

101

CABINET COVER SHEET

- 1 TITLE:** A Population Policy for South Australia
- 2 MINISTER:** Hon Mike Rann
Premier

Hon Kevin Foley
Deputy Premier
- 3 PURPOSE:** To seek Cabinet approval for the attached Population Policy for South Australia and for its release prior to the April Economic Summit.

To seek Cabinet approval for funding in support of the proposed State population policy.
- 4 RESOURCES REQUIRED FOR IMPLEMENTATION:** New funding of \$10,348,490 over four years is sought for the implementation of this population policy. A further \$10,328,500 is the subject of separate bilateral bids.
- COSTS**
- | | | |
|---------------------|---------|-------------|
| This financial year | 2004-05 | \$2,697,660 |
| Next financial year | 2005-06 | \$2,606,630 |
| Subsequent years | 2006-07 | \$2,514,920 |
| Source of funds | 2007-08 | \$2,529,280 |
- Ongoing funding at approximately the same annual level will be required beyond 2007-08.
- 5 RELATIONSHIP TO GOVERNMENT POLICY:** The development of a State Population Policy was recommended of the Economic Development Board accepted by Cabinet in May 2003. The Policy is consistent with the other EDB recommendations on population issues.
- 6 CONSULTATION:** State Government:
Department of the Premier and Cabinet
Department of the Attorney General's
Department of Transport and Urban Planning
Department of Further Education, Employment, Science & Technology
Department of Education and Children's Services
Department of Human Services
Department of Administrative and Information Services
Department of Water, Land, Biodiversity & Conservation
Department of Environment and Heritage
Department of Trade and Economic Development
Department of Treasury and Finance
Department of Primary Industries and Resources SA
SA Tourism Commission

Other Government:

Department of Immigration and Multicultural and Indigenous Affairs (C'wlth)

Department of Transport and Regional Services (C'wlth)

Department of Employment and Workplace Relations (C'wlth)

Australian Bureau of Statistics (C'wlth)

Other State Governments (NSW/Qld/Vic/Tas)

Local Government Association of SA

Non-government:

Business SA

Business Vision 2010

Migrant Resource Centre SA

Australian Refugees Association

Anglicare

Council of the Ageing

Education Adelaide

the three universities' alumni units

National Centre for Vocational Education Research

National Institute of Labour Studies

Australian Institute of Commercialisation

Australian Population Institute (APOP)

Academics:

Prof Graeme Hugo (University of Adelaide)

Prof Glenn Withers (ANU)

Prof Dick Blandy (UniSA)

Prof Andrew Parkin (Flinders University)

Prof Alison Mackinnon (Hawke Centre)

Support for the policy has been generally positive.

7 COMMUNITY AND ENVIRONMENTAL IMPACT

Population growth to achieve the targets proposed in this policy are expected to have significant environmental impact. Sustainable growth will require complementary environmental measures.

The policy is expected to have positive impact on regional areas as the population issues they face are addressed.

Small business is expected to be positively affected by this policy through greater workforce participation and productivity.

8 FAMILY IMPACT STATEMENT:

The introduction of the initiatives contained in this policy aimed at better work-life balance will have a positive impact on families.

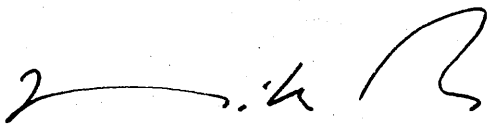
9 URGENCY:

Within the ten-day rule. Approval is sought to launch the policy before the Economic Summit on 3 April 2004.

10 RECOMMENDATIONS:

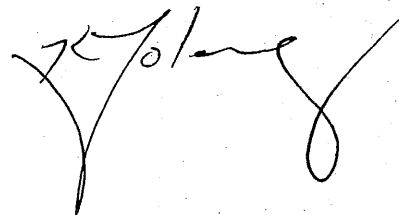
It is recommended that Cabinet:

- 4.1 approve the attached State population policy and its the release prior to the April Economic Summit.
- 4.2 approve new funding for migration initiatives of \$1,567,660 in 2004-05; \$1,581,630 in 2005-06; \$1,489,920 in 2006-07; and \$1,504,280 in 2007-08.
- 4.3 approve new funding for workplace and labour force initiatives of \$1,130,000 in 2004-05; and \$1,025,000 in 2005-06, 2006-07 and 2007-08.
- 4.4 approve the carry-over into 2007-08 of money unspent on the business migration program in 2003-04.
- 4.5 note other new labour force and child care initiatives currently the subject of bilateral bids by other agencies
- 4.6 approve the use of DTED's 2003-04 marketing budget for local and interstate advertising and promotion in the lead up to the April Summit, and following the Summit until June 30.
- 4.7 note that an overseas promotion strategy to coincide with the Premier's mid-year travel will be prepared by DPC and DTED for the April 15 meeting of the Cabinet Communications Committee.
- 4.8 note that a comprehensive local, interstate and overseas marketing strategy for 2004-05 will be prepared by DPC and DTED for the June 9 meeting of the Cabinet Communications Committee.



**MIKE RANN
PREMIER**

4/13/2004



**KEVIN FOLEY
DEPUTY PREMIER**

TO: CABINET

RE: A POPULATION POLICY FOR SOUTH AUSTRALIA

1. PROPOSAL

- 1.1 To seek Cabinet approval for the attached Population Policy for South Australia and for its release prior to the April Economic Summit.
- 1.2 To seek Cabinet approval for funding in support of the proposed State population policy.

2. BACKGROUND

- 2.1 For well over a decade, South Australia's population has grown at less than half the national rate. This has resulted from a failure to attract our share of overseas migrants and an ongoing net loss of people to interstate. It has been compounded by the phenomenon, widespread among industrialised nations, of falling birth rates and has resulted in rapid population ageing. (see population statistics in appendix 3).
- 2.2 Under standard Australian Bureau of Statistics (ABS) projections based on these trends, the State's population would peak at around 1.6 million and then go into decline in less than 25 years. With the unavoidable shift of the baby boomer generation into retirement, the State's working age population would decline even sooner, within a decade.
- 2.3 In view of these trends and their implications for economic growth, the Economic Development Board (EDB) recommended that a population policy be formulated for South Australia. Emphasising the importance of migration as a short-term influence on population, the EDB recommended that the State Government work with the Commonwealth on policies to increase the number of migrants settling in South Australia. It recommended that the State work towards achieving its population share of the national migration intake within ten years, and that annual immigration targets be set for this purpose. All of these recommendations have been accepted by the Government.

3. DISCUSSION

- 3.1 The proposed population policy is a policy for the whole-of-government. It aims to chart a sustainable demographic path for South Australia, one which complements the State's broader economic, social and environmental objectives in the State Strategic Plan.

- 3.2 This demographic path is an alternative to the scenarios of (eventual) population decline projected under standard ABS assumptions. Based heavily on recent trends, these scenarios are overly pessimistic and effectively take no account of the potential impact of government intervention.
- 3.3 By charting an alternative demographic path, the policy refuses to accept the inevitability of population decline. It also responds to those demographic changes which are unavoidable, such as the progress of a substantial number of people into old age. The policy therefore operates at two levels, with proactive strategies and initiatives designed to:
- influence the two key drivers of population growth – migration and fertility
 - overcome the potentially negative effects of the unavoidable trend towards population ageing – especially the decline in the working age population.
- 3.4 In terms of government's role, this approach dictates a focus on three key priority areas: migration, workplace change and labour force development. The strategies and initiatives supporting these priorities are proposed in the context of an overall vision seeking:

a skilled, prosperous and sustainable South Australia which supports its people in their career, lifestyle and settlement choices.

This vision is underpinned by a number of strategic objectives to:

- 3.4.1 improve the State's overall net migration performance by
- a) increasing the State's share of national migration intake
 - b) increasing the number of expatriates and potential interstate migrants returning and relocating to the State
 - c) reducing the net outflow of young and skilled people
- 3.4.2 improve parents' abilities to balance the imperatives of work and family life
- 3.4.3 respond to the needs and improve the employment prospects of mature aged people
- 3.4.4 raise skill levels and encourage talent.

IMMEDIATE AND LONG-TERM POPULATION TARGETS

- 3.5 Based largely on the very ambitious migration targets already approved by the Government in response to the EDB (see below), the alternative demographic path favoured by the policy involves achieving the following targets within ten years:

- Target 1: maintaining the State's current national population share
- Target 2: doubling the State's current population growth rate.

To achieve these targets, South Australia must at a minimum:

- achieve its population share of the national migration intake; and
- reduce net interstate migration to zero; and

- match national fertility rates.

If these conditions can be met over both the near and long term, then demographic modelling by Prof Graeme Hugo's National Key Centre of Research and Teaching in Social Applications of GIS (GISCA) shows that South Australia can achieve a population level of around 2 million by 2050. This is highly contingent on a number of additional, long term requirements being satisfied, namely that:

- current fertility levels will be maintained
- the national migration intake will remain at least at current levels
- life expectancy will continue to improve.

- 3.6 Accordingly, in addition to the population growth and share targets set for the next ten years, the policy also proposes a much longer term population target of 2 million people by 2050.
- 3.7 The figure of 2 million people living in South Australia by around 2050 is regarded by Professor Hugo as a demographically sound target, one which would achieve a stable population age structure that supports population growth and renewal rather than decline. If the current population growth path is maintained with no intervention, then it would lead the State to an age structure that would make population decline almost inevitable. This is because the migration intake needed to off-set well below replacement level fertility rates and increased mortality rates would eventually be beyond the State's capacity to absorb.
- 3.8 Nevertheless, a target of 2 million people by 2050 is ambitious. For example, as will be seen in the next section, the improvements in overseas and interstate migration needed to achieve this target require major departures from current trends.
- 3.9 Moreover, while 2 million people by 2050 is regarded as demographically sound, there are also economic, social and environmental (triple bottom line) challenges.
- 3.10 From an economic perspective, the policy recognises that a significantly higher population will increase the State's market size, support greater economies of scale in the production of goods and services, provide a higher revenue base and help maintain South Australia's national relevance. This is why the EDB supported higher population growth. The extreme form of this view is represented by Business SA, which called for a population of 2 million by 2013.
- 3.11 Conversely, based on environmental concerns, there are some commentators who actually favour a smaller overall population – at least at a national level. For instance, Prof Tim Flannery has called for a national population of 12 million, which would involve about a 40 per cent reduction in population size. As explained in paragraph 3.26.1 of this submission, the policy recognises the importance of achieving a sustainable population, but argues that environmental issues need to be addressed directly. The critical issue is not raw population growth figures, but rather consumption rates and patterns.

MIGRATION

Targets and strategy

3.12 The proposed migration strategy is directed at potential overseas migrants, potential interstate migrants and expatriate South Australians. Over a period of five years, it aims to meet the following minimum targets:

- at least doubling the intake of independent skilled migrants
- achieving at least a five-fold increase in business migrants
- increasing to at least 10% our share of humanitarian migrants
- reducing the net outflow of interstate migrants to zero.

These are all ambitious targets, as reflected in the table below.

Migration category	2001-02	2008 Target
Skilled	1,139	2,500
Business	118	600
Humanitarian	558	1,200*
Net Interstate	-2,700	0

* This assumes the humanitarian program will remain at 12,000

Primary responsibility for implementing all State Government overseas and interstate migration strategies will reside with a revamped and expanded *Immigration SA* in the Department of the Premier and Cabinet.

While there will be a strong emphasis on promotion in target markets, *Immigration SA* will also seek to make maximum use of existing networks located inside and outside South Australia to target potential migrants.

3.13 Overseas migrants

3.13.1 The activities of *Immigration SA* will be focused largely on skilled and business migrants, as these are the categories over which the State Government has most influence (through state-specific migration mechanisms among other things). The State Government has far less influence over those in the family stream (who prefer to settle where their families are located) or the humanitarian stream (who are directed by the Commonwealth).

3.13.2 In any event, it is also the case that skilled and business migrants will make the biggest economic contribution to the State. For South Australia, these are also categories in which big improvements are required.

New visa categories and state specific migration mechanisms

3.13.3 One of the keys to meeting the overseas migration targets is the introduction of more favourable visa categories. These have already been

negotiated with the Commonwealth and other state governments and will be introduced over the course of 2004. This includes the introduction of a two-stage visa arrangement sought by the EDB, under which applicants will be obliged to live and work in low population growth regions (this incorporates all of South Australia) for three years on temporary visas before being granted permanent residence. This will also be the only on-shore visa option for some categories of overseas students.

- 3.13.4 These additional visa categories supplement a range of other state-specific migration mechanisms – both government and employer-sponsored – that South Australia already uses to attract skilled migrants with “qualifications in demand”.
- 3.13.5 As an authorised certifying body for both the new and existing state-specific migration mechanisms, *Immigration SA* must continue to process applications and monitor migrants post-arrival to ensure their arrival conditions are satisfied. If the Government is successful in its aim to attract more migrants, then these processing activities are going to require additional resources within *Immigration SA*.

Promotion in overseas markets

- 3.13.6 It is proposed that *Immigration SA* take full advantage of the more favourable visa settings by significantly increasing its promotion and support for ministerial-led delegations in selected overseas markets. (Current and proposed future resourcing for *Immigration* are outlined in section 3.25.1 and appendix 2.) This promotion is necessary to raise potential migrants’ awareness of South Australia as a settlement destination. This is crucial given intensifying global competition for skilled and business migrants, especially from the many industrialised nations (in Southern Europe and Japan) facing far less favourable demographics than South Australia.
- 3.13.7 At a minimum, the target markets for overseas promotion would include the three most well-established source countries, South Africa, the United Kingdom and New Zealand. Also included would be the two major emerging source countries, India and China. These five countries are the most significant sources of non-humanitarian migrants for both South Australia and Australia.
- 3.13.8 Promotion would focus on the State’s competitive advantages in terms of lifestyle, cost of living and housing affordability, and opportunities in education, business and employment. In this respect, *Immigration SA* would be responsible for maintaining its website, preparing and distributing fact sheets and information packages, overseeing a program of direct marketing and media advertising, and conducting seminars and participating in events targeted at migrants. It would also be required to work with the Strategic Communications Unit in DPC to ensure integration with complementary promotional activity by other government and non-government organisations – especially in the areas of education, tourism

and economic development (see section 3.29 for more information on the development of a communications strategy).

- 3.13.9 With respect to all overseas activity, *Immigration SA* would also liaise closely with, and where possible work through, the State Government's network of overseas offices.

Using local and overseas networks to attract overseas migrants

- 3.13.10 In addition to its promotion activities, *Immigration SA* will place greater emphasis on building the capacity of particular groups to facilitate migration to South Australia, by providing them with information, financial assistance and other in-kind support. An important goal will be to overcome the very poor understanding of visa and sponsorship options among regional and local ethnic communities (a problem highlighted by participants in recent migration workshops convened by SAMEAC and Multicultural SA).

It is proposed that this capacity building include work with the following groups and communities:

3.13.10.1 Regional communities

Through its regional project officers, *Immigration SA* will continue to work with local councils and regional development boards to raise regional communities' awareness of sponsorship options under different visa categories.

In addition, it is proposed that *Immigration SA* assist regions to prepare promotional material and establish links with migration agents in target markets and networks within South Australian ethnic communities. This assistance would include a series of regional workshops.

3.13.10.2 Ethnic communities

With Multicultural SA, *Immigration SA* would encourage "chain migration" by developing information packages for local ethnic communities on visa options and South Australian settlement services.

Immigration SA would also negotiate with DIMIA to allow authorised community groups to sponsor the migration of their skilled compatriots or family members. It is proposed to help such groups off-set the cost of the bond (which varies at around \$5,000 per family) they would be required to lodge as assurers. Support would be in the form of State Government under-writing bank loans taken out by assurers.

3.13.10.3 Migration agents

It is proposed that *Immigration SA* work with the Migration Institute of Australia to establish a formalised network of

overseas-based migration agents to guarantee regular information distribution.

Settlement services for business and skilled migrants

- 3.13.11 The availability of State Government-sponsored on-arrival services is a unique feature of South Australia's support to new business and skilled migrants. Research shows that such support can be an important factor in the choice of destination by prospective overseas migrants, especially for those without family links in their new home country.

The Government's aim of achieving increased overseas migration, if successful, can be expected to lead to strong increases in demand for most on-arrival services. As part of the population policy, it is proposed that the State Government increase its support for the following services:

3.13.11.1 On-arrival accommodation

On-arrival accommodation is the most extensively used on-arrival service by business and skilled migrants. Furnished accommodation is provided for up to 12 weeks at normal Housing Trust rental rates (inclusive of the cost of utilities). This allows migrants to become orientated and make more permanent living arrangements.

Immigration SA will also work with the Adelaide City Council and other stakeholders to pilot an alternative (cost-neutral) private accommodation program during 2004-05, in an effort to resolve some of the quality and location issues experienced with some Housing Trust accommodation.

3.13.11.2 Meet and greet service

The majority of skilled migrants arrive in Australia without anyone to meet or assist them with their initial settlement. The meet and greet service currently utilises volunteers, to meet migrants at their place of arrival and transport them to their accommodation. An *Immigration SA* project officer coordinates the allocation of volunteers to migrants and oversees volunteer training.

3.13.11.3 Settlement orientation

The SA Orientation Service is operated by the English Language and Literary Service, Adelaide Institute of TAFE. This service will be restructured to provide formalised training sessions, as well as a referral service to relevant government and community agencies.

3.13.11.4 Migrant Employment Consultancy Service (MECS)

MECS is part of the Interlink Program operated by DFEEST at Adelaide Institute of TAFE. MECS will be restructured to provide a one-stop-shop for job information for skilled

migrants. This will include an individual job search, case management approach. Foreign spouses of expatriates will be eligible for support.

3.13.11.5 State Government concessions

Access to the Concession Card provides those migrants who are unable to find employment with some financial relief via concessional fees on State Government services.

Settlement services for humanitarian migrants – Migrant Resource Centre

- 3.13.12 Another migrant category not specifically addressed by *Immigration SA* is humanitarian migrants. At the present time, services for this group are largely funded by DIMIA and delivered by the Migrant Resource Centre SA (MRC). The MRC receives funds totalling approximately \$1,035,000 from DIMIA and other Commonwealth agencies. In addition to providing settlement services, the MRC also works to build the capacity of emerging migrant communities.
- 3.13.13 From the State Government, the MRC receives \$60,000 per annum from Parenting SA and \$16,000 per annum from Adult Community Education. In this financial year, it has also been the recipient of three one-off grants (totalling \$65,000) for a Youth Development and Participation Program and for programs run by the Office of Recreation and Sport and Community Benefit SA.
- 3.13.14 The MRC recently submitted a proposal seeking substantially greater support from the State Government – in the form of core funding (involving total support of \$250,000 per annum) and subsidised rental accommodation in a State Government building (at a cost of \$70,000).
- 3.13.15 In terms of population policy, there is a case for State Government support for an organisation such as the MRC. This is because the settlement services and community capacity building it undertakes:
- lead to a higher retention of humanitarian migrants in South Australia in the long-term;
 - make South Australia a more attractive destination for humanitarian migrants
 - improve humanitarian migrants' capacity as productive members of the community and labour force.
- 3.13.16 The proposed population policy commits the State Government to increased support for the settlement services and community capacity building undertaken by the MRC, without specifying the form this increased support would take.
- 3.13.17 It is proposed that the population policy unit in DPC set up a cross-agency working party to identify possible medium to long-term sources of State Government funding to support the MRC in relation to the services it

provides. The aim will be to give the MRC a higher and more certain State Government funding base, in a way that complements those activities already funded by the Commonwealth. An allowance for increased funding to the MRC, commensurate with the rental subsidy sought, is made as part of the population policy funding proposals outlined below.

Other migration-related activities

- 3.13.18 Assessment of overseas skills and qualifications and barriers to employment for many years have been of concern to migrants settling Australia. An effective and efficient system of qualifications recognition is critical in order to compete with other jurisdictions and attract skilled migrants to South Australia. It is proposed that a reference group be established under the auspices of the Training and Skills Commission to create effective and efficient assessment methods for overseas qualifications recognition. Representation on the reference group would include government, industry, education providers, community authorities and professional bodies.

3.14 Interstate migrants and expatriates

- 3.14.1 One of the significant changes to *Immigration SA* proposed in the population policy is the expansion of its role to cover interstate migrants and expatriate South Australians. As with overseas migrants, there will be a strong focus on promotion and building the capacity of existing bodies and networks inside and outside the State to target potential migrants. These activities will be important in attempting to off-set the outward flow of South Australians both to interstate and overseas.

Promotion

- 3.14.2 It is proposed that the State Government undertake a promotion campaign to attract potential interstate migrants and expatriate South Australians, targeting initially the cities of Sydney, Melbourne and London.
- 3.14.3 Selection of these target cities is based on a number of considerations. Most importantly, these cities have attracted the greatest concentrations of ex-South Australians. However, it is also significant that NSW and Victoria are the largest sources of interstate migrants to South Australia. Similarly, the focus on South Australian expatriates in London fits with broader efforts to attract overseas migrants from the UK.
- 3.14.4 As with overseas migrants, promotion would focus on the State's competitive advantages in terms of lifestyle, cost of living and housing affordability, and opportunities in education, business and employment. *Immigration SA* would expand its website to cater for the information needs of potential interstate migrants and expatriate South Australians. It would prepare and distribute fact sheets and information packs, oversee a program of direct marketing and conduct seminars and participate in events targeted at potential migrants. It would also build stronger relationships with

recruitment companies for the purpose of promoting job opportunities in South Australia.

- 3.14.5 As outlined in section 3.29 on the communications strategy, *Immigration SA* would work especially closely with the marketing unit in DTED in relation to interstate, as well as local promotion. Local marketing is important for temporary visitors and raising awareness among the South Australian population more generally. More detail is provided in section 3.29 on the communications strategy.

Using local, interstate and overseas networks

- 3.14.6 As well as encouraging expatriates to return, it is also proposed that significant emphasis be placed on better utilising their skills, networks and experience in overseas markets to generate migration, promotional, trade and investment opportunities for the State. This would include:
- *Immigration SA* working with universities and their alumni organisations on joint promotion and networking events
 - DPC and DTED working with Business SA on an expansion of the Business Ambassadors Network program, possibly to include prominent alumni.
 - *Immigration SA* working with the Australian Institute of Commercialisation (AIC) and dedicated Australian expatriate organisations (eg the Southern Cross Group and Young Australian Professionals America) on a national expatriate program. It would also require additional support for Business SA to establish a register of local business needs, to facilitate matching with expatriates on the database.

Other initiatives

3.14.7 Public sector employment

To attract ex-South Australians and potential interstate migrants, it is proposed that all State Government employment for positions ASO6 and above be advertised externally. This would benefit the many South Australian graduates working in the Commonwealth public service throughout Australia. All such positions would be advertised on the expanded *Immigration SA* website.

FERTILITY AND AGEING – A BETTER WORK/LIFE BALANCE

3.15 Fertility

- 3.15.1 The population policy recognises that halting the decline in fertility rates is crucial to generating long-term population growth and obtaining a stable age structure. While recognising that decisions about reproduction lie in the realm of individual choice, the policy emphasises the importance to South Australia of:
- maintaining fertility rates at current levels or better

- at least matching national fertility rates.

3.15.2 In this respect, the key strategic objective is to improve the ability of parents and carers to balance the imperatives of work and family life. The policy proposes strategies to address the provision of child-care and to work with unions and business groups to encourage the (voluntary) adoption of more flexible, family-friendly and supportive workplace practices.

3.15.3 Australian surveys have shown that, on average, women want two children. However, most fall short of this expectation. This suggests that low fertility is more the product of constraint than of preference. An increasing proportion of women now combine having and raising children with paid work. While not totally conclusive, there is evidence from some countries that policies and programs that allow people to better combine work and family life have a positive affect on fertility. Although there are no guarantees about the impact on fertility, such initiatives can be justified on labour participation and equity grounds, in terms of giving women real choice in combining work and child bearing. The proposed return to work credit (see paragraph 3.22, under labour force initiatives) is a good example of this. Such initiatives may also serve to make South Australia a more attractive destination for migrants at the family formation stage.

3.15.4 The population policy also recognises the need for a number of major Commonwealth policy changes to support families through better incentive structures, including through a national paid maternity leave scheme. It is proposed that the population policy unit play an ongoing role co-ordinating State Government policy responses in these areas of Commonwealth responsibility.

3.16 Ageing

3.16.1 Improved workplace practices and stronger incentives are equally important components of the population policy's response to workforce ageing. In this respect, the policy places a high priority on overcoming impediments to workforce participation by older workers. This means addressing workplace inflexibility; attitudes of employers, younger workers, the community and older people themselves; and disincentives inherent in the taxation, superannuation and welfare systems. Training for older workers is also a high priority.

3.17 New workplace initiatives

3.17.1 The population policy proposes a number of new workplace initiatives to address the needs of older workers and improve the ability of parents to balance the imperatives of work and family life. These include:

- a workshop for industry, unions, childcare providers and community stakeholders on achieving a better work and life balance

- an awareness raising program focused on the benefits of creating flexible workplaces that encourage and support increased participation of women and retention of older workers
- establishing a 'Work and Life' award and accreditation scheme for businesses with model workplace practices
- a 'Managing an Ageing Workforce' seminar program – comprising four seminars for businesses presented by the Australian Human Resources Institute and Business Work and Ageing (Swinburne University).
- use of the Workforce Development Fund to encourage innovative pilot schemes in relation to family friendly work practices and retention of older workers.
- identifying and removing financial or other disincentives for mature aged people to remain in paid work – including a review of Public Sector superannuation schemes and the cessation of WorkCover payments at age 65.
- adopting procurement preference for model employers tendering for government work, to encourage flexible workplaces and improved work-life balance.

3.18 Improving child-care

- 3.18.1 High quality, affordable, flexible child care is often a top priority for the growing number of parents entering the workforce. Care of young children should not only be seen in the light of parents' ability to work but also in relation to early childhood development.
- 3.18.2 Over time, an integrated, accessible and responsive early years system could arrest population decline by improving fertility rates and make South Australia more attractive to potential migrants. High quality early childhood staff underpin improved outcomes for children at this most critical stage of life. There are a number of child-care initiatives that are already the subject of bilateral bids from the Department of Education and Children's Services (DECS) that, if approved, could form part of the population policy at a later time. These initiatives focus on the expansion and integration of child-care and pre-school, and on the professional development of child-care workers.

LABOUR FORCE PRODUCTIVITY AND PARTICIPATION

- 3.19 The population policy sets out strategies to increase labour force productivity and participation. These strategies will help minimise the prospect of South Australia's working age population going into decline and help off-set the additional pressure an ageing population will place on government spending.
- 3.20 While the need to address particular demographic trends dictates a strong focus on older workers, migrants and women returning to the workforce, the

policy also recognises the importance of raising the skill levels of the South Australian labour force as a whole. This is already the focus of a number of existing training initiatives outlined in the State Government's ten point action plan for the workforce, "New Times, New Ways and New Skills" - including a Workforce Development Strategy, Workforce Development Fund, employment programs in SA Works and measures to improve the accessibility of TAFE.

- 3.21 The Government's overriding objective in this area is to increase the proportion of the State's labour force with post-school qualifications from 51.4% in 2002 to 55% by 2013. Most of the activities listed in the policy are existing strategies, or the subject of current bilateral bids. New initiatives include the Return to Work program for parents returning to the workforce after time away raising children, and a cadet scheme where employers would fund part of the HECS payments for recent graduates of South Australian universities.

3.22 Return to Work credit

- 3.22.1 Long periods out of the workforce to raise children can lead to the erosion of skills and to the potential for long term reliance on income support. OECD evidence suggests that only one group among the unemployed clearly benefits from training, and this is mature-age women seeking to return to the labour force after a period spent raising children. They are generally highly motivated and they benefit from the opportunity to improve their skills. The proposed Return to Work credit is intended to assist parents who have not been in paid employment for more than four months (full-time or equivalent part-time) during the last two years due to time spent raising children.
- 3.22.2 A \$1,200 credit is proposed that can be used towards training that increases parents' work skills and/or improves their job prospects. If used for paying tuition fees, any balance remaining may be used for child care at an accredited child care centre while parents attend training, or for support materials such as books. The credit would be valid for 12 months from the date of issue and any unused money is forfeited at the end of 12 months.
- 3.22.3 Strict eligibility criteria would include: applicants must previously have held paid employment; they must be an Australian resident living in South Australia. It is proposed that 800 credits be issued per year, totalling \$960,000 per year.
- 3.22.4 The program is based on the Victorian "Parents Returning to Work Program" which is administered by Adult Multicultural Education Services, Department of Education and Training. Under the Victorian scheme 2,475 grants of \$1,000 are to be allocated to eligible parents each year for 4 years (total of \$11 million). The program commenced in July 2003 and in the first seven months of operation all of the first year's grants were allocated. One hundred more were offered in January, 2003 from the 2004-05 grant allotment. In Victoria, most of the money has been used to pay for training, with limited funds being used for child care. A review of the first year of

operation will take place at the end of the financial year. Advice from Victoria is that Western Australia is investigating the feasibility of introducing a similar program.

COMMONWEALTH POLICY

- 3.23 As many of the population policy levers are controlled by the Australian Government, the population policy advocates the development of a national population policy for Australia. It also pushes for a number of specific Commonwealth policy changes, including the introduction of a national paid maternity leave scheme.

PLANNING FOR A GROWING, AGEING & SUSTAINABLE POPULATION ACROSS THE STATE

- 3.24 In the final section, the policy explains how the needs of changing South Australian communities will be addressed through the budget process and separate housing, planning and infrastructure strategies. The policy also recognises the importance of safeguarding the environment, off-setting the potentially negative effect of supporting a significantly higher population of 2 million by mid-century.

3.25 ECONOMIC, FINANCIAL AND BUDGET IMPLICATIONS

3.25.1 Required resources

- 3.25.1.1 Of the new resources sought in this Cabinet submission to implement the proposed population policy, the most significant budget implications are in respect of the migration initiatives (60 per cent) and the "Return-to-work credit" (37 per cent). Other workplace initiatives account for the balance (3 per cent).

- 3.25.1.2 There are separate funding bids by DECS (in respect of child-care) and DFEEST (training and attracting high-calibre researchers), or linked to the future funding arrangements for DTED (marketing), which if approved will become part of the policy later.

Migration initiatives

- 3.25.1.3 In terms of existing resources, *Immigration SA* operates in 2003-04 with a total allocation of \$2,008,000. *Immigration SA* has the same level of funding allocated in 2004-05 and 2005-06. This funding includes allocations for staff salaries, operating costs, regional project officers and attracting business migration. It makes no allowance for attracting skilled migrants or on-arrival services (see Table 1 in Appendix 2 for detail).

- 3.25.1.4 Total funding for *Immigration SA* falls to \$1,580,000 in 2006-07, after current funding for the regional project officer initiative runs out. It falls to \$580,000 in 2007-08, after current funding for business migration runs out.
- 3.25.1.5 Of the \$2,008,000 allocated to *Immigration SA* in 2003-04, approximately \$800,000 from the business migration program currently remains unspent.
- 3.25.1.6 It is proposed that Cabinet give approval for money unspent on business migration in 2003-04 to be carried over into 2007-08.
- 3.25.1.7 In support of all new migration initiatives, it is proposed that Cabinet approve new funding of the following amounts: \$1,567,660 in 2004-05; \$1,581,630 in 2005-06; \$1,489,920 in 2006-07; and \$1,504,280 in 2007-08 (see Table 2 in Appendix 2 for detail).
- 3.25.1.8 The additional funding sought for *Immigration SA* and other migration initiatives in this submission is needed to effect a major increase in the State's migration intake, and reflects the need for:
- increased promotion in overseas markets;
 - new promotion in respect of interstate migrants and expatriates
 - increased promotion and networking among local community groups, expatriates and other stakeholders
 - additional processing in respect of migrants using state-specific migration mechanisms
 - additional staff to support all these measures.

Return to work credit and workplace initiatives

- 3.25.1.9 In support of the return to work credit and workplace initiatives outlined in this submission, it is proposed that Cabinet approve new funding of the following amounts: \$1,130,000 in 2004-05; and \$1,025,000 in 2005-06, 2006-07 and 2007-08 (see Table 3 in Appendix 2 for detail).

Total population policy package

- 3.25.1.10 The sum of new funding sought in this submission on migration initiatives, workplace initiatives and the return to work credit amounts to a four-year total of \$10,348,490 (a similar annual level of ongoing funding will be required). (see Table 4 in Appendix 2)

Other agencies' bilateral bids

3.25.1.11 DECS and DFEEST have a number of proposed initiatives in relation to child-care and workforce development that are subject to separate bilateral bids. These bids total \$10,238,500 over four years and, if approved, could become part of the population policy at a later time.

3.25.2 Staffing implications

There are no direct staffing implications arising from this proposal. To the extent that additional staff are required for implementation, these will be met from program funds.

3.26 IMPACT ON THE COMMUNITY AND THE ENVIRONMENT

3.26.1 Environmental impact

South Australia urgently needs to conserve and rehabilitate its natural environment while at the same time maintaining a population base capable of sustaining its community and economy. The critical issue is not raw population growth figures, but rather consumption rates and patterns. The proposition that responsible population growth is achievable in South Australia is conditional – it is conditional on the State's environmental challenges being addressed appropriately and directly. Therefore it is proposed that as policies to attract higher levels of population are implemented and take effect, resource efficiency and environment protection policies will also be rolled out.

3.26.2 Family and social impact

This policy is expected to have a positive impact on South Australian families. The strategies to improve work-life balance, including workplace flexibility, access to better child-care and return to work program, are aimed at giving families greater choice in the management of their lives.

Ensuring that immigrants to South Australia are integrated into the labour market and the community is essential if the State and the new settlers are to benefit fully. The provision of better settlement services will facilitate this. The local population will also need to be reassured that migrants create employment and that their own jobs, housing and services will not be diminished by new arrivals.

3.26.3 Regional impacts

Regional areas of the State are experiencing varied impacts from the demographic trends that are the subject of this policy. The strategies in this policy are aimed at providing regional communities and businesses with a range of options to address population and workforce issues. This will be achieved, in part, by expanding the role of the migration project officers established through Immigration SA.

It is expected that this policy will have positive impact on regional areas.

3.26.4 Regulatory impact

This policy is not expected to have any regulatory impacts.

3.26.5 Small business impact

This policy includes initiatives to encourage and support businesses, especially smaller ones, to adopt better work practices and to plan for and manage an ageing workforce. The measures being proposed are voluntary and will not impose any restrictions or costs on business.

These workplace initiatives are aimed at increasing workforce participation and productivity and will have a positive impact on those small businesses that take part.

3.27 Risk Management

3.27.1 State Government population forecasts

It is important that the effect of initiatives in this package are taken into account in State Government demographic forecasting, such as that undertaken by the Interdepartmental Forecasting Committee convened by Planning SA. While objectivity will need to be maintained, Planning SA are working on a series of low, medium and high growth projections, which can incorporate varying assumptions about the effectiveness of government intervention. The targets set in this policy are clearly high population growth targets. Each State Government agency will need to make an assessment about the likely current and future demands that would be placed on it as a consequence of such growth.

3.28 Consultation

Consultation for the population policy has extended to the following organisations and people:

State Government Agencies

- Premier and Cabinet
 - Social Inclusion Unit
- Attorney General's
 - Multicultural SA
 - Equal Opportunity Commission
- Transport and Urban Planning
 - Planning SA
- Further Education, Employment, Science & Technology
 - Employment and Skills Formation
 - Science, Technology and Innovation
- Education and Children's Services
 - Children's Services
- Human Services
 - Ageing and Community Care

- Office for Women
- Administrative and Information Services
 - Workplace Services
 - Public Sector Workforce Relations
- Water, Land, Biodiversity & Conservation
- Environment and Heritage
 - Office of Sustainability
- Trade and Economic Development
 - Office of Regional Affairs
 - Office of Local Government
- Treasury
- Primary Industries and Resources SA
- Tourism

Other Government

- Immigration and Multicultural and Indigenous Affairs (C'wlth)
- Transport and Regional Services (C'wlth)
- Employment and Workplace Relations (C'wlth)
- Australian Bureau of Statistics (C'wlth)
- Other state governments (NSW/Qld/Vic/Tas)
- Local Government Association of SA

Non-government

- Business SA
- Business Vision 2010
- Migrant Resource Centre SA
- Australian Refugees Association
- Anglicare
- Council of the Ageing
- Education Adelaide
- the three universities' alumni units
- National Centre for Vocational Education Research
- National Institute of Labour Studies
- Australian Institute of Commercialisation
- Australian Population Institute (APOP)

Academics

- Prof Graeme Hugo (University of Adelaide)
- Prof Glenn Withers (ANU)
- Prof Dick Blandy (UniSA)
- Prof Andrew Parkin (Flinders University)
- Prof Alison Mackinnon (Hawke Centre)

3.29 Communication Strategy

3.29.1 In relation to local and interstate marketing for the remainder of 2003-04, it is proposed that DTED be authorised to make use of its 2003-04 marketing budget for the purpose of a local and interstate advertising campaign in the lead up to the April Summit, and following the Summit until June 30. This campaign would focus on South Australia's superior housing affordability and job opportunities, and would be based on material produced from market research and focus groups conducted by DTED and SA Business Vision 2010 (as part of a State positioning exercise). It would comprise the following elements:

3.29.1.1 Prior to the April Summit

- briefings by the Premier to selected journalists to build interest ahead of the April Summit and proposed interstate advertising
- an interstate advertising campaign (Sydney and Melbourne) highlighting the State's affordable housing as a key attraction – backed up by links to www.southaustralia.biz (this campaign would continue post-Summit).
- an update of previous videos showcasing South Australian industries and lifestyle (for visitors to South Australia and for use in interstate and overseas promotion).
- the half-yearly "report card" on South Australia, published in the Advertiser (this would coincide with the April Summit, to help South Australians understand where economic progress is being made).

3.29.1.2 Post April Summit until June 30

- interstate newspaper supplements (NSW and Victoria) to promote housing affordability and job opportunities in SA.
- extension of the current Adelaide Airport "The Facts" billboard campaign (which is currently targeted at all travellers through the airport and focuses on key themes such as Adelaide-Darwin Rail Link, the new terminal, growth industries and major events).
- interstate promotional visits.

- 3.29.2 It is proposed that overseas promotion for the remainder of 2003-04 be focused around the Premier's mid-year, overseas trip – during which there would be an overseas, second launch of the population policy. A promotion strategy would be prepared by DPC (Strategic Communications, Immigration SA and the Population Policy Unit) and the DTED marketing unit. The strategy would build on advance work undertaken by the Deputy Premier during his recent UK visit and draw on money already allocated to Immigration SA for business migration in 2003-04. The strategy would be submitted to the Cabinet Communications Committee for its April 15 meeting.
- 3.29.3 It is also proposed that a more comprehensive local, interstate and overseas marketing strategy for 2004-05 be submitted to the Cabinet Communications Committee on 9 June 2004. The strategy would have both a migration and industry development focus. It would be prepared by DPC (Strategic Communications, Immigration SA and the Population Policy Unit) and the DTED marketing unit. It would draw upon resources allocated to Immigration SA as part of this submission, as well as resources allocated to the DTED marketing unit.

3.30 Executive Council

Executive Council approval is not required.

4. RECOMMENDATIONS

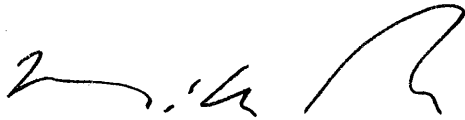
It is recommended that Cabinet:

- 4.1 approve the attached State population policy and its release prior to the April Economic Summit.
- 4.2 approve new funding for migration initiatives of \$1,567,660 in 2004-05; \$1,581,630 in 2005-06; \$1,489,920 in 2006-07; and \$1,504,280 in 2007-08.
- 4.3 approve new funding for workplace and labour force initiatives of \$1,130,000 in 2004-05; and \$1,025,000 in 2005-06, 2006-07 and 2007-08.
- 4.4 approve the carry-over into 2007-08 of money unspent on the business migration program in 2003-04.
- 4.5 note other new labour force and child care initiatives currently the subject of bilateral bids by other agencies
- 4.6 approve the use of DTED's 2003-04 marketing budget for local and interstate advertising and promotion in the lead up to the April Summit, and following the Summit until June 30.
- 4.7 note that an overseas promotion strategy to coincide with the Premier's

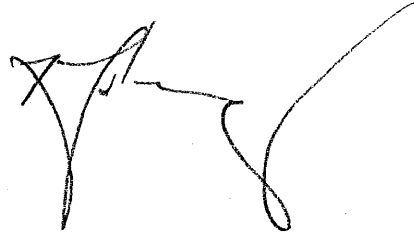
CABINET-IN-CONFIDENCE

mid-year travel will be prepared by DPC and DTED for the April 15 meeting of the Cabinet Communications Committee.

- 4.8 note that a comprehensive local, interstate and overseas marketing strategy for 2004-05 will be prepared by DPC and DTED for the June 9 meeting of the Cabinet Communications Committee.

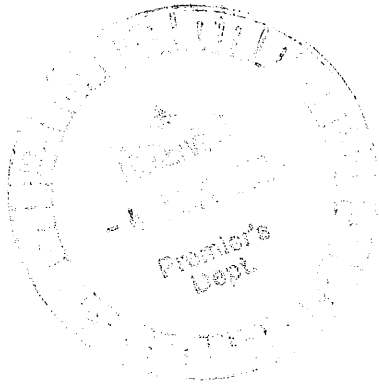


MIKE RANN
Premier



KEVIN FOLEY
Deputy Premier

8/3/2004



PROSPERITY THROUGH PEOPLE

A POPULATION POLICY FOR SOUTH AUSTRALIA

MARCH 2004

PREMIER'S FOREWORD

This population policy will help build a better and sustainable South Australia. It is a bold and proactive policy that seeks to chart an alternative demographic path for South Australia – a path that supports the State's broader economic, social and environmental objectives outlined in the State Strategic Plan.

But there is a lot of work to be done. For well over a decade, the State's population has grown at less than half the national rate. This has resulted from a failure to attract our share of overseas migrants and an ongoing net loss of people to interstate. This has been compounded by the phenomenon, widespread among industrialised nations, of falling birth rates and has resulted in rapid population ageing.

Based on current trends the State's population is projected to peak at around 1.6 million and then go into decline in less than 25 years. With the inevitable shift of the 'baby boomer' generation into retirement, the State's working age population is projected to decline even sooner, within the next decade.

The Economic Development Board (EDB) recognised these trends as key barriers to the State's continued economic and social development. If not addressed, we will be handing over to our children, and theirs, a world that will see them worse off than we are. South Australia must sustain its economic and social vigour and dynamism.

This is why my Government agrees with the EDB's recommendation for strong and immediate action. We must refuse to accept the inevitability of population decline and recognise the need to respond to the ageing of our population.

This policy calls for joint government and community action to build a *skilled, prosperous and sustainable South Australia that supports its people in their career, lifestyle and settlement choices*. It is a policy that will see the State:

- maintain its current national population share
- effectively double its current population growth rate
- achieve a population of 2 million by mid-century.

I am confident that we can achieve both population growth and sustain the environment by ensuring that development takes place within an overall framework of sustainability.

To realise this shared vision, this policy proposes a number of targets and strategies in relation to migration, the workplace and labour force development. It also outlines the overall framework through which the needs of South Australia's families and our ageing and growing population will be met.

The successful implementation of this population policy, in conjunction with those relating to economic and social development, will lead to a steady improvement in the standard of living of all our people, now and into the future.

The Government alone cannot bring about this change. A true partnership is required between business, education, the community and all levels of government.

1. INTRODUCTION

In recent years public debate on Australia's population has increased, and now many sections of the community are calling for a population policy. Two National Population Summits have been held, the latest in November 2003 in Adelaide.

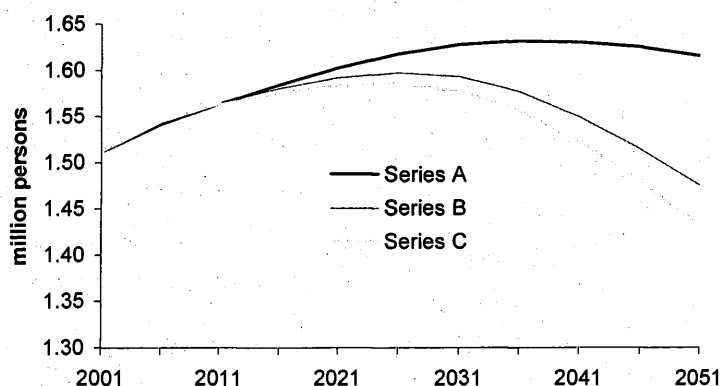
The Economic Development Board (EDB) recognised the interdependence of economic performance and population in its *Framework for Economic Development* released in May 2003. It identified adverse population trends as a key issue affecting the State's future productivity and prosperity. The Government has responded to the EDB's recommendations on population by developing this State Population Policy.

In undertaking this complex task many questions have come to mind – Why should South Australia increase its population? What level of population is sustainable in South Australia? Where will people live and what will influence their decision to move or stay? What is the impact of the demographic changes that South Australia is experiencing? Does population slowdown mean economic slowdown? Why do South Australian women have on average only 1.7 children?

The debate about South Australia's population is ultimately a debate about what kind of society we want, what kind of lifestyle we want, where we want to live, what value we place on cultural diversity, what types of jobs we want, and what balance we want between our younger and older people.

In common with most of the industrialised world, South Australia faces challenges posed by slow population growth, low and declining birth rates, and a rapidly ageing population. The standard (series B) Australian Bureau of Statistics (ABS) projection is that the State's population will go into long-term decline within 25 years.

Figure 1: ABS Population Projections South Australia, 2001–2051



A declining population, and a declining economy, provides a less competitive business environment with fewer viable producers, and restricts variety and choice of products and services to consumers.

As the world becomes more globalised, many decisions that affect the daily lives of South Australians are made in national government and non-government forums. A declining population and economy could diminish the State's ability to influence those decisions.

A smaller and less affluent population would support a narrower variety of creative activities, including innovation, R&D, culture, arts and personal and cultural development, and attract less interest and talent from overseas and interstate.

If population decline occurs at the same time as the population ages, it would result in a fall in overall productive capacity, contraction of demand and ultimately a lowering of overall living standards.

It is well known that regions that achieve high and sustained periods of economic growth and generate greater demand for labour find it easier to retain local workers and attract new ones. South Australia's economic performance over the past decade or more has not kept pace with the rest of Australia and, as a result, the State has experienced a net loss of prime working age people, especially to the eastern States, and has not attracted its share of Australia's overseas migrants.

Recent economic performance in South Australia has been more positive and this will need to be maintained if the population prospects for the State are to be improved.

Acting alone the State Government has limited control over population issues. Many of the decisions that need to be influenced are properly a matter of individual choice. Many of the trends are driven by economic and market forces beyond the control of State Governments.

And of course many of the policy levers are controlled by the Australian Government, which is why the South Australian Government will be strongly advocating a National Population Policy for Australia, within which South Australia has its rightful place.

There is, however, still a significant role for our State Government to play in influencing our population growth and structure, either through direct actions or through influencing others. Other stakeholders can also play a significant role. For example, Adelaide City Council is actively seeking to significantly increase its residential, workforce, student, visitor and youth population.

This population policy is about harnessing all of our people's skills and talents, encouraging full participation in the community and the economy, and enhancing productivity. It can only be delivered through a partnership involving the community, business, the volunteer sector, education and all levels of government.

2. POPULATION TRENDS AND PROJECTIONS

The demographic trends and projections for South Australia highlight some potentially serious consequences for the State's economy and community and for the living standards of current and future generations.

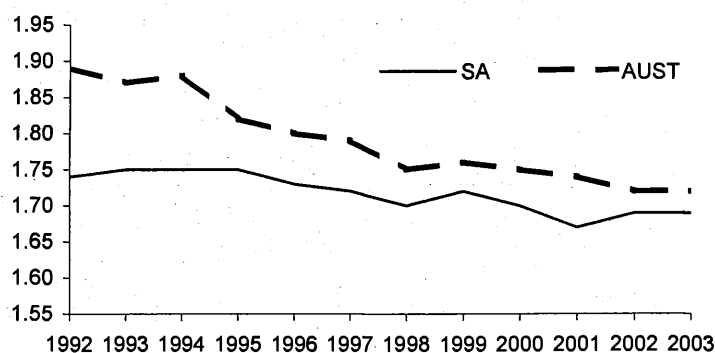
Population growth and composition are driven by fertility, migration (international and interstate) and mortality.

2.1 Fertility

The fertility rate in South Australia declined rapidly from the post-war highs until the mid-1970s. Since then fertility has been reasonably stable, with Total Fertility Rates¹ at around 1.7, a level well below the rate of 2.1 required for population replacement.

Historically, South Australia has had a fertility rate below the national average. However, over the 1990s the State's fertility has fallen only marginally while that for Australia has fallen more than three times as fast. South Australia's fertility rate is now only a little below the national average.

Figure 1: Total Fertility Rate: Australia and South Australia 1992-2003



2.2 Migration

International

South Australia's share of the national overseas migrant intake has steadily fallen from about 10% in the late sixties to about 4% for each of the past 8 years. The State's under-performance has been in all visa classes, except in the Humanitarian Program.

Table 1: South Australian settler arrivals by visa class, 2002-03

Visa Class	New Arrivals in SA	Share of Total Arrivals (%)
Family	1243	4.4
Skilled	1239	3.9
Business	93	1.7
Humanitarian	686	7.2
All visa classes	3261	4.2

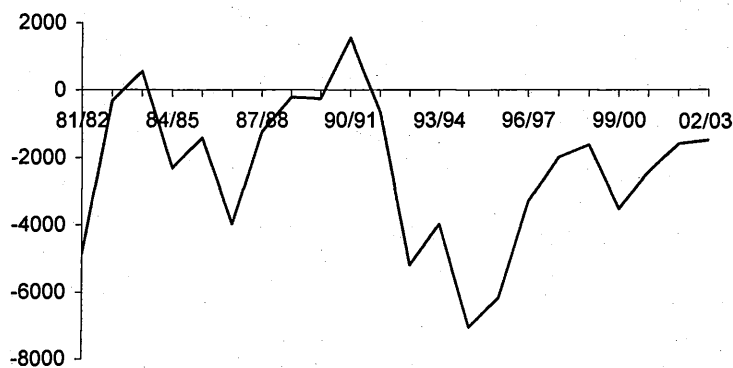
¹ Total Fertility Rate indicates, on average, the number of children a woman would bear through her lifetime.

Interstate

Despite recent improvements, the State has experienced high rates of net interstate migration of working age South Australians. Losses reached record levels of around 7,000 in the mid-1990s and averaged in excess of 4,000 per annum for the ten years to 2000-01.

These losses to other States have particularly involved young people, especially women and those possessing high skills and high income. Although there are some reciprocal flows from other States into South Australia, these comprise mainly older and poorer people.

Figure 2: Net Interstate Migration 1981 - 2003



South Australia's net migration (net interstate plus net overseas migration) has shifted from large gains in the first three decades of the post-war period to smaller gains and even net losses subsequently. This has been the main factor in the reduced population growth rates since the mid-1970s.

2.3 Mortality

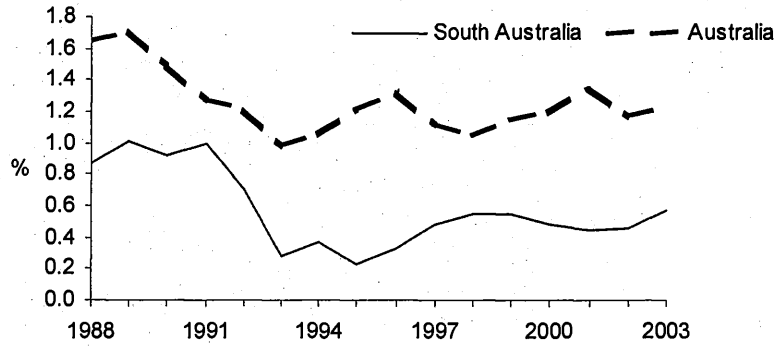
As with the rest of Australia, there has been a major decline in mortality rates in South Australia since the war. Generally, this decline is linked to improvements in life expectancy among the older population. In the 20 years to 2002, life expectancy increased by 5.1 years for men (to 77.3 years) and 3.1 years for women (to 82.6 years). South Australians have the highest median age at death of all the States and Territories.²

2.4 Population growth and decline

For the past 15 years South Australia has averaged 0.5% annual population growth, less than half that experienced by Australia as a whole (1.2%). Over the same period South Australia has achieved less than a third and a quarter respectively of the population growth of the two fastest growing States, Western Australia and Queensland. Since 1988, South Australia's population increased by just over 120,000 while Queensland added over 1 million people and Western Australia over 400,000.

² ABS Cat. No. 1306.4, South Australia at a Glance, 2004

Figure 3: Population Growth: Australia and South Australia 1988-2003



South Australia's share of the Australian population was 9.2% in 1961, but declined to 8.1% in 1996 and 7.7% in 2003.

The ABS projects that South Australia's population will peak at 1.6 million in 2027. After that the Bureau projects ongoing population decline, so that in just over 40 years there could be fewer South Australians than there are today. If this transpires the State's share of the national population will fall to 5.6%.

2.5 Population Ageing

These trends have had profound effects on the State's population age structure.

In the 1950s and 1960s South Australia's population was younger than that of the nation. However, as a result of lower fertility, disproportionately low migration gain and selective net loss to interstate, South Australia now has the oldest population of all the States and Territories. South Australia has a median age of 37.9 compared to 35.9 nationally and the proportion of its population aged 65 years or over stands at 14.7% compared to 12.7% nationally.

This ageing of the population is projected to continue. By 2050, 31% of the State's population will be 65 years or over, more than twice the current figure. In the same time the over 85 population will increase four fold.

2.6 Regional Movements

Despite the slowing of the State's population growth as a whole, there are wide variations in regional population growth rates. The geographic distribution of population within South Australia is overwhelmingly concentrated in Adelaide, the site of most economic activity and employment. However, looming land and water shortages combined with the environmental costs of such a concentrated population distribution are beginning to act as a disincentive for further Adelaide based growth. This has been recognised by the establishment of an 'urban containment boundary' around Adelaide.

In recent times, population growth has been strong in areas around Adelaide, for example, Mount Barker in the Mount Lofty Ranges (already one of the most populated water catchments in Australia), and areas south (McLaren Vale) and north (Virginia) of Adelaide adjacent to high value horticultural industries. Other towns within commuting distance of Adelaide, such as the coastal centres of Victor Harbor and Goolwa, and the Barossa Valley towns of Tanunda, Nuriootpa and Kapunda also account for a greater share of the State's population growth.

Regional centres serving intensive agricultural, aquaculture or mining industries such as Mount Gambier, Port Lincoln and Roxby Downs have also shown significant population growth. For economic development to continue in these centres, they will require major investments in service infrastructure, particularly water supply, electricity and housing.

Many of the faster growing small towns are located on the coast and are experiencing retirement migration as part of a national 'sea change'. The problem here is that the very attractions that drive this growth, such as the pristine (and fragile) coastal environment, are being threatened by the residential and tourist development that they spawn. The growing number of older South Australians in these small towns places strain on services, including health services and appropriate housing, especially as these people are likely to be living away from traditional family and social support. As they age, some of these 'sea changers' will return to the city to be closer to family and sophisticated medical support; some will stay in the regions, become more highly dependent, and therefore require innovative and diverse care and services.

In contrast, the regional centres of Whyalla, Port Pirie and Port Augusta in the Upper Spencer Gulf continue to experience population declines, largely associated with the loss of jobs. The non-coastal wheat growing and grazing areas of the State have also shown significant declines in population numbers.

Whereas older people tend to move for lifestyle or health reasons, younger people tend to migrate for education and employment opportunities. The exodus of young people from small inland towns has led to long-term population declines and created labour shortages for rural farm populations. This selective population movement can pose serious problems for the future sustainability of many rural populations, not to mention the under-utilisation of assets such as schools, and the downgrading of essential services.

These regional movements, both growth and decline, also have significant impacts on Local Government infrastructure and services.

2.7 Labour Force and Skills

As a result of a prolonged period of low fertility, the outflow of young people, and the 'baby boomers' moving through to retirement age, the number of South Australians of working age (15 to 64 years) is projected to start declining within the next decade, much sooner than the population as a whole. Industry in South Australia for the first time faces the prospect of future labour shortages and a labour supply that is unable to meet the demands of the economy.

Job opportunities created through reduced labour supply will encourage people not in the workforce to enter or re-enter it and will attract people from outside the State. However, future labour shortages are common across nearly all industrial countries and competition for workers, especially skilled workers, will become intense. This global demand for labour will put pressure on wages, and local businesses which already have difficulty matching global wage rates will find it difficult to compete.

Successful businesses are those that can respond quickly to market demand for new and innovative products, services and processes. Such imperatives increase the demand for skills rather than simply labour.

In 2002, 51.4% of South Australia's labour force aged 25 to 64 years (employed or unemployed) held a post-school qualification. Compared to the Australian average (55%), South Australia's labour force is relatively underqualified

Despite a significant increase in female participation in paid work, the State's overall labour force participation rate (61.6% in December 2003) is more than two percentage points below the national average (63.8%). Two thirds of this deficit can be attributed to the State's older age profile³. There has also been a strong trend towards early retirement, not all of which has been voluntary. South Australia has the highest proportion (47.6%) of 50 to 64 year olds retired from full-time work in Australia.

The improved female participation rate has been most marked in part-time work. This is welcome, but many such workers would prefer more work hours if work and family could be better combined. A key challenge for improving our lifestyles and for best using our human capacity is to facilitate work-life balance in ways that suit both families and employers.

3. A POPULATION VISION

South Australia must strive to improve its stature as an attractive and environmentally sustainable place to work and live. The State also must work on enhancing the incomes and living standards of all its people, current and future, and to develop a socially cohesive and stable community with a cosmopolitan outlook strengthened through cultural diversity.

Population dynamics are a major influence on the pace and direction of a region's long-term social, economic and political development. South Australia has to secure and nurture a population that sustains its long-term development as a modern economy and a robust, vibrant and culturally diverse community.

The population projections outlined above clearly indicate that the age profile of the State is not sustainable and that considerable momentum toward ongoing population decline already exists in South Australia. This momentum cannot be allowed to build.

Measures must be put in place to achieve a population age structure that supports sustainable population growth and renewal rather than decline. Modelling by the

³ Estimate by SA Department of Treasury and Finance

National Centre for Social Applications of GIS at Adelaide University indicates that achieving these objectives could result in a population of 2 million by the middle of this century.

The State needs responsible population growth and has to foster healthy ageing; encourage active social, cultural and economic participation for all; promote social integration of new arrivals; and ensure the long-term sustainability of the economy and the community (including those of the regional areas).

At the same time, the Government will ensure that complementary policies are in place that address environmental sustainability and the social impacts of an increasing population (see section 5.6).

Responsible population growth will provide:

- the benefits of economies of scale and greater competition, including enhanced industry competitiveness; improved capacity to support major infrastructure projects; and lower costs of providing essential services
- an economy that supports a greater number of viable firms and a greater choice of products and services to consumers
- greater variety of creative activities, including innovation, R&D, culture, arts, and personal and cultural development, all of which will attract more interest and talent from overseas and interstate, and helps retain young people
- continued influence in decisions that affect the daily lives of South Australians but that are increasingly made in national government and non-government forums
- a larger tax base from which to fund greater demand for services and expensive environmental repair measures
- a basis for maintaining Commonwealth funding levels to the South Australian Government, Local Government in South Australia and non-government funding recipients.

Reaching 2 million by 2050 is an ambitious target that requires immediate action.

4. STRATEGIES FOR POPULATION GROWTH AND RENEWAL

This policy is about growing, sustaining and mobilising the community, its potential and all its various talents. It is a human development policy.

It comprises objectives, strategies and actions that could lead to a sustainable demographic path for the State that complements the community's broader economic, social and environmental objectives.

As stated earlier the three factors that determine population size and structure are births, deaths and net migration (international and interstate).

Some of these factors, and therefore their population impacts, can be influenced by government and some cannot. For example, net migration can be increased and

overall population decline can be avoided, whereas some population ageing and increase in the ratio of working to non-working people is largely unavoidable.

This policy, therefore, aims to both shape those trends that can be changed so as to reduce the negative and enhance the positive consequences for the economy and the community, and anticipate and respond to those trends that cannot be altered.

Some strategies do both – shape and respond. For example, the introduction of flexible working arrangements to provide a better work-life balance may improve fertility levels. At the same time, flexible working arrangements will boost workforce participation and productivity, especially of women and older workers, improving capacity and alleviating the budgetary pressures of population ageing.

In an open economy like South Australia's, while the government can and should develop policies that influence population outcomes and thereby contribute to sustaining the State's economic and social development, market forces and individual choices that are largely beyond government control are also at work. All good policy builds in flexibility to respond to changing conditions.

It is also essential that the State Government engages other stakeholders and the community in seeking support for this policy. Further, many population issues are national issues that are controlled by the Australian Government. This is especially true for interventions aimed at improving fertility. This policy, therefore, focuses on strategies aimed at influencing national policies.

This population policy's broad strategic objectives are to:

1. improve the State's net migration performance by:
 - a) increasing the State's share of the national migration intake
 - b) increasing the number of expatriates and potential interstate migrants returning or relocating to the State
 - c) reducing the net outflow of young and skilled people
2. improve parents' abilities to balance the imperatives of work and family life to improve workforce participation and work-hours options
3. respond to the needs of, and improve the prospects and choices of, mature aged people
4. improve the skill level in the State and use to the full the talents possessed by our people.

4.1 Migration

South Australia will increasingly rely on migration to support population and labour force growth, augment skill development, and counter our continuing low fertility level.

Many other developed countries also face the same or even more severe declines in labour force growth and are becoming more aggressive in seeking skilled migrants. Competition for migrants, including talented South Australians, will increase.

This migration strategy is directed at potential overseas migrants, potential interstate migrants and expatriate South Australians.

South Australia will take full advantage of more favourable regional visa categories that have been negotiated with the Australian and other State Governments. These new visas will be introduced in the second half of 2004 and will be key to meeting our overseas migration targets. Use of these new visas will be supported by commercial representation in target countries to raise South Australia's profile and exposure as a settlement location of choice.

The State Government will undertake targeted promotion in selected markets, including United Kingdom, South Africa, India, China and New Zealand. Promotion in the United Kingdom, in particular London, will also target expatriate South Australians to encourage their return. This campaign will focus on South Australia's competitive advantages in lifestyle, cost of living, housing affordability, and education, business and employment opportunities. It will be integrated with other promotional activity for education, tourism and economic development.

The State Government will undertake a similar marketing campaign to attract potential interstate migrants, initially targeting Sydney and Melbourne.

As well as encouraging expatriates to return, emphasis will be placed on better using their skills, networks and experience in overseas markets. The concept of the State's population has to be broadened to encompass its diaspora – the global network of people who call themselves South Australians. This large pool of expatriates and the global networks they belong to provide enormous potential to generate promotional, migration, trade and investment opportunities for the State. South Australians' participation in State affairs and their contribution to the economy and community should not depend on their living in the State.

It is essential to ensure that immigrants to South Australia are integrated into the labour market and the community if the State and the new settlers are to benefit fully. Providing better settlement services will facilitate this. Community and employer attitudes also have an important impact on the employment prospects and earnings of migrants.

If the sources of migrants shift toward countries in Asia and Africa, the majority of migrants may be more visible minorities and may face greater barriers to social inclusion than did earlier migrant groups. However, if source countries include South America and Eastern European transition economies, this may be somewhat less evident. But either way, it is vital that our community recognises that the ethnic and cultural diversity that these migrants will bring to South Australia can be a real strength and help to create a society that is creative and innovative.

Such a society must be supported with policies and services that reduce the risk of exclusion. This integration is a two-way process, an important part of which is the recognition and acceptance of difference on both sides.

While successful settlement is a long-term process, it is in the early stages that immigrants face the greatest challenges – finding a job and accommodation, obtaining access to public services, and developing social and cultural networks of support.

Successful settlement of new arrivals will depend both on the level of support services provided and on the acceptance and support of the whole community. Greater global labour mobility means that the turnover of both temporary and permanent migrants will increase. This in turn will test the community's capacity to integrate new arrivals.

It is therefore also important to re-assure local South Australians that their own jobs, housing and services will not be threatened by new arrivals. Numerous studies show that migrants create as many or more jobs and training slots as they fill. Local economic prospects are in fact much advanced. But practical policies to ensure this continues to be true are also required, for example university and training places must meet local resident needs.

4.1.1 Migration Targets

South Australia's targets and objectives for its migration strategy are to:

- achieve the following targets for specific categories of international migrants by 2008:
 - increase five-fold or better (to 600) the number of *business migrants*
 - double or better (to 2,500) the intake of *independent skilled migrants*
 - increase to at least 10% (to 1,200) our share of *humanitarian migrants*

These are the categories in which governments can influence decisions about settlement location. Other categories, in particular family sponsored migration, are more difficult to influence. Therefore, performance in the target categories may need to be adjusted to achieve our overall target of receiving our population share of the national migration intake. Achieving the Government's overall population target, if family sponsored migration does not increase, could require over 7,000 independent skilled and business migrants within ten years. This is more than five times current levels.

- reduce net loss to interstate to zero by 2008
- attract expatriate workers and employers back to the State and to better utilise expatriates' skills, networks and experience in overseas markets to generate promotional, migration, trade and investment opportunities for the State.

The rest of this section sets out specific initiatives and programs the Government will introduce to implement its migration strategy and achieve these objectives and targets.

4.1.2 New Actions to Attract and Retain International Migrants

1. *New visa categories* – the Commonwealth will introduce two new regional⁴ visa classes in the second half of 2004. Pro-active use of these new visas, along with

⁴ For the purposes of these new visas, regional includes low population growth metropolitan centres such as Adelaide. Regional in this context therefore covers all of South Australia.

other existing State Specific and Regional visa mechanisms, is the key element of the State's migration strategy. The two new visa classes are:

- *Investor (Retirement) Temporary* – a temporary 4-year visa that is easily rolled over for ongoing 4-year periods. Applicants are required to invest in State bonds/projects, maintain health insurance and be financially independent.
 - *Skilled – Independent Regional (SIR) (Provisional)* – a two-stage visa involving a 3-year temporary stage requiring the applicant to live and work in regional Australia and pathways to permanent residence if they comply with the requirements of the temporary visa. This visa is available to applicants who fall short of the General Skilled pass mark. It will also provide the only on-shore visa option to some overseas students.
2. *Encourage community-sponsored migration* – the State Government will underwrite loans taken out by eligible community groups to cover expenses associated with sponsoring migrants to SA. The Government will also negotiate with the Commonwealth for greater community involvement in sponsorship.
 3. *Increased support for the Migrant Resource Centre* – the State Government will provide additional support for particular migrant settlement services.
 4. *Matching business migrants with business opportunities* – Immigration SA will work with the Export Council, Business SA, other Industry Associations and Local Government to identify capacity constraints and promote and support targeted business migration as a possible solution.
 5. *Joint overseas students/migration promotions* – overseas students, as well as providing a direct benefit to the State, are a major source of future permanent migrants. Immigration SA will work with Education Adelaide and the State's universities and VET providers to promote migration to SA to overseas students, especially through the new two-stage visa.
 6. *Commonwealth Regional Migration Officer* – the Department of Immigration and Multicultural and Indigenous Affairs will appoint a Regional Migration Outreach Officer in its Adelaide State Office to be responsible for working closely with Immigration SA on all regional migration related issues; including marketing and priority visa processing.
 7. *Suitable rural location for humanitarian migrants* – the Australian, State, Local Governments and non-government agencies will examine the suitability of various locations in South Australia as places to settle new arrivals who enter through the Australian humanitarian program.
 8. *Improve settlement services* – The State Government will bring together Australian, State, Local Governments and non-government agencies to improve as much as possible the delivery and targeting of settlement services offered to migrants. This will be achieved through the establishment of a one-stop-shop to meet information and referral needs during all stages of the migration process, both for new migrants and also for medium and longer term needs.

9. *Overseas qualification recognition* – a reference group will be established under the auspices of the Training and Skills Commission to create effective and efficient assessment methods for overseas qualifications recognition. Representation on the reference group would include government, industry, education providers, community authorities and professional bodies.
10. *Skill Matching Database/Job Network pilot* – the Australian Government will introduce a pilot scheme in South Australia to link the Skill Matching Database to the Job Network to increase employers' access to skilled migrants, when a vacancy cannot be filled from the local labor market.

4.1.3 New Actions to Attract and Retain Interstate Migrants and Expatriates

1. *Establish an expatriate database* – as part of a broader exercise with the Australian Institute of Commercialisation a national expatriate database (extending the Victorian Expatriate Network) will be created that will engage major overseas expatriate networks (Southern Cross Group and Young Australian Professionals America).
2. *Upgrade Immigration SA website* – as part of an overall upgrade of the *Immigration SA* website, separate components will be added for expatriate South Australians and potential interstate migrants. The website will be a host for the expatriate database and will market the benefits of relocating to the State and provide links to relevant service providers.
3. *Develop a register of business needs for matching with expatriates* – with Business SA and research institutions the Government will develop a database of business and research needs and match these with expatriates interested in returning.
4. *Employment promotion to expatriates* – *Immigration SA*, in close liaison with the Employment and Skills Formation Directorate, will work with recruitment companies, industry groups and regional bodies to ensure expatriates and other potential migrants have access to information about job and career opportunities via the proposed website.
5. *Expand Business Ambassadors Network Program* – the State Government will work with Business SA on an expansion of the Business Ambassadors Network program.
6. *High calibre researchers* – a fund will be established to attract high calibre researchers in an industry/academia executive-level exchange scheme.
7. *Opening up public sector employment* – all employment for senior positions will be opened up to external applicants. This could benefit the many South Australian graduates working in other States, especially in the Australian Public Service. Positions could also be advertised on the proposed expatriate website.

4.1.4 *New Role for Government*

1. *Broader role for Immigration SA* – Immigration SA is a unit established some years ago by the State Government to encourage and support increased overseas migration to the State, especially independent skilled and business migrants. The unit provides support and advice to potential migrants as well as a package of ‘on-arrival’ services for those who choose to settle in South Australia.

Immigration SA will continue in this role, but will increasingly focus on becoming the delivery unit for this population policy’s migration strategy and will be responsible for new settlers from overseas and interstate and will manage our expatriate programs. The unit will be able to offer businesses and communities a full range of migration options.

Immigration SA will place greater effort in identifying and attracting potential migrants than in on-arrival services. Greater use will be made of in-market commercial representatives to promote South Australia as a destination of choice.

2. *Promotion campaign* – the State’s profile and exposure in target markets has to be raised to improve migration performance. This will be achieved in a small number of targeted markets mainly through greater use of commercial representation in those target markets and through existing networks linked to South Australia. We will:

- target key markets – the United Kingdom, South Africa, India, China, New Zealand
- develop a network of in-market representatives to promote South Australia as a migration destination
- Promote South Australia in Sydney and Melbourne
- Make better use of existing networks including the South Australian Business Ambassadors Network, university alumni, the State’s culturally diverse communities, and Local Governments’ international links/sister city arrangements
- ensure the wider community is aware of the benefits of increased migration.

3. *Regional migration workshops* – Immigration SA will work with the Local Government Association, the Department of Immigration and Multicultural and Indigenous Affairs, Regional Development Boards and other stakeholders to present a series (5 or 6) of regional seminars/workshops to consider and address migration and population challenges and opportunities for the State’s regions.

4.2 **Fertility and Ageing: Striking a Better Work–Life Balance**

More and more people are either wanting to, or needing to, combine work and family responsibilities and they are doing it for longer.

Initiatives that improve people’s ability to balance their working and non-working lives form the major part of the strategies required to arrest the decline in the State’s fertility rate and to address the negative consequences of an ageing population.

To support improvements to the work environment, it is important that flexible and family friendly arrangements become part of our education and training systems. Flexible class hours and library access, and child-care in education and training institutions will support working people to maintain or improve their skills and will help those wanting to enter or re-enter the workforce.

These work-life balance policies and practices support parents combining work and family, and allow older workers to manage the transition from work to retirement more effectively. Importantly, these policies also improve equity, overall workforce participation and productivity, all worthwhile objectives in their own right. They also provide a suite of measures that serve as a powerful attraction to international migrants and expatriates, especially those who have or are considering starting a family.

Fertility

Fertility is the most important long-term factor in population growth and structure. Avoiding the possibility of ongoing population decline requires keeping fertility rates close enough to replacement levels so that the level of immigration needed to meet any shortfall does not grow beyond the State's capacity to absorb new arrivals. Stabilising fertility *at least* at current levels must become a high priority for the State.

The economic and social role of women has changed substantially over the past 40 years resulting in a marked reduction in child-bearing. An increasing proportion of women now combine having children with paid work. Progressively, women have been delaying having children and, partly as a result, are having smaller families.

Employment arrangements that fail to accommodate a work-life balance deny parents the choice and flexibility they want, and need, to share the task of parenting. Women in particular currently lack job security and assurances about their career prospects upon returning to work after unpaid leave to have and care for children.

A role for government is to identify and support women's preferences. However, government can only do so much. A more widespread and fundamental cultural shift is also required by men, workplaces, and the larger community. South Australia needs to foster a society where women:

- can be both mothers and be in paid employment (whether that choice is for full or part time employment)
- are supported in a 'joint venture' with partners, employers and the State
- are supported in their life-cycle work participation patterns and not unduly penalised for absences from the workplace because of caring responsibilities⁵.

Given trends in other industrial countries, especially Southern European countries and Japan, the risk is indeed that of a fertility level that may continue to decline.

⁵ Pocock B (2003) *The Work / Life Collision*, The Federation Press, Sydney

Australian and overseas research has shown that on average women want more than two children. However, most fall short of this suggesting that low fertility is more the product of constraint than of preference. Policies that remove the obstacles to motherhood and create a society that supports working mothers, and that reflect women's diversity, will give women choice over the number of children they have.

While not totally conclusive, there is evidence from some countries that policies that allow people to better combine work and family life have a positive effect on fertility. These policies include the provision of quality and affordable childcare, paid maternity leave, flexible working arrangements and security of work status.

These policies and practices, as well as helping to stabilise fertility, would improve equity, increase workforce participation and economic productivity, and would be an attraction to people from overseas and interstate. For individual businesses these activities would create a working environment that increases staff confidence and loyalty, and reduces turnover leading to lower recruitment and training costs.

Population Ageing

A long period of low fertility rates, improved life expectancy and a loss of population, particularly the young, are producing a rapidly ageing population in this State. Population ageing is mostly dependent on demographic changes that have already taken place or are unlikely to be reversed.

Further, early retirement has become so ingrained that it is almost a professional goal. To many, retirement is a hard-earned right and so the earlier the better. While it is an individual's right to choose when to retire, there exist policies and attitudes that encourage early exit from the workforce, not all of which is voluntary. Policies need to support older workers who choose to remain in paid work. Areas that need attention include:

- retirement income arrangements including pensions, taxation and superannuation
- enabling older workers to maintain or upgrade their skills
- improving community and business attitudes to older workers
- workplace flexibility to support the needs of older workers.

The significant ageing of the population, combined with increased early retirement, presents the challenge of a smaller workforce needing to provide the tax base to support a large number of older citizens who are living much longer beyond retirement.

Increased demand for pensions, health and aged care services will impose severe budgetary pressure on the Australian, State and Local Governments. The Australian Government's Intergenerational Report projected that Government spending will exceed revenue by more than 5% of Gross Domestic Product by 2042. The Victorian Treasury has estimated that a similar level of budgetary pressure will occur at the State level.

This raises serious questions about intergenerational responsibilities and equity and about the Government's capacity to provide appropriate levels of support and services.

With an ageing population and growing life expectancy, the Government must encourage and support people continuing to work into their retirement years. This is desirable from the point of view of society to sustain a desirable ratio of working to non-working people and from the point of view of the individual to help people stay active and continue to use their skills and knowledge.

Ageing also has implications for all education sectors, with fewer people of primary, secondary and traditional tertiary education age and a greater need for re-skilling and re-training of an ageing workforce.

The old model of full-time school followed by full-time work followed by full-time retirement is no longer applicable.

It is wrong however to consider the ageing of the population only in negative terms. The older population is not simply a poor, non-spending group draining economic and government resources. Older people contribute significantly to their families, the economy and the community through for example unpaid caring, other voluntary and community work and payment of taxes from investments and via consumption taxes.

Ageing need not be a barrier to people enjoying active and independent lives, participating in paid or voluntary work, nor to their making a positive contribution to their families or communities. There are significant opportunities to use the skills and talents of older workers in a range of activities in education, mentoring, skills development and community projects.

With increased life expectancy, people are living well beyond conventional retirement age. For many, quality of life relies on their family relationships, their links with the broader community and the knowledge that they are valued and respected members of society. Older people's ability to contribute depends on the attitudes of employers, younger workers, the community and the older people themselves. These attitudes can be changed to make even better use of the talents of our older population.

4.2.1 Fertility and Ageing Targets

The State's objective and targets to improve fertility and address the consequences of an ageing population are to:

- sustain fertility at around the Australian average or better so as to at least match Australian fertility levels.
- achieve a balanced and sustainable age structure through population growth
- improve work participation and work-hours decisions by assisting with better work-family-education options and choices.

4.2.2 New Actions to Strike a Better Work-Life Balance

1. *Stakeholder workshop on workplace flexibility* – the State Government will facilitate a workshop for industry, unions, childcare providers, local councils, community and academic groups to discuss ways of achieving a better work-life balance, focusing on giving parents greater freedom to balance work, education and family life and on workers continuing to work into their older years.
2. *Awareness raising program* – the State Government will coordinate a program to inform employers and employees of the benefits of flexible working arrangements, including seminars run in conjunction with Business SA, articles in association newsletters etc. This program will focus on the needs and benefits of creating workplaces that encourage and support increased participation of women and older workers.
3. *Develop a range of resources and tools* – a range of tools will be collated from existing sources for small and medium businesses to more easily establish better workforce management practices, including flexible working arrangements for example operating guidelines, proposal forms for flexitime and ways to incorporate work and life balance into Enterprise Agreements.
4. *Remove disincentives for work participation of older workers* – the State Government will identify and remove financial or other disincentives for mature aged people to remain in paid work. For example, it will review Public Sector superannuation schemes with a view to introducing legislative change that will allow for phased retirement, and it will review the cessation of WorkCover payments at age 65.
5. *'Managing an Ageing Workforce' seminar program* – the State Government will investigate sponsoring a program of four seminars for businesses presented by the Australian Human Resources Institute and Business Work and Ageing (Swinburne University). These seminars would be similar to those already undertaken in Victoria and New South Wales.
6. *Establish a 'Work and Life' accreditation and award* – these will be awarded to South Australian businesses that adopt flexible work practices. The businesses can then market these awards to gain a competitive edge.
7. *Procurement preference* – the State Government will give preference to model employers tendering for government work to encourage flexible workplaces and improved work-life balance, and will liaise with the Local Government Association with the aim of encouraging local councils to do the same.
8. *Public sector lead* – as a significant employer, the Public Service will be an example of flexible working arrangements and the retention of older workers and operate as a pace-setter and innovator in these arrangements. The Public Sector Workforce Development Plan will be the mechanism for this.
9. *Cooperative care* – the State Government will undertake a needs assessment for the possibility of a business association, or employer consortium in a local area

collaborating to operate a near-site child care centre and/or an OSHC program, or use a bank of Family Day Care operators.

10. *Influence the Commonwealth* – the State Government will continue to advocate strongly to the Commonwealth that it:
 - increases the number of child-care places to ensure that South Australia receives an adequate and equitable share of the national resources for child-care
 - addresses the costs of improving the pay and conditions of the early childhood workforce while ensuring that the cost to families is affordable for example by increasing the Child Care Benefit
 - adopts a national paid maternity leave scheme.
11. *Expansion and Integration of child-care facilities and professional development of child-care workers* – details to be provided later.

4.3 Labour Force and Skills Development

For South Australia to succeed in the modern global economy and provide an appropriate level of support and services to its older population, it must be capable of producing, attracting and retaining a critical mass of well-educated and appropriately trained people into its workforce. Raising the overall skill level of the workforce will underpin productivity improvements necessary to raise overall living standards and help alleviate the pressures from labour force decline.

Efforts to ensure that the State has enough skilled workers in the future must focus on increasing the participation rate of the existing population, especially the older members and the under-employed, and on attracting skilled workers to the State.

Too many South Australians are currently outside the workforce or are under-utilised. By providing opportunities for all South Australians to learn, to retrain and to develop their skills and abilities, the State can achieve economic growth and prosperity and demonstrate its social values of inclusion and equality.

To this end, in December 2003, the Minister for Employment, Training and Further Education released *South Australia Works: learning to work programs to 2010*. This is a key element of the Government's Workforce Development Strategy and represents the first phase of an integrated approach to employment and skill formation. *South Australia Works* will increase learning, training and employment opportunities for all South Australians, particularly those most disadvantaged, through six core elements – Regions at Work, Indigenous Works, Experience Works, Youth Works, Industry Works and Public Sector Works. The document is available for download at <http://www.saworks.gov.sa.gov.au>.

By November 2004, the Training and Skills Commission will have developed a Workforce Development Strategy for South Australia. While the State's Population Policy responds to the population challenges affecting South Australia broadly, the Workforce Development Strategy will respond to the implications of demographic change and ageing on the labour market in particular.

The purpose of a Workforce Development Strategy is to increase the capacity of individuals to participate effectively in the workforce throughout their working life. It also aims to increase the capacity of firms to respond to their workforce planning needs, thereby contributing to a skilled, prosperous and sustainable South Australia.

In developing the Workforce Development Strategy, the Government Training and Skills Commission will consider strategies such as:

- promoting the importance of workforce planning and supporting the workforce planning needs of both the public and private sectors
- encouraging an increase in the demand for higher order workforce skills and ensuring the costs are shared equitably across industry, employees and the community
- fostering a high quality education and training sector which is flexible, timely and responsive to the current and emerging skill needs of business and industry
- promoting life long learning through the provision of an expanded range of appropriate learning opportunities for individuals throughout their lives
- ensuring access to skill development and employment for particular groups disadvantaged in the labour market, including young people, mature age, Aboriginal people and people living in regional areas.

There is a range of other policy areas which can impact on the labour market such as industrial relations, family friendly strategies, superannuation and child care. The links between these and the Workforce Development Strategy will be critical to the Government being able to respond effectively to the effects of demographic change on the workforce.

Work is also underway to establish a *Creative Adelaide Initiative* through the Capital City Committee. The goal of this initiative is to attract, retain and nurture local talent, and to support and celebrate people who are creative or unconventional to stay in Adelaide. Local initiatives will be supported to develop the talent of local communities, to create initiatives that help people connect, to support collaboration and enterprise, and to allow for experimentation and creativity. Adelaide has long-established traditions in this area that can be reinforced and nurtured anew.

The State's objective and targets to improve workforce participation and skill level are to:

- increase the proportion of the South Australian labour force with post-school qualifications from 51.4% in 2002 to 55% by 2013
- exceed Australia's average productivity growth
- achieve a rate of employment growth in South Australia equal to or better than the Australian average.

4.3.1 New Actions to Support Labour Force and Skills Development Objectives

1. *'Return to Work' credit* – the State Government will introduce a \$1,200 credit for eligible parents for approved education and/or training, part payment of first-

year HECS, child-care while taking part in training, and/or materials required for an approved course after two full years of full time caring for children.

2. *Cadet Scheme* – the State Government will work with employer associations to explore options for a cadet scheme where employers would fund part of the HECS payments for recent graduates of South Australian universities.
3. *A Talent Strategy for South Australia* – to be developed through the Capital City Committee in partnership with industry, in response to the recommendation made by the 2003 Adelaide Thinker in Residence, Charles Landry.

4.3.2 Existing Activities

4. *Workforce Development Strategy* – the aim is to create a highly skilled and responsive labour force, thereby increasing workforce retention, productivity and social inclusion by:
 - identifying and addressing areas of skills shortages
 - providing access to training for particular groups who are disadvantaged or under-represented in the labour market
 - developing strong regional approaches to ensure that all South Australians have access to employment and skills development.
5. *Workforce Development Fund* – this is to be a key tool in the implementation of the Workforce Development Strategy. The fund, which is now operational, promotes high performing workplaces and encourages organisations to introduce workforce development initiatives to develop higher skills. The Workforce Development Fund will strongly promote links being made with other State Government initiatives; and that acknowledgement be made of other Government priorities, such as the retention of older workers and the recruitment of young people. Expression of interest forms can be obtained from wdf@saugov.sa.gov.au or www.employment.sa.gov.au.
6. *SA Works* – this is a set of broadly-based employment programs designed to create work and learning opportunities for all South Australians, but with a particular emphasis on those facing difficulty in the labour market, including young people, mature age people and Aboriginal people. The program focuses on maximising employment opportunities arising from State Government and industry activity, and providing support to local communities to help them determine and respond to their own work and learning needs.
7. *More accessible TAFE* – a comprehensive review of TAFE programs is being undertaken to ensure they are meeting the changing needs of learners, business and industry. TAFE fees will be capped and concession rates will be introduced to provide greater accessibility to South Australians seeking post-secondary qualifications.
8. *Repositioning Adult Community Education (ACE)* – this will broaden the range of programs for disadvantaged learners and allow movement between ACE and formal, accredited programs offered by TAFE. Courses in high demand,

including child care and aged care, will be offered with appropriate articulation into accredited programs.

5. PLANNING FOR A GROWING, AGEING AND SUSTAINABLE POPULATION

In seeking to influence demographic trends and off-set some of their negative effects, it is essential that the State Government continues to plan for the future and put in place policies adapted to the needs of changing South Australian communities.

5.1 The State Budget and the Impact of Population Ageing

While governments at the Local, State and Federal level will be equally affected by the inevitable ageing of the population, State Governments will be affected sooner. It is clear that there will be significant and increased demands on State Governments in terms of public hospitals, community health services, public housing and public transport.

Assumptions in the Commonwealth Government's Inter-Generational Review notwithstanding, these demands are not likely to be off-set by lower spending on education, even if a lower proportion of the population is of school age. As emphasised in earlier sections of this policy, future demographic changes will in fact require more emphasis on education and training, rather than less.

The State Government is facing up to its future responsibilities and is working with Access Economics on forecasts of the budget impact of future demographic trends. [this section to be strengthened when results are available]

In responding to these trends, it is important that Commonwealth, State and Local Governments resist the temptation to cost-shift from one level of government to another. A co-operative approach is required within a national framework. This is one reason why this State Government will call for a national population policy.

5.2 Planning for a Healthy Population

The State Government is committed to improving the healthy life expectancy of all South Australians. Anticipating changes in the health profile of the population, the State Government recognises that diseases and injuries relating to ageing, such as Alzheimer's disease and osteoporosis, are on the rise. Given our age profile, they are set to increase even further.

The State Government will be placing increasing emphasis on prevention, early intervention, health promotion and reduction of health inequalities in our population. It will work actively to improve health services for the most vulnerable populations in the community, especially Aboriginal people, children and young people, people with a mental illness and the frail aged.

In implementing the *South Australian Generational Health Review (2003)*, the State Government will also seek to provide services closer to home and to create better

opportunities for general practitioners, allied health workers and nurses to work together in providing better access to health services for local communities. The emphasis will be on a health system that focuses on the needs of the population rather than those of the health institutions.

5.3 Social Inclusion

The demographic trends and issues central to this policy have significant and varied impacts on different disadvantaged groups within South Australia. While addressing the specific needs of these groups is crucial to creating a just, participatory and sustainable society, this is not done directly in this policy. The Government has established other mechanisms, in particular the Social Inclusion Board, to work towards building a more socially inclusive South Australia with a sense of urgency and creativity. The objective is the development a society where all people feel that they are valued members and are empowered in their participation and contribution.

Of particular concern to the Board is the significant number of South Australians who are not healthy, well educated, trained or skilled, especially children and young people who are not given the opportunity to grow and engage confidently in society. The Board recognises that improving and retraining people's skills are keys to addressing the under-utilisation of South Australia's current population. The initial focus of the Board has been on school retention, homelessness and drugs.

A new strategy to increase school retention rates was released by the South Australian Government in October 2003. *Making the Connections* is a wide-ranging program of actions and changed approaches to assist young people to stay at school longer and be connected to opportunities for learning, employment and active participation in the life of our state. The Government is investing \$28.4 million over four years to roll out the first stages of *Making the Connections*. For more information about the program the document can be downloaded from <http://www.socialinclusion.sa.gov.au/Resources/making%20the%20connections.pdf>.

The Chair of the Social Inclusion Board, Monsignor David Cappo, has stated that South Australia has had a tradition of supporting active and healthy families to contribute to the social and economic life of our community through workforce and civic participation. The Board is working to reinforce that tradition through strong, demonstrable action that arrests and diminishes the gap between those who are excluded and those who are advantaged.

5.4 State Housing Plan

The population's emerging housing needs will be addressed in the forthcoming *State Housing Plan*, which will outline a ten-year strategy developed in consultation with the community, industry and Local Government.

In commissioning this plan, the State Government recognises that South Australians should be able to find a home that is affordable for them, appropriate and of good quality, and in a sustainable and vibrant community where they can live independently. Such a plan is needed in response to major demographic trends and changes in community housing needs and preferences. These changes are reflected

primarily in decreased household sizes and are driven by factors such as population ageing, people's decisions to partner and have children later in life, the demands of a more mobile workforce and a preference for community-based accommodation among people with disabilities and complex needs.

An effective housing plan is also needed to address the pressures that have resulted in increased housing prices and the corresponding reductions in housing affordability – even if housing is still more affordable in South Australia than in other States. This is a critical issue in the context of the Government's efforts to attract people to and retain people in South Australia.

As South Australia's population grows, the State Government is committed to a policy framework that empowers every person and institution involved in the housing industry to be responsive, sustainable and strong.

5.5 The Planning and Infrastructure Strategies

A growing population and economy require a responsive planning system. In its 2003 *Adelaide Metropolitan and Regional South Australia Planning Strategies*, the State Government committed to a planning system that supports the land use requirements of the population and industry, whilst promoting the protection and sustainable use of our natural resources.

The Government is also committed to working with local government, industry and the community to formulate the State's medium-term strategic infrastructure priorities, to focus both government and business investment in strategic infrastructure. This process will culminate in the development of the *State Infrastructure Plan* with links to local government infrastructure planning.

5.6 Sustainability

A sustainable society is 'one that is far-seeing enough, flexible enough and wise enough not to undermine either its physical or its social systems of support'. Sustainability refers not only to the natural, physical environment, but also to the human economy and society supported by and co-existing with the physical environment⁶.

The economy, society and the environment are an integrated system and should not be managed separately. The State and Local Governments recognise that the relationship between population and the environment is deeply complex.

Along with economic structure, technology and affluence, it is clear that population growth has a direct impact on the natural environment. Clearly, in the absence of changed behaviour, the more people, the greater the environmental impact. For example, a larger South Australian population, without any other changes will lead to increases in our draw on the River Murray, our contribution to climate change, our peak energy demands and congestion on the roads.

⁶ Butler C (2003) *Population and Environment in Australia 2003*, report commissioned by the Population and Environment Research Fund Committee of the Australian Academy of Science, http://www.conference.science.org.au/papers/population_and_environment.pdf

The critical issue is not raw population numbers, but rather consumption rates and patterns. The current consumption rates and patterns of the State's population are arguably unsustainable (see *The State of the Environment Report for SA, 2003* <http://www.environment.sa.gov.au/soe2003>). It is also the case that an even larger population could leave a smaller – not larger – ecological footprint. This would require South Australians to improve their resource management and to address directly their over-reliance on non-renewable resources and inefficient use of renewable resources.

Sustainability means reducing human impacts to levels that do not impoverish nature or place future generations at risk. The environmental indicators assessed in the *State of the Environment Report* cover the atmosphere, inland waters, coasts and the sea, land resources, biodiversity, human settlements and heritage. Over time they show us environmental trends and allow for an assessment of the effectiveness of our efforts to deal with environmental pressures and point to the environmental challenges we face.

The *Green Print SA 2003* report is another important monitoring tool for Government to assess the State's environmental performance. The Green Print document has a range of targets relating to greener cities, better habitats and reserves, living coasts, saving the River Murray, protecting our land, sustainable energy and conserving our cultural heritage. (For more information on the environmental targets see <http://www.environment.sa.gov.au/sustainability/pdfs/greenprint.pdf>)

These two reporting mechanisms will be important in working towards a better integration of social, environmental and economic goals and objectives to produce an equitable and enduring quality of life. The State Government is committed to resource efficiency and environmental protection, and policies and programs will be implemented along side any population growth. Priority will be given to determining the environmental impact of proposed increases in the state's population.

The proposition that responsible population growth is achievable in South Australia is therefore conditional – it is conditional on the State's environmental challenges being addressed appropriately and directly.

The Government established the Premier's Round Table on Sustainability as its third major advisory group, and appointed Professor Tim Flannery as its chairperson. The Round Table's focus on environmental sustainability complements the work of the Economic Development Board and of the Social Inclusion Board, enabling the government to receive high quality and independent advice on the three policy areas that significantly shape South Australia.

The Round Table, in addition to providing specific advice to the Minister, will develop an agreed vision for environmental sustainability, identify the issues and priorities to implement the vision, and engage stakeholders/ the community in the delivery of the sustainability agenda.

The State Government's commitment to work with local government, industry, the community and other stakeholders to encourage the adoption of more sustainable

practices is reflected in the operation of the land use planning system and in initiatives such as Waterproofing Adelaide and the Green City program.

Such initiatives will not only improve the state of the environment but will also make South Australia a more attractive place to live. Moreover, such initiatives are absolutely essential if the State is to sustain a significantly higher than current population.

5.7 Local Government Partners

A number of the approaches within this policy recognise a significant role for, or impact on, local government. The South Australian Government is committed to building a closer, more productive and collaborative working relationship between State and Local government and to that end the Premier has signed a State/Local Relations Agreement with the President of the Local Government Association of SA. Consistent with priority 5 'Economic Development' in the Schedule to the Agreement for 2004, the State will liaise with the Local Government Association through the Minister's Local Government Forum to develop a State/Local partnership approach to population policy within South Australia.

6. MONITORING AND REVIEW

Demographic variables are dynamic and constantly changing, and in many instances are subject to influences outside of State Government control. While changes in these variables may have long lead times before their full impact is felt, they must be responded to quickly.

The targets set in this population policy at program level are interdependent. For example, a minor increase in the State's fertility rate would significantly reduce the State's rate of ageing. However, if fertility falls then the number of migrants entering the State will need to be increased if overall population numbers are to be maintained.

Most policy development, especially the aspirational and proactive, involves an element of uncertainty and experimentation. This population policy, while based on the latest information and evidence, is no different.

It is therefore essential that key demographic drivers and influences are monitored constantly, and that policies, targets and programs are reviewed and adjusted as required.

This monitoring will also provide valuable information to assist planning in other areas of government policy such as those discussed in section 5 above.

An annual review of statistics and programs will provide an opportunity to reflect on progress and to recommend appropriate future strategies. This review will form part of the reporting framework provided in the *State Strategic Plan*.

EXISTING FUNDING**Table 1: Current funding for Immigration SA**

	2004-05	2005-06	2006-07	2007-08
Attracting business migrants	1,000,000	1,000,000	1,000,000	-
Staff salaries (6 FTEs)	441,000	441,000	441,000	441,000
Operating costs	139,000	139,000	139,000	139,000
Regional project officers	428,000	428,000	-	-
Total	2,008,000	2,008,000	1,580,000	*580,000

* total increases in 2007-08 if money unspent on business migration in 2003-04 is carried over.

NEW FUNDING**Table 2: Funding sought for Immigration SA and other migration initiatives.**

	2004-05	2005-06	2006-07	2007-08
Immigration SA				
Implementing new visa classes	405,000	425,000	435,000	395,000
additional promotion	400,000	400,000	300,000	300,000
website upgrade	60,000	-	-	-
on-arrival service	45,000	46,500	47,500	49,200
migration agent network	15,000	15,500	16,000	16,500
regional migration workshops	40,000			
Other on-arrival services other agencies				
migrant employment (DFEEST)	177,500	186,300	195,600	205,400
accommodation/concessions (DHS)	255,160	288,330	325,820	368,180
National expatriate program & database				
SA membership	50,000	50,000		
work with Business SA – business needs register and expat matching	50,000	50,000	50,000	50,000
Migrant Resource Centre	70,000	70,000	70,000	70,000
Community-sponsored migration		50,000	50,000	50,000
Total	1,567,660	1,581,630	1,489,920	1,504,280

NEW FUNDING (Cont.)**Table 3: Funding sought for 'Return to Work' credit and workplace initiatives**

	2004-05	2005-06	2006-07	2007-08
Return to work credit (DFEEST)	960,000	960,000	960,000	960,000
Workplace initiatives				
Workshop – work/life balance (DPC)	20,000	–	–	–
Industry awareness raising (DAIS)	50,000	50,000	50,000	50,000
Information kits (DAIS)	15,000	–	–	–
co-operative care needs assessment (DECS)	50,000			
'Managing an ageing workforce' Seminar	20,000			
"Work and life" business awards (DAIS)	15,000	15,000	15,000	15,000
Total	1,130,000	1,025,000	1,025,000	1,025,000

Table 4: Population policy – Total new spending package

	2004-05	2005-06	2006-07	2007-08
<i>New funds sought in this submission</i>				
Migration initiatives	1,567,660	1,581,630	1,489,920	1,504,280
Return to work credit	960,000	960,000	960,000	960,000
Workplace initiatives	170,000	65,000	65,000	65,000
Sub Total	2,697,660	2,606,630	2,514,920	2,529,280
Total Four-year Package				10,348,490

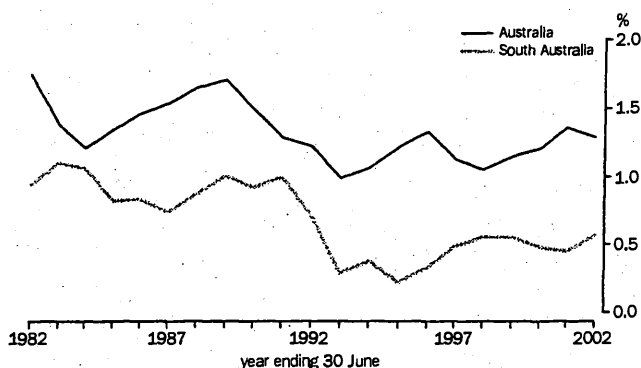
Table 5: Additional spending on interstate and local advertising up to 30 June 2004 (DTED)

	2003-04
Interstate marketing	
Premier's briefing – journalists	5,000
advertising campaign on affordable housing in SA (Sydney, Melbourne)	150,000
newspaper supplements (NSW, Vic)	50,000
interstate promotional visits	25,000
Local marketing	
half-yearly "report card" on South Australia for April Summit	10,000
continue Adelaide Airport billboard campaign – May and June	37,000
extend billboard campaign – city and buses (3 months)	70,000
Total	347,000



SOUTH AUSTRALIAN POPULATION STATISTICS
Prepared by the Australian Bureau of Statistics for the
National Population Summit on 21 November 2003

ANNUAL POPULATION GROWTH



From 1975, South Australia's annual population growth has been less than the national rate. It was less than half the national growth for most years from 1993 to 2002. In 2002, South Australia's population grew 0.6% to 1,520,000 persons and Australia's population grew by 1.3% to 19,663,000 persons.

POPULATION PROJECTION ASSUMPTIONS

	Total fertility rate(a)	Net overseas migration(b)	Net interstate migration(b)
	Babies/woman	Persons	Persons
South Australia			
2001-02 (actual)	1.70	p4,481	-1,854
Series A	1.79	3,600	-4,500
Series B	1.59	2,800	-2,500
Series C	1.39	2,000	-500
Australia			
2001-02 (actual)	1.73	p133,684	n.a.
Series A	1.80	125,000	n.a.
Series B	1.60	100,000	n.a.
Series C	1.40	70,000	n.a.

p preliminary and likely to be revised downwards.

n.a. not applicable

(a) From 2011.

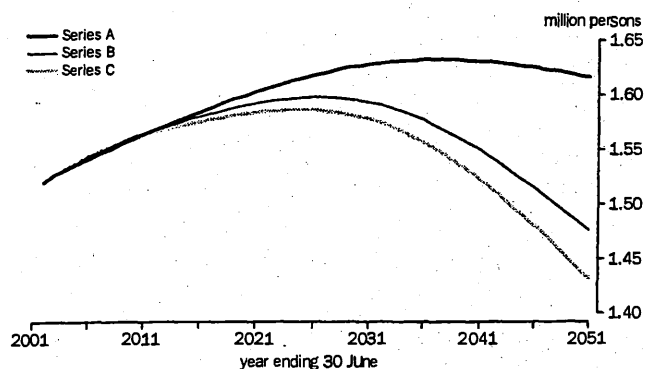
(b) From 2005-06.

The above table shows the assumptions for the three main population projection models prepared by the Australian Bureau of Statistics. There is a transition phase as the population components gradually shift towards the stated assumption levels. For fertility, the assumed rates will be reached by 2011 while the levels for the other assumptions commence in 2005-06. In addition, there is an assumption that the current rate of improvement in life expectancy will continue for Series A but will decline over time for Series B and C.

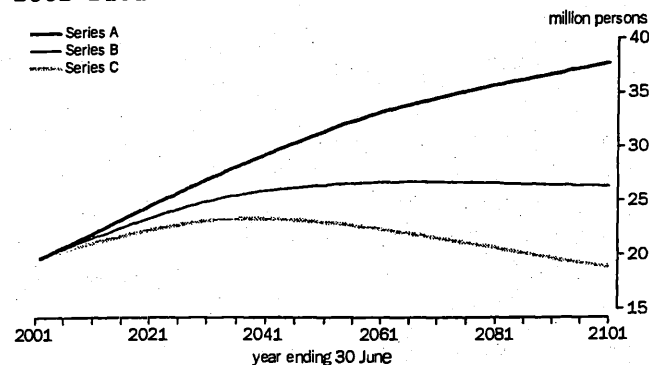
According to the three main population projections, South Australia's population is projected to peak between 1.59 and 1.63 million persons between 2025 and 2037. Australia's population is projected to either

continue to grow throughout the 21st century; or to peak in 2068-69 at 26.7 million persons; or to peak in 2039 at 23.3 million persons.

PROJECTIONS OF SOUTH AUSTRALIA'S POPULATION, 2002-2051



PROJECTIONS OF AUSTRALIA'S POPULATION, 2002-2101

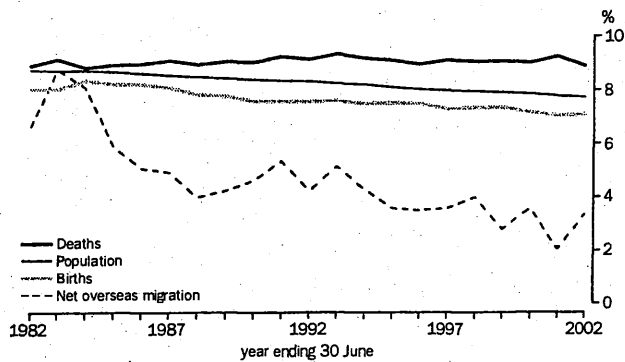


TOTAL PERCENTAGE INCREASE IN POPULATION FROM 2002, PROJECTION SERIES B

Year ending 30 June	South Australia	Australia
	%	%
2006	1.5	4.4
2011	2.9	9.5
2016	3.9	14.2
2021	4.7	18.8
2026	5.1	23.1
2027	5.1	23.9
2031	4.8	26.7
2036	3.7	29.6
2041	1.9	31.7
2046	-0.4	33.2
2051	-2.9	34.4

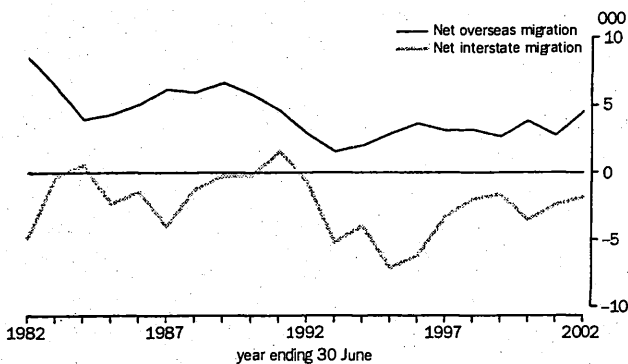
According to population projection Series B, South Australia's population is projected to peak in 2027, at 1.60 million persons. This estimate is 5.1% higher than the population in 2002. Over the same period the Australian population is projected to be 23.9% higher.

SOUTH AUSTRALIA AS A PERCENTAGE OF AUSTRALIA



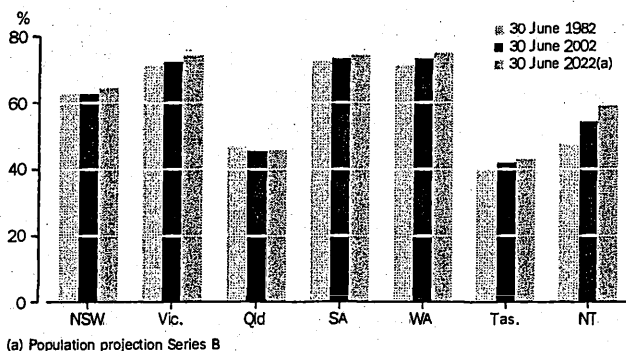
In 2002, South Australia's share of the Australian population was 7.7%. South Australia had a higher share of registered deaths (8.9%), a lower share of registered births (7.1%) and a very low share of net overseas migration (3.4%) in 2002.

NET MIGRATION, SOUTH AUSTRALIA



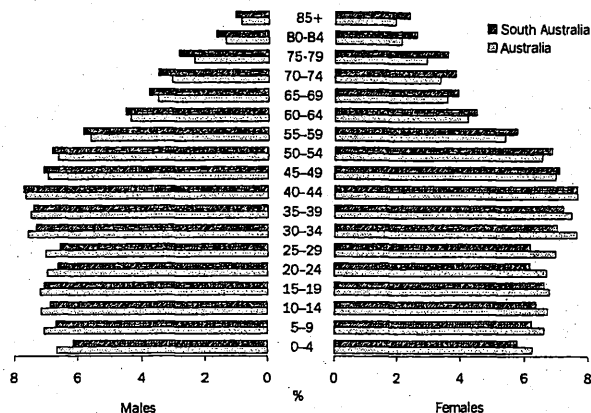
In 2002, South Australia had a net overseas migration gain of 4,500 persons and a net outflow of interstate migration of 1,900 persons.

POPULATION IN CAPITAL CITY DIVISIONS

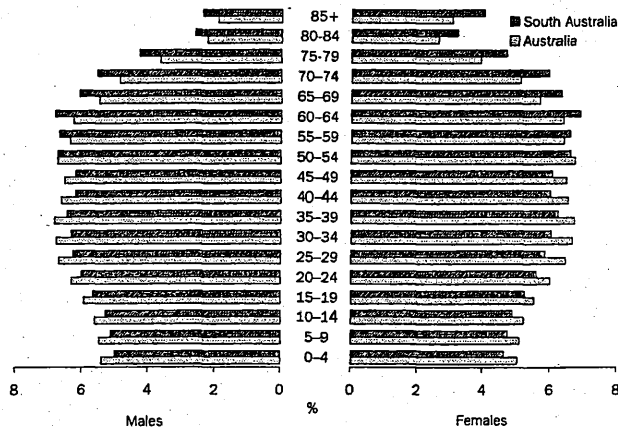


South Australia had 73.3% of the population living in the Adelaide Statistical Division in 2002. This proportion is projected to rise slightly to 74.3% in 2022.

AGE DISTRIBUTION AT 30 JUNE 2002



POPULATION AT 30 JUNE 2022, PROJECTION SERIES B



The population aged 65 years and over represented 14.8% of the South Australian population in 2002 and is projected to increase to 22.7% by 2022. In comparison, the proportion of Australians in this age group was 12.7% in 2002 and is projected to increase to 19.4% by 2022.

PROPORTION OF POPULATION AGED 65 YEARS AND OVER, PROJECTION SERIES B

