

2023/2024 State Budget Submission

Prepared on behalf of South Australia's
business community



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Overview

As the peak employer organisation in South Australia, we are committed to advocating for policies and initiatives that support the growth and development of businesses in the state.

The 2023/24 State Budget comes at a pivotal time for South Australia as we continue our economic recovery from COVID-19. At the same time, the business community is under enormous pressure due to rising energy costs, inflation, and interest rates. Business SA is also aware of pressures on the upcoming budget due to the announcement of relief packages in response to the River Murray flooding. With this in mind Business SA has put together a list of practical recommendations that would support South Australian businesses at this difficult time, but not come at a great cost to the State Government. We also made recommendations that could further elevate South Australia's global standing and cement our status as a leader in renewable energy and green industries.

Our 15 recommendations are themed as follows:

- i. Skills, labour and migration
- ii. Energy efficiency and sustainability
- iii. Payroll tax
- iv. Global promotion of Adelaide and South Australia
- v. Sovereign capability, defence industries and AUKUS
- vi. Work health and safety

i. Skills, labour and migration

1. Introduce a State Government-funded, paid internship program to encourage university graduates to start their career in South Australia

Until recently, South Australia has experienced negative net interstate migration for almost 30 years, with those aged 20–34 especially prone to leaving. For instance, although the state's population increased by 340,000 between the mid-1980s and mid-2010s, the number of people aged 15–34 decreased. Despite a brief period of positive interstate migration as a result of COVID-19, in the 12 months to June 2022 net interstate migration was negative once again, with 1,400 South Australians aged 20–34 leaving.

A significant motivator for South Australian graduates to move interstate or overseas is the draw of better employment opportunities.¹ When young people (often graduates and professionals) leave, the state's age structure is also impacted. With an average age of 40, South Australia has the oldest population of all states and territories.

Establishing a State Government-funded paid internship program, with a possible co-payment from business, would help keep South Australian graduates in the state and ensure we remain competitive against other states in the fight to attract skilled workers.²

2. Create a program to connect overseas migrants with prospective South Australian employers

According to research by Flinders and Charles Darwin Universities, 32% of international migrants who obtain their visas through the State-Sponsored migration scheme (such as the one used in South Australia) work in jobs below their skill level. The same study also found that, between 2010 and 2014, 43% of migrants who arrived in South Australia under the State-Sponsored General Skilled Migration program worked in occupations other than those nominated in their visa applications.³

As is well-documented, the ongoing skills and labour shortages are severely affecting business. Nearly half of all respondents to our recent survey said 'access to labour' was the top constraint to business growth.⁴ Sadly, in that same survey a business owner told us of the eventual impact of the labour shortage on their business:

Due to struggling with ongoing difficulties with getting reliable, qualified staff who want to work, as well as the massive increase in cost across all areas of our business, I have decided that I will be closing the business. People will lose jobs and there will be a gap in the market that we currently fill.

– Business operating across SA, turnover <\$500K, employing 1–19 people.

¹ ABC News (2018), Bogle, A, SA election: Why are young people leaving the state for Sydney and Melbourne?

² Victoria Department of Health (2022) Support for international healthcare workers

³ Tan, G and Cebulla, A, 'When what you have is not enough—Acquiring Australian qualifications to overcome non-recognition of overseas skills', in International Migration, June 2022, pp 1–21

⁴ Business SA (2023) Business now – The Business SA Survey of Business Expectations December QTR 2022

To avoid a skills mismatch, to quickly alleviate labour shortages, and to provide hope and certainty for business owners and workers alike, Business SA recommends establishing a Job Matching Portal for employers and future migrants. Organised by industry sectors, workers could upload their resumes while still offshore to find jobs matching their skills and qualifications. South Australian businesses would then have greater access to the right people early in the migration process, which may well be the difference between the worker choosing South Australia over other states/territories and even other countries as the global competition for talent intensifies.

Migrants able to secure jobs before arriving in South Australia would likely find settlement arrangements, such as housing and schooling, much less stressful as they could plan with certainty. This program would also provide an opportunity for regional businesses to promote themselves as an option. It is very possible that prospective migrants might otherwise only consider a capital city and not consider regional options.

If adopted, Business SA is well placed to promote the program and assist involving business community.

3. Roll-out an awareness campaign about the benefits of the Temporary Graduate – Post Study Work Visa

Recognising the significant opportunities this visa presents to the South Australian business community, in 2022 Business SA and Study Adelaide jointly hosted a workshop which brought together international graduates and businesses to highlight success stories and explain visa technicalities. Considering the current labour shortages and that unemployment in South Australia sits at 3.9% (March 2023), a near historical low, we must capitalise on potential workers already here. Business SA welcomes the Federal Government's recent decision to grant additional years of post-study work rights for holders of the Subclass 485 Temporary Graduate – Post Study Work Visa (subclass 485).

A 2019 survey by Deakin University found that "access to the 485 visas is an important consideration when international students decide to study in Australia, but the scope and intention of the visas are often poorly understood by employers".⁵ At Business SA we hear similar stories, with employers often avoiding job applicants this visa subclass as they do not understand the details, believe that additional work from the business may be required, or that the person will only be able to work in Australia for a short time.

Through our work with Study Adelaide we hear that 485 visa holders experience difficulties finding work in South Australia – which is surprising considering the tight labour market.

This is problematic on two levels. Firstly, employers desperate to fill roles are missing out on available skilled labour. Secondly, international graduates fail to obtain work experience in Australia, which is necessary should they wish to qualify for permanent residency, stay here and be part of the labour market going forward.

⁵Deakin University (2019), Deakin study finds mixed outcomes for post-study work policy

An awareness campaign promoting the 485 visa is necessary to ensure international graduates remain in South Australia after completing their studies. The main emphasis of this campaign should be that 485 visa is a provisional visa, rather than a temporary one, and that an international graduate can continue working for the business once the necessary conditions are met and they obtain permanent residency.

The international graduate cohort has already chosen South Australia when they came here to study. It is important to keep them here, since they already have local experience, local context and would have likely built local networks. By hiring an international graduate on a 485 visa, a business can contribute to the labour pool in the state and potentially gain a long-term, loyal employee. At Business SA we can use our reach and reputation to promote the messaging, but given its technical nature, it is crucial that the government sponsors the campaign.

4. Subsidise a portion of skilled migrants' visa fees to attract them to South Australia

South Australia must attract top talent to continue expanding its world-leading renewable and sustainability sectors; sovereign capability, modern manufacturing, health as an industry, and research and development capabilities. Skilled migration is an important lever for the future of the state – we need the skills and passion of the most qualified migrants to continue growing and innovating.

The COVID-19 pandemic resulted in significant global competition for top workers. For instance, Australia is competing against Canada; with both countries having broad-based migration systems encouraging potential migrants to apply based on their qualifications, work experience, age, and language proficiency, and without a requirement for a prior job offer. Some migrants may see Canada's proposition as more attractive, however, as it has significantly cheaper visa application fees. Using the US dollar to demonstrate comparison, the application fee for Canada's Federal Skilled Worker's program is US\$995 per main applicant, while the fee for Australia's Independent Skills visa is US\$2,883.

To encourage migration to South Australia, Business SA recommends the State Government subsidises a portion of the application fee for successful applicants nominated under in-demand professions (e.g. GPs) for the State-Sponsored skilled regional 491 (provisional) visas. If applicants for a 190 (permanent visa) are willing to live and work in South Australia for a stipulated period, for instance three years, they could also qualify for this subsidy. Should they choose to leave South Australia and relocate interstate, they would be required to pay the subsidy back to the State Government. Given we understand there is no provision for this in the Migration Act 1958, an interim arrangement could be made to ensure this works as intended. For instance, migrants would commit to live and work in South Australia for a period of three years and must submit bills and employment slips every quarter to prove they are fulfilling their obligations. Should they move to another state or territory, they would be liable to paying back the subsidy.

ii. Energy efficiency and sustainability

5. Establish a fund providing micro grants for businesses to conduct energy audits and invest in generating and storing renewable energy

Affordable energy is essential for all businesses, yet prices continue rising, with no signs of abating. The October 2022 Federal Budget forecast of increases of 56% in electricity prices over the next two years. According to Business SA's Survey of Business Expectations for December quarter 2022, over 81% of businesses have experienced electricity cost increases of up to 29%. Further, 74% of respondents experienced gas price increases of up to 29%. At the same time, our survey found that only 27.2% of businesses have conducted an energy audit, 31.4% have never attempted to improve energy efficiency, and only 42.6% have assets to produce or store energy⁶.

Business SA therefore recommends the State Government provides micro grants of between \$3,000-\$5,000 for small businesses to conduct an energy audit and determine what steps are required to become more energy efficient to reduce costs and increase confidence in the ongoing energy transition. Further, we propose these grants could also be used towards the cost of generating or storing renewable energy, for instance solar panels or batteries. A requirement should be made for the grant money to be spent only on goods and services provided by South Australian businesses.

Business SA is aware that a Green Industries SA grant already exists that touches on this concept⁷ however, this grant ends in April 2023 and has a different primary focus. We are also aware that new federal Energy Efficiency Grants for Small and Medium Sized Enterprises⁸ will shortly open but these have a limit of \$10,000 and cannot be used towards the purchase of energy generation equipment, such as solar panels, or for the purchase of solar panel, inverter or battery components for solar-powered pumping systems. Further, the Federal Government estimates that South Australia will receive only 6% (or about 42) of these grants. Looking at impact of the scheme, a broadly available series of micro-grants would likely have a greater impact than a limited number of expensive grants available only to a select few.

6. Introduce a Circular Economy Procurement Fund to promote and drive the transition from a linear to a circular economy.

In a circular economy, resources are kept in use for as long as possible, waste is minimised, and materials are reused, repurposed, or recycled at the end of their useful life. This approach helps to reduce waste, lower carbon emissions, and create new business opportunities.

⁶ Business SA (2023) Business now – The Business SA Survey of Business Expectations December QTR 2022

⁷ Green Industries SA Assess-Implement-Monitor (AIM) Grants

⁸ Business.gov.au (2023) Funding to purchase energy efficient equipment upgrades for small and medium businesses

The establishment of such a fund would promote South Australia as a leading developer of the circular economy and would enable the State Government to allocate resources specifically towards promoting circular economy principles in government procurement processes. Appreciating that circular products, services or equipment are potentially more expensive than other options, the fund would incentivise the adoption of circular practices and to support the development of a circular economy.

Further benefits of creating a Circular Economy Procurement Fund include the following:

- Encourage private sector suppliers to adopt more sustainable practices, thereby driving positive environmental impacts across the entire supply chain.
- Reduce costs associated with waste management and disposal, as well as reduce the need for new resource extraction and production.
- Create market demand for circular products and services that could potentially lead to new business opportunities and jobs in the region.
- Stimulate innovation in the development of circular products and services, as suppliers would be encouraged to design products that meet circular economy principles.

7. Introduce an all-electric and/or hydrogen public transport fleet with supporting infrastructure

In 2022, 70.7% of South Australia's electricity was generated from renewables, the highest percentage in the world. Given this, we must constantly look for more opportunities to use green energy, reduce carbon emissions and bolster our national and global credentials as a green state. If we are to utilise hydrogen to its full potential, and we will certainly see more hydrogen vehicles on the road in future, the State must lead by example beginning with a commitment to move its entire public transport fleet to electric/hydrogen operated vehicles. Likely an iterative process, as vehicles are decommissioned they should be replaced with electric or hydrogen fuel cell alternatives.

Hydrogen bus fleets are becoming commonplace. In 2021, London rolled out its first fleet of hydrogen powered double-decker buses. With several hundred electric buses already running, and a further goal of 3000 zero-emission buses on the road by 2024, London is fast moving towards meeting its 2030 zero-emissions target.

Government support for public transport using renewables normalises these relatively new approaches and can be a catalyst to further investment in electric charging and hydrogen refuelling stations, both of which are needed to engender serious uptake of electric/hydrogen vehicles more broadly. For example, if trucks in industrial areas were able to access hydrogen re-fuelling stations established for public buses, it would kickstart the domestic uptake of hydrogen-fuelled heavy transport in the state.

Once the green hydrogen power plant and hydrogen storage facility in Whyalla becomes operational in 2025, hydrogen fuel cell vehicles will become an even more viable. At a roundtable discussion recently (March 2023) hosted by Business SA, South Australia's Agent General for the United Kingdom and Europe, the Hon David Ridgway, advised that the State Government would have a significant presence at the upcoming World Hydrogen Summit in Rotterdam in May. Given the State Government's focus on green energy and sustainability, we must continuously build on our status as a global leader in renewables. Revolutionising the public transport fleet would send a strong message that we intend to maintain that position.

iii. Payroll tax

8. Lift the payroll tax threshold

South Australian payroll tax is calculated on wages that employers pay their employees. Currently if a business's annual taxable payroll exceeds \$1.5 million, it is liable to pay variable payroll tax (0% - 4.95%) with 4.95% payroll tax payable when its annual taxable payroll exceeds \$1.7 million.

According to a Business SA's 2022 Pre-Election Charter, businesses with more than 20 employees said payroll tax was the most constraining state-based tax or levy⁹. While the 2019 threshold change represented a material change, it occurred at a time of low inflation, low wage growth and, importantly, prior to COVID-19.

We expect that since 2019 there has been a substantial increase in the number of businesses liable for payroll tax as a result of a range of factors - though the exact impact remains unclear without access to government data.

The Wage Price Index for September quarter 2022 showed an increase of 3.1%. Also in 2022, the Fair Work Commission increased the National Minimum Wage by 5.2%.¹⁰

South Australia's current labour shortages and the 3.9% unemployment rate have made recruitment increasingly difficult, with many businesses increasing salaries to attract and retain staff. Business SA's survey data shows that 70.5% of businesses willing to pay at least 10% over market rates to fill existing vacancies, some even looking at 50% above market rates and others offering starting bonuses.¹¹

Increasing the threshold for payroll tax would enhance the national competitiveness of South Australian businesses and create an environment more conducive for small business to operate in and thrive, without the fear of inadvertently tipping into the payroll tax band because they have increased staff wages.

Given current inflation trends and the wage index showing significant and ongoing increases, Business SA sees raising the payroll tax threshold in 2023 as timely and necessary.¹²

⁹ Business SA (2022) Pre-Election Charter²²

¹⁰ And minimum rates of pay in modern awards by either \$40 per week, or 4.6% (whichever is greater but not both).

¹¹ Business SA (2022) Business now - The Business SA Survey of Business Expectations September QTR 2022 p.1

¹² As an alternative, Business SA would support short term relief for businesses impacted by the post-COVID rapid growth in wages who have newly entered in the payroll system.

9. Encourage business development and investment in regional South Australia by introducing a 50% payroll tax discount

Regional businesses often struggle to grow for a range of reasons, including difficulty in attracting and retaining employees, transport and logistics challenges, and operating in a limited market. Further, high inflation rates, regional housing shortages, the recent devastating floods along the River Murray and the impacts of pre-pandemic bushfires regional are all issues that regional South Australia has had to deal with in recent times. Over three quarters of South Australia's population resides in Greater Adelaide – and in recent years population growth in regional areas was less than half that of that in Adelaide.¹³

Business SA believes that reducing the payroll tax rate in regional South Australia, as is commonplace in other states (e.g. Victoria provides a 75% regional discount; Queensland provides a full 1% (100 basis points) regional discount) would incentivise businesses to move to the regions, thereby stimulating and diversifying those economies. It would also improve their competitiveness compared to interstate regional counterparts

For example, South Australian businesses located near the Victorian border paying full payroll tax (4.95%) are currently paying over three times the rate payable by their interstate rivals (1.21%). This sharply reduces the competitiveness of regional South Australian businesses, especially in communities in close proximity to Victoria. Introducing a 50% discount on regional payroll tax would reduce this disparity and help these businesses to grow, attract new businesses and help address some of the issues around finding and retaining workers. In terms of eligibility, we recommend the State Government adopt a similar model to that established in Victoria and later adopted in Queensland. To qualify, an employer's principal place of business must be located in a regional area and at least 85% of their staff must be living and working in a regional area.

¹³ PlanSA (2023), https://plan.sa.gov.au/state_snapshot/population.

iv. Global promotion of Adelaide and South Australia

10. Sponsor an exhibition by world-renowned glass artist Dale Chihuly

Dale Chihuly's botanic gardens exhibits have become iconic projects around the world. His most recent exhibitions have attracted over one million visitors at London's Kew Gardens and over half a million at Singapore's Gardens by the Bay. The Botanic Gardens and State Herbarium (BGSB) is currently exploring the feasibility of bringing this exhibition to Adelaide. Business SA proposes that the State Government sponsors this exhibition, which would promote Adelaide's image on the global stage, would engage South Australia's significant arts community and become a major tourist attraction.

The economic benefits of a Chihuly exhibition were recently analysed by the Desert Botanic Garden in Phoenix, Arizona (a city of a similar population size to Adelaide, with 1.6 million people). An effective return of approximately \$32.6 million was identified. 31% of the 600,000 visitors to the exhibition were from outside the state and 11% were international visitors. 22% of visitors from outside the state cited the exhibition as the primary reason for their visit. Visitor spending in Phoenix totalled over \$8.9 million on dining and nightlife, \$5.2 million on hotels and other accommodation and \$3 million on retail.¹⁴

A location of the exhibition in the Adelaide Botanic Garden, in close proximity to the East End food and retail precinct, Adelaide Zoo, Rundle Mall and the other North Terrace attractions would drive significant visitor activity in the city. The exhibition has the potential for a lengthy tenure. It could begin during the Adelaide Festival, run through Illuminate Adelaide in Winter and end as we move into Spring. We understand the BGSB is planning further feasibility work to explore the potential to take 'satellite' exhibits to both the Mount Lofty and Wittunga gardens.

The exhibition is estimated to cost between \$4-5 million dollars, with a significant portion offset by revenue generated through ticketed exhibits, premium night-time viewings and corporate sponsorships. To realise this project, we understand that BGSB would require initial State Government funding of around \$1,665,000 in 2023/24 to cover design, exhibition and freight fees, marketing, creative and pre-opening costs, and site preparation costs including new footings, security system upgrades and additional staffing.

¹⁴ All amounts expressed in Australian dollars

11. Conduct a feasibility study on Adelaide's potential hosting of the United Nations Conference of the Parties (UN COP)

Hosting the UN COP would be an opportunity to position South Australia as Australia's greenest state. We have strong credentials to bid for this event, as we are a global leader in renewables having generated 70.7% of our electricity from renewable sources in 2022 (above Denmark, Ireland and Germany). Furthermore, Adelaide already has a solid track record in organising flagship global events. Hosting the COP would attract between 20,000 and 30,000 people (COP26 in Glasgow had record attendance – 40,000), boost the economy and further cement our credentials as a global leader in renewable energy. Australia has never hosted a UN COP. The recent proposal from the Federal Government to bid for a future COP in partnership with the Pacific could shift Australia's reputation from climate laggard to regional leader. If deemed feasible, a submission would need to be put in well ahead of time, as the COP Secretariat sends a fact-finding mission 18 months before the event to assess the proposed city and its venues. An announcement is then made 12 months before the event.

A feasibility study would be required as a first step to determine whether South Australia has the required facilities and infrastructure to host the COP. UN requirements include the following:

- Two large plenary halls and up to 30 meeting rooms in various configurations
- Plenary hall to have capacity to seat approximately 1,600 participants
- Meeting rooms to have capacity for 20-100 participants
- 600 hotel rooms for UN staff
- 5,000-8,000 hotel rooms for delegates
- Rooms for 7,000 observers
- Rooms for 1,000-2,000 media representatives
- VIP and VVIP rooms

The State Government should consider innovative options to ensure we have the required conference facilities and accommodation. These may include temporary structures for meetings and accommodation. Additionally, we could utilise our first-rate boarding schools and university residences, should the timing allow.

12. Reinvigorate Adelaide's Sister City programs to spark genuine transfer of knowledge, skills and trade between cities

Adelaide has several sister cities including Christchurch, New Zealand; Penang, Malaysia; Himeji, Japan; Austin, United States; and Qingdao, China. Initially established for a variety of reasons, including promotion of cultural exchange and economic cooperation, they are now largely symbolic and somewhat neglected and dormant. There is much more that can be done to leverage the potential of these relationships to benefit Adelaide.

Last year was the 50th anniversary of our relationship with Christchurch, and our 40th anniversary with Himeji. This year we will celebrate the 50 years with Penang, and 40 years with Austin, and 10 years with Qingdao. Given that 2023 marks significant milestones with three of our five sister cities, Business SA recommends that the time is right for the State Government to revive Adelaide's Sister City programs. By reinvigorating the Sister City programs, the State Government can help to facilitate the exchange of knowledge, culture and skills between cities. For example, Adelaide could share its expertise in renewable energy, while learning from their experiences in areas such as urban planning and infrastructure development. Additionally, these relationships could be used to promote trade and investment between cities. Adelaide businesses could explore potential business opportunities with our sister cities, and vice versa. This would boost the local economy and establish a valuable network of businesses that can work together in the future.

v. Sovereign capability, defence industries and AUKUS

13. Introduce a program to build a South Australian small business eco-system to ensure our SMEs are defence ready.

Business SA recommends that the State Government introduces a new program to build a small business ecosystem to make sure small and medium-sized enterprises (SMEs) are ready to take advantage of the opportunities in the defence sector. According to the University of South Australia¹⁵, the state is poised to benefit from expected spending of \$200 billion on defense projects. South Australia already hosts 30% of Australia's defence industry and is therefore ideally positioned to leverage the defence boom over the next decades.

The proposed program is especially crucial in light of the AUKUS agreement. With eight nuclear-powered submarines set to be built at Osborne, South Australia, there will be a surge in demand for defence-related products and services. This presents a unique opportunity for SMEs in South Australia to participate in the defence industry supply chain, improve their advanced manufacturing capabilities, contribute to the development of cutting-edge defence technologies, and compete effectively in the global defence market.

By providing SMEs with the necessary resources and support, such as mentoring, training, and financial assistance, this program would help businesses to develop capacity and capabilities needed to meet future demand. Preparing SMEs to understand national security measures and workforce compliance requirements is of the utmost importance to ensure they are ready to compete for tenders when the opportunity arises.

Furthermore, it would also help to strengthen the state's economy by creating more job opportunities, drawing a highly skilled workforce, and attracting higher levels of investment. By building a strong defence ready small business ecosystem, the State Government can ensure its economy is strengthened, future-proofed and that South Australia establishes itself as a key player in the defence industry, at both national and global levels.

¹⁵ The Advertiser (2023) James, C, First defence, then space will earn SA billions, says UniSA defence and space director

vi. Work health and safety

14. Ensure that Return to Work Scheme average premium rate will not rise above 1.9%

ReturnToWorkSA premiums represent a significant cost for most South Australian businesses. After the *Return to Work (Scheme Sustainability) Amendment Bill* was passed in South Australia's parliament in July 2022, Business SA was advised that the average premium rate will likely sit at 1.9% for 2023/24. Given this is only the average, some businesses are facing much higher premiums (up to 8 – 9% of total remuneration). Business SA therefore urges the State Government to monitor South Australia's average premium rates, as well as how they compare to other states and territories.

The South Australian Return to Work scheme must remain viable. This can only be achieved by ensuring that, like any insurance underwriter, the Scheme can afford its claims. We also urge the State Government to improve cost competitiveness in a manner that does not compromise 'return to work' outcomes for injured workers.

A key driver to keep ReturnToWorkSA premiums as low as possible, and without a doubt the preferred option for everyone, is to ensure that workplace injuries do not occur in the first place.

The *Work Health and Safety Act 2012* (the WHS Act) speaks to what must occur at a workplace to ensure workers are protected against harm to their health, safety and welfare through the elimination or minimisation of risks arising from work. This is not a simple Act however, and its complexity must be considered when understanding the role of the business owner or operator.

Business SA participated in a range of interviews and meetings in the State Government's recent review of SafeWork SA. A common thread throughout these discussions with the reviewer, John Merritt, was that businesses are afraid to contact SafeWork SA for advice and assistance. Even more concerning was hearing that a long-term WHS adviser routinely warned businesses to err on the side of caution and not share their business name when dealing with SafeWork SA for fear of being targeted for investigation.

Business SA is a not-for-profit organisation, run predominantly through membership fees and other services (e.g., training, international documentation, consulting). A Business SA membership affords access to our Business Advice Hotline (BAH). Given the current mistrust of SafeWork SA, businesses very often call the BAH for work health and safety advice. While some questions are straight forward, others are complex and require further discussion. Because of the time and effort involved, the BAH staff must refer the business to a consultant for more detailed or case specific advice. At this point, we must decide whether to charge a business for this consultation. As you can appreciate, it is an unusual circumstance to charge a business for advice that they rightfully should be getting for free from SafeWork SA.

As the *Independent Review of SafeWork SA* (the Review) noted, SafeWork SA "needs to fully embrace and champion the relationships with its partners – employee associations, employer organisations, ReturnToWorkSA, Health and Safety Representatives and safety professionals. As a community, we all need to support the full role these partners can play in protecting us."¹⁶ Business SA looks forward to the lines of communication between the business community and the regulator continuing following the appointment of a new SafeWork SA head.

¹⁶ Merritt, J (2022) Independent Review of SafeWork SA, p. 7

15. SafeWork SA must be adequately resourced to effectively administer the *Work Health and Safety Act 2012* & deliver the outcomes expected in the *Australian Work Health Safety Strategy 2023 – 2033* and recommendations of the *Independent Review of SafeWork SA 2022*

While we recognise that SafeWork SA has significant expertise, over the past few years its ability to deliver as required has been eroded due to a range of issues. Business SA is concerned that without adequate resourcing, SafeWork SA will be unable to fulfill its obligations and meet the requirements of the Australian Work Health and Safety Strategy 2023-2033 and the Independent Review of SafeWork SA (the Review). Our concerns are further exacerbated by issues such as our understanding that in 2022 the State Government asked SafeWork SA to find \$700,000 in savings per annum indexed from this financial year. Early this year, despite the flooding of the River Murray the decision to close the SafeWork SA office in Berri was finalised removing two inspectors from the region.

We are aware that the State Government has worked with other states and territories and representative members of SafeWork Australia to develop and endorse a new 10-year Australian Work Health and Safety Strategy 2023-2033¹⁷ (the Strategy). The Strategy addresses ongoing challenges as well as emerging issues like psychosocial risks, artificial intelligence, automation and changing forms of work such as that found in the gig economy.

At a high level, the actions summarised in the Strategy¹⁸ indicate where SafeWork SA will require resourcing.

Well trained and supported SafeWork SA staff will be required to:

- Provide information, raise awareness, and develop joint campaigns with materials and checklists to improve small business WHS awareness and compliance. Reach industries with diverse workforces and groups of workers with higher health and safety vulnerability in high risk industries.
- To champion health and safety leadership to adopt and enact the strategy, SafeWork SA will need to develop and refine their detailed strategies and action plans to help address systemic WHS challenges or focus on specific groups of workers.
- Increase training of WHS Officers, worker representatives, managers, and supervisors as key leaders of healthy and safe work in practice. Business SA is in a unique place to assist SafeWork SA in this area having extensive experience in the delivery of work health and safety training. In doing so Business SA provides interactive facilitation across numerous safety topics that are relevant and engaging, to support the growth of a safety culture.

Further, the Strategy notes, the provision of a continued strong focus on compliance and enforcement is essential for ensuring a person conducting a business or undertaking (PCBUs) are meeting WHS duties.

Business SA is well placed to support the government in delivering a number of these actions.

¹⁷ SafeWork Australia (2023) Australian Work Health and Safety (WHS) Strategy

¹⁸ SafeWork Australia (2023) Australian Work Health and Safety (WHS) Strategy pg. 13 – 15



Business SA
Chamber of Commerce
and Industry South Australia

Level 1,
136 Greenhill Road
Unley SA 5061

T. (08) 8300 0000
customerservice@business-sa.com

business-sa.com

ABN 14 725 309 328
