



ATTRACTING THE PEOPLE WE NEED

ADELAIDE, SOUTH AUSTRALIA:
SUPPORTING EVIDENCE
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Skilled People - our human capital

Grow our community with talent

Good things happen when cities grow. Public services like libraries, hospitals and schools flourish, not for profit organizations emerge to build social and human capital, businesses form to serve the needs of groups in the community, and infrastructure - public and private - means a reliable pipeline for professionals, financial services, constructors, suppliers and trades.

Conversely, failure to grow can be a sign of an underlying stress, and can result in the scaling back of services, business failure, infrastructure decay and accelerated decline. Just as communities can grow, communities can shrink. Witness Detroit.

It's clear the key challenges to growth over the next five years lie in the general economic climate, the need to innovate and attracting the right skills and talent.

We may not be able to influence the general economic situation but we can choose to innovate, and act decisively to attract the right skills and talent. Enterprise, innovation and growth all rely on finding the right people - talented, passionate people who want to take a stake. And good people are pulled, not pushed, to places. Adelaide's challenge is to 'pull' the best people to be a part of the Adelaide experience.

Experience shows that good growth can grow our quality of life, and our capacity to earn as well. Salaries increase along with the quality of life. In 1977, Adelaide's sister city of Austin, Texas had an average income that was 85% of the national average, but by 2007 this had risen to 104%. Its unemployment rate is also well below the national average, despite the recent financial crisis¹⁰. Adelaide must grow, and we must grow in the right way.

Adelaide's social capital; let's leverage a lazy asset

It's often said that while the rest of the world can be explained by six degrees of separation, Adelaide can be described in two. This goes to the heart of the Adelaide experience. Whether in business, politics, or our home lives, Adelaide's social ties are our strength. These ties are

an asset yet to be fully leveraged. Our intrinsic social capital is a powerful differentiator among capital cities losing their sense of 'civic'.

Social capital is a concept that describes not only the structure of social relationships but also their quality. Social capital is a term used to refer to those bonds that build trust as a basis for working productively together, to build outcomes of mutual benefit¹¹. In other words, creating value that is between people and organizations. It's the glue that allows people to work together, not in isolation.

Social capital exists in an active network of dense social ties; with diverse backgrounds and social experiences among the members of the network. Social capital helps communities get by, get ahead and marshal the resources they need to do things together. Building social capital can help community-level support networks to grow; avoiding the need for institutional responses from government and freeing those resources for other purposes. High levels of social capital also reflect in higher productivity, better employment opportunities, better job matching and greater satisfaction in employment.

Difference and diversity are important. Strong social ties that remain too local can be counter-productive. A more overt focus on building Adelaide's social capital is an essential ingredient to a deeper, more resilient labour market that leverages our unique quality of life.

In a world where economic activity is based on the quality of relationships, Adelaide's unique scale allows close and immediate relationships. We can be Australia's Social Capital. Building our social capital is the foundation for innovation, creative collaboration and incubation. But first we must arrest the flight of talent from South Australia.

Arrest the flight of talent

In 2011, 2,909 more residents left South Australia than arrived¹². Between 1999-2009, there was a nett loss of 32,000 people. But our real challenge is who we're losing. A study by the University of Adelaide profiles the typical South Australian leaving the state; young, well educated with a

¹¹ Wendy Stone, Matthew Gray and Jody Hughes, April 2003, Social Capital at work: How family, friends and civic ties relate to labour market outcomes Research Paper No.31 Australian Institute of Family Studies p3

¹² State of Australian Cities, Adelaide Factsheet

preference to settle in the eastern states where there are greater employment opportunities. In fact almost half of all those moving from South Australia were aged between 20-39 years¹³.

Overwhelmingly this cohort represents the skilled knowledge workers essential to transition our economy from its agricultural and manufacturing past, to the knowledge-intensive, value-added economy where growth is highest.

This is critical for a viable labour market, because with a rapidly ageing population and a birth rate below replacement, questions are being asked about where the future South Australian labour force is going to come from.

For people to stay, they need the opportunity for employment in a growing labour market. From 1990-2000, 21,500 jobs were created, reflecting a period of sustained recession for South Australia and the nation. But between June 2000-2010, around 130,000 jobs were created¹⁴. What will the next decade of job growth look like?

Mobility is healthy. It's not possible or desirable to prevent mobility but it is possible to ensure there is a reason to stay, return or come here for the first time. So can we turn this outflow of talent and potential to our advantage? Can we leverage the networks of those who have left? The answer is yes.

Leverage talent wherever it is

It seems we have been happy to whinge for two decades at the export of young talented professionals, but we are yet to view expatriates as a serious public policy question, or a serious asset to leverage.

Do we give South Australians living interstate and overseas the chance to remain meaningfully engaged? Should we see this cohort as active participants in the civic conversations, public policy debates and big economic questions that face us? What would it mean to leverage the South Australian diaspora?

Drawing on work for the Australian Government who asked

¹³ Economic Issues...30 p14
¹⁴ Economic Issues 30 p14

these same questions in 2003 of our national diaspora, a number of useful initiatives can be applied at a state level to make it easier for expatriates to retain a stake in South Australia, and increase the likelihood of returning at some point in the future.

Initiatives that can be adopted by South Australia include;

- better inclusion of the diaspora into the cultural life of the state by encouraging the expatriate community to identify with and be involved in events, decisions and milestones;

- increase the strength of linkages between our diaspora and the state; especially in business and research linkages;

- increase the involvement of the diaspora in the state economy, including initiating an inquiry into the state tax regime to remove barriers to expatriates investing in South Australian activity such as saving their foreign exchange in local institutions; transferring their superannuation or their assets back to South Australia on return¹⁵.

We should be the first state to initiate an integrated 'Diaspora Action Plan' combining better online learning options to link expatriates to South Australian strength sectors, boost both formal and informal overseas exchange programs, offer greater opportunities for younger people to assume senior leadership positions, and develop a talent strategy to incubate our best.

In a knowledge economy, people are assets. Wherever they live and work. In a highly mobile, globally connected economy, it no longer makes sense to exclude expatriates because they fall outside our state border.

Attract the best from everywhere

Skilled migration plays a important role in the importation of new knowledge, and its transfer to locals. Skilled migration also plays a role in ensuring services to regional and remote areas of the state. So why does Adelaide have only 1.1% of Australia's (temporary visa) skilled migrants¹⁶? Evidence suggests that while we have high rates of skilled migrant inflow, these migrants are not settling in Adelaide but moving to centres with higher growth and better opportunities

¹⁵ Prof Graeme Hugo, Dianne Rudd and Kevin Harris, 2003 Australia's Diaspora: its size, nature and policy implications, CEDA pp72-73
¹⁶ State of Australian cities, Adelaide Fact sheet



...at a time when cities, states and nations all over the world are struggling to engineer solutions to the challenges of environment, social dysfunction and economic decline, South Australia can again act as the incubator of the essential ingenuity the world so desperately needs.

Raymond Spencer, Chair, Economic Development Board

Skilled migrants fall in to two categories; independent migrants who are not sponsored by an Australian citizen or business; and sponsored migrants who are nominated by a relative, employer or state or territory government. Migrants with skills can also apply for residency in Australia through the Business (long stay) visa scheme. Long stay migrants are permitted to work for an approved employer for a period of up to four years.

Almost half of all skilled migrants in South Australia are former international students of our universities, so today's overseas students are an important source of Adelaide's skilled workers of tomorrow¹⁷. We need programs to convert overseas students to long term residents and view today's students as valued citizens integrated into our everyday.

Adelaide is currently a 'gateway city' acting as a threshold for skilled migrants intending to move on. Put simply, we attract skilled migrants due to policy drivers intended to boost our lower rates of growth, but we fail to capitalise on this pool. We need to better understand why this is the case.

We must accelerate the emphasis on knowledge-intensive industries, and professional services operating in the global creative economy to attract and retain talent and skill.

Adelaide needs a deeper labour market

Healthy labour markets allow people to find work, and to move easily from work to home, from work to work, and work to home. To move people, goods and information well, we need a well functioning transport network that includes the full suite of transport options including safe and appealing walking and cycling, bus, tram and train that alleviates peak hour congestion, as well as private car and light vehicle options.

Adelaide's transport system is not yet performing at the level required. In 2013, Adelaide drivers experienced 28% longer travel times, morning peak drivers experienced 50% longer travel times while evening peak drivers experienced 45% longer travel times¹⁸.

Research by Griffith University confirms that Adelaide has the lowest public transport use for work trips, and the

lowest per capita usage rates - having initially fallen behind Brisbane and more recently Perth¹⁹. RMIT has labelled Adelaide Australia's 'car capital', with the highest rate of car use among the capital cities. Adelaide missed out on the public transport revival that occurred in other larger capital cities; public transport mode share stagnated, while both walking and cycling rates declined²⁰.

Well functioning transport systems efficiently and affordably manage the distribution of goods, the access of markets to labour, and the ease of people connecting with people. A poor transport network places barriers of cost, time and convenience in the way of people finding work, and businesses finding the right people. And it can act as a roadblock for those considering moving their business to Adelaide.

A well functioning transport system is not an optional extra, it is essential to build a deeper labour market that fosters resilient economic development.

Infrastructure design and delivery is an economic imperative, and business must be invited to more actively partner in planning the state's strategic infrastructure. This infrastructure includes roads, rail and ports, energy, water and waste, but also social infrastructure to enable better connected and self-reliant communities, and the green infrastructure that can transform urban environments with functional natural systems.

Adelaide's urban growth, its economic development and continuing quality of life depend on more integrated planning of where people live and work, and how we get around. Integrating our land use planning, transport investment and regional infrastructure must remain a frontline priority for all levels and colours of government.

What should we do?

Bring our universities, business, government and communities together to develop a strategy that gives our young people the best opportunities here, and to better leverage our diaspora interstate and overseas.

¹⁷ Economic Issues 31 p8

¹⁸ State of Australian cities, Adelaide Fact Sheet

¹⁹ Dodson & Mees (2011) *Public Transport Network Planning in Australia: Assessing current practice in Australia's five largest cities*, Griffith University
²⁰ Mees & Groenhart (2012) *Transport Policy at the Crossroads: Travel to work in Australian capital cities 1976-2011*, RMIT

