



Call for Submissions

Inquiry into Positioning All South Australians to Share in the Benefits of Economic Growth

4 April 2024



Government of
South Australia

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Positioning All South Australians to Share in the Benefits of Economic Growth

Purpose of inquiry

The South Australian Productivity Commission has been asked by the Premier to undertake an inquiry into how to improve economic participation amongst disadvantaged South Australians and position all South Australians to share in the benefits of economic growth. In particular, we have been asked to explore:

- the root causes of the state’s persistently high long-term unemployment, including any regional dimension to the problem;
- the potential for effectively delivered and targeted advice and support in the education and training system to help South Australians find the right career path for them, and thereby reduce disadvantage; and
- the potential for South Australian Government policy interventions to deliver a win-win outcome of reducing disadvantage and helping to address the skills needs of the state’s employers.

The Commissioners for this inquiry are Mr Adrian Tembel (Presiding Commissioner for the inquiry and Chairman of the Commission) and Professor Christopher Findlay. They are supported by a team at the Office of the SA Productivity Commission led by Steve Whetton, CE of the Office.

The Commission is focused on making sure that any findings and recommendations it makes are firmly based on evidence. Submissions from the community, including data and case studies, is an important form of evidence and we encourage interested individuals and organisations to make submissions to the inquiry.

This section provides some background to the initial areas of focus for the inquiry, and the following section includes details on how to make a submission.

Inquiry timeline



Submissions

Submissions are welcomed on any area relevant to the terms of reference set by the Premier for this inquiry (see Attachment A). Submissions received will be published on the Commission website unless confidentiality is requested.

We are particularly interested in any evidence that can help address any of the following initial research questions:

- Why is long-term joblessness more common in South Australia than most of the country?

- What are the most significant pathways that lead people into long-term joblessness in South Australia? And what are the most significant barriers that stop the long-term jobless from returning to the workforce?
- How do the barriers to finding jobs differ based on where South Australians live?
- Which elements of career counselling and support are working well in South Australia, and which could be improved?
- Are there examples of effective career counselling and support, whether for school students or for people considering career change or re-entering the workforce? These examples need not be in South Australia, we are also interested in example of good practice in other states or internationally.
- Are there good examples of support offered to help high school students to leave school to further education or a secure career path? These examples need not be in South Australia, we are also interested in example of good practice in other states or internationally.
- Are there examples of policies or interventions that are effective at reducing the regional disparity in access to university education?
- What are the most significant drivers of the low completion rates seen in many apprenticeships, particularly in construction related trades?
- Are there good examples of support offered to help retain students in the VET sector, particularly in apprenticeships and traineeships? These examples need not be in South Australia, we are also interested in example of good practice in other states or internationally.

Background

Long term joblessness in South Australia

Despite the overall strength of the South Australian labour market, there are currently around 10,000 long-term unemployed in South Australia, accounting for 27 per cent of the unemployed, the highest share in the country.

People who are long term unemployed are more likely to have lower qualification levels, are more likely to be male and are more likely to be older.

The most common barriers to finding work reported by the long-term unemployed were “Too many applicants for available jobs” reported by 72 per cent and “Lacked necessary skills, education or experience” reported by 71 per cent.

This suggests that (lack of suitable) skills may be an important part of any policy solution whether to reduce inflows into long-term unemployment or to enable a higher proportion of the long-term unemployed to find work.

In addition to those who are formally classified as unemployed, there are also a substantial number of South Australians who would be interested in working if the barriers to their participation were address, but who are currently discouraged from actively seeking work.

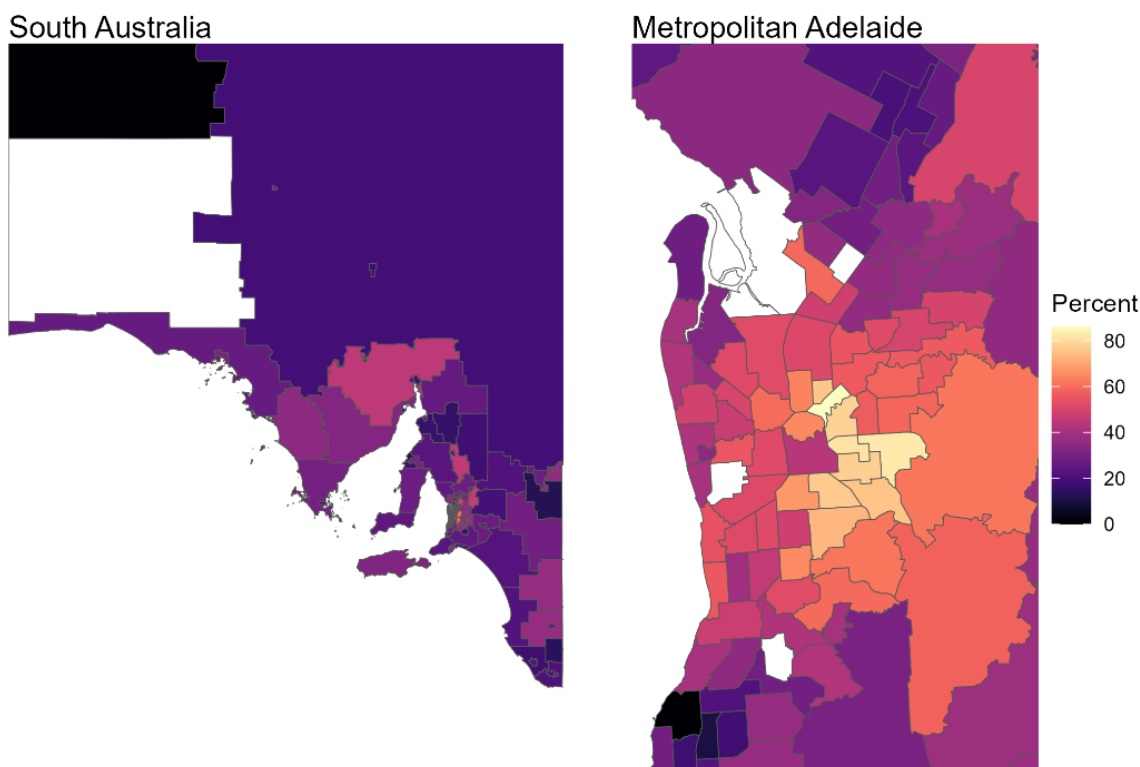
We are interested in exploring the experiences of both of these groups, and SA Government policies that could be helpful in addressing barriers to their participation in work.

Access to post-school education

Post-school qualifications are required for a majority of the jobs currently facing skills shortages. They are also an effective way of reducing the chance of long-term unemployment, and to increase earnings from work.

However, there are substantial inequalities in the propensity of young people to enrol in university based on where they live, which appear to be related, in part, to the socioeconomic differences between these regions.

19 year-olds enrolled in university by the SA2 of their usual residence at age 14, per cent of population aged 19.



Note: SA2s with a 19 year old population of 0 are white

Source: Australian Bureau of Statistics (2023) 2021 Census TableBuilder

Overall commencement rates for VET courses are relatively low compared to degree level courses, with around 10 per cent of South Australian 19-year-olds enrolled in a vocational education and training (VET) course.

Completion rates also appear to be lower for VET qualifications than for university courses. Data from the National Centre for Vocational Education Research (NCVER) estimates that only 47.6 per cent of students who start a VET qualification will complete it.¹

Drop out rates from many of the apprenticeships connected to building trades appear to be even higher, making it harder for the state to deliver the level of house building needed for our growing population. And recent increases in commencements in many of these building trades have not led to equivalent increases in completions.

¹ Skills SA (2024), National Vocational Education and Training Completions: A report produced through the Secretariat of the National VET Completions Taskforce

Making a Submission

The Commission's central purpose is to provide the Premier with independent evidence based economic advice on how to improve our State's economic growth and in turn, South Australian household incomes.

Premier and Cabinet Circular, *The South Australian Productivity Commission* (PC046) sets out the objectives and functions of the Commission; how inquiries are referred to the Commission, undertaken and reported on; and how the Commission and public sector agencies work together.

The Commission is supported by the Office of the South Australian Productivity Commission which is an attached office of the Department of the Premier and Cabinet.

Commission's approach

The Commission is required to take a broad perspective in developing advice for the South Australian Government. It must consider the interests of industry, business, consumers and the community, regional South Australia, social-economic implications and ecological sustainability.

The Commission conducts its own independent quantitative and qualitative analysis. It also draws on the experience, evidence and views of all inquiry stakeholders.

The release of this issues paper supports interested parties to participate in the inquiry by highlighting the key issues and by raising questions to generate feedback.

It is important to emphasise that the Commission has no predetermined views on the matters covered by the inquiry. This issues paper sets out the Commission's initial understanding of the relevant matters. Feedback from stakeholders will assist further analysis and review that will contribute to the development of a draft report.

Make a submission

The Commission invites submissions on the inquiry by 7 June 2024. Submissions may address any issue(s) relevant to the terms of reference.

Submissions to the inquiry will be published on the Commission's website unless they are marked as confidential or in confidence (see below).

Avoid the use of personal or identifying information in submissions, e.g. contact details or names of people referred to in submissions.

An electronic submission in Word or PDF format is preferred, along with any supporting documentation containing facts, figures, data or examples:

through the inquiry page on our website www.sapc.sa.gov.au/inquiries/current-inquiries; or
via email at sapc@sa.gov.au; or

via post to:
South Australian Productivity Commission
GPO Box 2343,
ADELAIDE SA 5001

Alternatively, if you would prefer to discuss your input with the Commission directly, we can be contacted at:

Adrian Tembel, Presiding Commissioner

E: adrian.tembel@sa.gov.au

Professor Christopher Findlay, Commissioner

E: christopher.findlay@sa.gov.au

Steve Whetton, Office of the SA Productivity Commission

E: steve.whetton@sa.gov.au

A draft report will be published in August 2024. The draft report will be the start of a further round of consultation with stakeholders, following which the Commission will consider all feedback received, finalise its views, and submit its final report and recommendations to the Premier by 5 December 2024. The Commission is required to publish the report 90 days after providing it to the Premier.

Confidentiality

Transparency is an important part of the Commission's independent process for gathering evidence and other elements of the inquiry process. It provides confidence to stakeholders that their views have been heard and accurately shows to the wider public the breadth of views and information that have been put to the Commission in reaching its independent conclusions and recommendations. To that end the Commission will publish the submissions that it receives on its website unless the author clearly indicates that the submission is confidential or the Commission considers the material to be offensive, potentially defamatory, beyond the scope of the inquiry's terms of reference, or an abuse of process.

If you wish to submit material in confidence, please advise us why your submission should remain confidential and we will contact you to discuss. We reserve the right to decline your submission if we do not agree with the rationale provided for it to be confidential. Material accepted as confidential will be read only by our Commissioners and staff and will not be referred to in our reports. Later, if we consider the confidential information to be important for conclusions drawn by the Commission, we will seek your permission to refer to it in a form that is acceptable to you.

Confidential submissions may be subject to the *Freedom of Information Act 1991* that provides applicants the right, subject to some restrictions, to access documents created and held by the government.

Avoid the use of personal or identifying information in submissions, e.g. contact details or names of people referred to in submissions. The Commission will try to ensure that all personal contact details are removed from submissions before they are published on our website.

Attachment A

Notice of Inquiry and Terms of Reference



THE HON PETER MALINAUSKAS MP

PREMIER OF SOUTH AUSTRALIA

Mr Adrian Tembel
Chair, South Australian Productivity Commission
GPO Box 2343
ADELAIDE SA 5001

fB397481

Dear Mr Tembel

Please find enclosed a Notice of Inquiry into Positioning All South Australians to Share in the Benefits of Economic Growth, which sets out the terms of reference for the inquiry.

I thank you and the Commission in advance for your efforts in relation to this matter.

Yours sincerely

Peter Malinauskas
PREMIER

17/2/2024

Attachment: Notice of Inquiry – Sharing the Benefits of Economic Growth with All South Australians

SOUTH AUSTRALIAN PRODUCTIVITY COMMISSION INQUIRY: POSITIONING ALL SOUTH AUSTRALIANS TO SHARE IN THE BENEFITS OF ECONOMIC GROWTH

I, Peter Malinauskas, Premier, hereby request that the South Australian Productivity Commission (the Commission) undertake an inquiry into Positioning All South Australians to Share in the Benefits of Economic Growth.

Background

Over the past two years South Australia's underperformance in employment and job creation has turned around and the labour market is currently very strong. Unemployment is in line with the national average and there are 50,000 more South Australians in work in December 2023 than there were two years earlier.

At the same time, the strong labour market makes it hard for our state's businesses to find the skills they need to grow.

Furthermore, not all South Australians are being lifted up by this rising tide. Long-term unemployment has not fallen, with almost 12,000 South Australians unemployed for a year or longer. South Australians also account for a disproportionate share of those receiving unemployment benefits.

The ability to securing a job or start post-school education after leaving school is not evenly distributed across the state. Young people from disadvantaged areas are much less likely to attend university or go to TAFE. They are also more likely to leave school having neither found a job nor started post-school education.

If we can do a better job of helping people to identify the right education and training for them, and in supporting them to complete it, we can help reduce the number of South Australians excluded from secure jobs. And we can help better position the state's businesses to take advantage of the emerging economic opportunities such as the AUKUS submarine build and the potential for green minerals production.

Reforms my Government is putting in place to early childhood education, to the state's universities, and to TAFE SA will help ensure training is available to give South Australians the skills they need for the future and contribute to achieving a more equal society.

However, improving economic participation amongst disadvantaged South Australians depends on policy managed by a number of government agencies and non-government providers. To ensure these activities are appropriately coordinated I have asked the South Australian Productivity Commission to undertake an independent, evidence-based review to draw together the relevant knowledge, data and the experiences of agencies and program providers. This will have a particular focus on policies that can help support disadvantaged South Australians engage with work and with society.

Terms of reference

The Commission is asked to consider and report on:

1. Why the strong growth in jobs over the past two years has not had a greater impact on reducing the number of people in long-term unemployment and the number of unemployment benefit recipients in South Australia?

2. Does where people live make it harder to achieve a sustainable shift into employment, and to participate in post-school education?
3. What support and advice is being provided to help people find the right educational pathway for them, whether as school students or as adults thinking about changing careers or re-entering the workforce? What evidence is there for the effectiveness of these existing approaches?
4. What role can SA Government policy play in supporting more South Australians to access the education and acquire the skills they need for secure, high-paying, work?

Scope

In considering the above matters the Commission is expected to have regard to the South Australian Government's existing policies and initiatives around education and training such as the new Technical Colleges, as well as relevant Commonwealth Government policies.

Inquiry process

The Commission will seek input from relevant experts (including from within the South Australian Government) and draw on prior work conducted in this field. The inquiry should consider examples of state government policies in other states that effectively complemented Commonwealth Government programs to assist those who are economically inactive, and international best practice in measures to support access to education, training and transition into work.

The Commission will consult widely with relevant public and private organisations, unions and community groups in South Australia and other jurisdictions. Understanding the differing experiences of South Australians based on where they live will also be important.

The Commission is to publish a draft report containing recommendations for consultative purposes. A final report is to be provided to me no later than Thursday, 5 December 2024.



Peter Malinauskas
PREMIER

18 / 12 / 2024

For more information

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