**MORE NOBEL PRIZE
WINNERS HAVE STUDIED
IN ADELAIDE
THAN ANY OTHER
AUSTRALIAN CITY**



NOBELPRISSET
The Nobel Prize



Further Information

Please contact Invest in South Australia for detailed investor-ready information across a range of sectors including:

Copper
Gold
Uranium
Iron Ore
Oil & Gas
Resources Infrastructure
Agribusiness
Solar Energy
Wind Energy
Health & Biomedical
Precinct

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Published December 2014

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