



COMMITTEE FOR
ADELAIDE

RECOMMENDATIONS TO GROW AND RETAIN SOUTH AUSTRALIA'S TALENT POOL

OCTOBER 2022

RECOMMENDATIONS TO GROW AND RETAIN SOUTH AUSTRALIA'S TALENT POOL

Committee for Adelaide members have identified skills shortages, talent attraction and retention as key challenges for Adelaide businesses and organisations.

A labour force survey of members was undertaken indicating that over three quarters of businesses had somewhat or significantly too few staff and expect to employ more staff in the coming year.

Our Skills Policy Focus Group has considered the challenges faced by South Australian businesses and collectively, developed a set of ideas to help address skills shortages and rethink the approach to attracting, retaining, and growing our talent pool.

Here are the key challenges discussed and the ideas we believe could make a difference in overcoming them.



THE CHALLENGES

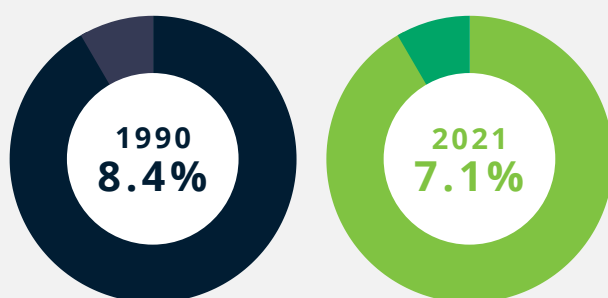
SKILLS SHORTAGES

Skills shortages are one of the most critical challenges facing businesses in 2022.

In fact, the level of impact is unmatched historically in Australia. According to the HAYS Salary Guide 22/23, 91% of employers are experiencing skills shortages with demand for talent outstripping supply across the country.

The top reasons reported for the shortages according to employers include a shortage of necessary qualifications or experience, increased competition from other employers, fewer people entering the job market in certain industries, lack of overseas talent – especially on the back of Covid-19 border restrictions and lockdowns, people leaving to join different industries and lack of progression opportunities.

POPULATION



The 2021 Census revealed that South Australia makes up 7.1% of Australia's population – in 1990 we were 8.4%.

Our population is the oldest on mainland Australia with a median age of 41 years compared nationally to 38 years. We are getting older and unless we take measures to attract and retain a younger working age cohort our businesses will face increasing difficulties in securing talent to support growth in the coming decade.

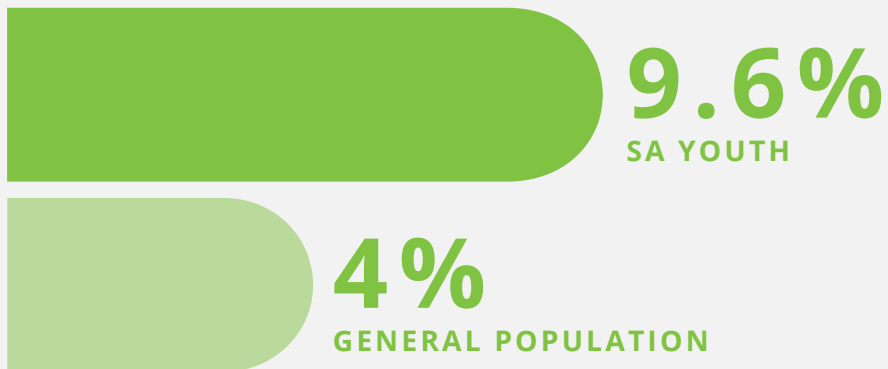
THE CHALLENGES

YOUTH UNEMPLOYMENT / MARGINALISED GROUPS

At a time when businesses are struggling to find people to fill roles locally, we see our youth unemployment rate is over double that of the general population (Jul 22 ABS stats).

Our overall participation rate continues to be the worst of all mainland states and territories.

UNEMPLOYMENT RATES



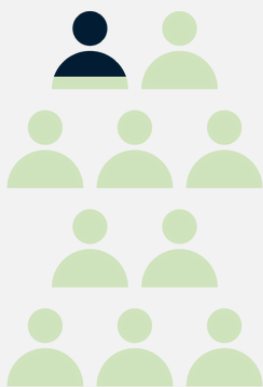
THE CHALLENGES

GRADUATES

For decades, South Australia has struggled to retain talent with thousands of people leaving each year to pursue opportunities elsewhere.

Except for 2021 – SA has recorded year-on-year net interstate migration losses since the early 1990's. The loss of younger, educated people from our State is a particular challenge, known as the 'brain drain', and we urgently need to address the underlying issues that contribute to this loss.

SKILLED MIGRANTS



IN 2020-21, SA ONLY RECEIVED

6.1%

**(9,829) OF THE COUNTRY'S TOTAL
INTAKE OF MIGRANTS WHICH IS
LESS THAN OUR FAIR SHARE.**

THE CHALLENGES

SKILLED MIGRANTS

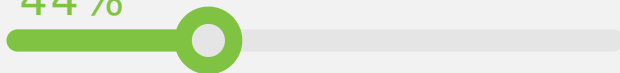
By comparison to other jurisdictions across the country, we don't attract our fair share of skilled migrants.

Our businesses, including future facing industries, need access to talent to grow and thrive. We continue to advocate for at least 10% of Australia's migrant intake – more than our fair share.

A key challenge for South Australia is retaining skilled migrants once they are here and ensuring they have access to quality jobs matched with their skill sets.

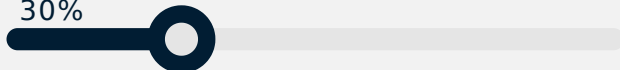
SOUTH AUSTRALIA

44%



NATIONALLY

30%



44% of migrants coming into South Australia are not working in their nominated occupation compared with 30% nationally

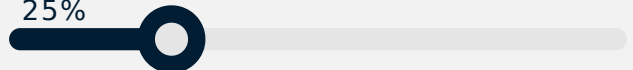
SOUTH AUSTRALIA

54%



NATIONALLY

25%



54% are working below their skill level compared with 25% nationally

THE CHALLENGES

INTERNATIONAL STUDENTS

Currently there are 25,000 international students living and studying in Adelaide and a further 5,400 offshore representing over 120 nationalities. These students add to Greater Adelaide's vibrancy, diversity, population, part time and skilled workforce. They are also incredible advocates and ambassadors for our city, attracting their friends and family to travel here to visit them and tour our State.

International students and graduates are a skills pipeline for all organisations, bringing qualifications and experience in fields of current skills shortages.

They are the perfect working age demographic that our State and so many organisations desperately need.



RECOMMENDATIONS

GROWING LOCAL

Fund and promote more alternative training and employment opportunities

There is untapped potential talent **right here** in Adelaide that could help to fill local skills shortage gaps but more needs to be done to engage with young people and marginalised groups to improve access to training and employment opportunities, including VET.

This could be achieved by supporting and funding more safe, flexible learning options that offer alternative training and employment pathways enabling young people and marginalised groups within our community to have a voice and the opportunity to solve real world problems.

Provide formal contact points across the curriculum to learn about and engage with industry

The school years provide a significant foundation for children and young people to learn about growth industries in South Australia and help them to make informed choices about the types of roles that interest them as they develop and prepare for life beyond school.

The South Australian School Curriculum could better support children and young people to develop a line of sight to real jobs right here in Adelaide by integrating more formal industry contact points and exposure to industry throughout the entire curriculum, not just in secondary schooling.

■ ■ Knowing that change is a constant, we need to equip all young people with the skills and capabilities to adapt and make sure that they are supported into existing and new training pathways. ■ ■

Renee Hindmarsh, South Australian Skills Commissioner

RECOMMENDATIONS

RETAINING GRADUATES AND YOUNG PEOPLE

To retain our best and brightest everyone needs to play their part. It is not something any one sector alone can achieve.

We need to harness the potential of our young talent and realise the value of their contribution to our businesses and State - not just upon leaving university. Many young graduates enter the workforce and aspire to progress careers in Adelaide, but often find limited opportunities for succession into mid-level roles, and therefore move elsewhere.

Offer tax incentives to make salaries more competitive

Nationally, South Australian salaries are the lowest on the mainland with median weekly earnings of \$1,100. Whilst the cost of living is important to many, salary expectations of employees remain higher than most employers are willing to accommodate

[Employee earnings, August 2021 | Australian Bureau of Statistics (abs.gov.au)].

We know that the top factor motivating employees to search for a new job is having an uncompetitive salary (HAYS 2022). With the skill shortage gap widening, employees are in the driver's seat when it comes to salary negotiations driving up wages for skills in demand.

Offering competitive salaries is critical if we want to attract and retain top talent here in Adelaide.

The government could fill the salary gap by offering payroll tax incentives. This could be in the form of financial incentives to businesses recruiting and retaining younger people residing in South Australia.

RECOMMENDATIONS

RETAINING GRADUATES AND YOUNG PEOPLE

Establish a World-Renowned University

South Australia needs to establish a Top 10 global university that has the ability to be an attractor and magnet for global and interstate talent, and is synonymous with the identity of South Australia.

To retain aspirational young people, we need a world-renowned university - one that undoubtedly is the most prestigious in Australia and by extension, acts as an anchor drawing in talent from around the country and the world. This would in turn lead to developing quality graduates that local businesses could then recruit.

Having this calibre of institution would also attract more capital and research capability, as well as local and global businesses to the state, creating more jobs and opportunities for all South Australians.

Develop a South Australian Graduate and Young People Retention Strategy

A sector-wide, whole of industry retention strategy is required that creates opportunities and clear career pathways for graduates and young people.

The strategy would be collaborative drawing in all sectors, creating scale for people to move to other jobs with line-of-sight opportunities to progress their careers **right here** in Adelaide. This would promote pathways for career growth across industries and sectors.

The strategy would be developed in collaboration with young people and graduates so that it reflects the needs of our future workforce.

RECOMMENDATIONS

RETAINING MIGRANTS AND INTERNATIONAL STUDENTS

Fund an awareness campaign – Stop the bias | Change mindsets | Educate

There are many underlying factors that restrict migrants and international students from realising their full potential in South Australia. Our Skills and Migration Roundtable held in May 2022 revealed that:

- **there is often a local bias when recruiting talent**
- **migrants often experience racism from employers and recruiters**
- **more effort is needed to match incoming skill sets with quality job offers**
- **more effort is needed by employers to walk the talk on embracing inclusion and cultural diversity and do better when it comes to welcoming global talent**

There needs to be a seismic shift in mindset if businesses want to attract and retain migrants and international students to fill widespread skill shortages across industries and sectors. To achieve this, the State should fund an Education and Awareness Campaign to educate the community and businesses about the value of cultural diversity within the workplace, embracing inclusion, diversity and belonging, and the significant contribution that migrants and international students bring to our city and state.

RECOMMENDATIONS

RETAINING MIGRANTS AND INTERNATIONAL STUDENTS

Learn more about the local migrant experience

To make real changes, we need to gain further insight into the experiences of migrants who have recently arrived in South Australia and hear from them as to what it is that would help them to settle in and consider Adelaide home.

The Committee for Adelaide is working to better understand the local migrant experience through its Adelaide Connected program by undertaking consultation workshops with businesses and migrants to address skill shortages. This will help us to inform and influence policy development to support the retention of migrants in South Australia.



ACKNOWLEDGEMENTS

Thank you to the following Committee for Adelaide members for their support in preparing this paper:

- Accenture
- Aurecon
- Adelaide Fringe
- Careerlink People Solutions
- Carnegie Mellon University
- Digital Twinning Australia
- Hays
- KPMG
- Lumination
- Migration Solutions
- Minter Ellison
- RAA
- Sky City Adelaide
- Thomas Foods International
- VALO
- Youth Inc

A special thank you to the South Australian Skills Commissioner, Renee Hindmarsh and Associate Professor Michael O'Neil, Honorary Research Fellow SA Centre for Economic Studies, University of Adelaide for their involvement with our skills focus group.



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