

# 2001-02 EMPLOYMENT STATEMENT

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# MESSAGE FROM THE PREMIER



Employment growth remains the highest priority of this Government. In recent years South Australia's unemployment level has been reduced considerably. We have substantially improved our position relative to the other States.

A decade ago our situation was chronic. Now we have reduced the numbers of unemployed, created more employment opportunities, instigated better training options and, importantly, provided hope and encouragement for job seekers.

Still, jobless levels remain unacceptably high. We cannot afford to relax our efforts. We need to ensure that the proper policy directions are in place to deliver a bright future for all South Australians.

South Australia has experienced a period of recovery through sustained economic growth. We are now in a position of significant strength.

My Government's efforts to expand our existing industries and capitalise on new opportunities are paying employment dividends. Our industry policies and investment attraction strategies need to continue and expand so that we can further reduce unemployment.

However, this cannot be delivered by Government alone. Like all successful governments, we have become smaller and less interventionist. Our focus is on the core tasks of providing efficient infrastructure, essential public services and the appropriate frameworks.

We have concentrated on creating the right business environment. Through sound financial management and debt reduction we have created a climate of confidence and security for the private sector. It is private industry that provides the real growth engine of the economy. It is private interests who, rightly, take risks in pursuit of prosperity. By doing this they create opportunities for everyone.

Accordingly, last year the Employment Council was asked to devise a blueprint for employment in South Australia. After considering the fundamentals of the State's labour market the council identified three central themes to stimulate employment growth:

- stimulating demand

- investing in the skills base of our people
- creating an efficient and equitable labour market.

My Government is committed to a long-term plan to maximise employment opportunities on all fronts. The work of the Employment Council provides a solid basis for action.

This statement addresses the central themes identified by the Employment Council. It outlines the actions planned for the Government over the next financial year, aimed at stimulating employment growth and supporting the labour market.

The labour market programs and policies outlined in this statement will help to deliver the employment growth needed to make a significant and sustainable impact on this State.

My Government is committed to building on the State's strengths and opportunities to create a unique and vibrant economy. We will do this by involving every section of the community. We must be prepared to break new ground so that all South Australians can share in the rejuvenation of our State economy.

A handwritten signature in black ink, appearing to read 'John Olsen', with a long horizontal stroke extending to the right.

John Olsen  
Premier of South Australia  
May 2001

# 1. EMPLOYMENT AND ECONOMIC DEVELOPMENT

## 1.1. STIMULATING DEMAND

### Introduction

Employment growth depends on economic growth. To ensure the continued economic growth that will drive increased demand for labour, South Australia must attract sustained high levels of investment and continue to achieve strong growth in exports. The State also needs to capitalise on its strengths and encourage industry sectors where potential employment growth is the highest.

Addressing the following areas is therefore critical to South Australia's future:

- The establishment and maintenance of high quality economic **infrastructure** and a **business climate** which strengthens the key sources of future competitive advantage—the skills, knowledge and ideas of South Australians and their adaptability in identifying and responding to new market opportunities.
- The exploitation of the emerging **information economy** to secure a solid future for the State and its citizens. The information economy, which is becoming as important as the familiar industrial economy, brings with it not only new ways of doing business but new ways of interacting politically, socially and culturally. It is profoundly changing industry structures, products and services and, in their wake, consumer behaviour, jobs and labour markets.
- The continued aggressive pursuit of **trade and investment promotion** efforts, to increase goods and services exports, identify and attract world-class firms that will act as catalysts for growth in strategic sectors, and build a higher international profile for the State.
- Ensuring that South Australia achieves, and is promoted worldwide as achieving, excellence in **environmental management**. The economic benefits of conserving and using our resources in an ecologically sustainable way are increasingly becoming well recognised by the community and industry. For example, growth has been occurring in environmental management related areas. This has been in response to greater demand for organic products, energy efficiency, waste recycling, zero industrial emissions and increased community expectation for industries to be environmentally sustainable. Hence improved environmental standards, practices and expertise in related fields will provide an important competitive advantage and potential economic prosperity.
- Strengthening the strategic and operational **management of the State's water resources**. Security and certainty of water allocations to industry within sustainable limits is critical for business confidence and growth as well as underpinning the State's clean, green image.
- Assisting and enabling the State's **regions** to prosper and, in so doing, make a significant contribution to the economy. Roughly two-thirds of the State's merchandise export income and a quarter of the State's manufacturing products are sourced from regional areas. Regional areas also play an important part in tourism and environmental management.

### Infrastructure

The South Australian Government has been active in facilitating strategic infrastructure projects that will deliver future economic benefits to the State. Examples include:

- facilitating construction of the \$1.2 billion Adelaide–Darwin rail link, which is expected to employ more than 7000 people (directly and indirectly) during peak construction

- coordinating and assisting South Australian participation in the Commonwealth Government's regional telecommunications infrastructure program
- facilitating the development of the Adelaide Airport multi-user integrated terminal
- participating in the process of developing new gas pipelines, which will provide alternative sources of gas into the State
- reviewing developments on Yorke Peninsula and preparing long-term proposals for the water supply infrastructure to meet future demand
- facilitating an agreement between the Commonwealth and landowners resulting in \$27 million of Commonwealth funding for the rehabilitation of Loxton's irrigation infrastructure
- providing financial assistance (through the Government's Regional Development Infrastructure Fund) where infrastructure requirements are an impediment to industry development and where projects can provide direct employment and economic benefits for local areas
- assisting new sources of electricity generation in the State including gas-fired plants at Pelican Point (500 MW) and Ladbroke Grove in the South East (80 MW)
- providing support for the Murraylink non-regulated interconnector (220 MW) and the SNI regulated interconnector (up to 250 MW)
- facilitating the construction of the Port River road and rail expressway through a public private partnership arrangement, which is expected to employ 640 people (directly and indirectly) and will lead to improved industry cost competitiveness.

Key future directions on infrastructure include:

- facilitating proposals for additional electricity generation capacity
- investigating the potential of wind turbines to contribute to the State's electricity generation capacity and national renewable energy requirements
- encouraging greater regional access to gas and competition in gas supply
- adopting a more integrated and strategic approach to developing and implementing the State Government's capital works program
- establishing priorities for investment in strategic infrastructure to meet regional community and industry needs
- collaborating closely with other governments and the private sector on infrastructure issues
- focusing on better transport and telecommunications services to link South Australia with interstate and overseas markets
- opening up transport and telecommunications markets to competition to stimulate improvements in efficiency and service quality.

Infrastructure also includes the building of social capital. Sustainable and broad community prosperity is dependent on community capability to adjust and make the transition to new economic opportunities. The skills, experience and flexibility of regional labour markets, and their education and training providers, are important foundations. The culture of entrepreneurship, business and civic leadership, together with the collaborative capacity, knowledge and innovation of business and community are also important. As a pilot initiative the State Government and the City of Playford with

Commonwealth Government agencies, Mission Australia and Anglicare South Australia have initiated the Playford Partnership to address a recognised area of disadvantage, by integrating social capital concepts into strategies for economic transition and growth.

The Government is also committed to ensuring a supply of productive land to meet the needs of existing and emerging industries. In this regard the *Planning Strategy* presents current State Government policy for land development, and seeks to guide and coordinate State Government activity in construction and the provision of services and infrastructure, which, in turn, influences the development of South Australia. It also indicates directions for future development to the community, the private sector and local government.

The *Planning Strategy* takes account of economic, environmental and social strategies so that future planning is directed towards an integrated and shared vision. The integrated and streamlined land development system contained in the *Planning Strategy* is a source of potential competitive advantage, by providing a context for clear and fast decisions. The speed of decision making is a critical factor if the State is to become recognised as a place in which to invest, work and enjoy a high quality of life.

## **Business Climate**

### ***Budget Management***

Through sound fiscal management, the Government is ensuring that South Australian businesses operate in a competitive environment. Net proceeds from the lease of the State's electricity assets applied to debt retirement totalled \$4.9 billion. Estimated interest savings for the financial year ending 30 June 2001 arising from electricity asset disposals are expected to amount to \$261 million. Total public sector net debt is expected to more than halve by the end of 2001 when compared with 30 June 1999.

### ***Industrial Relations***

South Australia's productive workforce is also a major attraction to industry, as the State's industrial relations record is the best in Australia for the number of working days lost through industrial disputes.

### ***Business Tax Burden***

The 2001-02 State Budget contains a number of taxation and other measures which will enhance South Australia's business climate.

Reductions in payroll tax, WorkCover levies and lease duty, along with the abolition of financial institutions duty (FID) and stamp duty on quoted marketable securities, will deliver a reduction in direct imposts on business worth an estimated \$185 million per annum.

#### ***Payroll Tax***

In support of its commitment to establishing a competitive tax regime for business and job creation, the Government will:

- reduce the rate of payroll tax from 6% to 5.75% as from 1 July 2001
- from 1 July 2002, deliver a further reduction in the payroll tax rate to 5.67%, along with an increase in the payroll tax threshold from its current level of \$456 000 per annum to \$504 000 per annum. From this date the application of payroll tax will also be changed such that tax is applied to the grossed-up value of fringe benefits (rather than the net value as at present) and to eligible termination payments.

Recent cuts in payroll tax rates in some other jurisdictions have placed pressure on South Australia's competitiveness in this area. As a result of the budget announcements, however, the combination of the reduction in the payroll tax rate and long standing relative wage cost advantages will assist in maintaining a competitive labour cost environment for South Australian employers.

#### *WorkCover Levies*

The average WorkCover levy rate will fall from 2.86% in 2000-01 to 2.46% in 2001-02—a reduction of 14%. The impact on individual employers will vary depending on their recent claims experience and their industry classification.

#### *Financial Taxes*

A further instalment of the national tax reform program will be put in place from 1 July 2001 with the abolition of FID. Stamp duty on quoted marketable securities will also be abolished from this date. In 2000-01, FID is estimated to have generated revenues of \$97 million from bank accounts held by South Australian businesses and households. Stamp duty on quoted marketable securities generated estimated revenue of \$10 million in 2000-01.

#### *Lease Duty*

Leases of land and property are taxed at a rate of 1% of the first year's rent. From 1 January 2002 annual lease payments below \$50 000 will be exempt from stamp duty. This will assist small business in two ways. Provided annual lease payments are below the stamp duty threshold of \$50 000, tenants of small business premises will not only be relieved of paying duty, they will also benefit from not having to lodge lease documents for stamping thereby reducing tax administration costs. It is estimated that around 5700 leases per annum will benefit from this measure.

## **Information Economy**

### ***Information Economy 2002: Delivering the Future***

*Information Economy 2002: Delivering the Future (IE 2002)* is a government strategy which aims to ensure that South Australia harnesses the benefits and opportunities of the information economy.

*IE 2002* comprises a number of complementary initiatives which are designed to create a climate for economic growth and to promote broad social benefit and community engagement through emerging information technologies. These initiatives, together with the Government's own application of information technology and telecommunications in the delivery of Government services, will guide South Australia's transition to being a leader amongst the information-enabled societies of the 21<sup>st</sup> century.

The Government will continue to deliver the initiatives identified in the *IE 2002* plan which aim to stimulate broad participation in and adoption of new information economy technologies within:

- the broader community (initiatives include SA Connect, Service SA, Telecommunications Infrastructure, Everything Online, Networks for You, Smart State Volunteers)
- the Public Service and legal sectors (initiatives include Microsoft Innovation Centre, Global Utilities/Global Services, Intellectual Property, Online/Offline Privacy and Protection)
- the education sector (initiatives include Careers Information Exchange, Global Education for Global Business, Information Economy Literacy, SA as a Global Brand)

- private sector businesses and industry groups (initiatives include Business Incubator, Industry Action Plans, E-business Campaign and Logistics Alliance).

### ***New Economy Task Force***

Senior Management Council (SMC) has identified the new or knowledge economy as a significant issue across government and in January 2001 formed the New Economy Task Force as a whole of government initiative. The Task Force is an internal government group with representatives from each agency plus the Office for the Commissioner for Public Employment.

The objective of this initiative is for State Government agencies individually and collectively to support the active participation of South Australian people, businesses and organisations in the new knowledge economy and to encourage positive recognition of South Australia's engagement in the new economy. The task force's brief is to develop a strategic plan for Government to achieve this objective.

The task force is due to report to SMC by the end of June.

### **Trade and Investment Promotion**

Recent and current levels of business investment are insufficient to meet the State's growth, wealth generation and employment requirements. Future economic success will require a critical mass of globally competitive firms providing high value goods and services to world markets. Given sufficient wealth generating activity and a conducive business environment, other firms will take advantage of local service opportunities, providing a critical stimulus to further employment.

Through marketing efforts such as *The Case for South Australia*, and strategic attraction initiatives, the Government will aim to attract globally competitive, export-oriented investment in industries employing high skill, high wage labour.

Trade plays a central role in ensuring competitive industry and efficient resource allocation. Exporters tend to be more innovative, more committed to education and training, and are a source of higher paid jobs. Exporters do business in a fiercely competitive and rapidly changing global marketplace and deal with institutional and administrative barriers as well as cultural and political constraints. The Government will continue its efforts on export promotion, export readiness and market intelligence activities in a manner that complements Commonwealth Government activities.

State exports of \$6.2 billion in 1999-2000, up 16% on the previous year, represent a continuation of the impressive export growth rates experienced throughout the last decade. Despite these recent successes and the current efforts of Government and the private sector there is still considerable scope for further improvements in the State's export performance.

Future investment and growth can be expected in a number of South Australia's strong industry sectors including manufacturing and primary production. Strong growth prospects are also emerging in the service sector in education, health, tourism and more generally in business services.

The Government identifies, attracts and facilitates key strategic investment within the State and from interstate and overseas. This includes providing support for the expansion of local major corporates, the expansion of export-oriented small-medium enterprises (SMEs), new investment in regional South Australia, the development of joint ventures and alliances with international companies and the facilitation of venture and development capital to SMEs.

In the four years to June 2000, the Government facilitated new investment projects estimated to create 16 519 jobs over their project lives. During 1999-2000 the Government directly facilitated investment



commitments of \$240 million involving the creation and/or retention of over 4000 direct jobs. Major companies that committed to invest or reinvest in South Australia include:

- *BHP* which established its Australian Shared Business Services Centre in Adelaide; the centre, one of two in the world for BHP, will result in the creation of 400 full-time equivalent jobs and estimated investment of \$120 million
- *Entech Group* which consolidated and relocated its facilities to Devon Park, creating critical infrastructure for the growth of the South Australian electronics industry and resulting in 50 new jobs and an investment of \$1.68 million
- *Dana Australia* which invested \$2.5 million to assemble in South Australia front and rear wheel assemblies for General Motors Holden, resulting in the initial creation of 65 new jobs
- *Ansett Australia* which has nominated Adelaide as a key site for growth of its call centre capacity and will invest \$22.7 million in a purpose-built leading edge call centre at Science Park, resulting in 290 new full-time equivalent jobs and the retention of 100 existing jobs
- *Origin Energy* which relocated Energy 21's customer service and support functions from Melbourne to Origin's National Customer Services Centre in Adelaide; the investment totalled \$740 000 and resulted in 90 full-time equivalent jobs.

As a result of the Regional Development Board framework, the Government also helped facilitate the creation or retention of 1632 jobs in regional South Australia in 1999-2000. The Government also assists enterprises to access national and international markets and supports local industry to secure contracts through trade promotion.

Key elements of the Government's future trade and investment strategy will be to:

- use South Australia's clean and green image and unique natural areas to promote the State, locally and overseas, as an attractive place to visit, live, work, invest and do business
- use South Australia's unique strengths in the arts, culture and special events to promote the State as creative and dynamic and to build closer relationships with other countries
- use financial incentives selectively and strategically to attract investment and business expansion in areas which will provide the greatest benefits for South Australia
- ensure a closer strategic link between external promotion efforts through the State's overseas offices and local industry capabilities
- continue to use business improvement programs at industry and enterprise level to strengthen export capabilities and establish new export markets
- continue to support Commonwealth Government efforts to open up world markets for South Australia's traditional export sectors of agriculture and manufacturing and also new areas such as the services industries
- increase efforts to assist the growth of the tourism industry
- increase marketing of the State and its products to the rest of the world, through tourism.

## **Environmental Management**

South Australia is in a strong position to use its clean and green image to expand the export of our expertise, products and services.

The Government has developed a regulatory and reporting framework that is promoting sustainable resource use and demonstrating clean environmental conditions to overseas markets. It will also provide clear specification of property rights to resources to assist economic development.

The Government's future approach and priorities for management and development of the State's environmental assets include:

- a preference for market based measures and application of the user pays principle, rather than prescriptive regulation, to encourage individuals, businesses and communities to take responsibility for the environmental impacts of their actions
- continued development of an integrated management information system for the State's natural resource base and environment to facilitate development consistent with land capabilities, as well as regular reporting on the state of the environment
- promoting the adoption by industry of sustainable development practices and cleaner production methods—aimed at improving the efficiency of raw material and energy use, reducing waste and pollution at the point of production and addressing the issue of increasing salinity levels of the State's water and land
- continued sharing of responsibility for management and protection of natural resources with local communities, and support for volunteers to continue their significant contribution to the conservation and management of the State's natural and cultural heritage
- development of legislative and administrative frameworks to enable bio-prospecting of genetic material from local native species for the commercial development of new products in agriculture, medicine and biotechnology
- continuation of the Integrated Waste Strategy for metropolitan Adelaide—designed to promote waste minimisation, recycling, reuse and recovery in partnership with industry and local government.

### **Management of the State's Water Resources**

Water is a vital resource for South Australia's future prosperity—its sustainable use and management for economic, social and environmental gains underpins activity in the Government, industry and community sectors. It is a shared asset, impacting on almost every industry.

Key areas of South Australia's readily available surface and ground water resources have been allocated and developed to supply water for irrigated agriculture, domestic supplies and industries. However, there remain key areas and considerable opportunities for further strategic and sustainable allocation and development of the State's water resources. Modern technology and best practice management techniques in wastewater treatment and aquifer storage and recovery are providing opportunities to develop and use wastewater and stormwater for industry, commercial and domestic purposes. This will enhance the State's economic development. Together with more efficient use of committed resources, there is significant scope for further economic development within sustainable limits in South Australia.

A policy and regulatory framework that provides security and certainty to investors in their access to water within sustainable limits will be provided through the water plans currently in force or being prepared pursuant to the *Water Resources Act 1997*. The *State Water Plan 2000*, released by the Government in September 2000, plays a pivotal role in this framework. It sets out the State Government's strategic directions for the sustainable use and management of the State's water resources and provides for a comprehensive assessment of their current use and health. The partnership between the Government and regional communities in water resources management through the establishment of eight catchment water management boards and the development of water plans for their areas is fundamental to implementing the plan.

The Minister for Water Resources will report annually to Parliament on the implementation of the priority actions and targets in the *State Water Plan 2000*.

Increased economic activity will also be generated by growth in water trading over the next few years, aided by an electronic licensing system which will provide a 'trading floor'. The Government is making a significant investment to establish this system in South Australia.

## **Regions**

The Government is committed to the development of regional South Australia in a way that recognises the interests and needs of regional communities. Regional people raised a number of issues during the consultation undertaken by the Regional Development Task Force. These issues reflected political, social and economic concerns that are not being adequately addressed. While some of the issues raised are not easily resolved, the Government is committed to working in partnership with local communities, business, the Commonwealth Government and local governments to progressively address them.

In devising solutions the Government is mindful of the need to work with regional communities and stakeholders so that there is effective local involvement in the decision-making processes.

Regional Development Boards continue to manage effective employment and incentive programs, resulting in the creation and retention of jobs and training opportunities in regional South Australia.

A firm commitment by the State Government to regional development has resulted in an environment conducive to business confidence and increased the attractiveness of the regions to private sector investors.

In January 2001 the Government released *Directions for Regional South Australia*, which establishes the principles to guide the pursuit of economic growth and social well-being of regional areas, and recognises the importance of the regions to the prosperity of the State. It adds value to the existing set of policies and service delivery mechanisms by identifying common goals, offering new coordination opportunities and ultimately achieving a whole of government approach to meeting the needs of regional people. These arrangements will continue to foster a focused and collaborative environment to benefit all South Australian regions.

As a demonstration of the State Government's commitment to regional development it has established the following:

- A Minister for Regional Development, who is a Senior Cabinet Minister, has particular responsibility for raising regional development issues in Cabinet.
- An Office of Regional Development, to advocate for a whole of government approach to regional development, which has coordinated input from relevant agencies on a range of regional development matters including housing, infrastructure, planning, regional staffing and Commonwealth-State relations.
- A Regional Development Council, to advocate on behalf of regions on issues at the State level, which meets quarterly and has given priority to the development of *Directions for Regional South Australia*.
- A Regional Development Issues Group, comprising senior State Government officers with authority to commit their agencies to action, which meets monthly and has coordinated joint agency action for implementing the recommendations of the Regional Development Task Force, including service planning and identification of infrastructure gaps.

- A strengthened system of strategically oriented regional development boards whose work over the past three years has facilitated the creation/retention of 6055 jobs and \$140 million of investment in regional South Australia and in 1999-2000, over 1600 jobs and business investment of \$62.9 million.
- A \$15.5 million Regional Development Infrastructure Fund to enable high priority infrastructure to be established promptly in regional South Australia, and has, up until 1 January 2001, assisted projects which will lead to the creation or retention of some 1570 jobs, and assisted investment in excess of \$368 million.

A major program, *Building a Stronger Regional SA*, will be initiated to encourage rural revitalisation through local community action. It will focus on assisting communities to use their capabilities and assets to maintain or enhance local development opportunities and improve their quality of life. Specific initiatives will include:

- Community Revitalisation Toolkit—a self-help guide to the economic development of small towns that will be a resource kit for regional and rural people who want to take responsibility for the future directions of their communities
- Mobilise Community Resources—supporting the formation of rural community foundations, encouraging collaboration between business, community and government in philanthropic endeavours
- Rural Leadership Development—creating more leaders in rural communities.

## 1.2. COMPETITIVE HUMAN SKILLS

### Introduction

Another critical factor in sustaining employment growth in the future is fostering the development of what may be called competitive human skills, that is, encouraging the emergence of the information economy through effective use of existing education and training infrastructure to develop an efficient and productive workforce in the new technologies. This will equip the new workforce to take full advantage of opportunities in new industries and diminish the number of unskilled workers who have a greater potential for long-term unemployment.

Skills training is critical to the survival and growth of businesses. Education, training and skills development are not a cost but, rather, an investment in South Australia's future.

Partnership between Government and industry is a key factor for creating intellectual property that can be commercialised. Such a partnership is also critical to ensuring that skill development is consistent with industry needs (with generic skills and job-specific skills as complements). The provision of relevant training and a commitment from all stakeholders for skill development of the workforce is required to gain a competitive advantage for South Australia.

In order to maximise South Australia's employment growth in the future it will be crucial that the following actions are taken:

- Ensure that the education, training and lifelong learning systems are of a high standard and that they produce a skilled, knowledgeable and adaptable workforce, closely oriented to the needs of industry and enterprises.
- Provide a workforce possessing competitive human skills to two growth areas of the future, the information economy, and the field of technological change and innovation.

## **Information Economy**

The primary objective of the Government's *IE 2002—Delivering the Future* policy statement is to ensure that all South Australians are encouraged and enabled to participate in the information economy, both nationally and globally.

The underlying message is that South Australians must work together to determine their own future, not as followers but as active participants and leaders.

*IE 2002* policy directions, which are aimed at improving the State's competitive human skills, include:

- enhancing the interaction of the community with Government in new and innovative ways online
- encouraging and facilitating active participation by all sections of the community in the information economy
- developing enterprise improvement programs which encourage small and medium-sized enterprises to conduct business electronically
- increasing awareness across the community of the internet, including through the provision of programs for businesses to create e-business strategies
- enabling state-school students to attain IT competency to participate in information economy programs
- establishing a framework to encourage innovation and commercially develop and protect South Australia's intellectual property.

## **Education, Training and Lifelong Learning**

While the training system is and needs to be led by industry, the State Government is an active partner in the system, and will continue to use its influence and funding powers to ensure that enterprise investment, expansion and retention is underpinned by effective skill development processes.

The Government is committed to developing an education and training system which facilitates a high quality of life for South Australians. Achieving this goal requires a sustained commitment from all sectors of the community to four key objectives, spanning all levels of education and training:

- All young people gain the knowledge and skills, including leadership skills, to build a foundation for future learning and development.
- All people have a desire for lifelong learning, as an investment in their future, including an accepted responsibility by employers and employees for ongoing skilling and re-skilling of the workforce.
- The education and training sector meets the current and emerging needs of industry and the community through enterprise education and the building of strong partnerships between business, education and the local community.
- Education and training is available to all people, including those such as the long-term unemployed who are marginalised in society, so that individuals have the skills for work, training and further education.

The Government's approach to employment is based on the recognition that the best way to secure jobs is by strengthening the capacity of individuals, businesses and local communities to respond to

the forces driving economic change. This is an approach that has required, and will continue to require, considerable patience and perseverance.

The Government remains committed to its ongoing programs of consultation with the community, to ensure that all views on ways to influence total employment are heard and considered. The Partnerships for Jobs Forum and the Job Workshops have been key parts of the consultations to date. The Government is now working with the Employment Council to ensure a greater focus on and coordination of economic development, education, training and employment-generating activities in South Australia. The council, established by the Government in 1999, comprises members from the business sector, unions and community organisations together with key government, employment, youth, training, education and industry representatives.

Another State Government program is *Partnerships 21*, which is a voluntary program for the local governance and management of public schools and preschools. Its fundamental purpose is to improve the quality of education, care and training for children and students of South Australia.

Through *Partnerships 21*, schools, children's services and TAFE institutions will have greater freedom and autonomy about how best to meet the needs of their children and students. The scheme recognises that parents and teachers working together can create better learning opportunities for children. A total of 90% of schools and preschools are expected to join *Partnerships 21* by early 2002.

## **Technology and Innovation**

Businesses most likely to succeed in the new era will be successful innovators with skilled workers who are able to generate or rapidly adopt new ideas and quickly develop and market new goods and services.

Strong innovative performance requires a supportive policy framework and culture; research and development (R&D) infrastructure; and an education system and industry capabilities that foster innovation, the commercialisation of ideas and the transfer of new knowledge throughout the community.

South Australia is, by many standards, an industrially sophisticated and technologically advanced society. The State has an excellent science and technology base on which to build, with world-class universities and a range of research and development organisations performing strongly in collaboration with industry. Each year more than \$700 million is invested in R&D in South Australia by the business sector, the State's three universities, Commonwealth Government agencies and State Government agencies.

There is also a growing awareness that, in addition to the higher education sector, the vocational education and training (VET) sector has a strong capability to provide skills development in areas such as biotechnology and information technology. VET programs will therefore be key contributors to realising the State's innovation strategies.

While State and Commonwealth governments have an important role in undertaking basic research, innovations that lead to new commercial products and production processes come primarily from the private sector. To assist the private sector, the State is pursuing a range of innovation initiatives to increase its global competitiveness and lay a strong foundation for economic and social development in the new millennium.

In May 2000 the Government released *Innovation, Science and Technology in South Australia*, a policy statement that outlines the Government's plans for promoting innovation. The statement provides a strategic framework for strengthening linkages across the State's innovation system, enhancing and capitalising on research and development capabilities and promoting skills development and entrepreneurship. A high level Innovation, Science and Technology Council has been established

to advise the Government, and comprises leaders and innovative thinkers from business, universities and research organisations.

A further development, Bio Innovation SA, was launched in March 2000, as South Australia's commitment to accelerate the development of a commercial bioscience industry in this State. A key strategy is to raise the level of investment in bioscience research by identifying new opportunities and facilitating research collaborations and industry partnerships. Its vision is to create a world-class bioscience industry in South Australia which fosters research and development, facilitates commercialisation and encourages global investment to ultimately enhance the State's economic and social future.

On 29 January 2001 the Prime Minister launched the Commonwealth's Innovation Action Plan, entitled *Backing Australia's Ability*. This plan was the culmination of two years of consultation with business, government, and the education and research communities. It is designed to encourage innovation, stimulate the research base and provide targeted support for the commercialisation of research outcomes.

The Government is working on maximising the opportunities provided by the Commonwealth Government through an Innovation Action Plan Working Group. This group, which consists of senior representatives from government agencies, will liaise with the Innovation, Science and Technology Council, business, and research and academic institutions.

Innovation in an economy is driven at a number of levels. One of the key elements is the activity of entrepreneurs, individuals who take risks in the face of uncertainty to open new markets, design products and develop innovative processes. Entrepreneurs are those who are able to quickly move on new opportunities and translate knowledge into economic activity. Such entrepreneurial activity is primarily undertaken in a business sense through the formation of start-up companies. The Government is working to build the entrepreneurial skills required and the environment necessary to support start-ups.

### **1.3. AN EFFICIENT AND EQUITABLE LABOUR MARKET**

#### **Introduction**

Sustained economic growth is the precondition for growth in employment. However, as the State's economic trends have demonstrated over the past 30 years, economic growth is necessary but not sufficient in its own right to address the State's unemployment problem.

An efficient labour market, where use of labour is maximised, is critical to personal well-being, social cohesion and economic progress. Unemployment poses costs to individuals, families, the community and the economy. Tackling the unemployment problem through a multifaceted, whole of government approach represents an investment in a more productive and competitive future for all South Australians.

The State Government aims to continue to develop the State as a prosperous and vibrant economy where industry competes successfully in global markets and sustainable economic growth underpins rising living standards. To maximise opportunities for the State to compete successfully in the global economy, South Australia requires a fully efficient and effective labour market.

The existence of high and prolonged levels of unemployment severely compromises the dynamic efficiency of the economy and has significant costs in terms of government expenditure on services such as welfare support, vocational training and job search assistance. Costs to the individual can include loss of income, poor health, social exclusion, homelessness, loss of self-esteem and confidence, and loss of vocational skills.

To achieve the State's social and economic objectives, the Government has a role in ensuring that groups who face disadvantage in the labour market are assisted to participate effectively, and to take up employment and training opportunities. Such groups include young people, older workers, indigenous South Australians and, because of their location, people in regional South Australia. There are a range of initiatives currently in place, and others to be implemented during the 2001-02 year, which will empower these groups in the labour market. The initiatives are consistent with the Employment Council's identification of the importance of an efficient labour market to employment growth in South Australia.

### **Incentives to Employ**

The Government will provide direct incentives to employers who employ disadvantaged people. In addition, the Government makes available a broad range of indirect subsidies to relevant organisations in an effort to stimulate the provision of employment opportunities. In 2001-02 \$3 million (\$12 million over four years) will be made available for the Private Sector Employment Program aimed at encouraging employers to employ unemployed people. Incentives under the program will target areas of employment growth and sustainability, with employers that engage those most disadvantaged in the labour market obtaining higher levels of subsidy.

The Government is active in assisting targeted groups through many other initiatives including, for example, employer incentives for the placement of mature-aged job seekers.

### **Young People**

The Government demonstrates its ongoing commitment to reducing the disproportionate level of unemployment among young people through a large suite of initiatives. In 2001-02 these initiatives will be expanded with the inclusion of the Youth Employment Program (\$2 million per annum), which will seek to develop responses at the local level to specific issues impacting on young people's involvement in their local labour market. This program will reach across existing support structures for young job seekers through a partnership approach.

Additionally, the Government continues to provide specific initiatives targeting young people to assist them in their transition to work. These include:

- payroll tax Trainee Wages Rebate Scheme
- South Australian Government Youth Training Scheme
- Public Sector Graduate Program
- Traineeship Support Program
- Upskill SA.

### **Older Workers and Indigenous South Australians**

An efficient labour market uses the skills and experience of all people who wish to work. In seeking to maximise the involvement of mature-aged people in the labour market, the Government makes available initiatives such as the Mature Age Employer Incentive Scheme, Skills Training Employment Payment and dedicated grants through Mature Age Support Programs.

The Government continues to provide apprenticeship and traineeship opportunities for indigenous job seekers through the Aboriginal Apprenticeship Program and the South Australian Government Youth Training Scheme. Where employers employ indigenous South Australians, incentives through the Private Sector Employment Program will be available.



## **Regional South Australia**

A focus of the Government's assistance for regional labour markets in South Australia is to improve their performance and minimise disparities between regions. Employment opportunities for regional people are closely linked to the development of local economies. Developing opportunities at a local level is a significant component of the initiatives the Government makes available for regional people and communities, complemented by establishing targets for regional participation in Statewide programs (such as the 40% regional participation rate for the South Australian Government Youth Training Scheme).

Significant employment opportunities for regional South Australia will arise from major infrastructure development such as the Adelaide–Darwin rail link and 'spin-off' programs such as the Employment for Regional and Remote Area Projects initiative.

Initiatives which specifically target regional labour markets include:

- Regional Employment Strategy (the Government will provide additional support to Regional Development Boards in 2001-02)
- South Australian Government Youth Training Scheme (40% regional participation)
- Working Towns
- Employment for Regional and Remote Area Projects
- Regional Industry Training and Employment Program
- Foundry Introductory Course.

Though many of the Government's activities aimed at developing an efficient and equitable labour market do target specific groups, they are also complementary and as such, provide assistance to groups beyond those specifically targeted (such as job seekers with a disability, women and people with minimal skills). A good example of such a program with broad ranging coverage is the Community Employment Assistance Program.

## 2. RECENT EMPLOYMENT TRENDS

Providing the appropriate economic environment to support the creation of jobs has been a high priority of the Government since it came into office in 1993. The Government remains committed to increasing employment opportunities for all South Australians.

This objective has seen the implementation of a number of policies and programs designed to foster the development of the State's economy, and encourage employment growth. The Government's suite of labour market programs is supported by a range of other initiatives designed to promote economic and employment development, including:

- an integrated investment attraction and industry development program designed to support new and existing companies in South Australia
- extensive support for South Australian businesses to help them improve their export performance
- maximising opportunities for the expansion of economic activity in regional areas to facilitate regional employment growth.

The Government remains committed to the development of a highly skilled, technologically and internationally competitive workforce, responsive to the needs of industry and business.

As a result of the initiatives taken by the Government in South Australia, in partnership with business and the South Australian community, substantial gains have been made on creating new and sustainable employment opportunities for South Australians. Building on this success, the Government will continue to develop and implement policies and programs that focus on stimulating the demand for labour and fostering an efficient highly skilled labour market in South Australia.

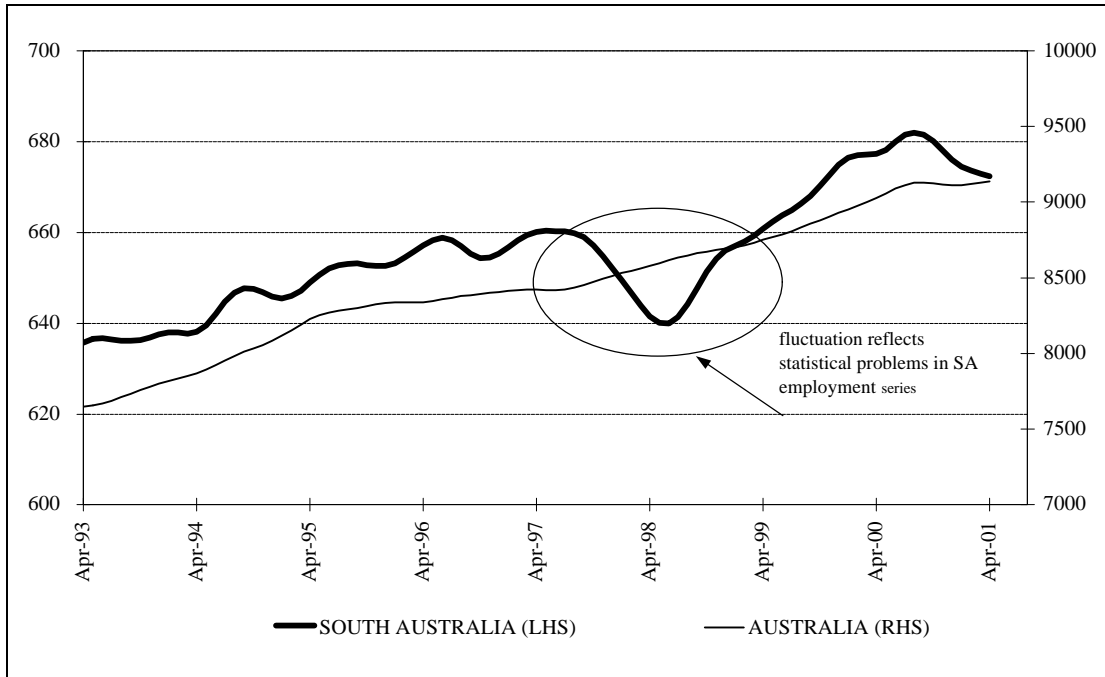
Internationally, economic conditions deteriorated during the latter part of 2000 and this has continued into 2001, indicating a general global downturn (the first since 1993). World growth forecasts for 2001 have been revised downwards, and the two largest world economies, Japan and the US, have experienced slower rates of growth in the first quarter of 2001. The International Monetary Fund and the US Federal Reserve warned in April 2001 that the global slowdown is not yet over. Nevertheless, expectations are that world and national economic growth rates will improve in 2002. In Australia the improvement will be partially driven by the Reserve Bank of Australia's (RBA) reductions in interest rates (totalling 1.25 percentage points between February and March 2001).

There is convincing evidence that the national and South Australian economies have slowed as a consequence of the international slowdown—with growth in Gross Domestic Product of just 0.1% (trend) in the December quarter. In South Australia there was a contraction in state final demand (SFD) of 0.2% in the December quarter following an increase of 0.3% in the September quarter 2000. However, SFD increased through the year to December by 2.0% (Gross State Product data are available in 1999-2000). The slowing in the rate of economic growth is reflected in weakness in the local labour market.

Key indicators of the outlook for national and South Australian economic activity remain mixed, and the interpretation of these indicators is still clouded to some extent by one-off factors that occurred in 2000-01 (eg The New Tax System, the Sydney Olympics, cuts in official interest rates by the RBA, and the introduction and subsequent doubling (for new dwellings) of the First Home Owners Grant for the remainder of 2001).

South Australia recorded solid economic growth over the past decade which resulted in the generation of approximately 35 000 jobs (in trend terms) since the Government came into office in December 1993. Despite the achievement of positive net employment growth over this period, the unemployment rate in South Australia remains higher than the national average. However, in the period between April 2000 and April 2001, the difference between the national and the South Australian trend unemployment rate fell from 1.5 percentage points to 0.5 percentage points.

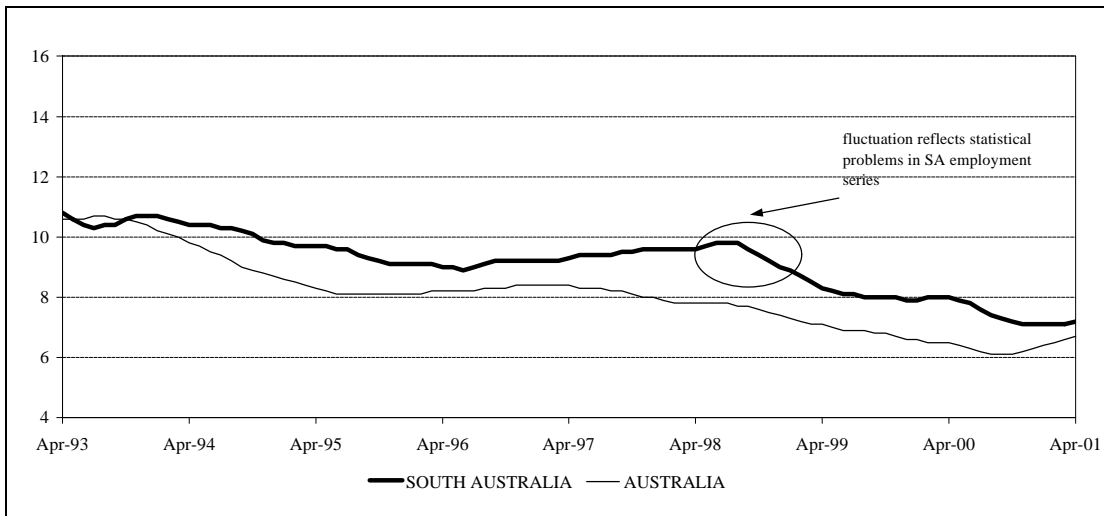
In April 2001, total employment in South Australia stood at over 672 000 in trend terms. Reflecting the impact on the labour market of the slowdown in the international and national economies, total employment in South Australia started to trend downwards from its most recent peak in August 2000 (see Figure 1)—falling by 1.4% to April 2001 (and down 0.7% from April 2000). Nationally, total employment also reached a peak in late 2000 but was less affected than in some individual States by the economic slowdown. Hence, as Figure 1 demonstrates, (trend) total employment at the national level rose marginally between August 2000 and April 2001 by 0.1% or 8300 jobs (and up 1.2% from April 2000).



**Figure 1: Total employment for South Australia and Australia—Trend estimates (000)**

Although total national employment rose, labour market weakness was apparent—between August 2000 and April 2001 there was a fall in full-time employment of 0.6% (or 41 400 jobs). As at the national level, growth in total employment masks significant changes that are taking place in the composition of the labour market in South Australia. Between August 2000 and April 2001, full-time employment in SA fell by 3.6%. In addition, during the same period, total (trend) male employment fell by 3.4% while total female employment increased by 1.1%.

South Australia’s trend unemployment rate in April 2001 was 7.2% (see Figure 2). Notwithstanding the recent slowdown in economic growth, the unemployment rate compares favourably with the rate of 10.7% when the Government came into office in December 1993.



**Figure 2: Unemployment rates for South Australia and Australia—Trend estimates (%)**

The key forward indicators of labour market activity reflect the weakening in the national economy and suggest that trend unemployment is likely to increase over the remainder of 2001, both nationally and in South Australia. However, expectations are that economic growth will strengthen (nationally and in South Australia) during 2002, and this is expected to revitalise the labour market.

Through the measures outlined in this Employment Statement, in addition to the range of policy initiatives in place to support industry and the State’s regions, South Australians can be confident about the future.

### 3. PROGRAM OUTLINES

#### BROAD THEMES IDENTIFIED BY THE EMPLOYMENT COUNCIL AND PROGRAM OUTLINES

The following program outlines have been detailed under the three central themes to stimulate employment growth identified by the Employment Council:

- stimulating demand
- competitive human skills
- an efficient and equitable labour market.

Some initiatives span more than one theme. In these cases programs are identified under the theme which best matches their primary objective(s).

The Office of Employment and Youth of the Department of Education, Training and Employment is currently undertaking a vigorous program of evaluation of all programs for which it is responsible. This evaluation will be completed toward the end of 2001 and will be reported in more detail in the 2002-03 Employment Statement, particularly on how the evaluation will shape future employment program responses.

Further, the Office of Employment and Youth will participate in the broader monitoring of government-wide programs impacting on employment growth in South Australia.

#### 3.1. STIMULATING DEMAND

##### Regional Employment Strategy

**Brief description:** The Regional Employment Strategy provides regions with the flexibility and autonomy to tailor initiatives to meet their unique regional employment needs. The Government will provide additional support in 2001-02 for the strategy.

**Target group(s):** Industry bodies, businesses, government agencies and individuals are invited to seek funding assistance for employment development activities which fit within the strategic development priorities of Regional Development Boards.

**How to access funds:** Funds are made available to Regional Development Boards in accordance with their strategic priorities. Funding contracts identify anticipated employment outcomes.

**Location(s):** Regional Development Boards operate in the following areas:

Adelaide Hills	Mid North	Riverland
Barossa	Murraylands	South East
Eyre Peninsula	Northern Adelaide	Whyalla
Fleurieu Peninsula	Northern	Port Pirie
Kangaroo Island	Yorke Peninsula	

The City of Onkaparinga provides the same service in Southern Metropolitan Adelaide as a Regional Development Board. Contact details for all Regional Development Boards are at the back of this statement.

**Performance as at 31 March 2001:** 1461 employment outcomes (compared with the target of 1656 for the year ending 30 June 2001).

## **Regional Industry Program**

**Brief description:** The Regional Industry Program seeks to improve the competitiveness of regional industry and the retention and creation of long-term employment in regional South Australia.

**Target group(s):** Regional business and potential investors in regional areas.

**How to access funds:** Funding is provided to support the operating costs of Regional Investment Boards. Financial incentives are provided by the Department of Industry and Trade for projects of regional significance that satisfy specific criteria.

**Location(s):** This program operates throughout regional South Australia.

**Performance as at 31 March 2001:** During the July 2000 to March 2001 period the Regional Industry Program secured investment commitments of \$38.5 million, resulting in the direct retention or creation of 1142 full-time jobs.

## **Enterprise Improvement Programs**

**Brief description:** Enterprise Improvement programs assist small and medium-sized enterprises to improve their international competitiveness and hence their prospects of maintaining or increasing employment.

The program subsidises the cost of consultancy services, workshops and other services, and is focused on the following areas:

- design
- quality management
- workplace issues
- strategic and business plans
- export market planning
- factory layouts
- financial and organisational restructuring within businesses.

**Target group(s):** Small to medium sized enterprises.

**How to access funds:** Contact The Business Centre, Department of Industry and Trade on (08) 8463 3805.

**Location(s):** This program is available throughout the State.

**Performance as at 31 March 2001:** 480 enterprises have been assisted.

## **Investment Attraction Program**

- Brief description:*** The Investment Attraction Program provides financial and other incentives for investment projects that meet specific growth criteria and that would otherwise not occur in South Australia to:
- assist local companies to reinvest in South Australian operations
  - attract complementary investment by companies new to South Australia
  - attract investment in key infrastructure, such as transport and telecommunications, to improve the South Australian economy.
- Target group(s):*** International, national and local investors.
- How to access funds:*** Contact Invest SA, Department of Industry and Trade on (08) 8303 2419.
- Location(s):*** This program is available throughout the State.
- Performance as at 31 March 2001:*** During the nine months between July 2000 and March 2001 the Investment Attraction Program has secured 30 projects, created or retained 3789 jobs, and secured investment totalling \$201.1 million.

## **Working Towns**

- Brief description:*** The Working Towns Program funds business and community groups to undertake innovative projects that stimulate local economies and create employment.
- Target group(s):*** Community organisations and business associations.
- How to access funds:*** Funds are provided for projects through Regional Development Boards. Incorporated associations such as traders' associations may submit proposals for consideration.
- Location(s):*** This program is available throughout the State, but has a focus on regional areas.
- Performance as at 31 March 2001:*** 768 businesses have been assisted; 500 are targeted for 2000-01. A successful Working Towns Conference was held in Naracoorte in March 2001.

## **Regional Development Infrastructure Fund**

- Brief description:*** The Regional Development Infrastructure Fund supports regional economic development through encouraging the provision of regional infrastructure.
- The Government has committed \$15.5 million for the three years to 30 June 2002, providing support to regional infrastructure projects that meet specific criteria (including contribution to employment) established by the Department of Industry and Trade.
- Target group(s):*** Regional infrastructure providers.
- How to access funds:*** Contact Infrastructure SA, Department of Industry and Trade on (08) 8303 2024.
- Location(s):*** This fund operates throughout regional South Australia.
- Performance as at 31 March 2001:*** As at March 2001 assistance provided to private infrastructure providers amounted to \$1.72 million. While direct jobs are not the primary outcome, the projects approved to date have resulted in a commitment to the creation or retention of 337 jobs.



## **Partners in Rail**

### ***Brief description:***

Partners in Rail, established by the Premier, the Hon John Olsen in conjunction with Business SA, identifies and stimulates opportunities for South Australian industry, which are generated by the Adelaide–Darwin rail link project. It encourages industries, regional communities and government agencies to work together to maximise local involvement in construction of the rail link.

Up to 7000 workers will be required to make and supply materials to build the line, 1300 of these will work in jobs on site.

Partners in Rail involves collaboration with a number of organisations including:

- agencies from Commonwealth, South Australian, Northern Territory and local governments
- Austral Asia Railway Corporation
- Asia Pacific Transport Consortium and ADrail, its design and construct arm
- Rail Partnership Group
- Upper Spencer Gulf Common Purpose Group
- industry groups and associations eg Business SA

### ***Target group(s):***

Local enterprises, interstate and overseas traders

### ***How to access funds:***

Partners in Rail, Department of Industry and Trade on (08) 8303 2180

### ***Location(s):***

Statewide

### ***Performance as at 30 April 2001:***

1087 South Australian companies have registered their interest in contract opportunities; 2870 South Australians have registered on the employment register. Contracts to the value of \$140 million have been awarded to South Australian based companies.

## **On Track for the Future (Employment for Regional and Remote Area Projects)**

- Brief description:** The Employment for Regional and Remote Area Projects initiative aims to strengthen investment attraction in major infrastructure projects in regional and remote South Australia. This will be achieved by developing a pool of 'project ready' workers available to meet the demand for labour by new investors in South Australia.
- Target group(s):** International, national and local investors.
- How to access funds:** Contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5552.
- Location(s):** This program operates throughout regional South Australia.
- Performance as at 31 March 2001:** On Track for the Future is based on the model used to date by Partners in Rail for the Adelaide–Darwin rail link.
- For 2001-02 the major infrastructure projects identified by the Department of Industry and Trade requiring employment plans are:
- Adelaide–Darwin rail link
  - South Australian Magnesium Project (SAMAG).

## **Private Sector Employment Program**

- Brief description:** The Private Sector Employment Program will support employment growth in the South Australian economy by providing incentives and advice to employers within strategic employment growth areas to create sustainable jobs.
- Target group(s):** Incentives will provide financial assistance to employers engaging unemployed people, and will be targeted to areas which have the potential to provide sustainable employment, such as employment growth sectors and areas experiencing current skills shortages.
- A sliding scale of incentives will be developed, with employers who engage those most disadvantaged in the labour market being eligible for the highest level of subsidy.
- How to access funds:** Contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5561.
- Location(s):** This program is available throughout the State.
- Performance as at 31 March 2001:** The Private Sector Employment Program will start in 2001-02.

## 3.2. COMPETITIVE HUMAN SKILLS

### Government Apprenticeship Scheme

<b><i>Brief description:</i></b>	<p>The Government Apprenticeship Scheme provides a centralised recruitment and placement service for State Government apprentices and trade trainees.</p> <p>Agencies provide on-the-job training and are responsible for the daily management of the apprentices they host.</p> <p>Positions are advertised each June with successful applicants starting in January of the following year.</p> <p>The scheme also subsidises the placement of eligible apprentices.</p>
<b><i>Target group(s):</i></b>	State Government agencies.
<b><i>How to access funds:</i></b>	Contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5594.
<b><i>Location(s):</i></b>	This program is available throughout the State.
<b><i>Performance as at 31 March 2001:</i></b>	18 participants have commenced; 30 commencements are targeted for 2000-01.

### Regional Industry Training and Employment Program

<b><i>Brief description:</i></b>	<p>The Regional Industry Training and Employment program (RITE) is a program designed to promote the benefits and value of training to small businesses, and to develop closer links between businesses and training providers such as TAFE, group training schemes, private providers and business support organisations.</p> <p>Benefits from the training include increased employment opportunities and greater competitiveness in the local market. These clusters also generally form a sustainable network.</p>
<b><i>Target group(s):</i></b>	Small businesses and industry associations.
<b><i>How to access funds:</i></b>	Funds are provided for projects through Regional Development Boards. Industry associations and groups of small businesses may submit proposals in consultation with Regional Development Boards or directly to the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5571.
<b><i>Location(s):</i></b>	RITE is delivered in regions and industry clusters across South Australia.
<b><i>Performance as at 31 March 2001:</i></b>	120 businesses have been assisted; 120 businesses are targeted for assistance during 2000-01.

## **Human Resource Advisory Service**

- Brief description:*** The Human Resource Advisory Service (HRAS) provides up to 20 hours of partially subsidised human resource consultancy services to small businesses. The consultants provide these businesses with 'tailor made' services to address their particular human resource and employment issues. The first two hours of assistance are provided free, while the maximum government subsidy available is \$848 for a 20-hour consultancy.
- Target group(s):*** Businesses with an annual payroll of up to \$700 000 anywhere in the State.
- How to access funds:*** Consultancy services can be accessed through Business SA, Business Enterprise Centres and Regional Development Boards. Further information can be obtained from the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5555.
- Location(s):*** HRAS is delivered Statewide.
- Performance as at 31 March 2001:*** 307 businesses have been assisted; 470 businesses are targeted for assistance during 2000-01.

## **Foundry Industry Training**

- Brief description:*** Foundry Industry Training aims to encourage a training ethic and foster skills development in the foundry industry.
- Training material for targeted skills training for existing employees is developed by the Department of Industry and Trade and provided to the foundry industry.
- The Department of Education, Training and Employment provides funding assistance for the training, and the Engineering Employers' Association of South Australia provides training support. The South Australian Centre for Manufacturing has conducted the skill survey for the project and produced the training material.
- Target group(s):*** Employers in the foundry industry.
- How to access funds:*** Contact the South Australian Centre for Manufacturing, Department of Industry and Trade on (08) 8300 1500.
- Location(s):*** The program is delivered Statewide.
- Performance as at 31 March 2001:*** Two courses have been conducted to date and it is anticipated that at least another 12 courses will be offered.
- Feedback from employers and employees about the training has been extremely positive.

### 3.3. AN EFFICIENT AND EQUITABLE LABOUR MARKET

#### New Apprenticeships

- Brief description:** This program funds training for apprentices and trainees and ensures that quality training through the State's network of private, industry and TAFE training providers continues to support the estimated 30 090 apprentices and trainees presently in training in South Australia. Under this program employers and their apprentices and trainees are able to select the registered training organisation (RTO) of their choice.
- Target group(s):** Young South Australians, particularly school leavers and unemployed people between the ages of 15 and 24, who enter an apprenticeship or traineeship with an employer.
- How to access funds:** Both TAFE and non-TAFE RTOs apply for funds for the delivery of training. Contact the Office of Vocational Education and Training, Department of Education, Training and Employment on (08) 8226 3398.
- Location(s):** RTOs deliver training in metropolitan and regional country areas.
- Performance as at 31 March 2001:** 18 730 apprentices and trainees commenced Contracts of Training between January and December 2000.

#### Youth Employment Program

- Brief description:** The Youth Employment Program will make funds available to local communities to enable them to identify the specific issues affecting young people's involvement in their local labour market and to implement strategies to address these.
- Responses at the local level will be developed in partnership with existing support structures such as Regional Development Boards, local councils and Job Network employment services providers.
- Target group(s):** Funds will be targeted to regions with high levels of unemployment among 15–24 year-olds.
- How to access funds:** Contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5555.
- Location(s):** See *Target group(s)*.
- Performance as at 31 March 2001:** The Youth Employment Program will commence in 2001-02.

## **State Government Youth Training Scheme**

**Brief description:** The South Australian Government Youth Training Scheme, since 1993, has employed some 8500 young South Australians as trainees in the public sector.

The scheme provides an accredited National Training Wage Traineeship placement for 12 months, combining formal vocational training with practical work experience in order to enhance the skill levels and future employment prospects for young unemployed people. For many participants these traineeships are their first employment opportunity.

**Target group(s):** Young unemployed people aged between 17 and 24; young people aged between 17 and 28 who are of Aboriginal or Torres Strait Islander descent, who have a declared disability or are currently or have previously been under the Guardianship of the Minister for Human Services, can apply for traineeships.

**How to access funds:** Contact the Office of Employment and Youth, Department of Education, Training and Employment on 1800 811 985.

**Location(s):** The program is delivered Statewide.

**Performance as at 31 March 2001:** 301 placements have been identified; 278 participants have commenced.

The majority of trainees will commence during April/May 2001.

## **Traineeship Support**

**Brief description:** The Traineeship Support program supports the placement of public sector trainees in Regional Development Boards. The Office of Employment and Youth, Department of Education, Training and Employment acts as the host employer and funds the salaries of the trainees.

**Target group(s):** Young people seeking traineeships in areas other than Adelaide.

**How to access funds:** Contact the Office of Employment and Youth, Department of Education, Training and Employment on 1800 811 985.

**Location(s):** Trainees are placed in country locations throughout the State.

**Performance as at 31 March 2001:** 15 trainees have been placed; 16 placements are targeted for 2000-01.

## **Upskill SA**

<b><i>Brief description:</i></b>	Upskill SA is a joint arrangement between State Government agencies and private sector contractors that aims to increase training and employment opportunities for young South Australians through formal traineeships and apprenticeships.  The initiative requires that all State Government contracts with an estimated minimum value of \$500 000, as well as some contracts between \$100 000 and \$500 000, in skill shortage areas, devote 10% of the labour hours of the contract to trainees or apprentices.
<b><i>Target group(s):</i></b>	Contractors and tenderers for State Government contracts.
<b><i>Location(s):</i></b>	The initiative applies to relevant State Government contracts throughout South Australia.
<b><i>Performance as at 31 March 2001:</i></b>	15 new contracts and 22 ongoing contracts include the Upskill SA requirement; 41 036 training hours have been generated.  The model for Upskill SA is being reviewed and further performance indicators developed for 2001-02.

## **Special Employment Initiatives (Equity)**

<b><i>Brief description:</i></b>	Special Employment Initiatives (Equity) provides funds for projects designed to enhance education, training and job opportunities for people disadvantaged in their search for employment.  Examples of projects include support for disability programs; pre-employment training programs for women seeking careers in non-traditional occupations; programs for pre-release or ex-offenders; and programs for people from culturally and linguistically diverse backgrounds.
<b><i>Target group(s):</i></b>	Unemployed people who are disadvantaged in their search for employment.
<b><i>How to access funds:</i></b>	Contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5556.
<b><i>Location(s):</i></b>	The program can be accessed Statewide.
<b><i>Performance as at 31 March 2001:</i></b>	There have been 25 employment outcomes, 61 currently participating in programs which will lead to employment outcomes; 80 outcomes are targeted for 2000-01.

## **Mature Age Employer Incentive Scheme**

<b><i>Brief description:</i></b>	<p>The Mature Age Employer Incentive Scheme assists employers by providing a financial incentive to employ persons aged 40 years and over.</p> <p>A maximum payment of \$2000 is available to employers hiring an eligible mature-aged person. The employee must be employed for a minimum of 20 hours per week on a full-time, part-time or casual basis.</p> <p>The Mature Age Employer Incentive Scheme grant is in addition to any other grants or incentives available through the Commonwealth Government.</p>
<b><i>Target group(s):</i></b>	Employers, and unemployed and retrenched people over 40 years of age.
<b><i>How to access funds:</i></b>	Businesses considering employing a mature-aged job seeker should contact the Office of Employment and Youth, Department of Education, Training and Employment on 1800 154 117.
<b><i>Location(s):</i></b>	The scheme can be accessed Statewide.
<b><i>Performance as at 31 March 2001:</i></b>	153 employment outcomes.



## **Mature Age Support Programs**

<b><i>Brief description:</i></b>	<p>The Mature Age Labour Market Forums, the Mature Age Awareness Campaign and Skills Development Training Grants are components of a comprehensive strategy aimed at improving employment opportunities and outcomes for people over the age of 40:</p> <ul style="list-style-type: none"><li>• The forums provide information and advice on employment issues specific to the needs of mature aged people.</li><li>• Communicating the advantages of employing mature workers is the focus of the Mature Age Employer Awareness Campaign. While providing information on incentives available to employers hiring people over the age of 40, the campaign highlights the valuable contribution of mature-aged workers to the workplace.</li><li>• Skills Training Grants are made available to support mature-aged job seekers to undertake training. Training focuses on industries experiencing strong growth and/or skill shortages. Grants can link to the Skills Training Employment Payment.</li></ul> <p>A minimum of 2500 job seekers will access this program over the three-year period from 1999-2000 to 2001-02.</p>
<b><i>Target group(s):</i></b>	Unemployed people over the age of 40 and employers.
<b><i>How to access funds:</i></b>	Contact the Office of Employment and Youth, Department of Education, Training and Employment on 1800 154 117.
<b><i>Location(s):</i></b>	Programs are delivered Statewide.
<b><i>Performance as at 31 March 2001:</i></b>	1250 training grants (1478 participants) have been approved.

## **Skills Training Employment Payment**

<b><i>Brief description:</i></b>	<p>The Skills Training Employment Payment provides incentives to Registered Training Organisations which assist mature-aged people (in a brokerage-type role) who have undertaken a Skills Training Grant (provided through the Mature Age Support Program) to gain employment. This initiative seeks to encourage trainers to actively work towards generating employment outcomes for participants.</p>
<b><i>Target group(s):</i></b>	RTOs and mature-aged participants who obtained a Skills Training Grant through the Mature Age Support Program.
<b><i>How to access funds:</i></b>	Contact the Office of Employment and Youth, Department of Education, Training and Employment on 1800 154 117.
<b><i>Location(s):</i></b>	The program is available throughout the State.
<b><i>Performance as at 31 March 2001:</i></b>	The program will be implemented in 2001-02. 12 RTOs have already applied for the payment.

## **Aboriginal Apprenticeship Program**

***Brief description:*** The Aboriginal Apprenticeship Program will support the delivery of 60 Aboriginal apprenticeships across South Australia. These apprenticeships will be particularly targeted to growth industries to provide a positive long-term outcome for participants.

Companies employing these apprentices will be funded for wage costs on a sliding scale.

***Target group(s):*** Aboriginal people 16 years and over will be eligible to apply, although the following groups will be given priority:

- current pre-vocational students who have shown commitment in their chosen field of study
- secondary students who have completed Year 11
- secondary students who are undertaking SACE
- people who have been working in trade areas without qualifications
- people in remote communities who have access to on-the-job training.

***How to access funds:*** Contact the Office of Employment and Youth, Department of Education, Training and Employment on 1800 811 985.

***Location(s):*** The program is available Statewide.

***Performance as at 31 March 2001:*** There have been 28 commencements; 30 placements are targeted for 2000-01. Target placements for 2000-01 will be exceeded and additional placements will be made available.

A further 30 placements will be made available in 2001-02.

## **Foundry Introductory Course**

- Brief description:*** The Foundry Introductory Course provides an opportunity for potential employees to gain employment in the foundry industry. By involving employers in the delivery of the on-the-job component of the course, this program also assists employers in the foundry industry to access potential employees at less cost than would otherwise be the case.
- The course consists of a five-day training and information program including theory, safety and operational aspects of foundry operations. The course also includes three days of on-the-job training in a foundry. Participants who complete the course are then placed on a register at a labour hire agency.
- Target group(s):*** Potential foundry industry employees. Seven South Australian foundries are participating in the project with the South Australian Centre for Manufacturing.
- How to access funds:*** Contact the South Australian Centre for Manufacturing, Department of Industry and Trade on (08) 8300 1500.
- Location(s):*** The program is delivered Statewide.
- Performance as at 31 March 2001:*** Over 200 people have participated to date. Approximately 60% of those participants are currently employed in the foundry industry.

## **Payroll Tax Trainee Wages Rebate Scheme**

**Brief description:** The payroll tax Trainee Wages Rebate Scheme is designed to assist employers who pay wages to employees engaged under an approved apprenticeship or traineeship scheme, pursuant to a Contract of Training.

Where an eligible trainee is recruited, employers will receive a significant rebate on payroll tax incurred for the trainee.

**Target group(s):** Businesses throughout the State employing new trainees who meet specific criteria.

**How to access funds:** Contact RevenueSA, Department of Treasury and Finance on (08) 8226 3803.

**Location(s):** The program is available throughout the State.

**Performance as at 31 March 2001:** Rebate applications are made every six months for the periods January to June and July to December. Employers seeking a rebate lodge their applications within six months after the close of the relevant rebate period. Therefore the following outcomes are for the 1999-2000 period.

During the July 1999 to December 1999 period:

- 356 employers with 8915 apprentices/trainees applied for a rebate
- the corresponding rebate paid to employers by the State Government amounted to approximately \$6.75 million.

During the January 2000 to June 2000 period:

- 414 employers with 10 716 apprentices/trainees applied for a rebate
- the corresponding rebate paid to employers by the State Government amounted to approximately \$7.65 million.

## **Public Sector Graduate Program**

**Brief description:** The South Australian Government Youth Recruitment Initiative Graduate Recruitment Program provides for an intake of 600 graduates into the public sector during the period from 1 July 1998 to 30 June 2001.

**Target group(s):** University graduates 24 years of age or younger.

**How to access funds:** State Government agencies can access the program through the Office for the Commissioner for Public Employment.

**Location(s):** The program is available throughout the State.

**Performance as at 31 March 2001:** 130 graduates have been placed for the current Graduate Recruitment Program (1 July 2000 to 31 March 2001). During the course of the program from 1 July 1998 to 31 March 2001, 432 graduates have been placed. An additional 168 placements are expected to be made available to meet the targeted 600 for the program.

## **Community Employment Assistance Program**

- Brief description:*** The Community Employment Assistance Program provides assistance to vulnerable unemployed people who experience barriers to employment. It has two components:
- Grant—The program provides grants to relevant service providers for developing opportunities for vulnerable job seekers to acquire the skills, experience and support necessary to find employment.
  - Incentive—a financial incentive is offered to employers who employ participants of the Community Employment Assistance Program for up to six months.
- Target group(s):*** The program targets vulnerable groups such as long-term unemployed people, indigenous South Australians, mature-aged people, migrants, people with a disability, people who are rurally isolated and families experiencing intergenerational unemployment.
- How to access funds:*** For grants contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5556.
- For incentives contact the Office of Employment and Youth, Department of Education, Training and Employment on (08) 8463 5558.
- Location(s):*** Projects are funded throughout the State.
- Performance as at 31 March 2001:*** The Community Employment Assistance Program began in March 2001. Tenders were invited from interested parties and 25 projects have been approved to commence in May and June 2001. It is not anticipated that outcomes will be reported from this program until after July 2001.

## **4. GENERAL CONTACT DETAILS**

### **OFFICE OF EMPLOYMENT AND YOUTH**

GPO Box 1152  
ADELAIDE SA 5001  
Telephone: 8463 5574  
Facsimile: 8463 5576  
Email: [programs.emp@saugov.sa.gov.au](mailto:programs.emp@saugov.sa.gov.au)  
Website: [www.employment.sa.gov.au](http://www.employment.sa.gov.au)

### **PAYROLL TAX TRAINEE WAGES REBATE SCHEME**

Revenue SA  
Department of Treasury and Finance  
GPO Box 1353  
ADELAIDE SA 5001  
Telephone: 8226 7929  
Facsimile: 8226 3737  
Email: [revenuesa@saugov.sa.gov.au](mailto:revenuesa@saugov.sa.gov.au)

### **THE BUSINESS CENTRE**

145 South Terrace  
ADELAIDE SA 5000  
Telephone: 8463 3800  
Facsimile: 8231 1199  
Email: [business.info@saugov.sa.gov.au](mailto:business.info@saugov.sa.gov.au)

### **BUSINESS SA**

136 Greenhill Road  
UNLEY SA 5061  
Telephone: 8300 0000  
Facsimile: 8300 0001  
Email: [enquiries@business-sa.com](mailto:enquiries@business-sa.com)

### **DEPARTMENT OF THE PREMIER AND CABINET**

(for copies of *Directions for South Australia* and *Statement of Economic Directions*)

GPO Box 2343  
ADELAIDE SA 5001  
Telephone: 8226 3500  
Facsimile: 8226 3535  
Website: <http://www.sacentral.sa.gov.au>

## REGIONAL DEVELOPMENT BOARDS

### ADELAIDE METRO

City of Onkaparinga  
PO Box 1  
NOARLUNGA CENTRE SA 5168  
Telephone: 8384 0621  
Facsimile: 8382 8744  
Email: [brihal@onkaparinga.sa.gov.au](mailto:brihal@onkaparinga.sa.gov.au)

Northern Adelaide Development Board  
PO Box 270  
SALISBURY SA 5108  
Telephone: 8250 8606  
Facsimile: 8258 1767  
Email: [admin@nadb.org.au](mailto:admin@nadb.org.au)  
Website: <http://www.nadb.org.au>

### ADELAIDE HILLS

#### FLEURIEU

#### KANGAROO ISLAND

Adelaide Hills Regional Development Board  
PO Box 372  
STIRLING SA 5152  
Telephone: 8370 8808  
Facsimile: 8370 8872  
Email: [ahrdb@adelaide-hills.com.au](mailto:ahrdb@adelaide-hills.com.au)  
Website: <http://www.adelaide-hills.com.au/ahrdb>

Fleurieu Regional Development Corporation Inc  
10 Dawson Street  
GOOLWA SA 5214  
Telephone: 8555 5555  
Facsimile: 8555 5566  
Email: [frdc@fleurieu.com.au](mailto:frdc@fleurieu.com.au)

Kangaroo Island Development Board Inc  
PO Box 471  
KINGSCOTE SA 5223  
Telephone: 8553 3211  
Facsimile: 8553 3158  
Email: [kidb@kin.on.net](mailto:kidb@kin.on.net)  
Website: <http://www.ki.com.au>

### MURRAYLANDS

#### SOUTH EAST

Murraylands Regional Development Board Inc  
PO Box 134  
MURRAY BRIDGE SA 5253  
Telephone: 8532 1202  
Facsimile: 8532 1768  
Email: [mrdbi@lm.net.au](mailto:mrdbi@lm.net.au)

South East Economic Development Board Inc  
PO Box 1445  
MT GAMBIER SA 5290  
Telephone: 8723 1057  
Facsimile: 8723 1286  
Email: [info@seedb.org.au](mailto:info@seedb.org.au)  
Website: <http://www.seedb.org.au>

**MID NORTH  
PORT PIRIE  
YORKE PENINSULA**

Mid North Regional Development Board  
6 Gleeson Street  
CLARE SA 5453  
Telephone: 8842 3115 or 8842 3406  
Facsimile: 8842 1275  
Email: mnrdb@capri.net.au

Port Pirie Regional Development Board Inc  
85 Ellen Street  
PORT PIRIE SA 5540  
Telephone: 8632 5633  
Facsimile: 8632 5724  
Email: board@pprdb.com.au

Yorke Regional Development Board Inc  
PO Box 396  
KADINA SA 5554  
Telephone: 8821 3177  
Facsimile: 8821 3649  
Email: yrdb@yp-connect.net  
Website: <http://www.yp-connect.net/~yrdb>

**BAROSSA  
RIVERLAND**

Barossa Light Development Inc  
Unit 6/109 Murray Street  
TANUNDA SA 5352  
Telephone: 8563 3603  
Facsimile: 8563 3584  
Email: [bld@dove.net.au](mailto:bld@dove.net.au)  
Website: <http://www.bld.mtx.net>

Riverland Development Corporation  
PO Box 839  
BERRI SA 5343  
Telephone: 8582 2155  
Facsimile: 8582 2513  
Email: rdc pam@riverland.net.au  
Website: <http://www.riverland.net.au/~rdc>

**SPENCER**

Eyre Regional Development Board  
89 Liverpool Street  
PORT LINCOLN SA 5606  
Telephone: 8682 6588  
Facsimile: 8682 5081  
Email: reception@erdb.org.au

Northern Regional Development Board Inc  
PO Box 1762  
PORT AUGUSTA SA 5700  
Telephone: 8641 1444  
Facsimile: 8642 6951  
Email: admin@nrdb.com.au

Whyalla Economic Development Board Inc  
PO Box 804  
WHYALLA SA 5600  
Telephone: 8645 7811  
Facsimile: 8645 1278  
Email: wedb@wedb.com.au  
Website: <http://www.wedb.com.au>



## **BUSINESS ENTERPRISE CENTRES**

Eastside Business Enterprise Centre  
174 Fullarton Road  
DULWICH SA 5065  
Telephone: 8331 1855  
Facsimile: 8331 1977  
Email: [eastside@eastsidebec.com.au](mailto:eastside@eastsidebec.com.au)  
Website: <http://www.eastsidebec.com.au>

Northern Adelaide Business Enterprise Centre  
59 Commercial Road  
SALISBURY SA 5108  
Telephone: 8250 8606  
Facsimile: 8258 1767  
Email: [bec@nadb.org.au](mailto:bec@nadb.org.au)

Southern Success Business Enterprise Centre  
128 Main South Road  
MORPHETT VALE SA 5162  
Telephone: 8326 6511  
Facsimile: 8326 6922  
Email: [drc@ssbec.com.au](mailto:drc@ssbec.com.au)

Inner West Business Enterprise Centre  
49a Orsmond Street (corner of Milner and Orsmond Street)  
HINDMARSH SA 5007  
Telephone: 8346 8499  
Facsimile: 8346 8655  
Email: [iwbec@bec.org.au](mailto:iwbec@bec.org.au)  
Website: <http://www.bec.org.au>

Tea Tree Gully Business Enterprise Centre  
999 North East Road (between Tea Tree Gully Council and McLeod Tyres)  
MODBURY SA 5092  
Telephone: 8396 6169  
Facsimile: 8396 6165  
Email: [becttg@becttg.sa.gov.au](mailto:becttg@becttg.sa.gov.au)  
Website: <http://www.becttg.sa.gov.au>

Western Area Business Enterprise Centre  
6 Todd Street  
PORT ADELAIDE SA 5015  
Telephone: 8440 2440  
Facsimile: 8440 2442  
Email: [wabec@senet.com.au](mailto:wabec@senet.com.au)  
Website: <http://wabec.senet.com.au>