Shaping the Future of South Australia

A report of the key recommendations & findings
1 August 2014
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Shaping the Future of South Australia

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FINDINGS FROM THE WORKSHOPS, LIVE FORUMS & SURVEY

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Shaping the Future of South Australia

Executive Summary
Executive Summary

The Foundation Partners of the Shaping the Future of South Australia Program (the Program) are pleased to provide this report for the Economic Development Board’s (EDB) consideration.

The Program is in response to people’s desire to contribute to the transformation of the economy. With low economic growth rates and high unemployment, plus further expected pressure on the traditional manufacturing sector, there is an urgent need for action. The objective of the Program is focused on practical, action-oriented outcomes that will add to the economic vibrancy of the State.

The response by participants from business, community, academia and Government was overwhelmingly positive. The broader community wants to work with Government to better inform decision making and be part of the solution.

This report includes:

• Top ten identified actions;
• Background;
• Program methodology; and
• Detailed appendices from the workshops and live stream forums including a complete list of discussion points and ideas.

The Program is designed to deliver actions that can, with appropriate political support and energy, be quickly implemented broadly within the existing resource base. There are many more longer term actions that need to be considered that were outside the scope of this purposely limited report.
The Program was delivered by 23 theme leaders drawn from a national pool of expertise, who provided their support in a voluntary capacity. The Program engaged more than 2,500 people. A summary of the themes and their leaders is listed on page 114 of this report.

Throughout the Program’s workshops, live forums and on line survey responses, there were a number of permeating messages such as:

- The need for focussed leadership and connectivity among Government, business, academia and the community;
- The significant cost to productivity caused by unnecessary regulation and ineffective use of existing infrastructure; and
- The lack of ready access to capital to fund growing successful businesses.

The Shaping the Future of South Australia community expects a process that engages them as this report is considered and actions taken. Accordingly, we recommend that Government report back to the Foundation Partners and the broader community on the actions they take in relation to this report.

The process showed all participants want to be engaged and are prepared to participate in transforming the economy to meet future challenges and opportunities. It is vital that as the economic transformation plan evolves, that a process is put in place to facilitate that active engagement.
Background

The ‘Shaping the Future of South Australia’ program was undertaken in the following program of work.

Each step of the process has been outlined further within the methodology section of this report.
Executive Summary

Summary of Top Ten identified actions

01. Create a vision for South Australia
02. Improve South Australia's inbound and outbound trade
03. Reduce the burden of regulation to drive economic growth
04. Unlock funding to grow South Australian businesses
05. Strengthen linkages between businesses, universities, research institutions and Government to drive innovation
06. Create roundtables for South Australia's strategic growth industries
07. Skill our business leaders to grow globally competitive businesses
08. Commercialise more intellectual property
09. Maximise the effective use of South Australia's existing infrastructure
10. Increase skilled and business migration to South Australia

Click for further detail of each of the Top 10 actions
Shaping the Future of South Australia

Detailed Top 10 Actions
Create a vision for South Australia

Create a long term vision for South Australia which reflects the values of boldness, caring, positivity, honesty and passion.

Develop a clear, concise and meaningful vision for South Australia that can be understood, believed and followed. The vision should also reflect the values of boldness, caring, positivity, honesty and passion. Examples of visions identified are ‘A gateway to opportunity, a place where business and people thrive,’ and ‘The State of opportunity, where people and business thrive.’

Create, monitor and publish regular ‘dashboard reporting’ to communicate and hold South Australia’s leadership accountable. The dashboard should be easy to understand, readily accessible by the South Australian community and led by the Economic Development Board (or other independent entity).

Develop a media strategy targeted at communicating the success stories of South Australian businesses and people. The strategy should be Government backed and supported by a single responsible organisation to ensure consistency and independence in communication. In addition, the media strategy should also promote:

- The entrepreneurship ecosystem to foster innovation in South Australia; and
- South Australia’s reputation as a great place to live and work and a ‘place to come home to’.

Actions were flagged as priority actions based on two factors:

- their ranking as determined by the Action Planning workshop; and
- a Foundation Partner roundtable workshop, where Foundation Partners achieved consensus on which actions were most critical.

Key: 🟢 Priority Action

Who

State Government

State Government

State Government
Detailed Top 10 Actions

02 Improve South Australia’s inbound and outbound trade

Review, develop and/or expand programs and processes to grow and improve South Australia’s two-way trade performance and global competitiveness.

Actions

1. Improve connections with Brand Australia to effectively promote South Australia rather than compete with the other States. Consideration is required for the occasions that warrant using a regional, or industry specific focus.

Who

State Government

Industry

2. Develop a single point of contact for South Australia business across the State Government to improve two-way trade performance. Where this is not possible, there should be increased collaboration between South Australia Government agencies that have responsibilities for key export sectors.

Who

State Government

3. Increase the number of inbound trade missions to South Australia to bring the markets to South Australia. This can demonstrate the benefits of South Australia for key agents, buyers, clients and investors.

Who

State Government

Industry

4. South Australia requires a solid Government commitment to a long term plan (e.g. 10 years) and engagement strategies for improving trade in South Australia.

Who

State Government

5. Create a peer panel, or other mechanism to provide feedback to businesses who are about to pitch to foreign buyers or investors. Better inform business on the advantages of trade (import and export). Undertake this through the ‘connector’ model - see Action 5.

Who

Industry

Key: 1 Priority Action
## Detailed Top 10 Actions

### 03 Reduce the burden of regulation to drive economic growth

Shift regulation to become outcomes focussed to reduce the burden of regulation and to:

- assist and attract businesses to grow in South Australia;
- improve their global competitiveness; and
- incentivise innovation and high performance.

<table>
<thead>
<tr>
<th>Actions</th>
<th>Who</th>
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<tr>
<td>Establish industry and Government round tables to thoroughly review all existing and proposed regulation that affects a specific industry. The review should ensure regulation is up to date, meets its stated aims, does not have unintended consequences and is not overly burdensome. The roundtables should report to an entity such as the Economic Development Board to drive change.</td>
<td>State Government Regulatory Bodies Industry</td>
</tr>
<tr>
<td>Require mandatory consultation and collaboration with South Australian businesses when drafting of new regulation and amendment to existing regulation. This can help ensure that the legislation is clear, outcome-focussed and meets the needs of business.</td>
<td>State Government Regulatory Bodies Industry</td>
</tr>
<tr>
<td>Reform legislation and regulation across all Government and Non-government agencies for targeted South Australian industries. Picking an industry at a time, build end to end regulation maps to help to identify the key issues of a specific industry and focus reform around those issues. For example, refer to the recent industry review of the South Australian tuna industry.</td>
<td>State Government Regulatory Bodies Industry</td>
</tr>
<tr>
<td>New and amended legislation should be less prescriptive legislation, more outcome focussed and easy to understand to improve compliance and allow businesses to be more innovative in response to the regulation and keep pace with technological changes.</td>
<td>State Government Regulatory Bodies Industry</td>
</tr>
<tr>
<td>Have a specific requirement for eliminating regulations such as a ‘one in, one out’ rule.</td>
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Key: 1 Priority Action
**Unlock funding to grow South Australian businesses**

Develop and implement alternative and innovative funding programs to provide qualified South Australian based businesses with timely access to capital to accelerate business growth.

**Actions**

1. Establish a taskforce represented by the Government, the banks, private financiers and businesses to develop and implement an alternative financing program (e.g. partial guarantee scheme). Refer to the detailed analysis included in the Access to Funding workshop in this report.

   - Who
     - Finance Industry
     - State Government
     - Industry

2. Explore options to access superannuation funds to ‘unlock the funding’ for South Australian businesses, such as private equity funds or Government backed infrastructure assets.

   - Who
     - State Government

3. Explore various alternative schemes for increasing investment in early stage ventures in South Australia (including crowd funding, tax incentives and the reach of existing Government and Non-Government programs).

   - Who
     - Finance Industry
     - State Government

4. Undertake a ‘stock-take’ of seed funds and venture capital funds with investment mandates in South Australia. Detail how we unlock, aggregate or form alliances to scale investment programs for South Australian businesses.

   - Who
     - Finance Industry
     - State Government

**Key:** 1 Priority Action
05 Strengthen linkages between businesses, universities, research institutions and Government to drive innovation

Drive linkages and incentivise collaboration between businesses, universities and Government to assist South Australian businesses to innovate, grow and become globally competitive.

**Actions**

Establish a ‘connector’ to support South Australia businesses and to strengthen collaboration between industry, universities, research institutions and Government. This connector could provide:

- Expertise (training, education and referral to professional advice, access to new and existing programs);
- Connections (mentoring, networks, clustering, access to ‘angels without capital’, business helping business);
- Funding (access to new and existing government and private funding programs, referrals to financiers).

Refer to successful connector programs such as Icehouse (NZ) and Sourcelink (US).

Map the research capabilities of South Australian universities and research institutions to assist businesses to identify opportunities to collaborate and drive innovation.

Universities to review and improve their online presence to ensure that their websites are ‘business friendly’ and suitable for South Australian businesses to easily identify university research capabilities, expertise and knowledge.

**Key:** 1 Priority Action

**Who**

State Government
Universities
Research Institutions
Industry

Universities
Research Institutions
Industry

State Government
Universities
Industry
Detailed Top 10 Actions

05 Strengthen linkages between businesses, universities, research institutions and Government to drive innovation

Drive linkages and incentivise collaboration between businesses, universities and Government to assist South Australian businesses to innovate, grow and become globally competitive.

Actions

14 Develop a practical South Australian business/international student intern program to develop ‘work ready’ graduates, and increase the exposure of international students to South Australian businesses, provide businesses with a broader understanding of other cultures and global markets and increase graduate employment prospects.

15 Implement a Government industry procurement program (e.g. the Small Business Innovation Research Program). This can help drive innovation, develop the capabilities and skills of South Australians and support South Australian businesses.

16 Review the effectiveness of the current innovation voucher program, consider other successful linkage programs and update the South Australian innovation voucher program based on the findings.

17 Develop a program to identify PhD students willing to partner with industry to undertake practical research that delivers meaningful outcomes for industry. This can increase collaboration, reduce the cost of research and delivery timeframes and provide research programs for PhD students.

Key: 1 Priority Action
Create roundtables for South Australia’s strategic growth industries

Establish joint roundtables for South Australian strategic growth industries to develop and communicate roadmaps setting out the strengths, challenges, opportunities and actions between industry participants and Government (learning from the Unconventional Gas Roundtable).

Actions

Establish joint roundtables for South Australian strategic growth industries to develop and communicate roadmaps setting out the strengths, challenges, opportunities and actions between industry participants and Government. Importantly, leverage the learnings and approach of the Unconventional Gas Roundtable and extend this approach to South Australia’s strategic growth industries (for example, Iron Ore infrastructure).
Detailed Top 10 Actions

07 Skill our business leaders to grow globally competitive businesses

Develop the skills and capabilities of South Australian business leaders in innovation, collaboration, leadership and strategy to assist them to build and grow globally competitive businesses.

Actions

Develop the leadership, strategy and management capabilities of the leaders of South Australian SMEs through:

1. Training;
2. Professional development; and
3. Access to mentoring programs (for example access to ‘angels without capital’)

South Australian business leaders must:

1. Drive innovation within their own organisations (going beyond research and industry collaboration);
2. Have an unrelenting customer focus on becoming globally competitive and how South Australian products and services fit with international export markets; and
3. Recruit talent and advisors with global capabilities and experience entering new markets.

Key: 1 Priority Action

Who

State Government
Industry
Universities
08 Commercialise more intellectual property

Develop broader industry/university/research institution partnering programs to commercialise intellectual property.

Actions

Develop additional industry partnering programs such as NanoConnect, Medical Device Partnering Program and the Photonics Catalyst Program. In establishing the programs they should:

- Consider the depth of expertise within the universities;
- Develop programs with a long term view;
- Identify opportunities (with industry input) and issue transparent calls for appropriate expressions of interest,
- Make the program KPIs strongly linked to commercial outcomes and evaluation by business.

1. Develop additional industry partnering programs such as NanoConnect, Medical Device Partnering Program and the Photonics Catalyst Program. In establishing the programs they should:
   - Consider the depth of expertise within the universities;
   - Develop programs with a long term view;
   - Identify opportunities (with industry input) and issue transparent calls for appropriate expressions of interest,
   - Make the program KPIs strongly linked to commercial outcomes and evaluation by business.

2. Develop a ‘single commercialisation entity’ across universities to assist South Australian universities/research organisations to help commercialise intellectual property, taking advantage of scale and opportunities.

3. Universities develop an ‘easy IP’ regime in which IP is licensed to SA companies with only two conditions: i) they use it and ii) they support South Australian universities by contracting the skills they need from SA universities first.

4. Develop industry specific hubs/precincts to increase collaboration and create meaningful outcomes for South Australia. E.g. accelerate Tonsley as an ‘innovative district’ to link the community, education and business.

Key: 1 Priority Action
**Detailed Top 10 Actions**

### 09 Maximise the effective use of South Australia’s existing infrastructure

Maximise the effective use of South Australia’s existing infrastructure to improve productivity without significant capital investment.

**Actions**

1. Explore options to upgrade the key rail links of Adelaide to Melbourne and/or Adelaide-Darwin including funding opportunities to modify rail infrastructure, such as intermodal terminals, to maximise productivity of rail networks.

2. Explore options to reduce traffic congestion including:
   - Clearway hours on key arterial roads, such as between 7-9am and 4-6pm, or all day in some cases. Clearways can achieve efficiencies and productivity improvements at little financial cost.
   - Extend Richmond Road to cater for 100% taxi traffic.
   - Review Bus Lane strategies to allow for vehicle use during non peak hour traffic or allow ‘trade’ and ‘business vehicles’ 100% access.

3. Provide some flexibility in the operation of the airport curfew will allow some airlines (international operators in particular), to strengthen their business case for additional services to and from Adelaide. Domestic operators could schedule services right up to the current curfew hours with some flexibility to arrive late if for reasonable operational reasons there are significant and unforeseen network delays.

4. Explore the opportunity to use heavy vehicle tolls on major projects such as the North South Corridor and Sturt Highway upgrade to pull the project forward.

**Who**

- State Government
- Industry

**Priority Action Key:** 1 Priority Action
Detailed Top 10 Actions

10 Increase skilled and business migration to South Australia

Increase skilled and business migration to South Australia to improve economic growth and develop the skills and capabilities of South Australian businesses.

Actions

1. Improve the competitiveness of South Australia’s student and business migration visa programs to allow graduating migrant students and high net worth individuals to come to, and remain in South Australia. This will help to keep economic contribution and skills in South Australia.

Who: State Government, Industry

2. Undertake a technical and professional skills gap analysis for core South Australia growth sectors to identify the skills that the growth sectors require in South Australia.

Who: State Government, Industry

3. Develop a strategy to increase the migration of international students and skilled migrants with suitable skills and experience for South Australia. This can help improve diversity and collaboration within South Australian businesses and organisations.

Who: State Government, Industry, Universities

Key: Priority Action
Shaping the Future of South Australia
Findings from the workshops, live forums & survey
Access to Funding Workshop

Discussion points and ideas
Access to funding is a continual challenge for all businesses to achieve their objectives. We heard a breadth of issues and challenges specifically facing South Australian businesses in accessing capital in our discussions with South Australian financiers, advisors, businesses, government agencies and private equity firms and throughout the workshops. There was however a resounding key issue:

- South Australian small and medium enterprises have limited access to capital in the current economic environment, be it debt or equity.

We also heard that businesses that have access to capital have a greater opportunity to achieve their objectives and importantly, grow. It is a critical success factor. Therefore, what can South Australia do to improve the access to capital?

**Australian finance sector - current problem**

Banking in Australia is currently focused on ‘security’ lending having moved away from ‘cash-flow lending.’ This is for a number of reasons including:

- Tightening regulatory reform (Basel);
- The global financial crisis and heightened risk assessments;
- Deep relationships and expertise required to cashflow lend; and
- Poor information prepared by SMEs.

Accordingly, to unlock ‘cashflow’ lending, partial Government guarantee schemes have been set-up globally and in Australia (for example the EFIC and Rural Finance) to unlock funding. A recent report by the NSW Chamber of Commerce undertook a detailed study and analysis which supports this position.

Key South Australian funding challenges and issues

1. Identified funding gap for South Australian businesses – from start-ups to big business.
2. Limited ‘pre-venture capital’ funding and education for South Australian businesses – (see funding road map on the following page).
3. Many South Australian businesses are ‘comfortable’ – no necessity to ‘accelerate’ growth.
4. Many South Australian businesses are SMEs owned by baby boomers and Gen X – risk adverse and conservative.
5. Funding decisions are not made locally (in particular for banks) – decisions made interstate or offshore.
6. South Australia is not ‘on the map’ for venture capital or private equity investment.
7. The success stories of South Australia aren’t being told – not attracting the attention of investors.
8. Many South Australian business are not investor ready – education, training and mentoring required.
9. There are no South Australian located or targeted funds.
10. Historically, successful South Australian businesses and talent move interstate or offshore to grow or locate funding.
11. Many South Australian businesses are independent, traditional and family owned – private equity adverse.
Current Funding Roadmap

Based on discussions with stakeholders and our experiences working with South Australian SMEs, we have endeavoured to 'map' the current funding environment for South Australian SMEs. There are some clear gaps.

START UP

$20,000 – 50,000

1. Family and Friends

$50,000 – 500,000

1. Angels (unorganised)
   2. Small Syndicates (2-3)
   3. Grants
   4. Opportunistic single investors
   5. University commercialisation enterprises

+ $500k – 2m

1. Leadership
   2. Ideal operating model
   3. Revenue generation
   4. Momentum – the SA story

+ 2m

MATURE + GROWING

1. Leadership
   2. Expansion
   3. Innovation
   4. Family control
   5. Advisory board

OTHER FACTORS TO CONSIDER

1. 2nd /3rd generation
   - Family equity locked away
   - Lack of access to debt finance due to BASEL changes

2. Start ups (ANZ Innovyz Start experience)
   - Angels/Syndicates/PE difficult

3. SA economy and limited capital allocation and decision making by national funders
Alternative financing models

To identify potential solutions for unlocking the funds in South Australia, we have looked outside of Australia for financing models that have worked in Europe and the United Kingdom. Many of the alternative financing models were born out of necessity to respond to challenges of the economic downturn. Four examples of alternative financing models considered were:

2. The Business Growth Fund (Bank syndication) (UK) (http://www.businessgrowthfund.co.uk/)

Key learnings from the alternative financing models

Based on a review of the two alternative financing models, the key learnings identified are namely:

1. The programs were targeted at businesses with strong growth potential (not ailing or weak businesses);
2. The programs had minimal operating and administration costs by utilising existing relationships between business and banks;
3. Financing was medium to large scale – larger businesses and larger loans;
4. Assistance was generally provided by way of loans and not grants (with some taking equity stakes);
5. The programs were generally government lead but leveraged private funding and infrastructure (e.g. banks);
6. In addition to financial assistance, non-financial support was provided; and
7. The programs resulted in a cost effective creation of jobs in the economy (compared to other programs).
While we recognised the breadth of the challenges facing South Australia as discussed above, the focus of the discussions were deliberately narrowed to address potential solutions. To achieve this, the workshop focussed on three key questions:

**1. Getting SMEs finance ready**
Before debt or equity finance can even be accessed by South Australian SMEs they need to be ready. What pathway(s) do we create or modify to help, encourage and support SMEs to become finance ready?

**2. Unlocking the funds**
Two alternative financing models were implemented in the UK to unlock SME funding and accelerate growth:
- Which one or more of the alternative financing models could work in South Australia?
- What would be required to implement the chosen models here in South Australia?

**3. Creating a story of success for South Australian businesses**
To attract investment to South Australian, we need to better tell the success stories of South Australian businesses. The narrative of South Australia can be built over time, but it needs more than just a story, it needs a voice.
- What is the story we want to tell about South Australian businesses?
- What is needed to tell the story to people outside South Australia?
- Who or what should be the voice of South Australian businesses?
Getting SMEs finance (debt or equity) ready

- Many South Australian businesses including those early stage ventures generally lack management skills/finance skills to become ‘investor ready.’ This has been restricting the funding from angel and other forms of investment.

- There are quite a lot of programs available to businesses to assist them. It is difficult to locate the programs and meet the eligibility criteria.

- An independent organisation could be used for connecting SMEs for accessing independent advice and training from peers / advisers, to access the ‘ecosystem’, to provide structure to the ideas of SMEs and funding.

- Access to mentors, role models and successful case studies to understand what the potential is for their businesses and to learn from each other.

- Access to information to allow South Australian SMEs to benchmark against other companies would be useful.

- Need to learn from the experiences (such as InnovateSA) and leverage the successes of other organisations globally that have assisted SMEs to grow.

- Government’s role in assisting SMEs is not to provide the assistance specifically, but to create and support the environment in perpetuity. Therefore, the organisation would need to be sustainable and independent body.

### DISCUSSION POINTS

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<td><strong>Funding 1.1</strong> - Map the current South Australian Entrepreneur roadmap – Completed by Jana Matthews and other South Australian members of the ecosystem as part of the City of Entrepreneurs.</td>
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| **Funding 1.2** - Establish a ‘connector’ to support South Australia businesses and to strengthen collaboration between industry, universities, research institutions and Government. This connector could provide: Expertise (training, education and referral to professional advice, access to new and existing programs); Connections (mentoring, networks, clustering, access to ‘angels without capital’, business helping business); Funding (access to new and existing government and private funding programs, referrals to financiers). Refer to successful connector programs such as Icehouse (NZ) and Sourcelink (US). |
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

**DISCUSSION POINTS**

**Getting SMEs finance (debt or equity) ready**

- There must be linkages back into the South Australian universities and their commercialisation functions.
- South Australia has a high proportion of SMEs owned by successful ‘baby boomers.’ Opportunity for these ‘angels without capital’ to give back to the business community.
- The funding of a ‘connector’ could be government funded initially with a view to it becoming sustainable. Further discussion on funding required.

**IDEAS**

**Funding 1.3** - Establish a taskforce represented by the Government, the banks, private financiers and businesses to develop and implement an alternative financing program (e.g. partial guarantee scheme). Refer to the detailed analysis included in the Access to Funding workshop in this report.

**Funding 1.4** - Explore options to access superannuation funds to ‘unlock the funding’ for South Australian businesses, such as private equity funds or Government backed infrastructure assets.
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

### DISCUSSION POINTS

**Alternative financing programs**
- There is a recognised funding gap in South Australia for SMEs (refer to key challenges in the current economic environment listed above).
- Unlocking the funds can assist to accelerate and ‘bring forward’ the projects of South Australia businesses to assist in economic development.
- Risk policies of the banks need to be considered including the regulatory environment. Basel reforms currently limit banks ability to lend to certain organisations and set strict limits on the capital required for lending.
- Banks don’t generally fund innovation due to the risk profile.
- Banks generally lend based on two key criteria:
  - Does the business have the cash flow to meet the lending requirements; and
  - If not it does not have the cash flow, does the business have sufficient capital in reserves.
- Alternative financing models have worked in other jurisdictions (refer to case studies listed above) and could work in South Australia.

### IDEAS

**Funding 1.6** - Explore various alternative schemes for increasing investment in early stage ventures in South Australia (including crowd funding, tax incentives and the reach of existing Government and Non-Government programs)

**Funding 1.7** – Undertake a ‘stock-take’ of seed funds and venture capital funds with investment mandates in South Australia. Detail how we unlock, aggregate or form alliances to scale investment programs for South Australian businesses.
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

### DISCUSSION POINTS

- We need to learn from and leverage experience of previous and current alternative financing programs, for example:
  - Commonwealth Development Bank (when Government owned)
- The adoption of alternative financing programs may require a shift in approach by the Government and Treasury.
- There is an opportunity to ‘better use’ Government grant funding and recycle the funds through an alternative financing program (e.g. Government backed guarantee program).
- An alternative financing program would require an independent assessment process to identify the businesses eligible for accessing the program and to ensure that Government is not ‘backing winners’.
- An alternative financing program could target ‘growth’ businesses with proven business models and cash flow to improve the use of taxpayer funds – not a ‘hand-out’ but a ‘hand-up’.

### IDEAS

- See above actions.
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

**DISCUSSION POINTS**

- Further consideration is needed to determine what industries would be supported by an alternative financing program (e.g. target existing or emerging industries for growth).
- The pricing of alternative financing models is important to ensure that banks don’t limit lending on the basis a guarantee could be accessed. The program would need a price premium.
- The alternative financing program could utilise banks existing credit risk assessment processes so additional Government infrastructure to assess businesses credit risks would not be required.

**IDEAS**

- See above actions.
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

**DISCUSSION POINTS**

**Superannuation as a new source of funding**

- Superannuation funds could provide a new source of funding to assist South Australia businesses access capital.
- However, highly regulated industry and current limitations for the use of superannuation funds in respect to certain investments.
- Non-institutional funds are likely to be the funds that would consider investments in South Australian businesses due to their scale and investment focus.
- Some non-institutional funds may be looking for diversifying its investment portfolio.
- For superannuation funds to invest they would likely need a fund manager to identify and assess the investment opportunities.

**IDEAS**

**Funding 1.5 - Investigate the merits for accessing superannuation funds for ‘unlocking the funding’ for South Australian businesses.**
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

### DISCUSSION POINTS

**Alternative incentive schemes**

- Important for South Australia to also consider other schemes nationally and internationally for incentivising investment in South Australia businesses.

- Alternative programs that could be investigated include:
  - Tax write offs for investments in certain business ventures (including in Singapore and the USA).
  - Better use of the Venture Capital Limited Partnership scheme for South Australian funding purposes. Broadly, the VCLP scheme provides tax concessions for investments held and managed through the VCLP structure.
  - Use of migration funding (e.g. sophisticated investor visa) to fund investment in alternative financing programs (e.g. pooling of funds).
  - Crowd funding platforms (noting the current limitations in investment regulation in Australia).

### IDEAS

- See above actions.
The following tables summarise the various points of discussion and ideas arising from the Access to Funding workshop.

### DISCUSSION POINTS

**Creating a story of success for South Australian businesses**

- South Australia has a large number of business success stories that aren’t currently being told.
- The media doesn’t currently identify the success stories as ‘news’ and therefore not generally communicated outside of South Australia.
- We need to tell a story about the diversity of South Australian businesses – diversity in our industries including tourism, agriculture, manufacturing, advanced manufacturing, food and wine etc.
- We can’t rely on the media and government to tell the stories – businesses must also self-market their business through the relevant channels.
- New mediums are required to tell the stories (not just traditional media or through the Government).
- The audience includes South Australian business and broader community and targeted networks nationally and internationally (including venture capital investors and financial institutions).

### IDEAS

**Funding 1.8** – Develop a media strategy targeted at communicating the success stories of South Australian businesses and people. The strategy should be Government backed and supported by a single responsible organisation to ensure consistency and independence in communication. In addition, the media strategy should also promote:

- The entrepreneurship ecosystem to foster innovation in South Australia; and
- South Australia’s reputation as a great place to live and work and a ‘place to come home to’.
The following table summarises key highlights from the Funding section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

### SURVEY RESPONSES

**Top three barriers to accessing capital for growth in South Australia**
- Funding decisions are not made locally, in particular for banks and large financial institutions (72%).
- There are a lack of South Australian located or targeted funds (70%).
- South Australia is not ‘on the map’ for venture capital or private equity investment (68%).

**Top three suggestions for improving access to capital for South Australian Businesses**
- Increase the level of education, training and mentoring for South Australian businesses (84%).
- Provide access to local funding decision makers (82%).
- Targeted government grant funding (71%).
Regulation Workshop
Discussion points and ideas
Regulation provides safeguards for the public and industry and is intended by Government to protect the public interest. However, regulation from all levels of Government and in some cases, from market participants, impacts how business is done. Regulation is often designed in isolation, without an understanding of the compound regulatory impacts which are felt by business, or indeed the needs of industry. In addition, the perceptions of regulatory barriers can impact investment within the State.

Regulatory reform is therefore a broad agenda spanning multiple topics, levels of Government and industries. The State Government has had a red tape reform agenda for some years. However, in addition to this, the impact of regulation needs to be constantly monitored, with a view to reducing unnecessary regulatory burden and freeing up businesses to focus on growth.

In particular, businesses which employ staff face the highest regulatory burden, but provide the greatest potential for economic and employment growth to support the economy. It is reported that 88% of all South Australian employers have between 5 and 15 staff and as such are not well equipped to deal with multiple and sometimes duplicative regulatory requirements, which are often time consuming and resource intensive.

It is critical to understand the true cost of regulation ultimately on both business and the Government. Costs to business include compliance costs, labour costs, opportunity costs and economic cost, when it becomes too difficult to invest in opportunities or new employees because of current regulatory burden.

There is also a view that the way in which regulation is applied within Government and the sometimes adversarial approach to regulatory enforcement can lead to a lack of understanding of regulatory impact. This can create delays in processes which impose costs on business. The cost of these delays can also reduce public sector efficiency as it diverts resources within Government that could otherwise be used to pursue Government priorities.
There are enormous efficiency and productivity gains that can be realised by both business and the public sector from regulatory reform. There are many approaches that can be taken to regulation, which include:

1. No regulation;
2. Voluntary codes of conduct;
3. Co-regulation, a combination of self-regulation and light-touch regulation; and
4. Legislatively enforced regulation with strong consequences for breaches.

Clearly, the nature of the industry and the problem being addressed by the regulation will determine the extent of the regulatory response. That said, regulation is often designed with the intent of preventing the worst case scenario and does not accommodate those who self-regulate or over-perform in relation to regulatory minimum standards. In some cases, this is recognised with incentive structures within regulation, but this is not common.

The ideal regulatory response will vary for different issues and industries, therefore there is no one solution that fits all scenarios. However, recognising that in most cases there is a need for regulation to protect both the public interest and industry, there are principles that would guide regulatory responses in an ideal world:

1. Regulation should achieve its intended outcomes without significant unintended consequences;
2. Regulation should be designed with an awareness of the real and perceived regulatory impacts on business and potential impact on investment; and
3. Regulation should be administered efficiently with an understanding of the needs of business and the impacts of delay and opportunity cost on business and economic growth.
The topic of regulatory reform is broad and can be specific in terms of industry and/or sector. However, the focus of the workshop was deliberately narrowed to address the following key questions.

To create a regulatory system which supports the principles of good regulation, such as:

- Regulation should achieve its intended outcomes without significant unintended consequences;
- Regulation should be designed with an awareness of the real and perceived regulatory impacts on business and potential impact on investment; and
- Regulation should be administered efficiently with an understanding of the needs of business and the impacts of delay and opportunity cost on business and economic growth.

Each group was tasked to answer the following questions:

1. What changes should we make to culture?
2. What changes should we make to process?
The following tables summarise the various points of discussion and ideas arising from the Regulatory Reform workshop.

### DISCUSSION POINTS

**Understanding and reducing the regulatory burden**

- South Australia has the highest cost of any mainland State to do business.
- Driving down the cost of regulatory compliance is essential for future growth.
- There is a public sector dividend from reducing regulation, with efficiency gains possible inside the public service which allows resources to be focussed on other priority areas.
- Federal, State and local Government all have regulations that need to be audited and enforced. There is significant overlap and duplication involved.
- There is a need to understand the whole spectrum of regulation faced by small business.

### IDEAS

**Regulation 1.1** - Build an end to end map of all regulatory impacts to have a greater understanding of the holistic impact to business of all layers of regulation. This could be for a pilot industry in the first instance. It would help to identify the ‘burning issues’ of an industry and focus change efforts towards those issues.

**Infrastructure 1.12** – Develop a ‘single commercialisation entity’ across universities to assist South Australian universities/research organisations to help commercialise intellectual property, taking advantage of scale and opportunities.
The following tables summarise the various points of discussion and ideas arising from the Regulatory Reform workshop.

### DISCUSSION POINTS

**Cultural Change**
- Cultural change will require a change in attitude of Government and business and a movement beyond ‘lazy stereotypes’ and antagonism.
- There is a need for meaningful and genuine engagement between businesses and Government to ensure both sides understand the need and impacts of regulation.
- The barriers to effective regulation within Government often come from a lack of insight into the realities of life in business.
- There is therefore a need to ensure that coordinated, meaningful consultation is conducted, bringing business and public service together.
- Risk aversion within Government often drives regulatory response, and as this stems from community expectations, any changes to regulation require communication with the community as well as with those businesses directly affected by the legislation.
- Regulatory reform is difficult, as it requires strong political will in the face of opposition to change.
- Business can lead by providing a united voice on the regulatory change that is required and helping to make the case with the public about why this change is beneficial.

### IDEAS

**Regulation 1.2** - A program of public sector placement within business, so that public servants can understand the day to day realities of regulatory compliance from a company’s perspective.

**Regulation 1.3** - Empowering and incentivising decision makers in the public service to make sensible and balanced decisions about how regulation is enforced.

**Regulation 1.4** - Select an agency and industry as a pilot program to implement culture change case study. Make this agency the model agency for better regulation.
The following tables summarise the various points of discussion and ideas arising from the Regulatory Reform workshop.

### DISCUSSION POINTS

**Process Change**

- Regulation is large, complex and too detailed for the majority of businesses within South Australia.

- It is critical that regulators understand and can articulate the intent of the legislation in clear and concise language.

- Regulations focus on the worst possible scenario, without consideration of the vast majority of businesses and individuals that do the right thing.

- There is a need to focus on providing effective regulation to an industry as whole, rather than focussing on rogue operators and worst case scenarios as the starting point.

- There is a lack of incentive for businesses to go above and beyond the regulations and/or lack of incentive for Government to take a calculated risk and avoid delays.

- The current system rewards legislators who pass new laws, not those who look to repeal or improve regulation.

- There is a concern from some that it is not clear when a regulator is acting as an ‘educator’ and when it is acting as an ‘enforcer’. There is a conflict felt by industry when the two roles exist within the one agency.

### IDEAS

**Regulation 1.5** - Establish industry and Government round tables to thoroughly review all existing and proposed regulation that affects a specific industry. The review should ensure regulation is up to date, meets its stated aims, does not have unintended consequences and is not overly burdensome. The roundtables should report to an entity such as the Economic Development Board to drive change.

**Regulation 1.6** – Make sure that legislation and regulation is simple to understand and is drafted in plain English. This can encourage compliance.

**Regulation 1.7** – Draft regulations to focus on outcomes rather than processes and controls.

**Regulation 1.8** – Require independent economic impact statements and regulatory impact statements for all major pieces of regulation.
The following tables summarise the various points of discussion and ideas arising from the Regulatory Reform workshop.

**DISCUSSION POINTS**

- There is no consistent mechanism for regulatory review. There is a need to future proof legislation and regulation, as technological changes are not always captured within current regulations and often clauses and sections are out of date.
- There is a need to consider the size and needs of South Australian businesses when designing regulation. It could be argued that the same rules should not apply to larger companies as to SME firms.

**IDEAS**

- **Regulation 1.9** – All legislation with regulatory impacts should contain a sunset clause to ensure they are reviewed and kept up to date with current practice and requirements.
- **Regulation 1.10** – Require mandatory consultation and collaboration with South Australian businesses when drafting of new regulation and amendment to existing regulation. This can help ensure that the legislation is clear, outcome-focussed and meets the needs of business.
- **Regulation 1.11** – New and amended legislation should be less prescriptive legislation, more outcome focussed and easy to understand to improve compliance and allow businesses to be more innovative in response to the regulation and keep pace with technological changes.
- **Regulation 1.12** - Incentivise law makers and public servants to reduce regulation, not to pass new laws.
The following tables summarise the various points of discussion and ideas arising from the Regulatory Reform workshop.

<table>
<thead>
<tr>
<th>DISCUSSION POINTS</th>
<th>IDEAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• See discussion points above.</td>
<td><strong>Regulation 1.13</strong> – Have a specific requirement for eliminating regulations such as a ‘one in, one out’ rule.</td>
</tr>
<tr>
<td></td>
<td><strong>Regulation 1.14</strong> - Reform legislation and regulation across all Government and Non-government agencies for targeted South Australian industries. Picking an industry at a time, build end to end regulation maps to help to identify the key issues of a specific industry and focus reform around those issues. For example, refer to the recent industry review of the South Australian tuna industry.</td>
</tr>
<tr>
<td></td>
<td><strong>Regulation 1.15</strong> - The Government to issue a statement of regulatory intent that outlines the principles they will apply to all regulation.</td>
</tr>
<tr>
<td></td>
<td><strong>Regulation 1.16</strong> - The Government should invest in re-engineering business processes across enforcement/compliance to remove duplication and wasted time.</td>
</tr>
</tbody>
</table>
The following table summarises key highlights from the Regulation section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

**Survey Responses**

- **Relevance of the following key barriers to effective regulation**
  - Poorly designed regulation (82%).
  - A lack of understanding of the true cost of compliance facing SMEs (77%).
  - Other (76%).

- **Changes to processes to foster more effective regulation**
  - Mechanisms to test the design and effectiveness of regulation before it is implemented (84%).
  - Other (78%).
  - Forums to increase collaboration between government and industry and the design and review of regulation (74%).
Trade Workshop

Discussion points and ideas
• Trade is an important part of the South Australian economy, and export revenue will be fundamental to the growth of South Australia.

The State’s revenue bases, such as Goods and Services Tax (GST), property taxes and payroll taxes are dependent on growth in the State’s population and its employee base. To grow and to hire, businesses need to move beyond traditional markets and find new markets for their products and services. An increased focus on trade is therefore critical to these businesses, but also to the State’s economy an revenue base. As shown below, trade in goods are the foundation of the State’s exports, with metals ores and agricultural commodities generating the highest export earnings.

Trade in services is also important and generates spinoffs for the broader economy. Trade is also an important pathway to investment, as trade engenders confidence in the supplier, which in turn attracts capital as suppliers look to become part of the value chain.
### Key facts and figures

The following facts and figures provide an overview of the current context for trade in and out of South Australia.

- In the 12 months to March 2014, the value of South Australian goods exports rose by 14% to $12.2 billion from the previous 12 month period. The value of national exports grew by 10% to $274 billion over the period.

- For South Australia, this is the highest 12 month export value on record.

- South Australia’s export values are at historically high levels at over $11.5 billion annually.

- South Australia’s share of national exports in the 12 months to March 2014 was 4.5%, with Western Australia, Queensland and New South Wales accounting for 48%, 17% and 14% respectively.

- International trade in services for South Australia in 2012-13 was $2.05 billion, with the largest contributions coming from Education at $879 million, personal travel at $509 million and business travel at $222m. Education, as well as being the top service export, is the 6th largest overall export.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal ores and scrap</td>
<td>$2.64 billion</td>
</tr>
<tr>
<td>Other commodities (incl. Confidential items and bulk barley)</td>
<td>$2.50 billion</td>
</tr>
<tr>
<td>Wheat</td>
<td>$1.40 billion</td>
</tr>
<tr>
<td>Wine</td>
<td>$1.10 billion</td>
</tr>
<tr>
<td>Copper</td>
<td>$1.04 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal and gas</td>
<td>Up 36.4% or $12 million</td>
</tr>
<tr>
<td>Petroleum and petroleum products</td>
<td>Up 35.5% or $57 million</td>
</tr>
<tr>
<td>Meat and meat preparations</td>
<td>Up 30.2% or $208 million</td>
</tr>
<tr>
<td>Metal ores and scrap</td>
<td>Up 22.3% or $482 million</td>
</tr>
<tr>
<td>Road vehicles</td>
<td>Up 12.2% or $55 million</td>
</tr>
<tr>
<td>Wheat</td>
<td>Up 10.6% or $135 million</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics (ABS)
The value of South Australia’s exports to China and India over the past 10 years has increased by over 750% respectively. This growth trend was a driver for the State Government’s development of targeted engagement strategies for both countries.

The trend of South Australia’s export values to the ASEAN region has increased by over 30% in the past 5 years which has been a catalyst for the State Government’s newly announced decision to create a strategy focussed on Indonesia, Malaysia, Singapore and Vietnam.

The table below shows the trend of South Australia’s export values for our main trading partners over the past five and ten years:

<table>
<thead>
<tr>
<th>Country and Groups</th>
<th>Current Value (annual)</th>
<th>5 year change (%)</th>
<th>10 year change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>$3.1 billion</td>
<td>194.0</td>
<td>775.1</td>
</tr>
<tr>
<td>ASEAN*</td>
<td>$2.0 billion</td>
<td>30.7</td>
<td>220.0</td>
</tr>
<tr>
<td>United States</td>
<td>$1.3 billion</td>
<td>-35.6</td>
<td>4.1</td>
</tr>
<tr>
<td>European Union</td>
<td>$1.0 billion</td>
<td>-16.0</td>
<td>-19.5</td>
</tr>
<tr>
<td>Middle East</td>
<td>$833 million</td>
<td>-15.1</td>
<td>-23.5</td>
</tr>
<tr>
<td>India</td>
<td>$683 million</td>
<td>220.5</td>
<td>758.0</td>
</tr>
</tbody>
</table>

* Brunei, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam and Cambodia Source: ABS, Cat. No. 5368.0
Whilst recognising the breadth of the topic of trade and that there are specific issues pertaining to industry sectors, the focus of the workshop was deliberately narrowed to address the following key questions.

**EACH SECTOR WAS TASKED TO ANSWER THE FOLLOWING QUESTIONS:**

1. **What do businesses have to do to be globally competitive?**

2. **Which are the areas of true comparative* and competitive** **advantage for South Australia?**

*The ability to produce goods or services at a lower opportunity cost than others.

**An advantage allowing an organisation to produce goods or services at, for example, higher margins than others.
The following tables summarise the various points of discussion and ideas arising from the trade workshop.

**DISCUSSION POINTS**

**Importance of Trade**
- Trade is critical to investment. In the main, trade precedes investment, and Australia relies on investment for growth, the impact of trade should not be underestimated. In fact, 1 in 5 jobs in Australia are related to trade and trade is a stabiliser for higher wages and more jobs.
- Trade provides an essential platform to respond to and adapt to changes in markets both locally and internationally.
- An increase in trade will have clear benefits for South Australia, increases in trade and growth in the number of competitive businesses will result in not only profit growth but also growth in investment.
- Trade is a bilateral concept. Getting the right balance between imports and exports is important, but success in both import and export activity contribute substantially to South Australia’s economic development.

**IDEAS**

**Trade 1.1** - Facilitate a discussion about how to drive down business costs, in particular through the use of competitive imported inputs.

**Trade 1.2** - Business needs to have an unrelenting customer focus to understand how South Australian products and services fit with international customers and consumers.

**Trade 1.3** - Increase the exposure and communication between Universities and SMEs to drive innovative solutions from South Australian businesses which are globally competitive.
The following tables summarise the various points of discussion and ideas arising from the trade workshop.

**DISCUSSION POINTS**

**The need to be globally competitive**

- Opportunity lies at the point where competitive supply meets demand, not just supply and demand, we need to identify and leverage our advantages, such as our close proximity to Asia and our numerous free trade agreements.

- While our export focus may be on high value or niche products, realism about costs is always required and business needs to focus on continually driving down costs.

- Government can assist competitiveness by reducing the cost of regulatory burden on businesses.

**IDEAS**

**Trade 1.4** - Businesses should look to follow their customers into new markets, utilising the existing revenue in a new market to build further growth.

**Trade 1.5** - Businesses need to hire for difference and global perspective (both for staff and for Boards). A culturally aware and diverse workforce and leadership will be more successful in entering new markets.

**Trade 1.6** - Develop a practical South Australian business/ international student intern program to develop ‘work ready’ graduates, and increase the exposure of international students to South Australian businesses, provide businesses with a broader understanding of other cultures and global markets and increase graduate employment prospects.
The following tables summarise the various points of discussion and ideas arising from the trade workshop.

**DISCUSSION POINTS**

**New ways of doing business**

- There has been a shift in the global pattern of trade and economic development, with our Asian neighbours now at the heart of the global economy. This puts Australia, and South Australia, at a significant geographic advantage, but businesses need to be globally competitive to participate in these new markets.

- To make the transition from traditional markets and methodologies to these new markets requires new networks, new approaches and cultural awareness.

- Businesses need to prepare for a campaign when entering new markets – it is a long term commitment and requires years of concerted effort, persistence and funding.

**IDEAS**

**Trade 1.7** - Consider co-investment and off-take structures for the agribusiness sector to accelerate and optimise trade and investment growth in this sector (e.g. as in the resources sector)

**Trade 1.8** - Increase the number of inbound trade missions to South Australia to bring the markets to South Australia. This can demonstrate the benefits of South Australia for key agents, buyers, clients and investors.

**Trade 1.9** - Create a peer panel, or other mechanism to provide feedback to businesses who are about to pitch to foreign buyers or investors. Better inform business on the advantages of trade (import and export). Undertake this through the ‘connector’ model - see Action 5.
The following tables summarise the various points of discussion and ideas arising from the trade workshop.

**Telling the Story**
- South Australia’s areas of competitive advantage include lifestyle, quality, product safety, clean environment are best understood firsthand.
- Some businesses are not prepared to tell their own story to global markets in a targeted and convincing way.
- The ‘story’ needs to be pitched differently for different markets.
- There is not a clear awareness of the South Australia brand amongst our trading partners. In contrast, Brand Australia is understood to represent safety, quality, regulatory stability, the rule of law and a stable investment environment.

**IDEAS**

**Trade 1.10** - Improve connections with Brand Australia to effectively promote South Australia rather than compete with the other States. Consideration is required for the occasions that warrant using a regional, or industry specific focus.

**Trade 1.11** - Develop a single point of contact for South Australia business across the State Government to improve two-way trade performance. Where this is not possible, there should be increased collaboration between South Australia Government agencies that have responsibilities for key export sectors.

**Trade 1.12** - There needs to be solid Government commitment to a ten year plan and engagement strategies, rather than a piecemeal approach to trade which changes from year to year.
The following tables summarise the various points of discussion and ideas arising from the trade workshop.

**DISCUSSION POINTS**

**Government Assistance**

- The State Government’s international engagement strategy focuses on China and India in particular, with an increasing focus on other emerging markets, including South East Asia and Middle East.
- The Federal Government also plays a role in supporting export-ready businesses to access global markets through Austrade. However, assistance is not always felt to be accessible or useful by business and engagement strategies can change quickly, leaving businesses confused or suddenly without resources.
- As the State’s business base is largely SMEs, there is a clear role for Government to assist by providing information and access to networks.

**IDEAS**

**Trade 1.13** - The Government must continue to support underpinning trade and investment infrastructure, such as direct international flights into Adelaide.

**Trade 1.14** - Government to undertake a survey of SMEs to understand where they are succeeding and not succeeding. Use this evidence base to direct policy.
The following table summarises key highlights from the Trade section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

### SURVEY RESPONSES

**Major impediments to local businesses becoming globally competitive**

- Lack of global networks (80%).
- Lack of understanding of global opportunities (78%).
- Lack of capability within firms to sell their story (75%).

**Markets in relation to South Australia’s future export growth**

- China (88%).
- ASEAN (87%).
- India (72%).
Infrastructure Workshop

Discussion points and ideas
Infrastructure is a critical enabler to economic growth, as well as providing social amenity and contributing to an attractive environment. Infrastructure investment can facilitate the prosperity and growth of the State through productivity improvements. This has been a focus of recent investment by the State and Federal Governments, which have invested in road networks, such as the Northern Expressway and the South Road Superway, with a view to improving transit times for both people and freight. Train and tram networks investments have also been made to improve travel time, but also amenity for passengers and to stimulate housing development in growth corridors around Adelaide.

Other recent infrastructure investments, such as the extension to the Convention Centre and the new Adelaide Oval, are intended to drive the ongoing economic development of the city of Adelaide. Other investments in recent years include the desalination plant, the Common User Facility at Techport, the South Australian Health and Medical Research Institute and the new Royal Adelaide Hospital.

However, the period of significant investment in new infrastructure is drawing to a close. Consistent with national trends, the State Government is in a period of fiscal consolidation and there is not a large budget for large new infrastructure investments. The State Government has released the Integrated Transport and Land Use Plan, which includes a discussion of the required transport networks, freight networks, ports and new and upgraded roads.

The Federal Government has, in its recent budget, announced significant new infrastructure spending, including two sections of the North-South Corridor in Adelaide. However, the Federal Government is focussed on asset recycling by State Governments as a means of contributing to the cost of new infrastructure. This is a challenge for South Australia, because unlike many other States, most significant State Government assets have already been privatised, so the options for asset recycling are limited.

In this environment of potentially constrained government funding for infrastructure, the State will need to ensure it:

- Maximises the current infrastructure to unlock productivity and growth;
- Can demonstrates the maximum benefit from new spending proposals to the Commonwealth Government and Infrastructure Australia; and
- Is open to alternative funding options, including facilitating and leveraging private sector involvement.
Common sources of funding for infrastructure

**Public Sources**

**State / Local**
- Direct investment
- Underwrite or low interest loans
- Specific levies
- Unsolicited proposals
- Asset sales
- Facilitate user pays / full cost recovery

**Commonwealth**
- Direct investment
- Asset sales cash back
- Underwrite or low interest loans
- Investment by Government Departments or GBEs

**Private Sources**

**Corporate**
- Direct investment
- Underwrite

**Funds (Super, Infrastructure & Sovereign Wealth)**
- Asset sales
- Direct investment

**Banks and financial institutions**
- Debt or bonds

**Users**
- Payment for services

- Getting the most from existing infrastructure
- Often substantial productivity improvements can be gained through maximising existing infrastructure. Below are some examples of how to get the most from the existing infrastructure.
  - Increase utilisation – Collaboration of infrastructure users; open access arrangements
  - Linking infrastructure – Connect infrastructure; remove bottlenecks
  - Asset management – Optimise maintenance
  - Sustainable Value Improvement – Operational improvements; technology
  - User pays – Full cost recovery.
In recognising the breadth of this topic and the differing impacts and requirements across industries and sectors, the workshop was broken into four identified groups each with a sector focus, to encourage sector based discussions. The four sectors identified were: food and wine; resources; knowledge economy; and general productivity improvements.

**EACH GROUP WAS TASKED TO ANSWER THE FOLLOWING QUESTIONS:**

1. **Identifying infrastructure priorities within industries and/or sectors.**
   - What are the growth opportunities within the sector?
   - What are the infrastructure requirements to facilitate that growth?

2. **Focusing on what is practical and feasible**
   - What investment is achievable within the current climate?
   - How can we fund these priorities?
   - How can we best utilise our current asset base?
The following tables summarise the various points of discussion and ideas arising from the Infrastructure workshop.

**DISCUSSION POINTS**

**What are the infrastructure requirements to facilitate growth?**
- There is a need to focus on infrastructure investment that will lead to GDP growth. The current tight fiscal environment will require innovative thinking to enable South Australia to get more out of our current infrastructure.

**What is the role of the State government in relation to infrastructure? Is it:**
- facilitating or using incentives;
- creating seed funding;
- picking winners;
- taking an active role with a coordinator general;
- independent assessment for infrastructure projects?

The role of government is to provide transparency and access to information. Government must be transparent about how decisions are made and reasons for investing or not investing.

Most businesses within food and wine sector are smaller family run businesses which are not structured well for growth and investment.

**IDEAS**

**Infrastructure 1.1** – Government can play a role to reward ‘early movers’ in infrastructure projects, or at least, ensure that they do not face disincentives by being proactive in investment.

**Infrastructure 1.2** – Establish joint roundtables for South Australian strategic growth industries to develop and communicate roadmaps setting out the strengths, challenges, opportunities and actions between industry participants and Government. Importantly, leverage the learnings and approach of the Unconventional Gas Roundtable and extend this approach to South Australia’s strategic growth industries (for example Iron Ore infrastructure).
The following tables summarise the various points of discussion and ideas arising from the Infrastructure workshop.

**DISCUSSION POINTS**

- International trade requires that produce flows through the Eastern States, there is an opportunity for increased consolidation and collaboration between private companies needing to transport to Eastern States.

- Investment in roads is focused on 95% of the main routes in regional areas but the ‘last mile’ does not have the same level of focus. This can result in extended transport kilometres as vehicles can not travel on roads providing the most direct path.

- Bridges on regional roads often are not capable of supporting the vehicles that are currently being used.

- There is a need for greater transparency about demand and cost. Government can provide a platform to understanding the cost elements across the sector holistically. However, this needs close consultation and collaboration with business. It also needs competitors to cooperate and share information.

- There is a need for greater collaboration and connection within regional areas with similar needs, which sit in disparate, small council areas.

**IDEAS**

**Infrastructure 1.3** – Establish connections and collaboration between SMEs to lower the cost of freight to the Eastern States. Exploring consolidation of freight for private companies, particularly in the agricultural sector.

**Infrastructure 1.4** – Government to explore options for investment into the last few kilometres of road and strengthening key bridges in areas identified as key growth opportunities.
The following tables summarise the various points of discussion and ideas arising from the Infrastructure workshop.

**DISCUSSION POINTS**

**Infrastructure productivity improvements**

• South Australia can achieve more than we think. This is the time to be innovative and brave. There is a window where investors are looking at investments, we need to focus our attentions on those prospects and make them as viable as possible. Business cases need to be developed for individual pieces of infrastructure so they can proceed to ‘shovel ready’ status.

• There is a culture change required in relation to public transport. South Australians are traditionally focused on private vehicles. There is a need to regularly rethink routes and frequency to continually meet demand.

**Rail**

• Longer and heavier trains can create efficiencies and lower the cost of freight. The Adelaide to Melbourne rail link requires modification to allow heavier and longer trains on the line. Currently the rail line allows 1500 metre trains one way and 1800 metre trains the other, due to physical infrastructure constraints. There is an opportunity to upgrade to allow 1800 metre trains in both directions and double stacking trains to create efficiencies.

**IDEAS**

**Infrastructure 1.5** – Explore options to upgrade the key rail links of Adelaide to Melbourne and/or Adelaide-Darwin including funding opportunities to modify rail infrastructure, such as intermodal terminals, to maximise productivity of rail networks.

**Infrastructure 1.6** – Explore options to reduce traffic congestion including:

• Clearway hours on key arterial roads, such as between 7-9am and 4-6pm, or all day in some cases. Clearways can achieve efficiencies and productivity improvements at little financial cost.

• Extend Richmond Road to cater for 100% taxi traffic.

• Review Bus Lane strategies to allow for vehicle use during non peak hour traffic or allow ‘trade’ and ‘business vehicles’ 100% access.
The following tables summarise the various points of discussion and ideas arising from the Infrastructure workshop.

**DISCUSSION POINTS**

**Road**
- The North/South Corridor is a current infrastructure priority in which it is anticipated to have significant productivity benefit.
- The Sturt Highway requires modifications in order to run B-Triples on bridges and intersections.
- Transport access around the airport, Sir Donald Bradman Drive is at capacity. There is an opportunity to extend Richmond Road.
- Similarly increasing the axle load capacity from Pt Augusta to Tarcoola, which is the junction between Sydney – Perth and Adelaide – Darwin will create efficiencies.

**Air**
- Allowing some flexibility in the operation of the curfew will allow some airlines, International Operators in particular, to strengthen their business case for additional services to and from Adelaide. Domestic operators could schedule services right up to the current curfew hours with some flexibility to arrive late if for reasonable operational reasons there are significant and unforeseen network delays.

**IDEAS**

**Infrastructure 1.7** – Provide some flexibility in the operation of the airport curfew will allow some airlines (international operators in particular), to strengthen their business case for additional services to and from Adelaide. Domestic operators could schedule services right up to the current curfew hours with some flexibility to arrive late if for reasonable operational reasons there are significant and unforeseen network delays.
The following tables summarise the various points of discussion and ideas arising from the Infrastructure workshop.

**DISCUSSION POINTS**

**Knowledge economy**
- There needs to be a change in focus away from traditional bricks and mortar to investment in human capital and building our knowledge economy.
- This includes greater utilisation of intellectual property and skills within universities and changing the way that graduates are prepared for employment.
- A marginal investment dollar could be better spent on investing in world class researchers with experience in commercialising intellectual property, rather than more physical infrastructure.
- Private sector participation should be encouraged in roads, to match that which already exists in ports, airports and rail.
- Determine the location of economic activity – through heat mapping – target infrastructure investment to unlock population and economic growth.

**IDEAS**

**Infrastructure 1.8** – Explore the opportunity to use heavy vehicle tolls on major projects such as the North South Corridor and Sturt Highway upgrade to pull the project forward.

**Infrastructure 1.9** – Preserve land near ports to allow for hubs and freight corridors. Proactively create these hubs in areas of need.

**Infrastructure 1.10** – Explore opportunities to increase the cost of parking in the city, dis-incentivising people from driving into the city.
The following tables summarise the various points of discussion and ideas arising from the Infrastructure workshop.

### DISCUSSION POINTS

- See discussion points above.

### IDEAS

**Infrastructure 1.11** – Increase and facilitate partnerships between private companies and universities to develop ‘work ready’ graduates and increase graduate employment prospects following graduation. This includes incorporating the views of the private sector on curriculum, incorporating internships and practical experience within curriculum. Build upon the recent example of partnership between University of South Australia and Hewlett Packard.

**Infrastructure 1.12** – Formation of a joint commercialisation arm of universities/research organisations to get intellectual property out into the market place, for commercial benefit.
The following table summarises key highlights from the Infrastructure section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

**SURVEY RESPONSES**

**How important is infrastructure investment to the growth of the following sectors?**
- Bulk agricultural commodities (79%).
- Tourism (79%).
- Minerals (78%).

**Please rate the importance of the following infrastructure investments needed to facilitate the State’s growth.**
- Freight Rail (87%).
- Digital infrastructure (85%).
- Ports (83%).

**Please rate the importance of the following in terms of developing infrastructure priorities.**
- Getting more out of existing infrastructure (82%).
- Private sector funding (81%).
- Other (81%).
Migration and Skills
Live Forum
Discussion points and ideas
In order to enable South Australian business to grow, our ability to grow our population by attracting, retaining and cultivating people to form our future workforce and communities is key.

The population of South Australia is currently growing by almost 300 people per week. We are growing via natural means and through overseas migration.

Conventional wisdom tells us that living standards depend upon the 3Ps. Population, productivity and participation. Conventional wisdom is right but perception, the way we think about ourselves, our culture, our ability to think and act creatively is also an influencing factor.

We often fail to acknowledge the opportunities available in South Australia. We seem to put ourselves down and overlook our many success stories. Do we suffer from a cultural cringe? If so, why?

South Australia has world class educational institutions. Its mineral and energy deposits are rich and growing. We are a major producer and exporter of food. Agribusiness is growing. Opportunities in the fields of medicine, tourism, business services and aged care are growing. Job growth in South Australia is not about picking winners. It is about our mindset - being smart, flexible and open to new ideas.

In order for South Australia to thrive and to grow in terms of population, we need to attract more industry and trade to the State.

South Australia is a great place to start up and grow a national business due to its proximity to capital cities, quality pool of candidates and partnership opportunities with world class universities. There are many examples of successful businesses created in South Australia that have emerged with a national and in some cases, global presence. These success stories need to be marketed by industry organisations, government and development organisations. South Australia provides a quality lifestyle and high liveability, but that is not enough. Attracting people to South Australia via immigration and other means will not be successful without the provision of growing, vibrant, industries and trade opportunities. It is therefore critical that we build the skills, knowledge, incentives and policy structures to facilitate this economic growth.

Source: - ABS 3101.0 Australian Demographic Statistics Table 2.
The migration and skills consultation process was undertaken through a facilitated forum hosted by CEDA with a panel of experts. The live forum was attended by approximately 50 participants and it also livestreamed via the CEDA and RiAus website.

The live forum was facilitated by Dr Paul Willis and the panel of experts included:

- Joanne Fox, Group Manager Remuneration & HR Operations at Santos Ltd
- Bernard Salt, Partner KPMG
- Professor David Lloyd, Vice Chancellor & President, University of South Australia

The live forum was opened by Hans Kunnen, Chief Economist for BankSA, with a scene setting of the South Australian economy and background on what might be the new growth sectors in South Australia. Following this introduction, the panel were asked a series of questions with a view to populating two or three key actions that could lead to positive and active outcomes around migration and skills in South Australia.
THE PANEL WAS TASKED TO ANSWER THE FOLLOWING QUESTIONS:

1. What are the growth sectors of the future for South Australia – which of these will be new sectors / industries versus existing, and already earmarked as priority sectors for the State?

2. What are the attributes (qualities and skills) of the ideal workforce?

3. How do we cultivate that skill set organically, with education and training?

4. How do we attract that skills set?

5. How do we retain those we have home grown and brought in?
The following tables summarise the various points of discussion and ideas arising from the live forum.

**DISCUSSION POINTS**

**Population trends, growth sectors and the shape of the future workforce**

- Growth depends on productivity, population, participation and also perception.
- South Australia’s population is growing – 7000 per year.
- In addition, there are 12,000 migrants per year however we lose 4,000 to interstate migration each year.
- Growth industries to target – agriculture, education, agribusiness, specialist manufacturing, construction, tourism and health and ageing, defence research and space.
- In the US, 9 out of 10 top ten growth industries are linked with STEM/ICT.
- In Australia – we are more focussed on management, accounting and health.
- We should focus more on STEM.
- But in addition to technical skills, we need the innovation and creativity quotient to increase.
- A 'soft' skill set for South Australian graduates is to be able to join the dots, and link industries to get better outcomes. Growth and interesting jobs will come where ICT meets the resources sector, or where engineering meets agriculture.

**IDEAS**

**Migration 1.3** - Undertake a technical and professional skills gap analysis for core South Australia growth sectors to identify the skills that the growth sectors require in South Australia.

**Migration 1.1** - Develop a media campaign to celebrate the efforts and successes of people operating businesses in South Australia, celebrate the home grown talent, those who stay and come back.

**Migration 1.2** - Shift parental thinking regarding vocational training – vocational and university training are both valid forms of skill acquisition. This means we need to celebrate technical skills as well as professional skills.
The following tables summarise the various points of discussion and ideas arising from the live forum.

**DISCUSSION POINTS**

- A cultural shift in South Australia is necessary to enable success of the future workforce.

- The world has changed from the one skill/job mindset to one of creativity, flexibility and fluidity.

- We don’t know the future; the young people of today are likely to have numerous jobs in the future in industries which we currently can’t imagine. To succeed, they will need to be mobile, collaborative and have high social skills.

- Part of the skill sets needs to be the ability to form relationships, adapt to change, collaborate – technical skills come second to social skills.

**IDEAS**

**Migration 1.4** – Develop a strategy to increase the migration of international students and skilled migrants with suitable skills and experience for South Australia. This can help improve diversity and collaboration within South Australian businesses and organisations.

**Migration 1.5** - Improve the competitiveness of South Australia’s student and business migration visa programs to allow graduating migrant students and high net worth individuals to come to, and remain in South Australia. This will help to keep economic contribution and skills in South Australia.

**Migration 1.6** - Develop a strategy for attracting baby boomers and retirees to come home – package the attributes and service them.

**Migration 1.7** - Leverage the strengths in the ageing and health care sectors – target these industries for development in skills, investment and support.
The following tables summarise the various points of discussion and ideas arising from the live forum.

**DISCUSSION POINTS**

**Developing the skill set locally**

- We have great universities in South Australia and they develop high quality graduates.
- The challenge is keeping talent in South Australia. For this to happen, we need industry to flourish, so they can invest in jobs.
- It is important that we match existing skills to opportunities as well as developing new skills, or indeed encouraging collaboration so that people with complementary skill sets can work together to increase growth.
- We need to move beyond saying that migration and population growth is just the role of government. Responsibility lies with industry and all South Australians.
- We need to challenge every South Australian with the question – what can every individual do in South Australia, to drive growth and new opportunities and attract new people to the State?
- There has been a belief that success means leaving the State. This reflects a ‘colonial’ attitude, in which success and opportunity lie elsewhere.
- To move away from this we need to take pride in South Australia and the people who have stayed and achieved, or left and returned, rather than focussing on the expat path to success.

**IDEAS**

**Migration 1.8** – Leverage the strengths in the ageing and health care sectors – target these industries for development in skills, investment and support.

**Migration 1.9** – Improve collaboration between universities and industries to align skills with industry.
The following tables summarise the various points of discussion and ideas arising from the live forum.

**DISCUSSION POINTS**

- We should showcase our local talent.
- We need to understand that ‘skills’ also means vocational training. There has been a strong focus on universities which has underplayed the importance of vocational education, leading to skills gaps, such as for welders.

**Attracting talent**

- We need a strong repatriation strategy to attract back locals who leave after graduation.
- International students are an obvious source of future workforce talent. We have doubled international student numbers in the last 10 years, but there is more work ahead to do.
- It does not help that international students often have to leave two years after graduation due to visa requirements.
- It is a challenge to get people to move anywhere in Australia that isn’t considered a sophisticated, metropolitan area (i.e. Sydney and Melbourne), while in the US, it is common for people to move cities or States.
- People from eastern seaboard in general do not want to go move west. Likewise, they are not likely to move from a bigger city to a smaller city.

**IDEAS**

- **Migration 1.10** - Promote a culture of entrepreneurialism which helps growth the depth and range of jobs in South Australia.
- **Migration 1.11** - Show the world that South Australia is a great place to build a business.
The following tables summarise the various points of discussion and ideas arising from the live forum.

**DISCUSSION POINTS**

- We need to forget the eastern seaboard, attract bright young (20s – 40s) energetic talent from overseas, or as repatriated South Australians.
- However overseas recruitment is expensive – to ensure US$ salary is equivalent in AUD$ it requires a higher overall package. The cost of this is passed onto the business. Government assistance has been removed with recent taxation changes such as: living away from home allowance.
- We should also target those expats who are retiring and downsizing – they can have a great quality of life with the equity they have generated in their interstate or overseas real estate and return to Adelaide to enjoy the wellness and lifestyle benefits.
- The perception of Adelaide matters. We need to market its lifestyle benefits: food and wine, safe environment for families, easier to commute, lower property costs, less hectic pace of life.
- Adelaide is a highly connected city, where networks can encourage the development of opportunities and entrepreneurship. This helps make it a more attractive place to do business.
- South Australia has another strategic advantage, which is the high proportion of people who volunteer. This demonstrates a level of social cohesion which is a selling point for South Australia.
- As an employer, to retain staff, you need to focus on culture, build a reputation for treating people well and provide a collaborative environment.

**IDEAS**

- See actions above.
The following tables summarise the various points of discussion and ideas arising from the live forum.

**DISCUSSION POINTS**

- In addition you can leverage the perceptions about South Australia as a quality place to live.
- Creating growth industries is almost as important as putting together the pitch to attract people. If they are going to move here for the long term, people need to know that there are other opportunities and that they are not tied to the one business/sector.

**Retaining talent**

- The retention equation is the depth and range of options of job opportunities, against the cost of housing, quality of commute and quality of environment.
- We need to focus on depth and range of jobs on offer, need to focus on skill sets of the future – target growth industries (health, education, defence, space, professional services).
- There is a recognition that it is easier to start up companies in South Australia which can grow nationally and internationally (lower the cost and existing talent pool).
- Companies need to look outside South Australia for growth. Accessing global and national supply chains can generate growth to keep growing jobs opportunities.
- There is good collaboration between universities, but there is a need to improve industry engagement with universities, to capitalise on the skills and intellectual property within universities.

**IDEAS**

- See actions above.
The following table summarises key highlights from the Migration and Skills section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

### SURVEY RESPONSES

**How important is investment in skills in the next decade for growth in the following sectors?**
- Education (86%).
- Biotechnology (86%).
- Advanced manufacturing (85%).

**Please rate the importance of the following to providing the skills for future growth industries**
- Local training and upskilling (94%).
- Retention of those already here (92%).
- A culture which rewards and encourages success (90.42%).
Innovation
Live Forum
Discussion points and ideas
Innovation can be a ‘buzzword’, but it is best used to describe something novel, original and groundbreaking. Innovation is the process by which new outcomes are realised. It is doing things differently to create value. Innovation stems from unmet needs, both in the market and in the community. It creates new outcomes which are valued by someone.

While research and development is important, it is not innovation in and of itself. Companies who spend the most on research and development are not necessarily the most innovative. The most innovative companies are those whose business model threatens their entire industry.

Innovation exists in a number of forms, including:

- The commercialisation of intellectual property through new companies emerging;
- The licensing of technology to existing companies;
- The transfer of technical capabilities into companies; and
- Bringing university expertise and knowledge to assist in solving problems in Industry.

Whilst only a portion of innovation occurs within universities, they are often better connected to the broader R&D community than most companies. This highlights the need for universities and industry to collaborate better to result in real commercial outcomes.

There are many identified barriers to achieving successful innovation in South Australia. These include limited skills and capabilities, particularly in commercialisation, limited collaboration activities, limited access to global supply chains and access to funding.

However, there is currently a clear demand for South Australian businesses to innovate and to build on their competitive advantages. Innovation is key to this happening. There is a also a role for Government to help facilitate and environment for innovation and collaboration to thrive in South Australia. But importantly, businesses must also invest in innovation and have a long term vision to become relevant and compete on a global scale.
The innovation consultation process was undertaken through a facilitated forum hosted by CEDA with a panel of experts. The live forum was attended by approximately 50 participants and it was also livestreamed via the CEDA and RiAus website. The live forum was facilitated by Dr Paul Willis and the panel of experts included:

- Professor Michael Barber, Vice Chancellor & President, Flinders University
- Professor Tanya Monro, Director, IPAS, Adelaide University
- Anthony Kittel, Chief Executive, Redarc

The live forum was opened by Professor Michael Barber, with a scene setting of the South Australian innovation environment and what exactly is innovation. Following this introduction, the panel were asked a series of questions with a view to populating two or three key actions that could lead to positive and active outcomes around innovation in South Australia. Whilst recognising the breadth of the topic of innovation, the focus of the live forum was deliberately narrowed to address the following key questions:

**THE PANEL WAS TASKED TO ANSWER THE FOLLOWING QUESTIONS:**

1. **Do you think we have a culture of innovation and entrepreneurship in South Australia? If not, what actions are required to achieve this? If so, how can it be improved – what actions?**

2. **What are the top three things South Australian companies could do themselves to drive innovation within their own organisation? Why do you think they are not currently doing these?**
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

### DISCUSSION POINTS

**Do you think we have a culture of innovation and entrepreneurship in South Australia? If not, what actions are required to achieve this? If so, how can it be improved – what actions?**

- We need to build a team to compete internationally.
- An ecosystem with start-ups and big business who are attracted to the area because of the research.
- Not all research areas are equal. We should create capacity where there is industry need.
- South Australia has the green shoots of an innovative and entrepreneurial culture. We don’t yet live and breathe innovation.
- Business needs to develop a learning culture, with increased investment in innovation. Culture is the critical component. Innovation must be part of our DNA.
- Innovation or R&D can be impenetrable to business. Universities work in a different way and talk a different language.
- Universities lack incentive to engage with industry.

### IDEAS

**Innovation 1.1 - Innovation needs to be key part of the DNA/culture of South Australia – No specific action/solution identified in the forum discussion.**

**Innovation 1.2 – Develop a program to identify phD students willing to partner with industry to undertake practical research that delivers meaningful outcomes for industry. This can increase collaboration, reduce the cost of research and delivery timeframes and provide research programs for phD students.**
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

**DISCUSSION POINTS**

- Redarc used a 2002/2003 voucher system to facilitate collaboration with a university, based on the problem to be solved and the university’s skill set. This relationship is still ongoing today.
- Universities need to be knocking on business’ door to see how they can help, in a supplier / customer type relationship. By creating ‘human capacity’ (abilities in people), researchers and industry can respond to market demand rather than having to pick winners.
- The ‘connection’ between universities and companies is critical. Third stream funding – provided by government – could be used to broaden the tunnel. The ‘third partner’ in innovation is Government.
- Government procurement programs help new companies build capacity. Government could engage more with SMEs without compromising the tendering process.
- There must be trust between universities and business in order to have a valuable conversation. Universities need to decide what their capabilities are, where they could be of use, then engage with business.
- There are 45,000 companies employing fewer than 200 people who can’t afford to wait 2-3 years for researchers to solve industry problems. They work to a shorter time frame. However, younger researchers such as PhD students are more ambitious and have fewer time constraints than professors.

**IDEAS**

**Innovation 1.3** - Universities develop an ‘easy IP’ regime in which IP is licensed to SA companies with only two conditions: i) they use it and ii) they support South Australian universities by contracting the skills they need from SA universities first.

**Innovation 1.4** - Government (and indeed any one with a project of a certain scale) use procurement to drive innovation and particularly the development of the necessary skills in small companies.

**Innovation 1.5** - The rights to intellectual property developed from industry and research collaboration was identified as key barrier to research / industry collaboration.
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

### DISCUSSION POINTS
- Intellectual property - We spend a lot of time debating how to divide up what can end up being nothing. Expectations are important and need to be set upfront.
- Business could second a PhD student to bring down the cost of research. Business can advertise a need for technical expertise on a hub or portal.
- This comes down to flexibility of negotiations and personalities involved.
- Intellectual property should not be an impediment.
- There should be an open book on patents and intellectual property existing within South Australian Universities, so that approved South Australian companies can review them and make direct contact with the commercialisation arm of that University to access the patent.
- Universities should review their web presence to ensure they project a ‘business friendly’ mindset.
- SMEs can also innovate internally. Developing a continuous improvement culture and striving for marginal improvement.

### IDEAS
- **Innovation 1.6** – Develop industry specific hubs/precincts to increase collaboration and create meaningful outcomes for South Australia. E.g. accelerate Tonsley as an ‘innovative district’ to link the community, education and business.
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

### DISCUSSION POINTS

**What are the top three things South Australian companies could do themselves to drive innovation within their own organisation? Why do you think they are not currently doing these?**

- We need to be globally competitive, and not just satisfied with status quo.
- Companies which encourage their staff to think innovatively are few and far between.
- A culture of sophisticated risk management needs to be embedded in every company.
- Companies have been failing because they didn’t innovate.
- There is a culture of ‘better to fail doing what you have always done than to take a risk.’
- Business model innovation is just as important. For example, Google is ranked as the 2nd most innovative company because they redefined the business model in their industry.
- In South Australia we already have The Majoran Distillery, which is an ecosystem of 80 start-up companies. We need to tell this story better.

### IDEAS

**Innovation 1.7** – Develop additional industry partnering programs such as NanoConnect, Medical Device Partnering Program and the Photonics Catalyst Program. In establishing the programs they should:

- Consider the depth of expertise within the universities;
- Develop programs with a long term view;
- Identify opportunities (with industry input) and issue transparent calls for appropriate expressions of interest;
- Make the program KPIs strongly linked to commercial outcomes and evaluation by business.
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

**DISCUSSION POINTS**

- See discussion points above.

**IDEAS**

**Innovation 1.8** – Universities to review and improve their online presence to ensure that their websites are ‘business friendly’ and suitable for South Australian businesses to easily identify university research capabilities, expertise and knowledge.

**Innovation 1.9** – Review the effectiveness of the current innovation voucher program, consider other successful linkage programs and update the South Australian innovation voucher program based on the findings.
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

**DISCUSSION POINTS**

- See discussion points above.

**IDEAS**

**Innovation 1.10** – Map the research capabilities of South Australian universities and research institutions to assist businesses to identify opportunities to collaborate and drive innovation.

**Innovation 1.11** – In Australia, there is currently disincentives for researchers to collaborate with industry due to the current reward and recognition framework.

**Innovation 1.12** – Implement a Government industry procurement program (e.g. the Small Business Innovation Research Program). This can help drive innovation, develop the capabilities and skills of South Australians and support South Australian businesses.
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

**DISCUSSION POINTS**

- See discussion points above.

**IDEAS**

**Innovation 1.13** – Develop broader industry partnering/collaboration programs to aggregate challenges faced by the industry to present to research organisations for consideration/problem solving. For example refer to the industry partnering programs at Adelaide and Flinders University.

**Innovation 1.14** – Tell the success stories and celebrate success of South Australia businesses/people and in particular, promote the entrepreneurship ecosystem to foster innovation in South Australia.
The following tables summarise the various points of discussion and ideas arising from the Innovation live forum.

**DISCUSSION POINTS**
- See discussion points above.

**IDEAS**

**Innovation 1.15** – South Australian business leaders must:
- Drive innovation within their own organisations (going beyond research and industry collaboration);
- Have an unrelenting customer focus on becoming globally competitive and how South Australian products and services fit with international export markets; and
- Recruit talent and advisors with global capabilities and experience entering new markets.

**Innovation 1.15** – Create a Government facilitated ‘connector’ or ‘tunnel’ to increase the communication and collaboration between industry, research and education institutions and to communicate the challenges of industry.
The following table summarises key highlights from the Innovation section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

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<thead>
<tr>
<th><strong>SURVEY RESPONSES</strong></th>
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<tr>
<td><strong>Please rate the relevance of the key barriers to innovation for South Australian businesses</strong></td>
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<tr>
<td>• Lack of knowledge / capability within organisations (79%).</td>
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<td>• Lack of capital (77%).</td>
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<tr>
<td>• Lack of collaboration between research institutions and other parties (72%).</td>
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<tr>
<td><strong>Please rate the relevance of the key enablers that could allow South Australian businesses to innovate</strong></td>
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<tr>
<td>• Leadership in businesses (94%).</td>
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<tr>
<td>• Improved communication between business and research institutions (84%).</td>
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<tr>
<td>• Innovation ‘connector’ between businesses and outside parties (80%).</td>
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Leadership
Live Forum
Discussion points
and ideas
Bold and effective leadership at all levels and in all sectors is essential to shaping the future of South Australia. Without it, communities and organizations stagnate and lose their way.

Improving management and leadership performance is critical to South Australia’s long term prosperity. In a recent CEDA report entitled “Advanced Manufacturing – Beyond the Production Line”, Goran Roos cited research showing Australia’s management practices were very mediocre, and a long way below top performing countries such as Germany and Sweden. More specifically, Australia scored in the lowest quartile for instilling a talent mindset and capacity for innovation, and in the second lowest quartile for addressing poor performance and attracting and promoting high performers.

The complex ethical, social, environmental and economic challenges we are facing in the 21st century involve multiple systems, interests and threats. They require new thinking creativity and innovation, rather than the application of technical knowledge we already have. We can’t solve these problems with technical expertise, no matter how advanced. Nor can we solve them with charisma or single-mindedness. The idea of the leader as hero is completely outmoded. We need leaders who foster and expect independent judgement in the people they lead and who are prepared to develop a culture of shared responsibility. This is true at both the organisation level and at a whole of State level.

We need leaders who are going to be open and frank, who not only celebrate our successes but are prepared to discuss the bad news and engage us in developing solutions to our challenges. We need leaders who know how to collaborate. Our failure to collaborate costs us in innovation and productivity gains. It’s not smart. We also need leaders who are prepared to be accountable, by measuring and communicating their performance honestly and openly. Importantly, we need leaders who are up for the long haul, and who take a long term perspective and are prepared to hold steady through the tough times, whilst also remaining open to changes in context and good ideas from left field.

Leaders set a clear and compelling vision about what can be accomplished. They help us visualize what we might achieve. They encourage and inspire us.
The leadership consultation process was undertaken through a facilitated forum hosted by CEDA with a panel of experts. The live forum was attended by approximately 50 participants and it was also livestreamed via the CEDA and RiAus website.

The live forum was facilitated by Dr Paul Willis and the panel of experts included:

- Rob Chapman, Chairman, Adelaide Football Club Board;
- Erma Ranieri, Commissioner for Public Sector Employment at Office for the Public Sector, and previously Chief Executive, Office for Public Sector Renewal and Deputy Chief Executive, Strategy, People and Culture (DMITRE);
- David Knox, Managing Director and Chief Executive Officer, SANTOS; and
- Niki Vincent, Chief Executive Officer, Leaders Institute of South Australia.

The live forum was opened by Rob Chapman, Chairman of the Adelaide Football Club Board, with a scene setting of the fundamental importance of vision and leadership to the prosperity of South Australia. Following the introduction, the panel were asked a series of questions with a view to providing two or three key actions that could lead to positive and active outcomes around leadership in South Australia.
EACH PANELLIST WAS TASKED TO ANSWER THE FOLLOWING QUESTIONS:

1. What is the vision for South Australia? What will having a clear vision for South Australia achieve?

2. What skills and attributes do our Government and business leaders require to achieve the State’s vision?

3. How do we engage the broader South Australian community in forming the vision for South Australia?
The following tables summarise the various points of discussion and ideas arising from the Leadership live forum.

### DISCUSSION POINTS

**What is the vision for South Australia? What will having a clear vision for South Australia achieve?**

- Success starts and ends with leadership. The community needs to be engaged, to understand the consequences of action and inaction.
- We need more engagement with the State’s seven priorities. There isn’t one compelling vision that people can get behind.
- We need to have a vision which everyone knows by heart, can recite and can get behind.
- It will require someone standing up and saying ‘this is the direction we should go in’. Define the vision clearly, lay out a plan to achieve it, and then execute it. A strategic plan should have a ten year focus.
- Engage as many citizens as we can across South Australia but striving for complete consensus will not be effective. Glasgow managed to achieve this during their “Glasgow is miles better” campaign.
- Build upon unique selling points and eliminate cynicism.

### IDEAS

**Leadership 1.1** - Develop a clear, concise and meaningful vision for South Australia that can be understood, believed and followed.

**Leadership 1.2** - Develop a plan to execute the vision of South Australia and relentlessly pursue the execution of the plan.

**Leadership 1.3** - Develop the values and behaviours that sit under the vision to help deliver and execute. Noted values in the discussion were - boldness, caring, positivity, honesty and passion.
The following tables summarise the various points of discussion and ideas arising from the Leadership live forum.

**DISCUSSION POINTS**

Ideas for the State’s vision include:

- South Australia should become the ‘smart State’. Smart growth, education, management and leadership skills. The thinking capital of Australia.
- The best city in the world. Adelaide is already one of the best places to live. It is an affordable place to live, clean and green, with vibrant culture.
- Lowering our carbon footprint to lowest in the nation, and then moving towards world class, would create a competitive advantage.
- ‘Asia’s most liveable city’.
- ‘Where people and business thrive’. We need enterprise to prosper.
- Stop comparing ourselves with the eastern seaboard and start competing. We have a self esteem issue and tend to put ourselves down.
- South Australia could be the two-way gateway into and out of Asia.
- ‘South Australia: Gateway to opportunity – a place where people and business thrive’.

**IDEAS**

**Leadership 1.4** - South Australia requires a solid Government commitment to a long term plan (e.g. 10 years) and engagement strategies for improving trade in South Australia.

**Leadership 1.5** - Develop a strategy for South Australia to become the lowest carbon economy in Australia to develop a competitive advantage and attract the people and businesses to South Australia.

**Leadership 1.6** - Create an organisation in South Australia to improve collaboration, training and development and ‘connections’. Refer to organisations like the Engine Room.
The following tables summarise the various points of discussion and ideas arising from the Leadership live forum.

**DISCUSSION POINTS**

**What skills and attributes do our Government and business leaders require to achieve the State’s vision?**

- Good leaders engage with and empower other people. At a broad level one way to achieve this is through ‘citizens juries’, which act as consensus forums. Government can then implement their ideas.

- South Australia ranks in the lowest quartile for instilling talent mindset and capacity for innovation, and the second lowest for attracting and promoting high performance.

- We need to demonstrate that we are prepared to take bold decisions and back our people when they make mistakes. Adaptive leaders – the people around you might have the answer to a problem. All it takes is empowerment.

- There is no innovation without collaboration. Leaders don’t always have all the answers. This is an outmoded way of operating as a leader. You have to trust and engage your people.

**IDEAS**

**Leadership 1.7** - Develop a strategy to increase migration of the right skills and experience for South Australia with a view to improving diversity and collaboration within our organisations.

**Leadership 1.8** - There is a burning platform. We have an opportunity to change and there is a role for government to do something different, embrace reform, develop new systems, listen and engage with SMEs to provide resources to allow South Australian businesses to act. Government should provide consistent and clear messaging to make this burning platform relevant to all.
The following tables summarise the various points of discussion and ideas arising from the Leadership live forum.

**DISCUSSION POINTS**

**What skills and attributes do our Government and business leaders require to achieve the State’s vision?**

- Leaders need to be committed, and bring people along with you on the journey. Choosing your management team is the most important task. Clear system of delegations, with a mechanism to hold people accountable.
- Be energetic and enthusiastic, and take a global perspective. We need a culture where it is okay to be ambitious, take risks and fail.
- We are facing a crisis around major new investments. We should use this as an opportunity to stimulate change.

**IDEAS**

**Leadership 1.9 - Develop the leadership, strategy and management capabilities of the leaders of South Australian SMEs through:**

- Training;
- Professional development; and
- Access to mentoring programs (for example access to ‘angels without capital’).
The following tables summarise the various points of discussion and ideas arising from the Leadership live forum.

**DISCUSSION POINTS**

Good leaders come from all walks of life, and earn their respect every day.

- The Engine Room, a local organisation which creates a place for collaboration between young entrepreneurs, now has 300 businesses in its network.

- Expertise, networks and access to finance are what SMEs need to be ready for growth. Expertise is the lowest metric of South Australian SMEs. They are not looking at a 5 year plan. Advisory boards and angels without capital are methods to address this.

- Sunderland in England is now home to the most efficient Nissan plant. We are capable of being competitive.

- Certain industries have invested a huge amount over the last 5 years. This happened too rapidly and has driven higher wages and lower productivity.

- How are we going to sustain the level of employment for the next five years?

**IDEAS**

**Leadership 1.10** - Develop SME hubs with the government providing the support (this is part of a plan to execute the vision). This will increase the collaboration between industries. (Also refer to the Innovation live forum actions).

**Leadership 1.11** - Develop ‘community advisory boards’ to assist the Government to better understand business challenges, policy setting and regulatory reform.
The following tables summarise the various points of discussion and ideas arising from the Leadership live forum.

**DISCUSSION POINTS**

**How do we engage the broader South Australian community in forming the vision for South Australia?**

- South Australia is too small for Government and business to work separately. We should institutionalise this partnership by sharing resources and co-locating.
- Similarly, big business can’t survive without SMEs.
- We could create hubs centred around intellectual capital, creating collaboration between SMEs and universities. Government could provide support and facilities. Tonsley is one example of this but we need more science and business parks.

**IDEAS**

**Leadership 1.12 - Create, monitor and publish regular ‘dashboard reporting’ to communicate and hold South Australia’s leadership accountable. The dashboard should be easy to understand, readily accessible by the South Australian community and led by the Economic Development Board (or other independent entity).**
The following table summarises key highlights from the Leadership section of the Survey. The top three responses for each question were determined by summing the percentage of respondents who rated each response as the two highest options, on a five point scale.

### SURVEY RESPONSES

**Please rate the importance of the following leadership that is required to drive the State’s future prosperity**

- Strategic business leadership (93%).
- Outward-looking, globally informed leadership (92%).
- Strong people leadership within organisations (92%).

**Please rate the importance of the following for the development for leadership within South Australian businesses**

- Exposure to new ideas and business practices (96%)
- Peer to peer mentoring (90%).
- Active development of new leaders and succession planning (89%).
Shaping the Future of South Australia

Survey and key outcomes
In addition to being distributed amongst the internal networks of all Foundation Partners, the Survey had the following distribution channels:

- Posted on the CEDA website
- inDaily;
- BankSA social media channels;
- Industry groups through the Department of State Development.
- The Advertiser

This gave a total of 333 responses.

Key highlights include:

When asked which of the seven themes do they believe will be most critical to the State’s future economic growth and prosperity, respondents’ top three choices were...

- Innovation: 30%
- Infrastructure: 19%
- Leadership: 18%
In the free text response section, suggestions by respondents included:

- A sense of community
- Energy reform
- Education funding

When asked which industry would contribute most to the State’s future economic prosperity, respondents’ top three choices were:

- Minerals
- Premium food and wine
- Education

Industries suggested by respondents in the free text section included:

- Tech start-ups
- Environmental
- The service sector
- Digital
- Renewables
- The arts; and
- Nuclear energy and research.
SURVEY QUESTIONS

1. Which of the following seven themes do you believe is most critical to the State’s future economic growth and prosperity?
   - Access to Funding
   - Regulatory reform
   - Trade
   - Infrastructure
   - Migration / Skills
   - Innovation
   - Leadership
   - Other

2. Which industry do you think will most contribute to the State’s future economic prosperity?
   - Bulk agricultural commodities
   - Premium food and wine
   - Minerals
   - Oil and Gas
   - Meat products
   - Education
   - Tourism
   - Healthcare
   - Advanced manufacturing
   - Biotechnology
   - Other

3. Please rate the relevance of the following key barriers to accessing capital for growth in South Australia:
   - SA is not ‘on the map’ for venture capital or private equity investment
   - Many SA businesses are not ‘funding ready’
   - There is a lack of SA located or targeted funds
   - Funding decisions are not made locally, in particular for banks and large financial institutions
   - Other

4. Please rate the importance of the following in improving access to capital for SA businesses:
   - Better telling the success stories of SA businesses
   - Increase the level of education, training and mentoring for SA businesses
   - Provide access to local funding decision makers
   - Targeted government grant funding
   - Other

5. What is your one good idea to increase the level of funding available to SA businesses?

6. Please rate the relevance of the following key barriers to effective regulation:
   - Poorly designed regulation
   - Regulation which has significant unintended consequences
   - A lack of understanding of the true cost of compliance facing SMEs
   - A culture of enforcement rather than assistance
   - The ‘government vs business’ mindset
   - Regulating an industry based on ‘worst case scenario’
   - Other
**Survey Questions**

7. Rate the importance of the following change to processes in fostering more effective regulation:
   - Mechanisms to test the design and effectiveness of regulation before it is implemented;
   - Focussing on industry codes, co-regulation and business self-regulation;
   - Forums to increase collaboration between government and industry and the design and review of regulation;
   - An ongoing regulatory review mechanism inside Government;
   - A Business / Government roundtable that reviews existing regulation;
   - A regulation mapping across a pilot industry to inform changes to regulation;
   - Sunset clauses in all regulation to ensure they are reviewed in the future;
   - A united business voice about the most important changes to regulation that are required to reduce the burden on SA businesses;
   - Ensuring that industry friendly consultation is conducted on all regulation;
   - Ensuring that independent regulatory impact statements are prepared for all new regulation;
   - Other

8. Please rate the relevance of the following major impediments to local businesses becoming globally competitive:
   - Lack of desire to trade in a global market;
   - Lack of understanding of global opportunities;
   - Lack of global networks;
   - A lack of information, support and training from Industry and Government;
   - Lack of capability within firms to sell their story;
   - Reluctance to use imports to lower input costs;
   - Other

9. Please rate the importance of the following markets in relation to SA’s future export growth:
   - China;
   - ASEAN;
   - United States;
   - European Union;
   - Middle East;
   - India;
   - Other

10. What is your one good idea to increase the global competitiveness of SA businesses?
SURVEY QUESTIONS

11. How important is infrastructure investment to the growth of the following sectors?
   - Bulk agricultural commodities
   - Premium food and wine
   - Minerals
   - Oil and gas
   - Meat products
   - Education
   - Tourism
   - Healthcare
   - Advanced manufacturing
   - Biotechnology
   - Other

12. Please rate the importance of the following infrastructure investments needed to facilitate the State’s growth:
   - Roads
   - Freight rail
   - Passenger rail
   - Public transport
   - Ports
   - Airport capacity
   - Digital infrastructure
   - Social infrastructure
   - Industry specific infrastructure investment
   - Other

13. Please rate the importance of the following in terms of developing infrastructure priorities:
   - State government asset sales
   - Greater Commonwealth Government contribution
   - Private sector funding
   - Public Private Partnerships
   - Getting more out of existing infrastructure
   - Changing regulation to improve access to or use of infrastructure
   - Third party access to existing or new infrastructure
   - Other

14. How important is investment in skills in the next decade for growth in the following sectors?
   - Bulk agricultural commodities
   - Premium food and wine
   - Minerals
   - Oil and Gas
   - Meat products
   - Education
   - Tourism
   - Healthcare
   - Advanced manufacturing
   - Biotechnology
   - Other

15. Please rate the importance of the following to providing the skills for future growth industries:
   - Local training and upskilling
   - Encouraging immigration
   - Retention of those already here
   - A focus on STEM (Science, Technology, Engineering and Mathematics)
   - A culture which rewards and encourages success
   - Other

16. What is your one good idea to develop, attract or retain skilled people in the State?
SURVEY QUESTIONS

17 Please rate the relevance of the key barriers to innovation for SA businesses:
Lack of desire / willingness; Lack of knowledge / capability within organisation; Lack of collaboration between research institutions and other parties; Lack of capital; Lack of understanding of how to manage risk; No platform for collaboration; Lack of demanding lead customers; Lack of understanding of unmet needs of customers; Other

18 Please rate the relevance of the key enablers that could allow SA businesses to innovate:
Innovation ‘connector’ between businesses and outside parties; Government funding for the process of innovation; Improved communication between business and research institutions; Leadership in businesses; Change in university incentives to reward industry-relevant research; Better market intelligence about customer needs; Other

19 What are the areas of unmet consumer need that SA business could respond to?

20 Please rate the importance of the following leadership that is required to drive the State’s future prosperity
Strategic business leadership; Strong people leadership within organisations; A strong and coherent growth platform from the State Government; Strong community organisations; A strong and empowered public service; Outward-looking, globally informed leadership; Other

21 Please rate the importance of the following for the development for leadership within South Australian businesses:
Peer to peer mentoring; Education and training in how to lead; Exposure to new ideas and business practices; Exposure to greater global competitive pressure; Greater individual self awareness; Active development of new leaders and succession planning; Other
The ‘Shaping the Future of South Australia’ program was undertaken in the following program of work.

Each step of the process has been outlined further within the methodology section of this report.
CEDA STATE ADVISORY COUNCIL MEETING

The Shaping the Future of South Australia initiative was sparked at a Committee for Economic Development of Australia, South Australia (CEDA) State Advisory Council meeting in December 2013, including State Advisory Council members Prof Michael Barber and Con Tragakis, where His Excellency Rear Admiral Kevin Scarce, AC CSC RANR (His Excellency) called upon CEDA Trustee members to help address the current challenges facing South Australia. In short, what was required was a non-partisan approach by business, Government, academia and the community to support South Australia and inform decision making in the State.

Importantly, His Excellency encouraged the audience to avoid a ‘talkfest mentality’, and as leaders and citizens of South Australia, create meaningful actions to help shape the future of South Australia.

CEDA AND KPMG FORUM

In response, CEDA and KPMG developed a forum where South Australians were invited to gather and consider issues and opportunities with a view to providing a vision for South Australia Beyond 2017. The event was held in February 2014 and attracted 440 people from business, government and the community (CEDA SA’s largest ever attended event).

The forum was opened by His Excellency, and featured an expert panel including Raymond Spencer, Greg Combet, David Allott, Frank Seeley, Alf Ianniello, Professor Göran Roos and Con Tragakis. The panel was facilitated by ABC’s Tony Jones with comments from the floor.

Whilst the timing of the event coincided with the announcements of Holden and Toyota, it was not solely a response to the automotive sector. It was a broader conversation that centred around high value manufacturing and assisting in the necessary transition of businesses to growth markets.

His Excellency encouraged the attendees to avoid a ‘talkfest mentality’, and as leaders and citizens of SA, build upon the momentum of the day, and not rely on any one individual or entity. In short, a non-partisan approach by business, government, academia and the community to support South Australia and inform decision making in the State.
SHAPING THE FUTURE OF SA - WORKSHOPS, LIVE FORUMS AND SURVEY

The next phase of the Shaping the Future of South Australia was built in close consultation with CEDA, and is based largely on the feedback gained at the forum held in February. The Shaping the Future of South Australia program provides a blend of three distinct activities

1. targeted intimate stakeholder workshops;
2. auditorium – live stream forums; and
3. an on-line survey.

The objective of this approach was to identify and address key areas of concern across the below themes and the approach was designed to provide insight, and promote inclusion in appropriate ways, enabling the emergence of ideas, solutions and a leadership culture. The eight workshops were held in a mix of public, live streamed forums and intimate ‘think tank’ workshops with approximately 25 leaders from government, business, academia and the community. Further detail in respect to the survey is outlined within the survey section of the report.

The workshops and live forums covered the following key themes:

- Access to Funding;
- Regulatory reform;
- Trade;
- Infrastructure;
- Migration / Skills;
- Innovation; and
- Leadership.
SHAPING THE FUTURE OF SA - ACTION PLANNING WORKSHOP

The next phase of the Shaping the Future of South Australia was a 3 hour action planning workshop attended by approximately 25 leaders from government, business, academia and the community who had participated in the workshops. The objective of the action planning workshop was to:

1. Prioritise the actions identified in the workshops and live forums (using a priority matrix); and
2. Rank the actions (using three votes per participant) based on their strategic importance and benefit to South Australia.

A total of 89 actions were identified from the 7 workshops and live forums. To assist in the prioritisation and ranking of the actions, the actions were grouped using six (6) categories that ran through the actions and consolidated into 31 actions. These categories were:

- State’s Vision
- Collaboration
- Productivity
- Reform
- Skills
- Culture

The priority matrix that was used to prioritise and rank the consolidated actions is outlined to the right. Using a weighted score methodology, each action was then given an overall ranking based on the priority ranking and number of votes received.

Actions were flagged as priority actions based on two factors:

- their ranking as determined by the Action Planning workshop; and
- a Foundation Partner roundtable workshop, where Foundation Partners achieved consensus on which actions were most critical.
SHAPING THE FUTURE OF SOUTH AUSTRALIA - REPORT

This report is the final deliverable and summarises the outcomes of the Shaping the Future of South Australia program. The report is intended to:

- Inform debate over pivotal economic policy and decision making for the State over the coming years;
- Provide a platform for further engagement with business, government, academia and the community to generate actions for growth which have broad support;
- Identify specific recommendations and actions to advance each of the identified themes (addressed in this report); and
- Identify cross-cutting initiatives which will add value and facilitate growth within the State.

The report is delivered by KPMG on behalf of the Foundation Partners (CEDA, the Department of State Development (previously the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE), BankSA and Flinders University) to the EDB. The EDB will then consider the report with the purpose of informing decision making in the State.
Acknowledgement and thanks to the following...

The Economic Development Board

His Excellency Rear Admiral Kevin Scarce AC CSC RANR

Theme Leaders

Foundation Partners
- BankSA
- CEDA
- Flinders University
- Department of State Development (formerly DMITRE)
- KPMG

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