



Review of the South Australian Government's International and Interstate Engagement Bodies and Functions

Hon Steven Joyce



FINAL REPORT

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Executive Summary

South Australia has many natural advantages. It has plentiful resources, wonderful natural assets and an enviable lifestyle. It also has great economic opportunities. The state provides many of the goods and services that a rapidly growing consumer society across the Asia-Pacific region is seeking. And South Australia is located in a country with an economic story over the last twenty years that is the envy of many countries across the world.

Yet South Australia's economic history over that last twenty years has not been strong. It has been lagging behind the rest of mainland Australia, with its share of national income, employment and population steadily declining. The state has undergone a period of significant restructuring as old industries retrench. Less visibly but more tellingly its competitiveness has eroded. Many investors have simply not seen the state as a location in which to build a business.

The previous Government tried to arrest this situation but didn't succeed. It restructured its government agencies many times in an attempt to provide the right government recipe for growth, and it offered many financial inducements to bring new businesses to the state and induce expansion. However, it struggled to implement micro-economic policies that would lift the state's competitiveness and make it an attractive base for new export businesses.

The March 2018 election saw a new Government take office with a clear electoral mandate for economic growth and a focus on providing more jobs, lower costs and better services. It is targeting annual growth at about 3 times the average rate of the last ten years. It has committed to a programme of microeconomic reform through which it seeks to create a conducive climate for businesses to invest, innovate and export.

The new Government has taken early steps to reduce government levies on business and restructured agencies to encourage accountability, on a 'one Minister – one agency' model. It has set up Infrastructure SA and a new Productivity Commission, and severely circumscribed industry subsidies. It has strengthened the machinery of cabinet government.

This review was commissioned to assist the Government to structure itself to achieve its economic goal with a particular focus on external engagement – the attraction of investment and the growth of trade. Both are crucial to the state's growth aspirations. Without a significant increase in business investment, South Australia will not be able to achieve a 3% growth rate on a sustainable basis.

A sectoral scan shows that most of South Australia's existing export sectors have significant opportunities to grow. Agribusiness (including food and wine), tourism, international education and the energy and minerals sector all have a bigger future provided some constraints are removed. The defence and space industries have large opportunities as a result of federal government commitments to the state, and newer fast-growing sectors like hi-tech, health industries and the creative sectors have areas of comparative advantage that can be put to good use to encourage investment and growth.

This review contends that the state should not pick favourites amongst its export sectors but focus on removing constraints and increasing competitiveness across all. It proposes to encourage key sectors to set up ambitious, but realistic goals for growth to sharpen the opportunities for investment and the policy trade-offs for government consideration.

The review also proposes further realignment of the Government's new structure to clarify the responsibilities of the lead microeconomic agencies. It recommends that the Department for Trade, Tourism and Investment be provided with oversight of all of the Government's tools to encourage investment and trade, and be given a strategic goal of lifting private business investment overall by championing reforms that increase competitiveness and boost confidence.

It recommends that the Department for Industry and Skills be re-named the Department for Innovation and Skills and its mission be clearly focused on developing the human factors in the economy. Adding immigration policy to that agency's existing mandate of skill development, entrepreneurialism and innovation will place a powerfully clear responsibility on it to maximise the value of the state's greatest asset, the people that choose to live in South Australia.

Most importantly the review proposes to set up a strong cross-government policy process to develop and maintain momentum in micro-economic reform, and integrate the efforts of the different government agencies in support of the Government's economic goals.

The South Australian Growth Agenda is recommended to consist of four streams of policies, programme's and projects collectively designed to lift the state's competitiveness and attract investment in the state's leading export industries.

These streams: investment and markets, skills and innovation, natural resources, and infrastructure, would coordinate the key activities of relevant agencies, and each be led by the lead agency and Minister in that portfolio area. A small unit in DPC would oversee progress in the whole agenda on behalf of the Premier.

Importantly the Agenda would be used to keep businesses informed on the Government's programme and seek their input into it. This is crucial to maintaining the ongoing confidence of the business sector to invest and grow in the years ahead.

The successful execution of the Growth Agenda approach will speed up cross-government decision-making and sustain the reform agenda for a period of years. That will be necessary if the new government is to turn around the long-term downward trajectory of the state's economy in comparison with the rest of Australia.

Commercial investment is a geographic play. The investment required to service the aspirations of the huge increase in middle-income consumers across the Asia-Pacific region will definitely occur, the only question is how much of that will occur in South Australia.

The recommendations in this review are designed to boost investment in and trade by the state and support a much more prosperous future for South Australia.

1. Objective of this Review

This review is being undertaken to assist the South Australian Government in achieving its aim to lift economic activity in South Australia and increase the state's prosperity.

The Government has set a goal to lift economic growth in the state to more than 3% per year and in doing so make South Australia a more attractive place for Australians to live and work. The state's share of Australia's population has up until now been declining and the Government is seeking to turn that around over time and increase it again.

The level of economic activity is a key determinant of South Australia's attractiveness to residents and migrants. The state has an enviable lifestyle and needs to complement that with more and better-paying jobs in order to increase the state's population.

Achieving the Government's goal will require increased goods and services exports interstate and internationally and increased business investment across the state.

The Premier has commissioned a review of South Australian Government's international and interstate engagement strategies, functions and organisational structures to assist in achieving its growth objective.

Hon Steven Joyce, a former New Zealand Finance and Economic Development Minister, was engaged to lead the review with the support of the Department of the Premier and Cabinet.

The key tasks of the review are to:

- Assess the effectiveness of South Australia's country and sector strategies, plans, programmes and activities across all forms of engagement against current and emerging opportunities to determine areas for improvement.
- Assess the effectiveness and efficiency of current arrangements; organisational structures, governance, resource allocation and partnerships with external parties; for international and interstate engagement, against desirable economic outcomes and refined strategic approach.
- Identify opportunities for improvement, both in terms of strategic focus as well as organisational/structural arrangements, and propose improvements to maximise the outcomes for South Australia.
- Collect information and consult with key stakeholders on all matters relevant to the review.

Early in the review the Terms of Reference were expanded to include recommendations on actions, functions, structures and resource allocations required to achieve growth. The review has also been asked to identify key markets (sectoral and geographic) in which the Government should focus its efforts. The full Terms of Reference are included in Appendix A.

This report commences by reviewing the performance of South Australia's economy over the last twenty years to assess progress to date (where we are now), and then looks at the strategies and organisational structures operated by the South Australian Government for international and interstate engagement over a similar period and how they might have contributed to the state's economic performance. The report then looks at the changes made by the Marshall Government to date.

In the second part of the report, we assess the state's economic opportunity in broad terms (the size of the prize) and look at changes to structure and strategies that will help realise that opportunity.

The review was conducted from early October 2018 until the end of January 2019. During that period, all available strategies and relevant documents were reviewed and 43 separate stakeholder representatives both within government and across the private sector were consulted with. A full list of stakeholders is provided in Appendix B.

2. The South Australian Economy – Last 20 years

The South Australian economy has been outpaced by the rest of mainland Australia over the past twenty years.¹ The state's steadily declining manufacturing sector, the collapse of the State Bank back in 1991 and the "recession we had to have" in the early 1990's all contributed to slow GSP and employment growth compared to the rest of the nation. South Australian unemployment rates have generally tracked above the national average since the 1990s with the difference in underemployment rates even more marked.²

However, in very recent times, South Australia's economic prospects have started to look up. In the Business Outlook report for the September quarter 2018, Deloitte highlighted that South Australia has "*weathered the closure of its car assembly plants in fine style*", noting that growth in construction activity and an influx of international students are boosting the economy. The recovery in business confidence, coupled with a weaker Australian dollar was expected to contribute to growth over the year.

According to Deloitte, South Australia's recent growth has been driven by higher levels of business investment, housing/commercial/engineering construction, tourism, and international students, and it will continue to be supported by the most recent State Budget.

Deloitte also point to signs of economic headwinds in the shorter term, including declines in rural export growth due to drought, weakening retail sales, and subdued population and wage growth.

¹ Deloitte, Make it big, Phase 1

² Deloitte, Make it your Adelaide.

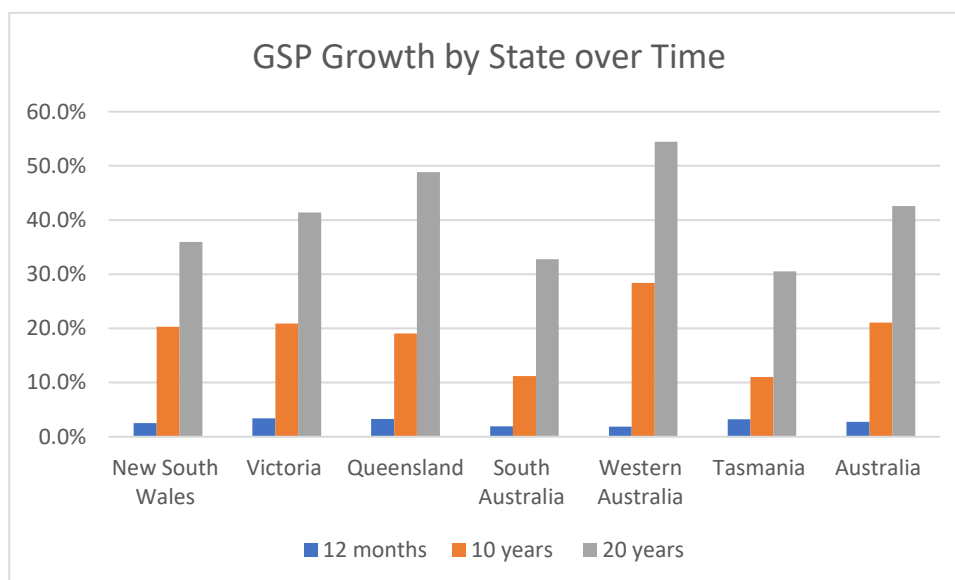
Gross State Product (GSP)

There are a number of key indicators that tell the story of the state's long term economic underperformance, chief amongst them Gross State Product (the closest equivalent to GDP measured at a national level).

Over the year to June 2018 South Australia experienced the second lowest real GSP growth of all Australian states. This is consistent with the long-term trend. The state has experienced slow economic growth over the last twenty years and in particular the last ten years.

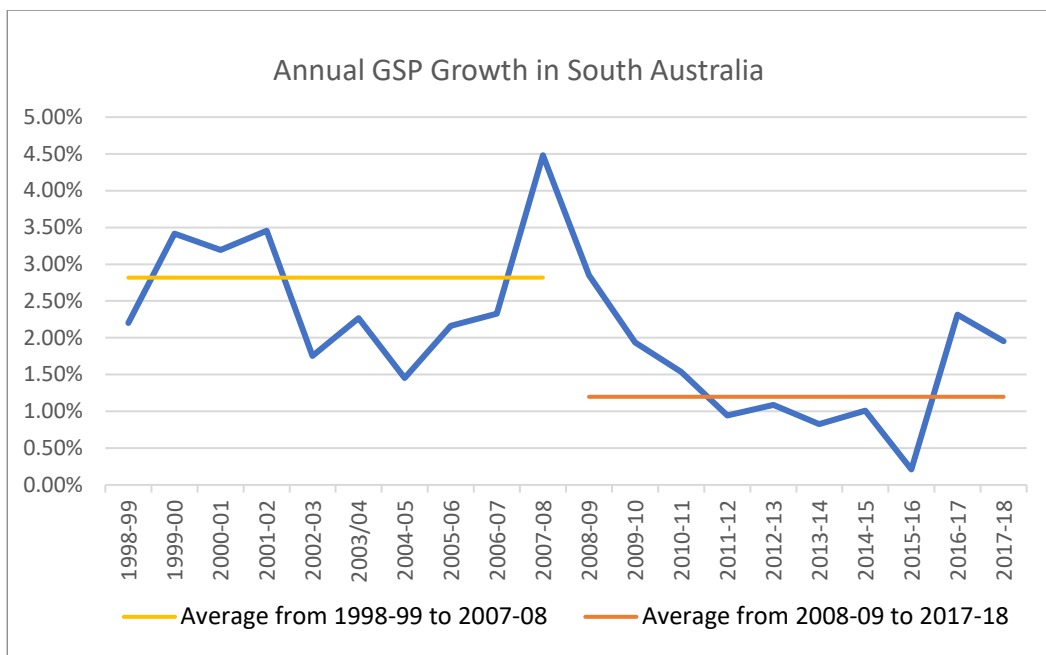
Total SA real GSP growth over the last twenty years was 32.8%, above only Tasmania (27.3%). Western Australia experienced the highest growth over the last twenty years to June 2018, at 54.5%.

Over the last ten years South Australia has achieved real growth of just over 10%, no more than half that of every other state with the exception of Tasmania, which also performed poorly.³



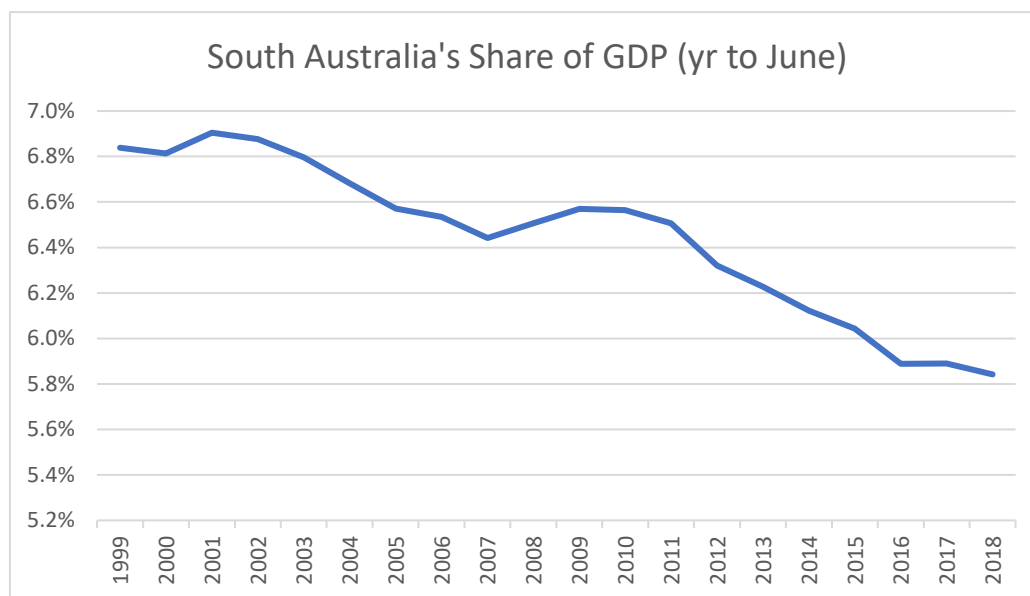
1: ABS 5220.0 Table 1

³ ABS 5220.1



2: ABS 5220.0 Table 1

South Australia's lower than average long-term growth rate means the state's importance to the national economy has steadily shrunk. The state's share of national GDP has declined from 6.8% twenty years ago to 5.8% today.⁴ If that trend were to continue, South Australia would become steadily less important in relative terms to the other mainland states.



3: ABS 5220 Table 1

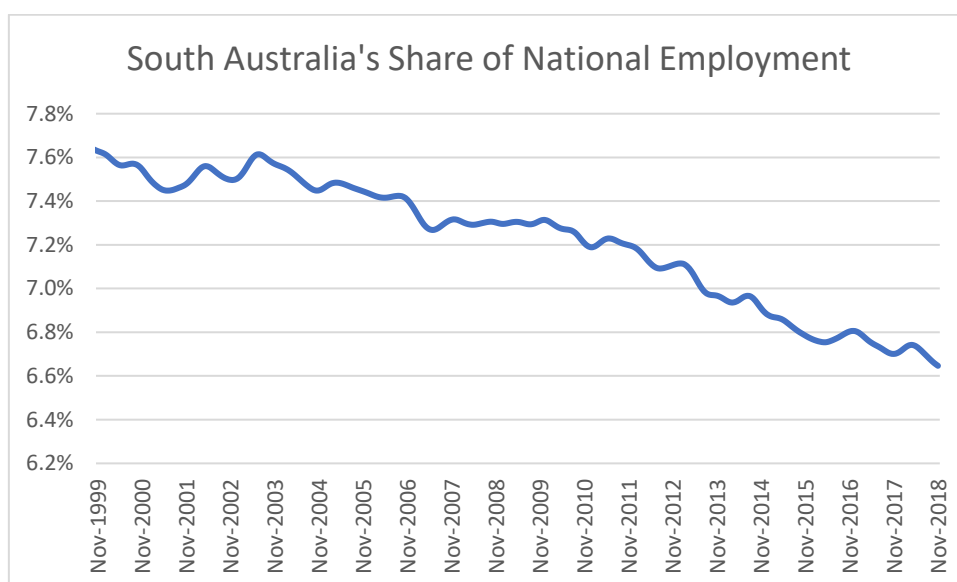
⁴ ABS 5220.1

Employment

A second key indicator, which is closely linked to long-term GSP performance, is employment growth. South Australia experienced the second lowest employment growth of Australian states and territories over the last 20 years, narrowly improving on Tasmania's 21.3% growth by 0.3%.⁵ Employment growth in South Australia over the most recent year to October 2018 was 2%, the equal lowest of the states.

Employment in South Australia over the five years since November 2012 has risen 2.3% (in trend terms). While this is positive, it is below the national growth rate of 8.5% and above only the Northern Territory (up 2.1%) and Western Australia (up 1.2%).⁶ South Australia's national share of employment is showing a similar decline over time as its share of economic activity.

Over the next five years, without significant policy change the federal Department of Jobs and Small Business expects a gap to remain between employment growth in South Australia (4.8%) and nationally (7.8%), albeit a narrower gap than in the last five years.



4: ABS 6202 Table 1 and 6202 Table 12

The proportion of the work force holding a post school qualification is currently 64% in South Australia, below the national average of 67%⁷.

⁵ ABS 6202.0

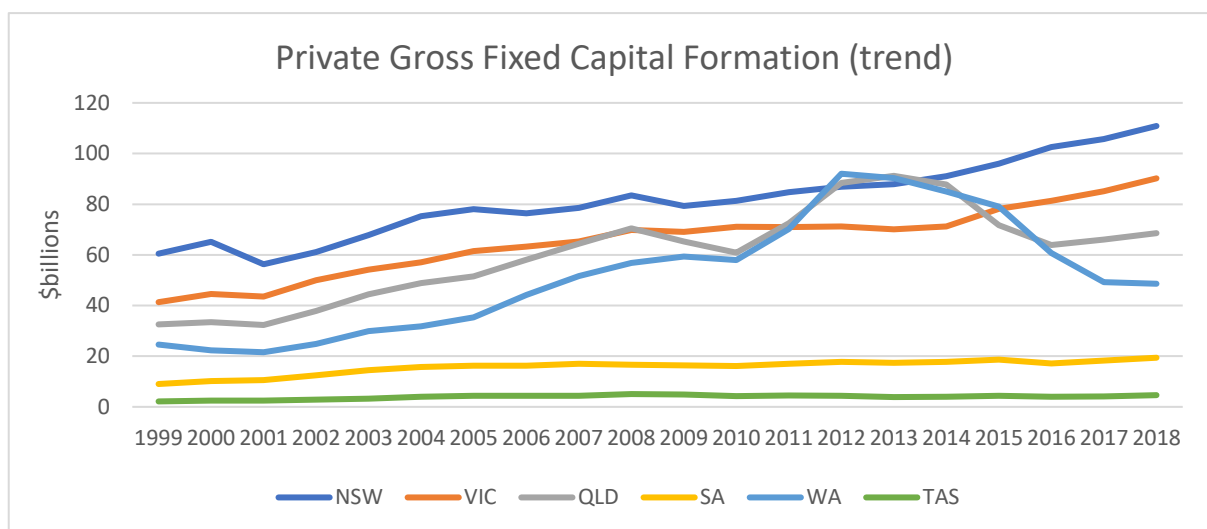
⁶ Department of Treasury and Finance, D5 briefing

⁷ Department of Treasury, D5 briefing

Investment

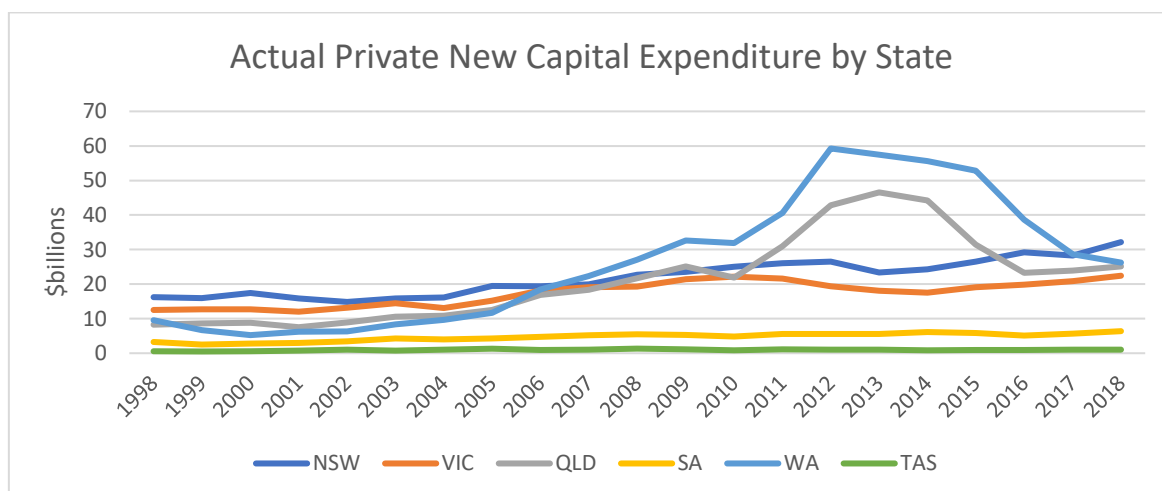
A key determinant of future economic activity and employment growth in any location is private sector investment levels. Low levels of business investment are one of the key reasons for the comparatively low economic and employment performance of South Australia over time.

Private Gross Fixed Capital Formation in South Australia has slightly increased over the last 10 years but has remained very low relative to other mainland states, higher only than Tasmania. Over this time South Australia's national share has ranged from 4.6% to 6.5% and currently sits at 5.5%.



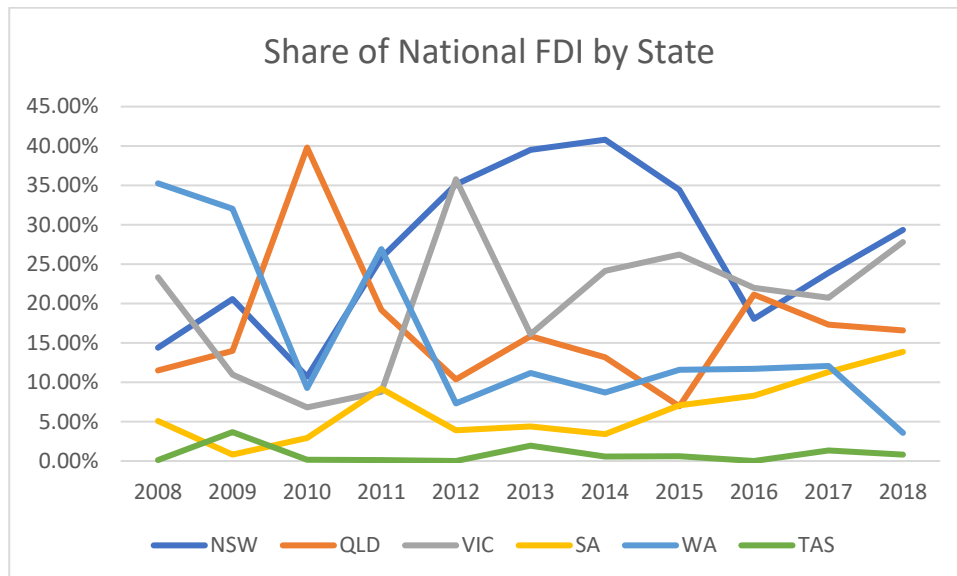
5: ABS 5206.0 Table 12

The same trend is apparent in levels of actual private new capital expenditure. Unsurprisingly Western Australia and Queensland have experienced the largest growth in new capital over the last 20 years and that is primarily attributable to the mining boom. However South Australia's levels of private new capital expenditure remained sluggish over the whole two decades, well behind that of New South Wales and Victoria, and higher only than Tasmania.



6: ABS 5625.0

In terms of overseas investment, South Australia has attracted 175 Foreign Direct Investment (FDI) projects since 2008. This equates to a total capital investment of \$18,048.89 million, 6% of the national capital FDI investment received over the period.⁸ South Australia significantly lags behind mainland states in terms of its ability to attract foreign direct investment.



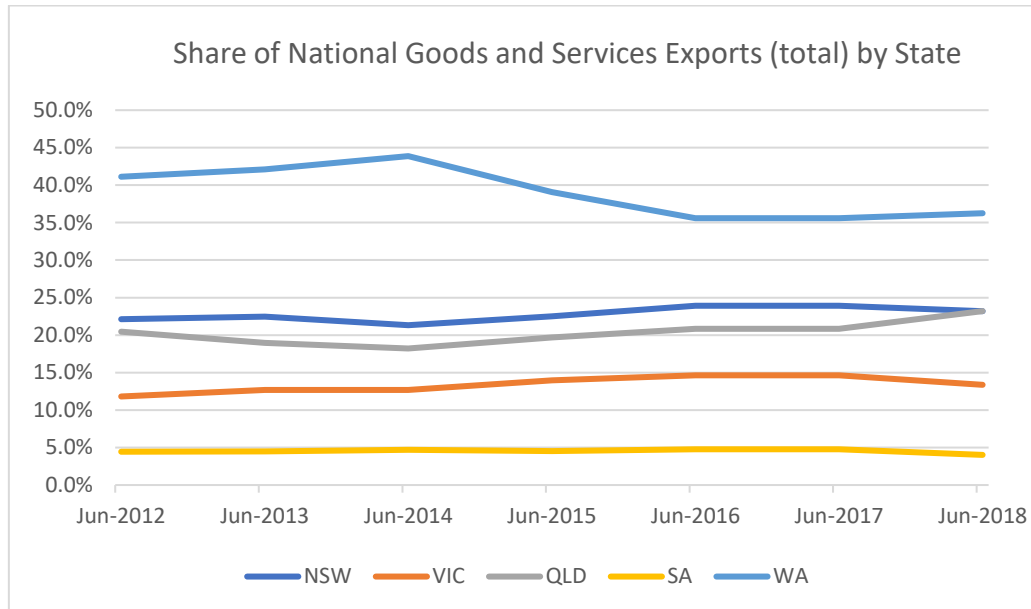
7: Based on reports generated by Department for Trade, Tourism and Investment. Source: fDi Markets

These indicators show that investors are tending to prefer other geographic locations both within Australia and abroad when it comes to making new and additional investment. Until the state lifts investment levels it will struggle to significantly lift its growth and employment trajectories.

⁸ Source: fDi Markets - a service from the Financial Times. All investment project data and information are based on public information on company investment announcements. DTTI have a license to fDi Markets and have generated the FDI reports.

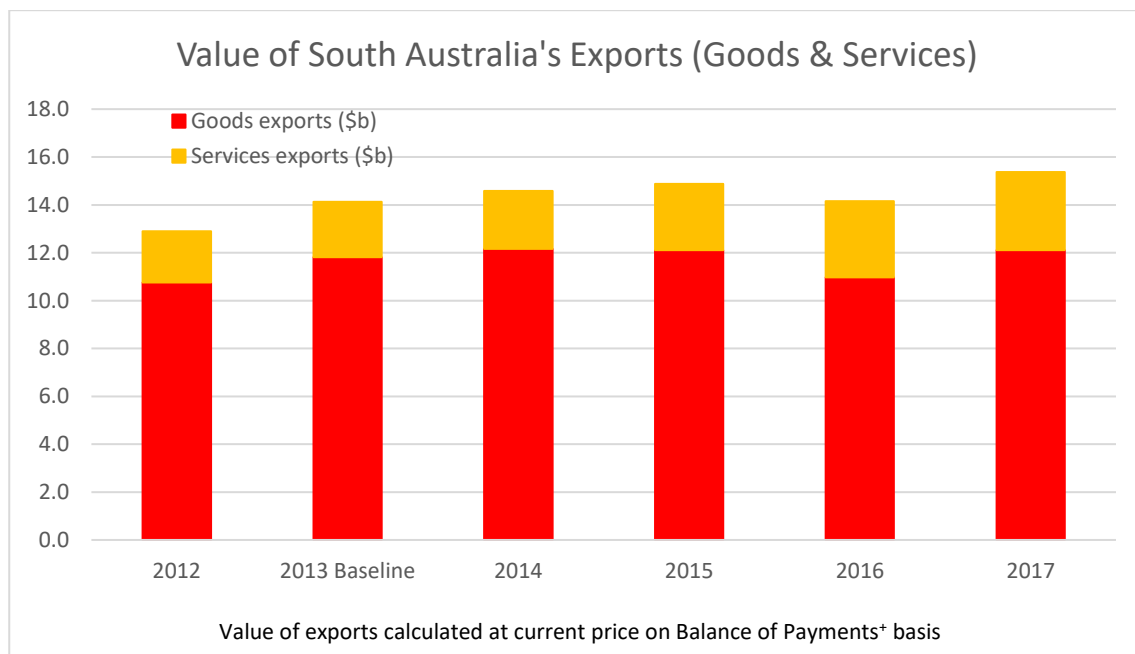
Export

A key contributor to overall economic activity in a state like South Australia with a very small domestic market is the level of exports. Once again here we see a similar story, with South Australia's share of national overseas exports the lowest of all mainland states.



8: ABS 5368.0

South Australia's exports are dominated by goods, especially commodities. The share of services exports is increasing but from a low base. When compared with other mainland states, South Australia's profile is most like Western Australia, which is dominated by exports of mining commodities.

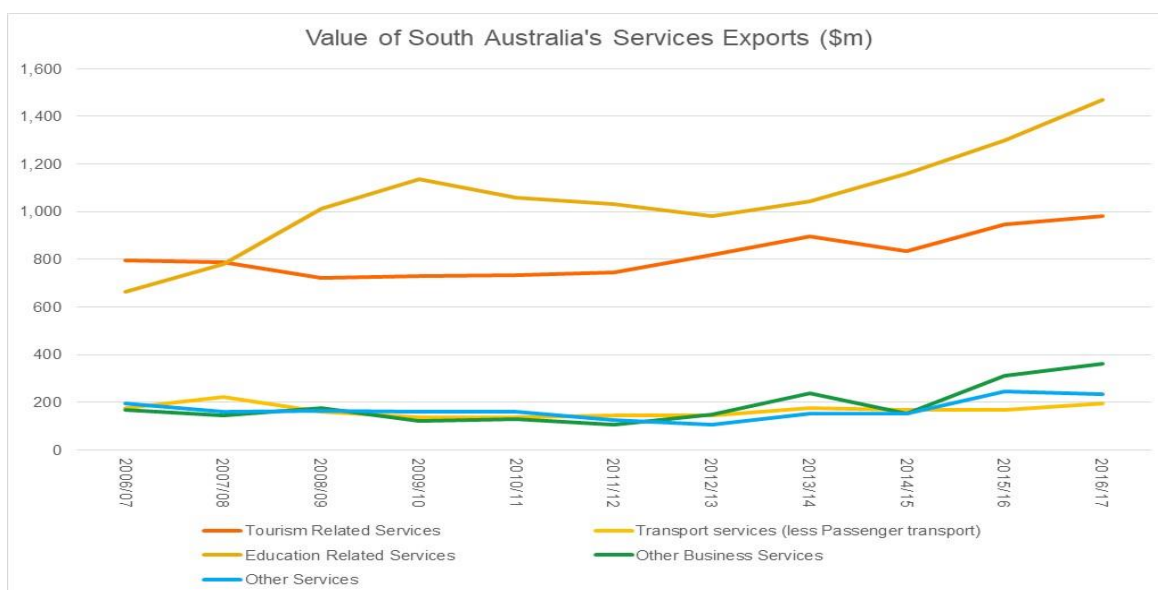


9: ABS 5302 Table 21



10: ABS 5302 Table 21

South Australia's largest services exports are tourism related services and education related services. Export education in particular is strong and growing quickly. It makes a significantly greater economic contribution than that of international tourism.



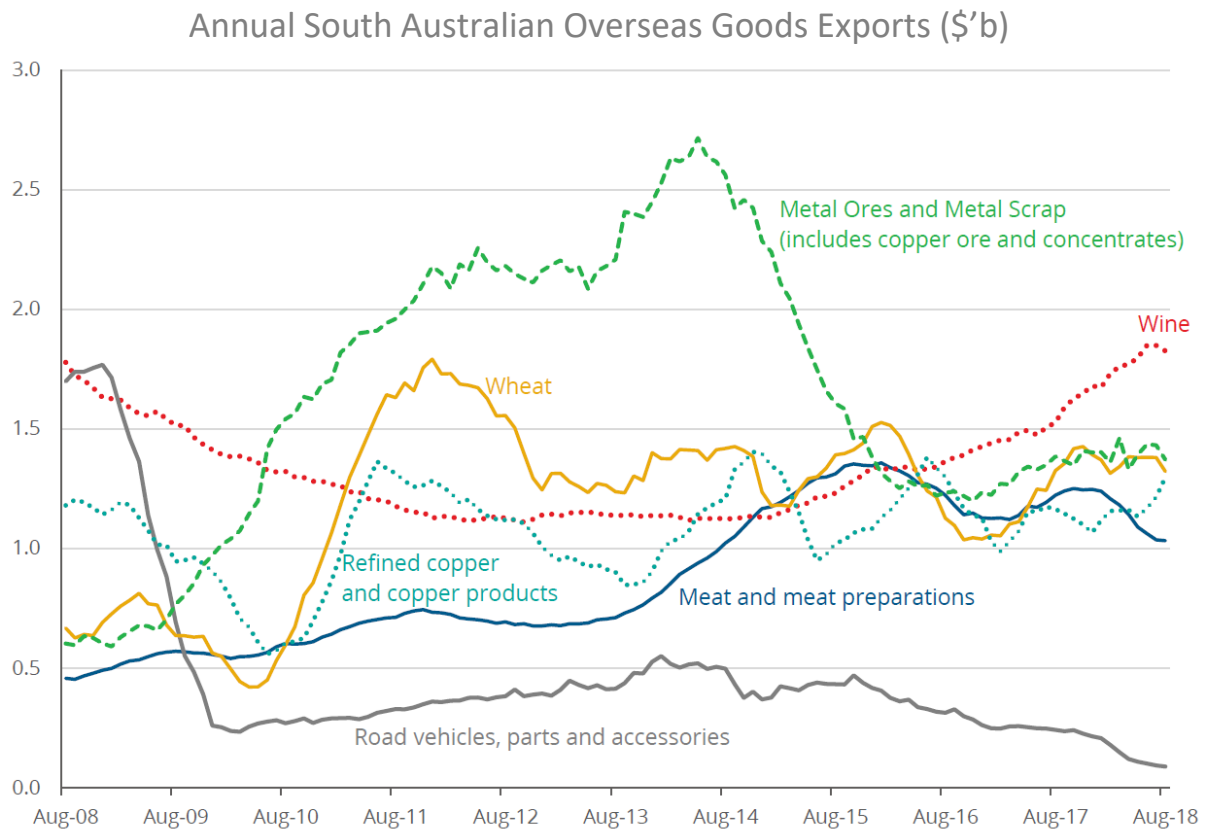
11: Provided by the Department of Treasury and Finance - Based on ABS 2017, *International Trade: Supplementary Information, Financial Year, 2016-17*, 'Table 3.4 International Trade in Services, Credits, state by Calendar Year, \$m SA', time series spreadsheet, cat no. 5368.0.55.003, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5368.0.55.003Main+Features12016-17?OpenDocument>

South Australia’s share of Australia’s goods exports is steadily declining, decreasing from 5.5% in the year to August 2008 to 3.7% in the year to August 2018. This is due largely (but not entirely) to big increases in the quantity of liquid natural gas and coal exports from Queensland and Western Australia.



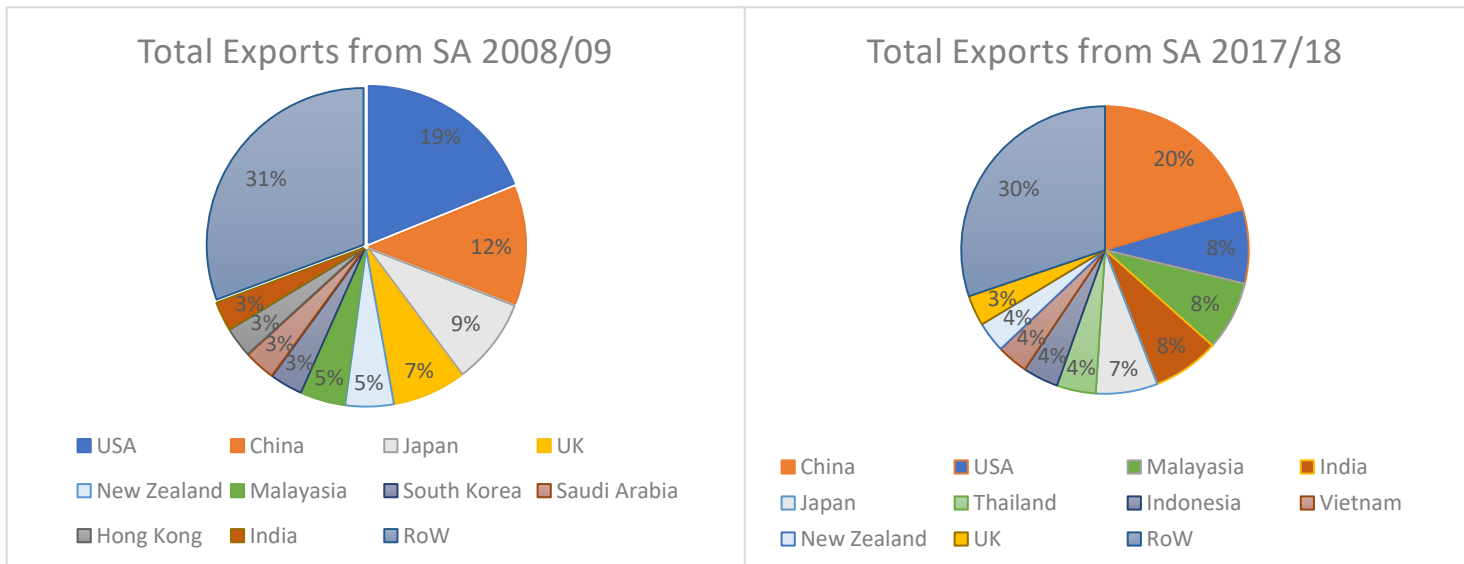
12: Provided by the Department of the Premier and Cabinet Exports - Key Insights (2018-10-19)

Over the last 10 years the composition of South Australian goods exports has fluctuated with the fortunes of different industries. Commodities peaked from 2010 to 2014, while wine has experienced significant increases from mid-2014 onward. Meat and meat preparations experienced steady growth in exports over the 10 years to 2015/16 but have fluctuated since then.



13: Provided by the Department of the Premier and Cabinet Exports - Key Insights (2018-10-19)

The Chinese market is of huge importance to South Australia. China has overtaken the United States as the lead destination for South Australia's exports (goods and services) over the last ten years. Other changes in the composition of South Australia's top export markets include the emergence of Malaysia and India ahead of Japan, while Thailand, Indonesia, and Vietnam have pushed the UK down and, South Korea and Saudi Arabia out of the Top 10 altogether.

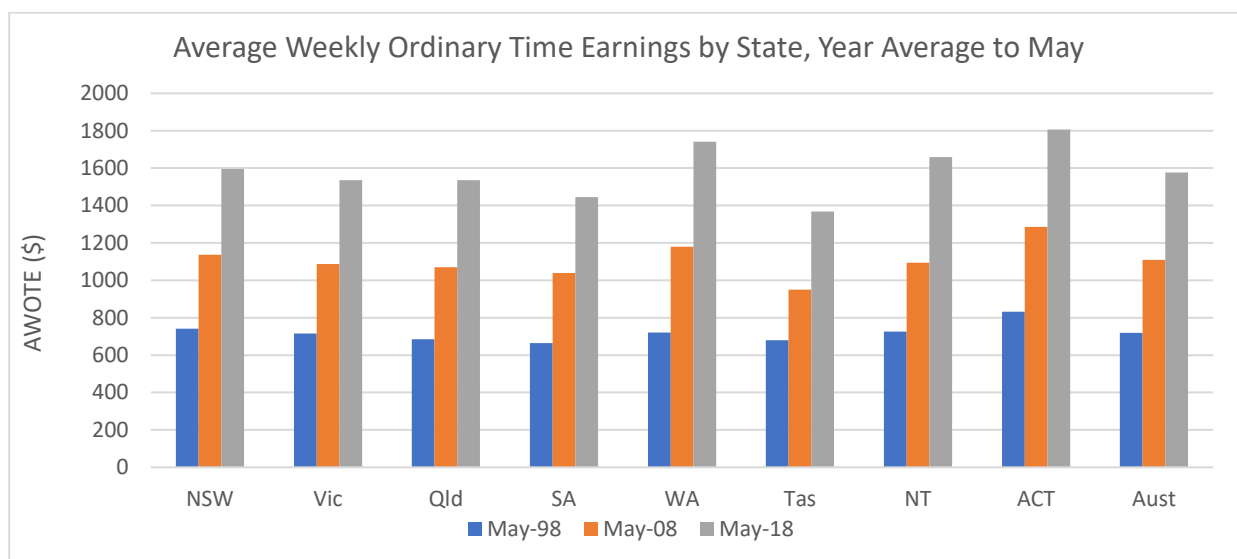


14a: Total Exports from SA - 2008/09

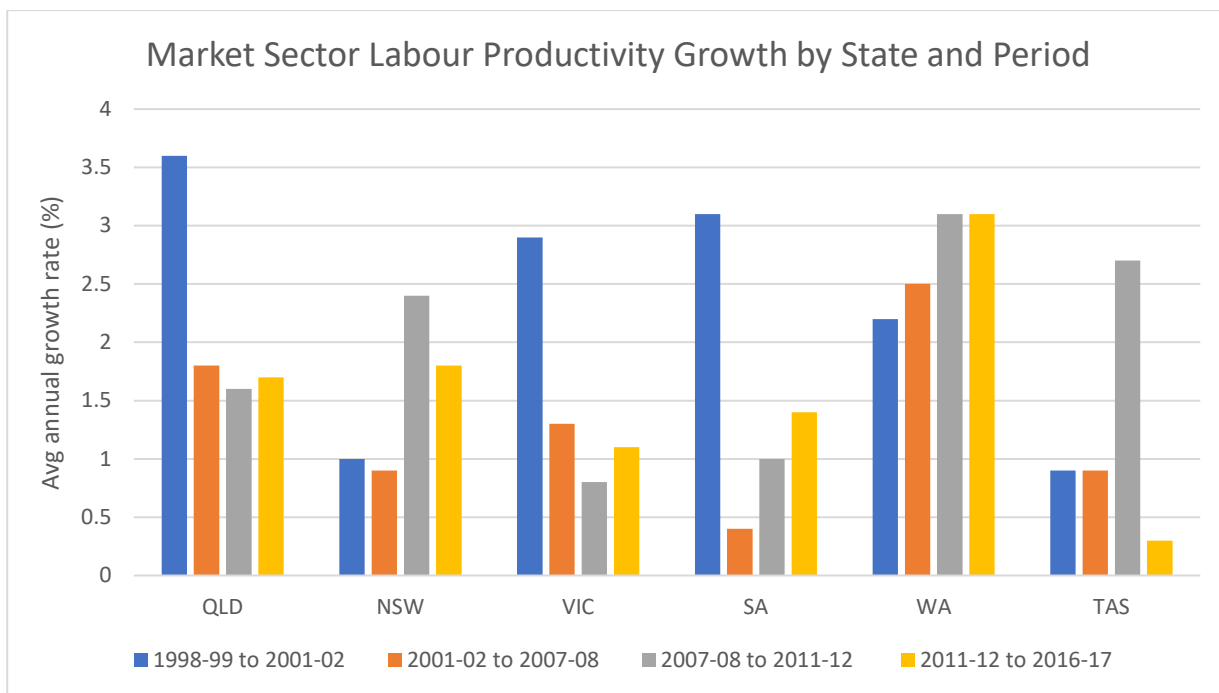
14b: Total Exports from SA – 2017/18

Wage Growth

Alongside job availability, income levels are a key determinant of the attractiveness of a location as a place to live. Over the past 20 years South Australia has consistently recorded the lowest level of average wages in mainland Australia. Sustainable wage growth requires both an increase in investment and productivity growth.



15: ABS 6302.0

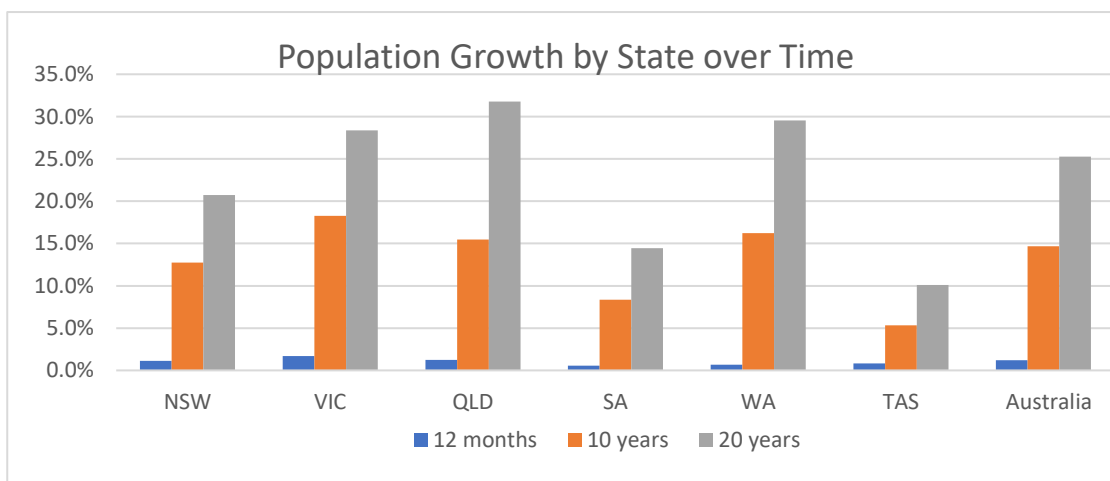


16: Queensland Productivity Commission, Productivity Update, April 2018

South Australia has experienced the lowest labour productivity growth of all states except Tasmania since the year 2000.

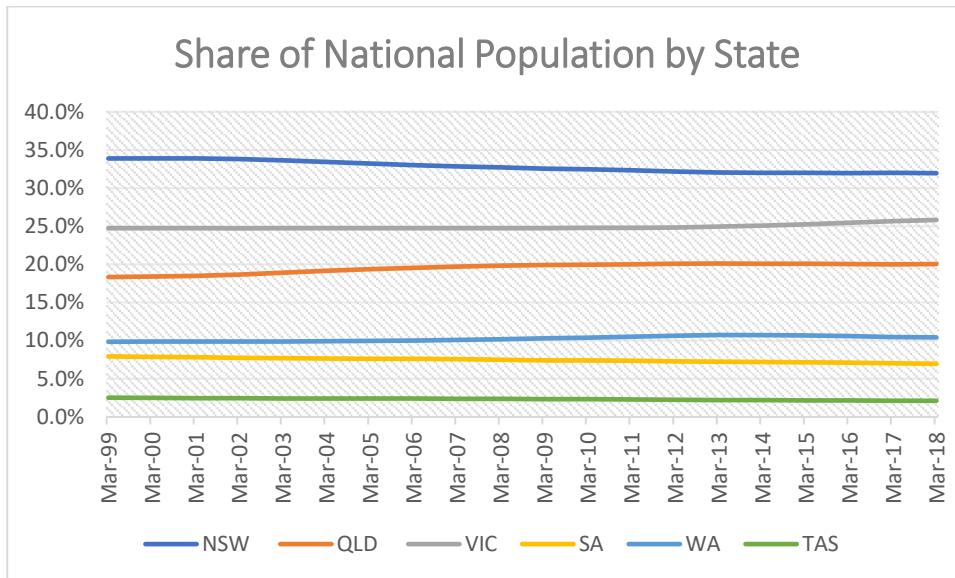
Population Growth

Low relative economic and employment growth has meant South Australia has the second lowest population growth rate of all Australian states behind only Tasmania. Over the last twenty years South Australia's population has grown only 15%, compared to around 30% growth in Queensland and Western Australia, nearly 30% in Victoria, and over 20% in New South Wales.



17: ABS 31010 Table 4

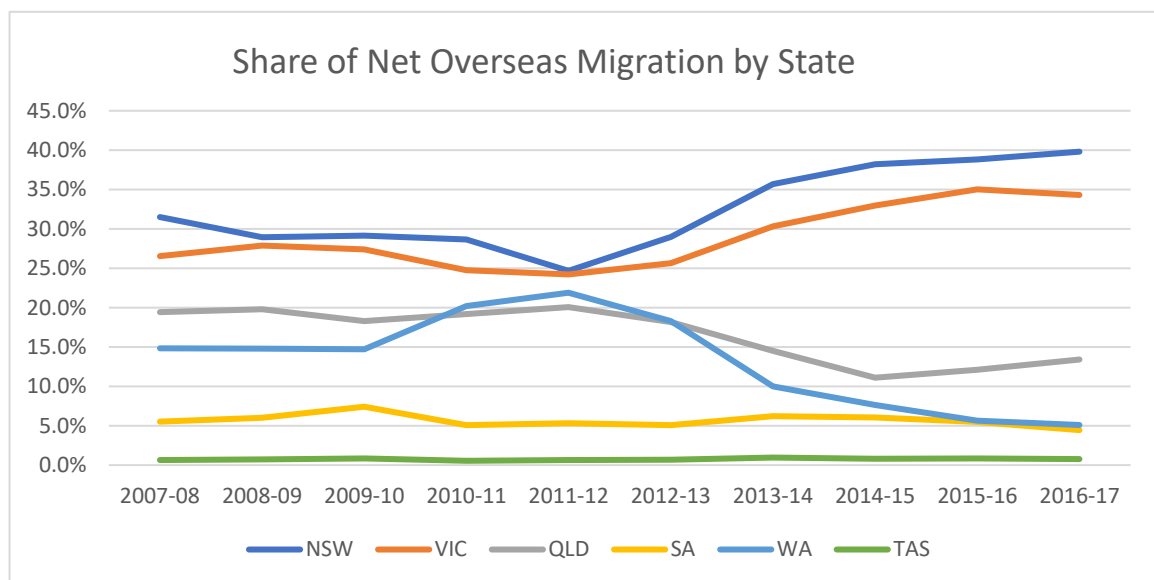
Not surprisingly South Australia's share of Australia's population has fallen from 7.9% to 7.0% over the same period.



18: ABS 31010 Table 4

South Australia's lower population reflects relatively low overseas immigration and, for some of this period, a net loss of population through interstate migration.

South Australia's share of net overseas migration over the ten years to June 2017 has decreased. A net 15,330 people moved into South Australia in 2007-08 and this dropped to 11,670 people in 2016-17.



19: ABS 3412.0

As with most low growth economies South Australia is challenged by both low population growth and an ageing population. The implications include lower workforce participation rates, potential skills shortages (including to support an ageing population), and pressure on the state's revenue base and its ability to provide important public services over time.

South Australia's dwindling proportion of Australia's population will also have negative governance consequences if unchecked, with the state having steadily less influence on the Commonwealth Government.

It is important to note that low population growth is primarily a consequence of economic underperformance, not a cause. It is the outcome of all the other indicators we have considered. It is only by lifting investment and economic growth in the state that more and better paying job opportunities will be created that attract more people to live and work in South Australia.

3. The Evolution of Economic Agencies

The State Government has made many changes to the structure of the agencies charged with assisting economic growth in South Australia over the last 16 years as it has attempted to lift the state's economic performance.

2002-03

When the new Labor Government took office in 2002 the Department of Industry and Trade (DIT) had a key economic development role with investment, infrastructure, business, innovation, manufacturing, and international functions. Investment was a significant focus supported by financial assistance programmes.

An Economic Development Board (EDB) was established that year to assist the Government and the new Government's motto was "no corporate welfare".

As well as the Department of Industry and Trade, South Australia had a series of stand-alone trade offices in Singapore, Malaysia, Indonesia, Hong Kong, China (Jinan and Shanghai), Japan, UAE and the Agent General's Office in the UK. A representative focused on investment was engaged in the USA.

Soon after the establishment of the Economic Development Board, DIT was restructured into two agencies: the Department of Business, Manufacturing and Trade (DBMT) and the Office of Economic Development (OED) which provided support to the EDB.

2003-04

DBMT and OED were re-amalgamated as the Department of Trade and Economic Development (DTED), but with combined staff numbers reduced from approximately 250 to approximately 120.

The food and wine industry staff shifted to the Primary Industries Ministry (PIRSA), infrastructure went to what is now DPTI, while the immigration function went to DPC on recommendation of the Economic Development Board. An Office of Economic Development Board was retained within the new department to support the Economic Development Board. The Department included a trade function, but no resources dedicated to investment attraction/facilitation.

2005-06 The population and immigration functions were transferred from DPC to DTED. A stand-alone office was established in India.

2006-07

A commercial division was established in DTED with a focus on facilitating major development through case management of projects and attraction of new investment to South Australia. By then DTED was the Government's key agency for economic and industry development with approximately 180 people on staff.

2007-08

In late 2007 Defence SA was established as a stand-alone office. It was made up of an amalgamation of the Defence Unit from DTED and the Port Adelaide Maritime Corporation.

2009-10

Representatives were engaged in Chile and Vietnam.

2011 -12

The Office of International Coordination was established in DPC to provide better whole of government coordination of international engagement activity and to provide high level advice to the Premier. The team ran regular meetings for officers working across the Government in international engagement to facilitate cooperation, alignment of activities and information sharing.

Around the same time immigration policy split from programmes and shifted to DPC from DTED.

The Hartley Review of SA Overseas Representation led to the abolition of all SA stand-alone offices (at that time: Shanghai and Jinan in China, Dubai in UAE, Hong Kong, Chennai in India, Singapore, London in UK) apart from the UK and Jinan, China (due to the sister state relationship with Shandong) with a move towards an Austrade embedded model. South Australian representation in Chile and Vietnam was also abolished. Austrade embedded representatives were engaged in Hong Kong and India. Work commenced on development of country strategies with a China strategy first followed by an India strategy.

The Department of Trade and Economic Development was restructured again to become the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE), which included the transfer of the mineral and energy resources functions from the Primary Industries and Regions South Australia (PIRSA). The energy responsibilities of the Department of Transport, Energy and Infrastructure, and the Renewables SA team from the Department of the Premier and Cabinet were brought into the new agency.

The Office of the Economic Development Board shifted from DMITRE to DPC.

Invest in South Australia was established as a business unit of DMITRE, in response to the recommendation of the Economic Development Board. It was charged with attracting investment to SA and helping maximise the economic benefits flowing from major infrastructure projects. The unit was then shifted to DPC for about a year and was part of the same division as international coordination.

2012-13

The SA brand, Open Door was developed and Brand SA (formerly SA Great and Advantage SA) became responsible for promoting the brand/logo. Funding was provided to Brand SA by DPC to manage the use of the logo by industry.

2013-14

The immigration policy and Invest in South Australia units moved back out of DPC to DMITRE.

DMITRE now had four main functional areas – manufacturing and innovation; investment, trade and strategic projects; minerals, resources and energy; and small business.

The investment, trade and strategic projects teams were charged with providing case management services for government and proponents of major projects, developing and managing international investment and trade arrangements and facilitating export market opportunities for SA businesses through the Austrade TradeStart Programme.

2014-15

Health Industries SA was established in January as a business unit in Health SA with an advisory board. It operated within a commercial framework to provide a gateway to SA's health industry and wider knowledge economy. In October 2014, it was established as a separate agency.

Various attempts at strengthening coordination of international activities across government commenced. Most notable was the International Multiagency Team (IMAT) model (championed by the former Premier's international adviser) with a requirement for international resources from all line agencies to co-locate with DPC international resources at the State Administration Centre on a part time basis. Around that time the China strategy team was established in DPC, building on the China desk with additional resources brought in.

A further round of restructuring saw the Department of State Development (DSD) established as a mega agency consolidating the majority of the Government's work to encourage economic activity. The department included the former DMITRE plus responsibility for science, higher education and skills, all of which were brought into the department from other agencies. Arts and Aboriginal affairs functions, Invest in SA and the Office of the Economic Development Board were also brought into the department from DPC.

Administrative responsibility for the Office of the Economic Development Board of South Australia, Invest in SA and Health Industry SA (Health in SA) was also brought into the department. The Health Industry Advisory Board continued operating.

DSD had a number of “Special Envoys”, who were high profile people based in Adelaide/Australia with links to target countries, or high profile internationally, engaged to promote SA internationally (particularly in India, China and South East Asia). Advisory councils for China and India were established consisting of private sector parties chaired by the special envoys. These were later replaced by a combined international advisory council.

There was confusion between DPC’s international engagement division and the new DSD in regards to responsibility for coordinating and sharing cross-government information on trade and international initiatives.

2015-16

In October 2015 Investment Attraction SA was created as a division of the Department of State Development. The division was given a clear mission to drive inward investment for SA, creating high value investment and sustainable jobs. DSD’s Investment Attraction SA division was then taken out of the department and became a separate entity in April 2016, comprising 30 staff with an advisory board. The purpose of the agency was to bring new investment, jobs and economic activity to SA.

2016-17

An International Engagement, Trade, Migration and International Education division was formed within DSD to strengthen outbound and inbound missions, and strategies for regional markets of China, South East Asia, India, North Asia, Northern Europe, the Middle East and North Africa. The South Australian network of Austrade embedded officers was expanded and consisted of representatives in Hong Kong, Thailand, Malaysia, Singapore, Indonesia, India and China.

DPC’s international coordination group had a significant shift in focus, structure and responsibilities. The French strategy team was established in DPC reporting to the Chief Executive to leverage the expected future submarines contract and accelerate development of a relationship and framework for engagement with France in trade, investment and culture.

Protocol was brought together with what remained of international engagement into a single unit with a focus on diplomatic engagement, and support and advice to the Premier on overseas visits and international engagement more broadly.

The energy and mining division and the Office of the Economic Development Board were moved from DSD to DPC with the DSD Chief Executive taking on the role of the DPC Chief Executive.

In all, the main micro-economic agency went through six separate iterations over the last 16 years, with components within it, notably the Energy and Mining and Migration/Population groups moving out, moving back in, and then moving out again over that period. While this review has not been made aware of any evaluations of the outcomes of any of these changes, it is unlikely that this level of constant restructuring helped the agencies contribute positively to the growth of the state over that time.

4. Recent Approach to International and Interstate Engagement

Alongside a number of government agency restructures, there have been a variety of approaches to investment attraction and trade by the State Government, which has resulted in changes to strategic focus, resource allocation, structures, programmes and activities.

The approach to international engagement in the early part of the century was more reactive, and only in late 2012 country and regional engagement strategies and action plans started being developed to provide direction across government. Interstate engagement has generally been pursued at a functional level, particularly investment and tourism. The Government has generally not been actively facilitating interstate trade.

DMITRE and later DSD led development and implementation of country/region strategies and action plans focused on economic engagement for China, India, South East Asia, North East Asia, Europe, Middle East and North Africa (MENA) and the USA. China, India and South East Asia strategies incorporated broader engagement including diplomatic, cultural and social activities.

More recently DPC, through its French Strategy team, led the development and implementation of a France engagement action plan to position South Australia to leverage opportunities from the Future Submarines contract awarded by the Australian Government to a French company.

Sector specific strategies and plans were developed for some sectors, particularly tourism, international education, defence, and food and wine. However, these met with mixed success. These strategies and plans were developed by different agencies reporting to different Ministers with the approach taken to their development reflecting particular Minister's preference/style. There was generally a disconnection between sector strategies and plans and country strategies and plans and a lack of consensus across agencies on all of government priorities.

Specific plans have also been developed for migration reflecting the Government of the day's position on migration.

Investment Attraction

The Government's changing attitudes to investment attraction reflected changing views on the role it played, and similar variable views as to how to turn its investment attraction policy into practice.

Sometimes an emphasis was placed on working with existing businesses to facilitate expansions while at other times the emphasis was on working with interstate and international businesses to bring new investment to the state.

The way that investment opportunities and targets were identified and pursued also changed over the years from firstly working at industry and business level, to then working with financial institutions and other 'middle men' to encourage investment, then to creating promotional activities interstate and overseas to raise South Australia's profile as an investment destination, and finally to proactive targeting of potential investors.

Generally, the emphasis was on identification of potential investors rather than identifying investment opportunities and curating them to "pitch" through various avenues to target investors; with less effort directed at initiatives to improve the underlying competitiveness of the state as a business location.

The investment agency targeted particular sectors of the SA economy and particular countries as sources for foreign investment with a long standing focus on the USA and UK as sources of foreign capital. The early emphasis on attracting investment into manufacturing later expanded to include agribusiness and minerals and energy and later still defence and health/medical.

The approach to the development of the defence and health industries has changed with defence becoming a stand-alone function in late 2007 with the establishment of Defence SA. Defence SA was established with a mandate to attract key defence contracts to South Australia and to grow the state's defence manufacturing capability, both through investment attraction and local industry expansion.

The establishment of Health Industries SA in 2014 was designed to drive development of South Australia's health and life sciences sector through commercialisation, investment attraction and support for expansion of the local research sector. The Government sought to capitalise on the development of the Adelaide health and biomedical precinct which included the co-location of the new Royal Adelaide Hospital, SAHMRI, and new UniSA and the University of Adelaide buildings housing health and medical research and teaching functions.

A range of programmes and activities were undertaken by the various investment attraction organisations including: promotions through media and forums, client engagement, case management, facilitation of introductions and partnerships, provision of financial assistance, conduct of outgoing and incoming missions, and relationship development through state level memoranda of understanding and Sister State agreements. While use of grants and loans to investors was out of favour in the early years of the Labor Government, financial incentives grew in popularity over time.

In the latter part of the period, when Investment Attraction was the function of a standalone agency, there was very strong emphasis on foreign direct investment and on developing the "pitch" and securing the deal, with much less effort put into the facilitation of investment projects through state and local government approval processes. Financial incentives were widely used as a key investment attraction tool.

Trade Missions

The approach to outbound overseas missions varied significantly over the last 16 years from limited industry focused missions built around industry trade shows to mega multi-sector and multi-focus missions led by the Premier and/or a Minister(s) which included broader promotional activities as well as sectoral activities.

Over the last three years the emphasis has been on a calendar of regular visits to the same markets released in advance to enable industry to plan its participation. Most of the missions were not built around any specific trade or industry expo/event and required significant South Australian Government involvement/presence to build or create engagement activities. Austrade was engaged to support South Australian missions and the missions programme became a key focus of DSD's resources. In some instances, South Australia's missions coincided with Commonwealth missions which provided opportunities to leverage the Australian programme and presence.

The then State Government mandated that all externally focused agencies would support these missions and actively recruit participants. In 2017-18, seven outbound missions led by the South Australian Government were undertaken to 18 countries with 320 delegates.

Six of the missions were Ministerial-led and one was departmental-led. Of the delegates, 225 were business participants and 95 were from the South Australian Government. Many of the businesses were not established exporters and used the missions as exploratory visits.

Businesses could apply for the state export assistance programme (SA Export Accelerator Program – formerly Export Partnership Program) which provided funds to cover some of the costs of participation in the missions. Little has been documented regarding the outcomes of these missions for government and the participating businesses. Because of a busy calendar of overseas missions DSD's ability to undertake proper mission evaluation and follow up as well as an account management approach to working with exporters was limited.

There was also limited capacity to develop a strategic approach to inbound missions and inbound mission activity was largely reactive and ad-hoc. DPC organised itineraries in response to requests from foreign diplomats wishing to visit and worked with other agencies to build a programme to showcase economic opportunities.

In addition to a calendar of missions organised by DSD many sector or function specific visits were led by other agencies including SATC, Investment Attraction SA, Defence SA and DPC (for economic as well as diplomatic purposes).

The South Australian Government's international engagement has been heavily focused on facilitating and signing memoranda of understanding (MOUs) with the number of MOUs often used as a measure of success of an overseas mission or a Sister State agreement (e.g. Shandong, China). Little evidence has been provided to this review as to what state government resources have been devoted to achieving benefits from these MOUs, what outcomes were achieved from these agreements, or how they are evaluated. Appendix C lists MoUs signed or witnessed by the Government and Sister State relationships.

The state's promotional material and messaging has generally been developed for a specific purpose (e.g. tourism, education, food & wine, mining, trade, investment). Whole of state positioning and messaging has been limited. Significant resources were however devoted to development of the current state logo in 2013, with responsibility for promoting its use by the private sector given to Brand SA, while DPC promoted and managed its use in government.

Appendix D summarises the current approaches of key organisations involved in external engagement as at 1 December 2018.

5. Electoral Mandate of the New Government

The new Liberal State Government led by Premier Steven Marshall was elected in March 2018, following a sixteen year term for the previous government.

The incoming Government's election mandate was built on three areas of focus: more jobs, lower costs, and better services. Underlying the plan was a philosophy of a strategic, but small government which creates an environment where private enterprise thrives, and individuals and families can freely make decisions about their own lives and pursue their goals with confidence.

The Government committed at the election to a number of initiatives to support its economic agenda including:

- Establishing Infrastructure South Australia to ensure better infrastructure planning and more transparent decision-making based on what the state needs.
- Establishing the Productivity Commission to drive reduction in red tape, improving government services and other economic reforms.
- Boosting South Australia's international trade and investment through a more extensive overseas office network, increased numbers of South Australian representatives embedded in Austrade, targeted support to increase defence exports and international education, the establishment of an entrepreneurial and space industry hub in Lot Fourteen, a plan to capitalise on defence contracts, and enhanced freight infrastructure.
- Supporting regional economic development by developing new roads and infrastructure, instituting a new regional growth fund aimed at job creation and investment in the regions, and stimulating tourism and primary industry activities.
- Reducing costs to business and the community with reductions in payroll tax, land tax and Emergency Services Levy, lowering energy costs, caps on local government rate increases, and more effective and efficient water management and pricing.
- Skills development initiatives including the creation of more than 20,000 apprenticeships and traineeships by 2022, reform of TAFE SA, and facilitating the development of a fully contestable VET sector.
- Improving accountability and efficiency of the Government and increasing economic opportunities for SA businesses from doing business with the Government.

6. Initial Decisions

The Government has made a number of changes that are relevant to this review during its first six months in office.

The Premier has acted to strengthen Cabinet-led government and Cabinet processes, with the creation of the role of Cabinet Secretary, the introduction of two Cabinet meetings per week with one dedicated to strategic cross portfolio discussions, and the establishment of three portfolio Cabinet Committees (Economic and Infrastructure, Social Affairs, and Justice and Legislative Reform), in addition to the Budget and Emergency Management committees.

The Government has taken early action to establish the SA Productivity Commission, Infrastructure SA and an Economic Advisory Council.

The SA Productivity Commission commenced operation in October 2018 as an attached office to the Department of the Premier and Cabinet, while Infrastructure SA was established as a statutory authority with the Infrastructure SA Bill 2018 passing Parliament in September 2018. The members of the Economic Advisory Council were appointed in July 2018 and have commenced providing strategic advice to the Premier on the State Government's economic policy initiatives.

Industry Assistance

The Government has declared its focus on building an environment in which all competitive businesses can succeed and has committed to create the conditions for businesses and economic growth rather than 'picking winners'.

The Government's recent audit of the former Labor Government's industry assistance policy found that in 2017–18 alone there were 30 different programmes which involved \$260 million in grants and \$162 million in loans being given to businesses.

The prevalence of direct financial assistance to individual firms in South Australia has encouraged a culture of local firms relying on and expecting financial support from government. It has also created an opportunity for businesses to 'forum shop' between agencies and obtain multiple sources of, and avenues for, assistance.

The Government has committed to a much more restricted use of direct financial assistance to individual companies, and to instead grow the economy through a broader approach which encompasses the following industry development priorities:

- Increasing business competitiveness;
- Increasing net additional and sustainable employment – from new apprentices, skilled graduates and other talent, reversing the interstate migration trend;
- Increasing business expenditure on research and development;
- Generating new intellectual property and supporting business start-ups;
- Improving productivity;
- Growing exports;
- Increasing private capital investment and re-investment from national and international companies; and

- Strengthening regional economies and communities.

A new whole-of-government framework for industry assistance has been established.

Three new funds, which replace all previous government funds, are designed to provide targeted direct financial assistance to support economic and industry development in South Australia as follows:

1. The Economic and Business Growth Fund administered by the Department of Treasury and Finance (\$100m over four years)

This Fund supports initiatives and projects that have broad economic benefits which extend beyond the growth or expansion of an individual company.

Funding support will be primarily targeted to support industry or sector wide and led initiatives which improve the overall productivity and competitiveness of an industry sector or subsector. Examples may include investment in infrastructure, new technologies, information, logistics, market access or other initiatives that create benefits for multiple firms across an industry or sectoral group, enhancing the efficiency and growth prospects of existing and emerging industries in South Australia.

Direct assistance to individual companies may also be provided through the Fund but in limited circumstances where the benefits of the initiative extend beyond the individual firm.

2. Research, Commercialisation and Start-Up Fund administered by the Department for Industry and Skills (\$27.9m over four years)

This fund supports South Australian businesses to collaborate with researchers and universities to solve industrial problems, commercialise new goods and services, attract research infrastructure investment into the state; and encourage the establishment and growth of start-ups.

3. Regional Growth Fund administered by Primary Industries and Regions SA (\$150m over ten years)

The Regional Growth Fund pursues new economic opportunities for regional South Australia and aims to build and strengthen regional communities.

To ensure more robust decision-making and consistency of due diligence processes, approvals, milestones, clawbacks, governance and monitoring across all three funds a centralised prudential process and contract management function has been established by the Department of Treasury and Finance.

Structure

In order to re-orient the public sector to its economic agenda the Government made a number of machinery of government changes to economic agencies designed to strengthen accountability and efficiency. The changes saw the creation of departments aligned with Ministerial portfolios and each Chief Executive reporting only to one Minister.

The very large Department of State Development (DSD) was broken up and three new entities were created: the Department for Trade, Tourism and Investment (DTTI), the Department for Industry and Skills (DIS) and the Department for Energy and Mining (DEM).

The separate Investment Attraction SA and Health Industries SA agencies and boards were abolished and the functions absorbed within DTTI. The trade promotion activities of PIRSA were also transferred to DTTI. Mining and Energy functions were transferred from DPC to DEM. The Economic Development Board was abolished and in its place, the Economic Advisory Council was established. Arts SA and Aboriginal Affairs from DSD, and the Multicultural Affairs division from the Department of Human Services moved to DPC.

The changes consolidated promotional, trade, investment and immigration functions within the Trade, Tourism and Investment portfolio (DTTI) along with the SA Tourism Commission (SATC) which remains a separate statutory authority.

While merged together into one agency (DTTI) the investment and trade functions are currently organised and delivered very differently. Investment is organised along industry lines with a large focus on client engagement and trade is organised on a country basis (China, South East Asia, India, North East Asia, MENA, Europe, USA/North America). Client engagement from a trade perspective is mainly undertaken by a small TradeStart team funded jointly by the Commonwealth and State Governments. Business SA is funded by the SA Government to support SMEs interested in exporting through the Export Ready programme.

DTTI is responsible for Austrade embedded representatives and the network of overseas offices, which are being expanded in line with the Government's election commitments, other than the Office of the Agent-General which continues to report to the Premier.

DTTI has commenced work on a whole of government strategy and calendar for both inbound and outbound missions, as well as reorganisation and refocusing of the department to deliver the Liberal Government's vision.

Some fragmentation in external engagement activity continues with Defence SA, Renewal SA, the Department for Energy and Mining and PIRSA continuing to have a role in investment promotion and facilitation.

DPC has an Intergovernmental and Diplomatic Relations team, as well as separate China Strategy and French Strategy teams. The Intergovernmental and Diplomatic Relations team's main focus is on inbound diplomatic visits and supporting the Premier's international activities and missions. The roles of the China and French Strategy teams include diplomatic engagement including soft diplomacy (i.e. cultural and social engagement and knowledge exchange), strategy development, trade, investment and immigration related activity.

DPC also retains oversight of Brand SA.

There is some significant overlap in the roles of DTTI and DIS. Both have roles in encouraging economic growth through investment, and both have roles in the development of the South Australian workforce (skills development with DIS and immigration with DTTI).

In the 2018 State Budget documents DTTI's objective was described as "to shape the transformation of the state economy by driving economic growth through trade, tourism, investment, international education, and immigration." The objective of DIS was described as "to develop and support economic growth in South Australia" noting that "building a competitive business environment will attract productive entrepreneurs and investment"

The table below provides an overview of key economically-focused state agencies as they are currently configured and their roles in interstate and international engagement. The central agencies of the Department of the Premier and Cabinet and the Department of Treasury and Finance are also shown.

It is notable that across DTTI, DIS, DEM, SATC, Defence SA, Study Adelaide, and the Training and Skills Commission, total staff numbers exceed 1,000 FTEs. This is a very significant resource. Numbers for PIRSA, DEW, DPTI and Renewal SA are all in addition to that.

Appendix E provides a graphic depiction of the key bodies - state, Commonwealth, foreign government, and non-government – involved in the state's investment attraction and other external engagement roles.

Key Economic Agencies with External Engagement Functions

Agency	FTEs	Revenue \$m	Exp. \$m	Net cost of services \$m	Stated agency role	External engagement functions/roles
CORE AGENCIES/BODIES						
Department for Trade, Tourism and Investment	142.1	2.2	64.3	62.1	Shapes the transformation of the state economy by driving economic growth through trade, tourism, investment, international education and immigration.	Investment attraction, trade, international education, immigration. Program funding for Business SA and operational funding for StudyAdelaide. Responsible for SA overseas offices (except UK) and Austrade embedded officers.
Department for Industry and Skills	369.4*	95.4	528.6	433.2	Shaping SA's modern economy with a focus on skill development, developing emerging industries and entrepreneurial culture, and leveraging global connections now and for the future.	Support for research, commercialisation and start-ups. Skill development activity and initiatives. Development of entrepreneurship eco-system.

Agency	FTEs	Revenue \$m	Exp. \$m	Net cost of services \$m	Stated agency role	External engagement functions/roles
CORE AGENCIES/BODIES						
Department for Energy and Mining	332.9	58.9	200.0	141.1	Facilitate the development of South Australia's mineral and energy resources sectors.	Policy and regulatory settings for exploration and mine development. Energy initiatives. Promote exploration and development opportunities. Investment attraction.
Department of Primary Industries and Regions	885.6	116.4	233.6	117.2	Grow primary industries and drive regional development.	Policy and regulatory settings and advocacy for agricultural sector. Research initiatives and partnerships. Promote and facilitate regional development and economic growth. Operational funding for Food SA.
Department of Planning, Transport and Infrastructure	3,238.8	1,849.8	1,777.4	-72.4	Works as part of the community to deliver effective land use planning policy, efficient transport, and valuable social and economic infrastructure.	Responsibility for state's land use planning system. Manages transport infrastructure planning and construction and manages building projects on behalf of other agencies.
Department for Environment and Water	1,401.9	173.7	293.3	119.6	Aims to help South Australians conserve, sustain and prosper and plays a significant role in managing the state's unique natural environment.	Promotion of economic development and investment opportunities in SA's natural resources/assets. Promotion and facilitation of export opportunities for water sector.
SA Tourism Commission	132.3	26.1	114.0	87.9	Promote growth of SA tourism sector	Destination marketing. Tourism product development. Funding for Adelaide Convention Bureau.
Defence SA	25.6	9.6	21.4	11.8	Maximise investment and jobs from the Australian Defence Force and defence industries.	Investment attraction. SA defence industry supply chains. Operational funding for Defence Teaming Centre.

Agency	FTEs	Revenue \$m	Exp. \$m	Net cost of services \$m	Stated agency role	External engagement functions/roles
Study Adelaide	10.0	3.9	3.9	0	Position Adelaide as an international study destination.	Destination marketing. Student Engagement.
Training and Skills Commission	14.0	0	2.2	2.2	Provide independent, strategic advice on how South Australia can invest in a sustainable, highly skilled workforce, particularly in key growth sectors.	Promoting and encouraging investment, equitable access and participation in VET.
RenewalSA	142.3	200.8	189.5	-11.4	Provide an integrated approach to urban development on behalf of the Government of South Australia.	Promotion of urban development projects nationally and internationally. Investment attraction through joint ventures.
Scope Global	150.0	Self funded	Self funded	Self funded	Specialist project management company delivering international development and international education programmes.	Delivery of training and development projects interstate and overseas.
CENTRAL AGENCIES						
Department of the Premier & Cabinet	578.0**	67.6	366.9	299.3	Provides central agency leadership in the public service, supporting the Government's vision for South Australia.	International engagement and protocol with a focus on diplomatic engagement and support for the Premier's international activity. China strategy. French strategy. Responsibility for the Office of Agent General in the UK. Operational funding for Brand SA and policy setting for government marketing and communications.
Department of Treasury and Finance	1,688.0	95.7	249.0	153.3	Ensure that the public sector is accountable in both policy & financial terms to the Government.	Industry financial assistance policy setting and governance.

Source: State Budget 2018-19, DTF and DPC

*Includes 11 FTEs for the Office of Small Business Commissioner, and 6 FTEs for the Office of Industry Advocate

** Includes 6 FTEs for the Office of the Agent General, 5 FTEs for the State Coordinator General, and 91 FTE for the Office of Recreation, Sport and Racing

7. The Economic Opportunity

There is no reason why South Australia shouldn't have a considerably more prosperous future than its recent past would suggest.

The state is subject to the same positive economic forces as any other jurisdiction across Australasia. The huge growth in numbers of middle-income consumers across Asia is continuing, and that drives increased demand for high quality food, commodities generally, and high value services like education and tourism. While China remains the dominant source of economic demand in the region, South East Asia and South Asia are also growing rapidly.

South Australia also has significant assets available to it to meet this burgeoning consumer demand. The state's resource estate is extensive in terms of land and minerals, it has strengths in a number of key industries, a skilled workforce, a large higher education sector for the size of the state, and an enviable lifestyle for residents and visitors alike.

However South Australia's obvious positives are no guarantee of economic success. Capital is mobile and there are many locations looking to benefit from the Asian growth juggernaut. Bigger Australian states like Victoria and New South Wales have continued to claim their unfair share of investment and growth across Australasia largely because of the agglomeration benefits provided by the region's two biggest cities, Sydney and Melbourne.

South Australia, and in fact any other jurisdiction in the region, has to talk loudly to attract the attention of investors away from those two city magnets.

It can be done. For different reasons both Western Australia and New Zealand are two recent examples of regions in Australasia that have grown in excess of long-held expectations. While WA's growth has been driven by commodities, New Zealand's has been driven by a range of industries similar in profile in many ways to those of South Australia.

Economic purists would say that investment decisions should be left to the market. While that is generally true, there is often an information gap when it comes to less prominent locations. When an investor is sitting in Shanghai, Hong Kong, or San Francisco, investing in South Australia is unlikely to be as top-of-mind as Sydney or Melbourne or Singapore. That investor may not know much about Adelaide's competitive advantages or its cost structure for example, and it is far less likely that they have visited the state.

If South Australia were too passive in its approach, its long-term economic decline relative to bigger Australia states would continue, and lead to pressure on the state's public services and quality of life. It is therefore important for the Government as the people's representative to actively champion private investment and growth in the state.

Setting an overall growth target that is significantly higher than recent experience is a worthwhile tool for signalling "things are changing." The 3% target currently articulated could seem as very achievable in some jurisdictions, but it is three times the average rate of growth experienced in South Australia over the last ten years. It is an ambitious challenge for the state and will not be achieved by accident.

It is important for it to be considered an average target, to be achieved over a period of time. One year of good growth, while useful, will not change the trajectory of the state's economic performance. Conversely any growth target needs to be caveated against a significant negative economic shock occurring, nationally or internationally.

7.1 The State Government should confirm its target of 3% average annual growth in GSP, subject to any major external economic shocks, and review dates to test progress (suggest 5 and 8 years).

For a 3% average annual growth rate to be achieved, a number of the state's key industries will need to grow very significantly beyond their current trajectory. Each of them will likely require government action to reduce roadblocks to growth, increase their competitiveness and help market their investable opportunities.

It is therefore important to have a broad cross-government view on the state's likely growth industries, and that this view is shared with and by the private sector. If all government agencies understand which industries are key to the state's success, then it will help them prioritise their actions and work programmes.

These industries should not be selected on the basis of personal preference or 'picking winners'. There are no 'magic bullet' industries. They should be chosen based on revealed competitive advantage (they are already strengths) and/or investor interest (investors recognise the opportunity). This list should not be exclusive and it should be allowed to evolve over time as new opportunities appear and grow.

7.2 The South Australian Government should clearly define the likely growth industries for the state over the next five to ten years based on comparative advantage and likely investor interest. This work should be led by DTTI with input from other economic agencies.

Most of the key industries in South Australia are readily apparent and all clearly have significant opportunities for growth.

Food and Agribusiness

Globally, demand for food and agribusiness is increasing as population and consumer incomes continue to rise. If current trends continue, by 2050, caloric demand will increase by 70%, and crop demand for human consumption and animal feed will increase by at least 100%.⁹

South Australian produced food and wine is increasingly being recognised around the world. There are opportunities to leverage the state's reputation as a producer of clean and green food and wine products, as well as to move an increasing proportion of the state's agricultural commodities up the value chain.

⁹ <https://www.mckinsey.com/industries/chemicals/our-insights/pursuing-the-global-opportunity-in-food-and-agribusiness>

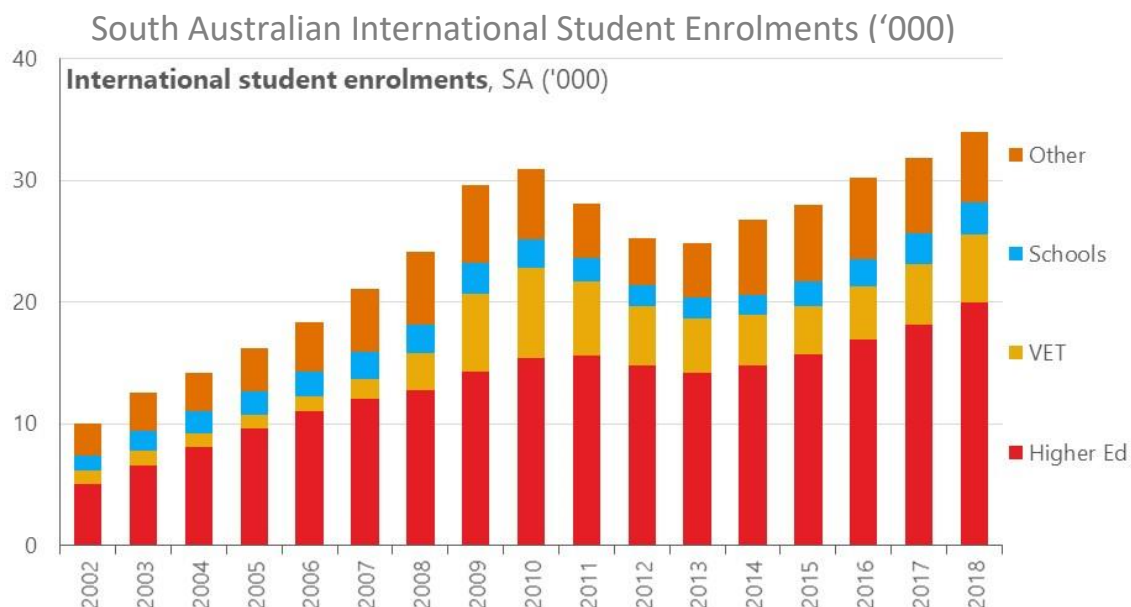
South Australia has a diverse agricultural base spanning wheat, livestock and seafood. Adelaide was recognised as a Great Wine Capital in 2016 and produces almost 80% of Australia's premium wine. South Australia's food processing industry has also emerged as its largest manufacturing industry, bolstered by increasing demand in South East Asia.¹⁰

Current key markets for the state include: China, the United States, Indonesia, Japan, the United Kingdom and New Zealand.¹¹

Water access, price, management and irrigation; environmental conservation challenges; biosecurity concerns; land use conflicts; the availability of skilled workers; appropriate freight infrastructure and trade access are the main constraints to the sector being able to meet its growth potential.

International Education

International Education is a strong and growing industry for South Australia. It is now the state's largest services export and second largest total export category. Student numbers continue to rise with the largest share of international enrolments consistently seen in the university sector.



20: Department of Education and Training, Australian Government - International Student Data <https://internationaleducation.gov.au/research/international-student-data/pages/default.aspx>

China is a very important market for international education in South Australia. In the year to December 2017, 43% of international students arrived from China (12,237), followed by India (3,228), Hong Kong (1,712), Malaysia (1,570) and Vietnam (1,417).

While the state's international education sector is growing, South Australia's share of national international students is currently around 4.5%, less than its share of national GDP. That suggests opportunities for further growth.

¹⁰ Deloitte Make It Big – Adelaide, 2017

¹¹ Department of Premier and Cabinet, source: PIRSA GTA data set, year to September 2018

Adelaide provides all the advantages of an Australian education for international students, with the added benefit of a more affordable standard of living than in many cities and a large stock of student accommodation.

With the majority of South Australia's international students studying at universities, there are opportunities to grow provision in the VET sector with pathway programmes, including by attracting high quality private sector investment.

Clearly linking study opportunities with post-study work opportunities in key industry sectors is another way that South Australia could grow its share of the international education sector.

Key market opportunities for the state include: China, India, Hong Kong, Malaysia, Vietnam, Brazil and Nepal.¹²

Current weaknesses in the SA VET sector as well as strong competition from other jurisdictions are key constraints to the sector being able to meet its growth potential.

Tourism

International tourism has been growing steadily in South Australia, reaching \$1.2 billion in value to the state in 2018.¹³

In the year to 2018, visits to South Australia grew by 4% to 461,000. Chinese expenditure grew to a record high \$426 million, up 15% for the year. South Australia experienced significant growth out of Europe, with visits up by 4% and expenditure up 13%. New Zealand has also contributed to the growth with visits up 9% to 42,000 visitors, and expenditure up 2% to \$55 million.

These figures include visitors to SA for the purpose of holiday, visiting friends and relatives, business, education (for up to 12 months), and employment/other.

Total visitor expenditure in South Australia is boosted by large inter-state visitor numbers and reached \$6.7 billion as at June 2018.¹⁴ Tourism is a strong contributor to jobs and economic growth in the state.

¹² International Education in South Australia, Deloitte, Access Economics, July, 2018

¹³ SATC

¹⁴ SATC

South Australia's International Visitors ('000) and Expenditure (\$m)



21: Provided by the Department of Treasury and Finance. Source: Austrade Tourism Research Australia - National Visitor Survey; International Visitor Survey

Tourism is projected to be one of the world's fastest growing industries, driven by the growth in middle-income Asian consumers. Australia is expected to be a strong beneficiary of this growth given its proximity to Asia.

South Australia has a growing reputation as a destination, being listed for example at number 5 in Lonely Planet's Best in Travel list in 2017 and noted for its wine country, outback experiences and uncrowded beaches. However only 4% of Australia's international visitor nights were spent in the state in 2016.¹⁵ That suggests a big opportunity.

To grow significantly South Australia will need significant private sector investment in the quality and breadth of its tourism product, while also developing more eco-tourism opportunities like the Kangaroo Island Wilderness Trail.

Key market opportunities for the state include: New Zealand, Malaysia, Singapore, India, China, Hong Kong, the United Kingdom, Central Europe, Italy, France and North America.¹⁶

Quality supporting infrastructure such as accommodation and transport (physical and digital), business capabilities of operators, and access to skilled workforce are the significant constraints to this sector being able to meet its growth potential.

Energy and Minerals

South Australia has significant energy resources, both from natural gas and renewable sources. The state has the country's largest onshore oil and gas reserves; Eromanga Basins in the state's north east¹⁷. South Australia has natural advantages in renewable energy, which currently supplies 50% of the state's energy needs.

¹⁵ Tourism Australia

¹⁶ South Australian Tourism Commission, <http://tourism.sa.gov.au/campaigns/international>

¹⁷ Deloitte Make It Big – Adelaide, 2017

At the same time energy prices and reliability continue to be a key issue for economic growth more broadly in South Australia. Industry is moving forward on innovative storage solutions, and the proposed new interconnector to NSW will be important in facilitating interstate trade in electricity. Stakeholder consultations have identified that there are key opportunities for the state in gas, however competing land use challenges will need to be managed over time.

The minerals sector is already important to South Australia, with minerals making up 50.6% of commodity exports.¹⁸ The World Bank believes that urbanisation and the transition to renewable energies will increase the global demand for minerals. Minerals and metals expected to see heightened demand include: aluminium, copper, lead, steel, and zinc. A shift to a low-carbon future could result in opportunities for mineral-rich countries.¹⁹

Australia has the world's largest Economic Demonstrated Resources (EDR) of gold, iron ore, lead, rutile, tantalum, uranium, zinc and zircon.²⁰ South Australia holds 68% of Australia's economically demonstrated copper resources, 27.5% of Australia's economically demonstrated gold resources, 80 % of Australia's identified uranium resources and 14 billion tonnes of identified iron ore resources²¹.

The resurgence of the Whyalla Steel Mill with the introduction of "Greensteel" production, using recycled scrap metal as feedstock for plants, and powering them with renewable energy²², is the result of innovation and the attraction of international investment.

South Australia ranks well in global rankings for mineral exploration and investment. The state is ranked as the second most attractive investment destination for mineral exploration in Australia²³, 1st nationally and in the top 10 internationally in the World Risk Report (awarding the state a AA score of 'very low risk' for mining investment)²⁴ and 6th globally for geological databases.²⁵

Aeromagnetic surveys will continue to be important in identifying areas for exploration in the state. While, unexplored areas are likely to offer significant growth opportunities competing land use challenges will need to be managed.

Key market opportunities for the state include: China, the United States, South Korea, Middle East and North Africa (MENA), NZ, Japan and India.²⁶

Constraints to growth include land access, cost of production, transport infrastructure (including port access) and availability and cost of water and energy. Lack of available water resources is a major barrier to mine expansion.

¹⁸ Provided by the Department of the Premier and Cabinet based on SITC definitions (Year to Jun-18)

¹⁹ World Bank - <http://documents.worldbank.org/curated/en/207371500386458722/The-Growing-Role-of-Minerals-and-Metals-for-a-dLow-Carbon-Future>

²⁰ Austrade <https://www.austrade.gov.au/australian/export/export-markets/industries/mining-equipment-technology-services>

²¹ DTTI, South Australian resources Sector, January 2016

²² <https://www.afr.com/business/energy/electricity/sanjeev-gupta-steps-up-137b-renewable-energy-build-near-whyalla-steelworks-20180815-h13zcc>

²³ Department of Energy and Mining, Mining Resources – Grant Thornton Annual Survey of Junior Mining and Exploration Companies (released October 2016)

²⁴ Department of Energy and Mining, Mining Resources – JUMEX Survey 2016 and World Risk Survey 2017

²⁵ Department of Energy and Mining, Mining Resources – Fraser Institute Annual Survey of Mining Companies: 2016

²⁶ Investment Attraction South Australia, Geographical Approach by Region and Sector, 2017

Defence and Space Industries

South Australia is already a defence manufacturing powerhouse. The state is home to 25% of Australia's specialist defence businesses and processes 32% of the nation's defence spend. The medium term prospects for this sector will be boosted by the \$35 billion Future Frigates Program and by the \$50 billion Future Submarines Program, as the nation grows its defence capability. Some of that investment will flow through to increased jobs, beginning in the early 2020s.²⁷

The successful delivery of these big defence contracts will require a larger skilled workforce, which will enable broader supply chain capabilities and the capacity to leverage prime contractors to do more work in the state. If South Australia can achieve this, it will set a precedent to attract future investment as well as broaden the skill base for perimeter sectors throughout advanced manufacturing.

South Australia's relationship with France and with the Commonwealth Government will be important to maximising the potential of the sector.

The US is a key market for investment attraction in defence with key US defence primes Lockheed Martin, Raytheon, CSC, and General Dynamics Land Systems, all having operations in South Australia. With defence budgets rising in most of the sector's key markets and accelerated equipment replacement cycles, opportunities could be explored for South Australian companies to cement a place in the supply and value chains for major (overseas) projects contracts.²⁸

The recent announcement that the Australian Space Agency will be headquartered at Lot Fourteen in Adelaide, will be a significant boost to the state's attractiveness for international defence and aerospace contractors. The Australian Government's A\$41 million investment in the Agency is intended to be a launching pad to triple Australia's space economy to A\$12 billion. South Australia is already home to more than 60 organisations and 800 employees in the space sector and this decision builds on the very strong technology and defence presence in the state.²⁹ The global space industry is worth US\$345 billion each year. With new entrants and advanced technology disrupting the space industry, there are significant opportunities to develop the sector.³⁰

Key market opportunities for the state include: The United States, Northern Europe (particularly France), Japan and MENA.³¹

Availability of a suitably qualified workforce and adequate supply chain capabilities are the main constraints to the sector being able to meet its growth potential.

²⁷ Bank SA Trends, November 2017

²⁸ DTTI – Geographical Approach by Region and Sector

²⁹ Minister for Industry, Science and Technology, Hon Karen Andrews MP Austrade:

<https://www.austrade.gov.au/international/invest/investor-updates/2018/australias-new-adelaide-based-space-agency-welcomes-investment>

³⁰ Austrade: <https://www.austrade.gov.au/international/invest/investor-updates/2018/australias-new-adelaide-based-space-agency-welcomes-investment>

³¹ Investment Attraction South Australia, Geographical Approach by Region and Sector, 2017

The Hi-Tech Sector

The Hi-Tech sector covers a range of companies in industries as diverse as professional services, fintech, medtech, cyber security, transport (autonomous vehicles) computer services and advanced manufacturing. It includes such technologies as the Internet of Things (IoT), edge computing, advanced data analytics, Artificial Intelligence (AI), machine learning, blockchain technologies, and 3-D printing.

South Australia has a number of comparative advantages in the hi-tech sector. These include its links to the defence and space technology industries, its hosting of the Australian Institute of Machine learning, and Adelaide's commitment to becoming Australia's first Gig-city – with broadband at 10 gigabits/second available at fourteen locations across the city.

The state also has a number of innovation districts, including Tonsley Innovation District, Osborn Technology Park and the new Lot Fourteen precinct. Lot Fourteen has the potential to be a major enabler for the sector, with its focus on entrepreneurialism, the defence and space sectors, and the creative industries, and its proximity to the main university campuses.

With over 100 businesses in advanced manufacturing, medical devices and pharmaceuticals, there is a good base of South Australian technology companies exporting a range of high value products.³²

Design led manufacturing in such areas as defence, health and medical industries and agribusiness offers new growth opportunities through entrepreneurialism and generation of intellectual property through research and commercialisation. Further diversification into advanced manufacturing will be important to attract commercial opportunities³³.

Key market opportunities for the state include: the United States and Japan.³⁴

Appropriate IT infrastructure, access to venture capital and research, as well as a supportive entrepreneurial ecosystem are potential constraints to the sector being able to meet its growth potential.

Health and Medical Industries

Ageing populations and rising income levels continue to generate substantial growth in demand for health and medical goods and services nationally and globally. Between 2015 and 2050, the proportion of the world's population over 60 years will nearly double from 12% to 22%.³⁵

The new South Australian Health and Biomedical Precinct on North Terrace is set to become one of the largest health and life sciences precincts in the southern hemisphere.³⁶ It presents a significant opportunity for the state in the health industries.

³² Bank SA Trends, November 2017

³³ Deloitte Make It Big – Adelaide, 2017

³⁴ Investment Attraction South Australia, Geographical Approach by Region and Sector, 2017

³⁵ <https://www.who.int/news-room/fact-sheets/detail/ageing-and-health>

³⁶ Deloitte Make It Big – Adelaide, 2017

Key 'BioMed City' Precinct features include:

- The new Royal Adelaide Hospital
- The South Australian Health and Medical Research Institute (SAHMRI)
- The University of Adelaide's Medical and Nursing School
- The University of South Australia's Centre for Cancer Biology
- SAHMRI 2, incorporating Australia's first proton therapy unit (in development).

The challenge is to establish and grow health and biomedical businesses through local commercialisation of local research to be exported to the world.

South Australia has a significant start-up network of small businesses in this space that are attracting interest and investment, and it has attracted 27 health and medical companies from 2014 to 2018.³⁷ The establishment of health businesses and clinical trial investments, along with the new precinct infrastructure creates a strong base from which to leverage future growth.

Aged care is another growing market opportunity and there are also significant opportunities, mainly from Asia, for South Australia to attract investment in research and development activities as well as physical infrastructure, such as aged care facilities and research precincts.

Key market opportunities for the state include: China, Japan, South Korea, the United States and Northern Europe.³⁸

Access to venture capital and successful local commercialisation of research are key constraints to the sector being able to meet its growth potential.

Creative Industries

South Australia has a vibrant creative sector with more than 32,000 South Australians involved with creative employment, from art and music to advertising, publishing and specialised design services.³⁹

Adelaide is the acknowledged home of cultural festivals, hosting the Adelaide Festival, WomAdelaide, Adelaide Fringe and OzAsia amongst others in its annual events calendar.

South Australia's ability to blend art, creativity and environmental design with the latest digital technology makes it an exciting place to explore new ideas and establish new industries. While it is a growing employer for South Australians, the sector is seasonal and fluctuates throughout the year. Many businesses in this sector are start-ups. Creating an eco-system to support the creative cohort in addition to links to universities and research and commercialisation opportunities would see the sophistication of the sector increase.

³⁷ DTTI

³⁸ Investment Attraction South Australia, Geographical Approach by Region and Sector, 2017

³⁹ DTTI

There is also a growing independent games industry with companies like Odd Games, Mighty Kingdom and Six Foot Kid having an international impact in niche gaming areas. In the digital media space, companies like Rising Sun and Kojo are internationally recognised for their technical and creative capabilities.

Key market opportunities for the state include: China, Japan and South Korea.⁴⁰

Lack of business and entrepreneurial capabilities of artists and cultural workers may constrain this sector meeting its growth potential.

Together these eight sectors tell a great story of economic opportunity for South Australia.

There will of course be some debate over the categorisation of South Australia's leading export industries, for example whether professional services should be included separately to the hi-tech sector. It is however important that agencies do not spend too much time debating how best to talk about these industry groupings. Much work has been done already on this, and the Government should be able to summarise it quickly.

7.3 The Government should draw on work that has already been done in collating its target sectors including the work done in the Deloitte 'Make it Adelaide' report. The sectors should be broad enough to avoid unnecessary debates about 'which sector fits where' while fitting easily with the way industries organise themselves.

8. Realising the Opportunity

The opportunities for South Australia in the years ahead are very significant. Capitalising on them will require a whole-of- state commitment to drive activity across all sectors of the economy.

Lifting South Australia's average annual growth rate to 3% and sustaining it there will not be easy. The state should be well placed to take advantage of global demand growth in a range of sectors and markets. Yet it has spent the last ten years growing at about one third of the targeted annual growth rate.

A major change in approach is required, one that gives less public sector focus on government handouts and more on lifting the state's overall competitiveness. It is clear to the review that the public sector in general is not accustomed to linking its regulatory and policy actions to economic outcomes and using the available policy levers to drive growth.

⁴⁰ Investment Attraction South Australia, Geographical Approach by Region and Sector, 2017

South Australian export businesses need a strong policy platform from which they can compete and win on the world stage. Domestic businesses would similarly benefit from a strong pro-growth policy programme. Agencies need to understand at all levels that the policy decisions they make have the potential to be either positive or negative for the state's competitiveness and its long term success.

8.1 Government agencies should recognise that state-wide growth goals will only be achieved by improving the competitiveness of South Australia and by the willingness of individual businesses large and small to invest in building and growing operations within South Australia.

The new government has made a good start, but it will take a sustained and disciplined approach for the state's competitiveness and future fortunes to change. The process will also need strong momentum to build sustained confidence within the business sector and demonstrate that the state is taking action to support its aspirations.

Turning economic opportunity into reality will require three key government changes:

- Setting clear sectoral goals for export growth that challenge the status quo and set the requirements for change.
- Simplifying and settling on the structures in government to reduce friction and speed up change.
- Setting up an ongoing-cross government policy process that builds confidence with the business sector and addresses coordination issues that slow down progress.

Setting Clear Sectoral Goals

Achieving 3% growth for South Australia on a sustained basis will require each of the main sectors of the economy to be set up to perform strongly.

It will be the cumulative effect of good growth in a range of trade-exposed sectors flowing through to domestically-focused sectors like construction and retail that will add up to a strong performance for the state.

It is important therefore to break the overall growth objective down into what it means for each major export industry. Translating the state's aspirations into broad goals for these sectors will highlight the policy decisions and actions required to achieve the overall goal.

DTTI should work with each target export sector and relevant government agencies to agree growth objectives for each. These need to be ambitious but achievable, and not based on continuing the status quo. This should include assessment of global business opportunities relevant to South Australia's products and competitive advantages.

8.2 DTTI should work closely with relevant sectoral representatives and government agencies to determine ambitious, but achievable goals for the growth of each main export sector which are endorsed by the relevant sectoral representatives.

The sectoral goals, if all were achieved, should add up to significantly more than 3% growth. That is because at any one time an individual sector can be laid low by circumstances that are completely outside of its control, for example a drought or world commodity prices. For the state to be successful, it must be able to do so when one or two of its major export sectors are struggling.

Done well, sectoral goals become a rallying point for each industry, bringing businesses and officials together in the common cause of lifting the industry's performance to the benefit of every South Australian.

The sectoral goals need to be owned by each sector and should be about what is possible with reasonable constraints. They are a direction of travel, and not cast in stone.

8.3 Government agencies must be clear that sectoral goals need to be owned by each sector and can be assisted with, but not be achieved by government agencies. The goals are designed to provide clear signals as to the direction of travel for each sector, and ensure agencies actively seek to encourage the competitiveness of each sector when performing their regulatory and advocacy functions.

Simplifying and Committing to Government Structures

A common problem in government is when more than one agency has ownership of a significant area of work. There is nothing more confusing to stakeholders than being approached by different branches of government to engage on a slightly different view of a similar project or issue.

Most stakeholders are busy in their own lives. They see the whole government as the Government and not different branches unless specific branches have clearly defined and separate roles. Stakeholders have a reasonable expectation that if they tell one branch of government something, they won't get approached about the same thing by another branch.

Boundary issues are also confusing for agency staff, other agencies, and Ministers. Quite reasonably people want to be seen as accountable for their actions, and to have a clear understanding of their role and responsibilities. Structures that confuse those roles make it difficult for those involved to work effectively.

If it is not clear who is responsible for what, organisations and people can feel disenfranchised and work can slip through the cracks.

There is however no perfect structure for economic agencies. Traditionally some are set up on sectoral lines (e.g. energy and mining, primary industries, tourism) and some are set up on task lines (skills, investment, infrastructure, science and research). This combination naturally leads to some areas of crossover and boundary issues. The challenge is to minimise these.

Simplifying structures so businesses understand them is a very useful way of getting things done more quickly. If businesses understand how the Government works and who to talk to, the whole relationship can operate far more efficiently and effectively.

A key reference point when organising government agencies is to answer the question “what do the stakeholders reasonably expect and understand in the way we organise ourselves?” In all public facing organisations, the structure should be aligned to what the customer is seeking.

Not all sectors are as strongly identified as others, or require specific government intervention and regulation. For example, land-based sectors (mining, agribusiness) tend to need more specialist attention than services and people-based sectors (ICT, professional services, advanced manufacturing) that rely more on generic help in areas like skills, research, and infrastructure.

This review believes the current organisational structure of the key economic agencies in South Australia is largely fit for purpose, with two significant exceptions.

The Department for Energy and Mining, PIRSA, DPTI, and DEW all have relatively well defined missions that stakeholders understand. The concept of one Minister per agency is a good one. It is easily understood and provides clear lines of accountability to the Premier and Cabinet.

There are however some areas of cross over between DTTI and DIS that need to be resolved, and some between those agencies and DPC. These will be addressed in the next chapter. Overall however the architecture of government agencies is suited for the task.

8.4 The Government should confirm the current broad structure of the economic agencies, while making further shifts of operational responsibilities between agencies as recommended in the next chapter of this review to remove boundary issues and duplication that will slow down the effective implementation of the Government’s economic agenda.

It is striking just how much structural change has occurred in South Australia’s economic agencies in the last sixteen years. There have been seven major structural re-organisations of the core agencies including the most recent one.

Many of the stakeholders the review has spoken with are understandably confused about the frequency of change and who they should talk to. A number told us of resorting to following a number of key officials around from department to department over the years irrespective of the changes in roles and locations, as they are the ones who they have relationships with.

This level of churn can only reduce the efficiency and performance of individual agencies. The bar for any further change must therefore be set high. This review recommends that once the limited structural alignment changes outlined in Chapter Nine are made that there be a moratorium on further structural change for a significant period of time, to allow the focus to move to delivery and performance by the agencies.

To achieve the state's growth goal, agencies will need to focus their energies on the task of growing the economy rather than considering further major structural change.

8.5 The Government recognise that there has been very significant and regular structural change in government agencies in the last sixteen years, and once the current structural alignment has been completed, there should be a moratorium on further major changes and the focus should go on the delivery, performance and monitoring of government agencies.

An Ongoing Coordination Process

For the South Australian Government to achieve its target of 3% average annual growth, it will not be sufficient to delegate that target to any single individual economic agency and allow others to act without reference to it.

As we have seen through the earlier sectoral analysis, each sector will need a range of policy and resource roadblocks addressed if it is to attract sufficient investment to grow at a faster rate.

All of the state's core economic agencies will need to be aligned and work together if the growth goal is to be achieved.

DTTI, DIS, DEM, PIRSA, DEW and DPTI are the core government agencies with responsibility for the regulatory and policy settings that encourage or discourage investment, innovation and business growth in South Australia and should thus be tasked collectively and specifically with advancing the Government's economic agenda. The roles of these six agencies should be clearly defined with boundaries delineated and mechanisms put in place that ensure cooperation and alignment of activities as required.

8.6 The Government consider that DTTI, DIS, DEM, PIRSA, DEW and DPTI are the core government agencies with responsibility for the regulatory and policy settings that encourage or discourage investment in South Australia, and that these six agencies be tasked collectively and specifically with advancing the Government's economic agenda.

There are a number of other stand-alone government bodies and contracted private or public-private organisations that work with delegated responsibility in the portfolio areas of the six economic agencies.

Currently the lines of accountability for those organisations are not clear. While all report to Ministers, it is not consistently defined across the Government that government departments have a specific performance monitoring role for those organisations or the performance of contracts on behalf of these Ministers.

It is important for achieving the Government's growth goal that all funded economic organisations be held directly accountable for their performance by the agency charged with responsibility for the relevant policy portfolio.

8.7 The six micro-economic agencies should be tasked with regularly and specifically monitoring and reviewing the performance of all stand-alone government bodies within their policy area plus contracts with non-government bodies, and report on those and make recommendations to Ministers.

As many of the decisions that need to be made to facilitate economic growth in South Australia will involve input by more than one economic agency, a semi-formal process is often needed to expedite these policy decisions and make joint recommendations for Cabinet approval.

Cross-government policy decisions are often the slowest decisions, because agencies and Ministers naturally have different views and different priorities. Setting up a co-ordination cross-government policy process and the key role of central agencies is addressed in Chapter Ten.

The Role of Central Agencies

The South Australian Government has two central agencies which operate across government in support of the Premier and Cabinet, and of the Treasurer. These are the Department of the Premier and Cabinet and the Department of Treasury and Finance.

The Department of the Premier and Cabinet's primary role is to provide oversight of the Government's overall agenda and see that it is advanced successfully by the individual line agencies. In doing so it should help manage cross-agency issues and resolve any policy differences.

From time to time it also takes an initial leadership role in large new projects on behalf of the Premier and Cabinet, particularly those that involve more than one agency.

While there is justification for creating special cross-cutting projects and locating them initially in a central agency like DPC to create momentum, there is always a point where these projects mature and should return to the line agency which is responsible for that portfolio area. This is so the line agency has clear accountability for all of its role and the central agency can revert to its core role, to monitor and encourage the performance of agencies in pursuit of the Government's wider programme.

In South Australia's case DPC has accumulated a number of functions over time which are more properly the responsibility of other agencies. These functions, which are often quite small, have the potential to add to internal confusion about "who does what", particularly if the arbiter of such debates (DPC) is one of the parties. The review will recommend that some of these functions be transferred to DTTI and DIS in the next chapter, while DPC strengthens its oversight and coordination role of the Government's growth agenda (Chapter Ten).

The Department of Treasury and Finance should also not take on significant operational roles in the Government's growth agenda. DTF has an obvious interest in the state's economic performance, and it should be encouraging agencies to bring forward policies that will boost the state's economic fortunes while also performing its fiscal and second-chair advice functions. This role will be crucial to the state's economic success.

9. Structural Alignment - The Roles of DTTI and DIS

Both DTTI and DIS were established after the March 2018 election as part of the new Government's machinery of government changes. They came into being on July 1 of 2018.

The Department for Trade, Tourism and Investment is made up of the international engagement, international education and Immigration SA sections of the former Department of State Development, plus the formerly separate agencies of Investment Attraction South Australia and Health Industries South Australia. It currently has approximately 140 FTEs, but is committed to significant down-sizing in the 2018 State Budget. The new department has no oversight responsibility for the separate South Australian Tourism Commission agency.

The Department for Industry and Skills includes the skills and employment group, the science, innovation and small business group, and the policy and client services group of the former Department. It currently has around a total of 380 FTEs.

Stakeholders spoken to by the review have generally been supportive of the creation of a dedicated agency for external engagement and the promotion of trade and investment for companies and industries in the state. They also clearly understand the skills and employment part of the DIS mandate.

However, there is confusion between the roles of DTTI, DIS and other agencies in two key areas and this confusion has the potential to hamper the specific tasks delegated to each agency and the wider economic growth programme.

The first issue is the overlap between DTTI's role in investment promotion and DIS' role in business services and case management. Industry organisations are unsure as to why they are being spoken to by two, and in some cases more than two separate branches of government in relation to the development of and investment in their sector.

The second issue is the use of the word 'industries' in DIS' title which appears to give it a wide ranging mandate over the growth of all industries despite the role of DTTI in encouraging investment and trade in each sector, and the existence of other agencies like PIRSA, DEM and SATC. This is confusing for staff in the agencies and for industry.

It is therefore important to clarify that DTTI is the lead sector-facing agency for encouraging investment in and the growth of companies and industries across the state. This should be the case regardless of whether the investment funds are sourced locally, interstate or overseas. DTTI should be required to work with other agencies, but hold the primary relationship with companies seeking to invest in and grow businesses in South Australia.

9.1 DTTI be confirmed as the government agency with express frontline responsibility for encouraging business investment in the state across all industries, and for facilitating trade opportunities in all goods and services both interstate and internationally.

In order to effect this change, a number of staff currently located in DIS who support investment and growth should be incorporated into DTTI. These include the Industry and Business Growth team (22 FTEs), the Creative Industries team (5 FTEs), and the Industry, Policy and Analytics team (8 FTEs).

Case management of new investments once they have been secured by the state is an important part of the investment function. Case managers help steer investors through approval processes and assist them build relationships and access other government services within South Australia. In short, they provide the aftercare of investment attraction.

This is a logical function of DTTI's investment group. The Case Management and Regions group (21 FTEs) should therefore also move from DIS to DTTI and be housed in the investment group.

9.2 The Industry and Business Growth, Creative Industries, Industry, Policy and Analytics, and Case Management and Regions groups currently located in DIS (total approx. 56 FTEs) be moved to DTTI to reduce crossover between the agencies and better reflect DTTI's mandate to encourage business investment and growth.

The state also has an Office of the State Coordinator-General whose role is to encourage investment by helping business investors navigate and cut through the state's planning processes in particular. It is currently a business unit of 5 FTEs attached to DPC.

First class after-care is important to secure investment on the ground and attract further investment. To strengthen and enhance the overall effectiveness of the state's case management function this office should also be consolidated into DTTI.

9.3 The state's case management functions be consolidated and strengthened by also transferring the Office of the State Coordinator-General from DPC to DTTI.

As well as the crossovers between DTTI and DIS, there are also perceived crossovers between DTTI and some of the other core economic agencies like the Department for Energy and Mining (DEM) and the Primary Industries Ministry (PIRSA) in regard to both investment and trade and the specific sectoral mandates of those agencies. However, these potential crossovers appear to be managed relatively well to date and both DEM and PIRSA have largely ceded investment and trade promotion work to DTTI in order to focus on their regulatory, research and other functions.

It is important that DTTI maintains a close working relationship with all core government agencies and works collaboratively on investment and trade opportunities with the industry specialists located in those agencies. DTTI's leadership role in investment attraction and trade promotion needs to be supported by a modern across-government customer relationship management system.

- 9.4 DTTI should work with industry specialists in PIRSA, DEM, DEW and DPTI to ensure all sector knowledge held by government departments is fully utilised to encourage investment and a single front door on investment and development issues is presented to industry.

The Role of DIS – the Department for Innovation and Skills

While DIS is not the primary subject of this review, it is important to clarify its role in relation to DTTI and the other micro-economic agencies.

When talking to stakeholders, it is clear that they most appreciate and understand the skills and employment role of DIS. Invariably that role was the first to be described to reviewers when discussing what DIS does. There was also an understanding of DIS' role in innovation and science, entrepreneurship and start-up companies. DIS' focus on entrepreneurship is particularly important as governments often ignore the importance of entrepreneurship to economic growth.

The review therefore proposes that the logical role for DIS is as the government agency focused on the human factors of economic growth; skills, innovation, research, entrepreneurship, start-ups and small business generally, and it should be encouraged to focus on those. It should be re-named the Department for Innovation and Skills to reflect this revised mandate.

- 9.5 Change the name of DIS from the Department for Industry and Skills to the Department for Innovation and Skills to reflect its specific focus on innovation, entrepreneurship, and developing a skilled workforce.

In the way that companies think of investment as a single input to their businesses, the same is true of skills. When companies need to grow their workforce, their approach is generally to seek skills locally first, and then look further afield including through migration if the local market can't meet their skill needs. They are unlikely to want to tell two separate agencies about their skill needs through that process.

It therefore makes logical sense to move the Immigration SA group across to DIS at the same time as moving the case management resources from DIS to DTTI. DIS should be made clearly responsible for all government policy and programmes to provide a skilled workforce for businesses in South Australia. With this change South Australian companies will have a one-stop shop to visit when they need help filling their skill needs rather than the two they have now.

9.6 The Immigration SA group (22 FTEs) should be moved from DTTI to DIS to ensure all matters in relation to skills, entrepreneurship and workforce are co-ordinated from a single agency.

DIS marketing and communications strategies for the attraction of overseas or interstate migrants should be consistent with the overarching marketing narrative for the state which should be led by DTTI (see below). Close engagement with other agencies, and in particular DTTI, will be essential to ensure linkages between migration, international education and investment are maximised.

These changes will resolve most of the crossover and boundary issues between DTTI and DIS and ensure they can effectively work together to promote the Government's economic agenda.

Once the changes have been made, opportunities should be explored to further strengthen the relationship between DIS and the universities to support the DIS research, commercialisation and innovation remit.

The Oversight and Governance of Lot Fourteen

The Lot Fourteen Innovation Precinct development on the old Adelaide Hospital site is one of the Government's key projects in the areas of research, innovation and entrepreneurship.

As the core agency on innovation and entrepreneurship DIS should logically become the lead policy agency in charge of the development of Lot 14 and the Minister for Industry and Skills (who would become the Minister for Innovation and Skills) should be the lead Minister for the site. Currently DPC is overseeing the project on behalf of the Premier. Lot Fourteen meets the definition of a major cross-government project “called in” to DPC to provide clear momentum and direction. However, once an appropriate governance structure is set up and the project matures more into a steady-state operation, the review recommends that the oversight transfer to DIS.

9.7 Once an appropriate governance and operational structure is in place and operating, DIS should become the lead policy agency in charge of the development of the Lot 14 Innovation Precinct and the Minister for Innovation and Skills the lead Minister for the precinct.

Lot Fourteen is a significant economic development project for the state requiring contributions from a number of state agencies. To provide appropriate whole of government oversight and direction for the project, while bringing some external perspective, a separate Governance Board – including an independent Chair and Directors should be established. A clear statement of intent should be agreed between the Board and the Government, and a single project team appointed including appropriately skilled secondees from government agencies (including Renewal SA) and the private sector, along the lines of the successful model used at Tonsley.

9.8 Set up a separate Governance Board for Lot 14 – to include an independent Chair and Directors with responsibility for delivering the Government’s vision for the project through an agreed statement of intent and a single project team.

DTTI needs a Strategic Approach to Investment

The review has heard some concern, particularly within government but also more broadly, that DTTI is yet to grasp the strategic responsibilities of its new role particularly in relation to investment attraction. Interviews with key executives in the agency underline this concern.

The review team has observed that the activity of the new agency remains very operational and transactional. Its work on the trade side is significantly geared towards outbound trade missions (and to a lesser extent, inbound missions), while on the investment side it is primarily concerned with securing investment opportunities that present themselves, often from companies seeking government support to move individual investments to the state or even to retain it within the state.

In regards to both investment and exports, it is crucial for South Australia’s growth ambitions that considerable emphasis is placed on increasing all investment across the state, not just the opportunities that are presented to the Government. Good economic policy decisions that increase the state’s competitiveness and encourage investment more generally will have a far greater positive impact over time than individual projects, even quite large ones.

A key performance indicator for DTTI should therefore be state-wide investment performance, as measured through Foreign Direct Investment levels, and actual private new capital expenditure. While DTTI does not control these measures on their own, they have the opportunity to be a clear influencer in the growth of overall investment in the state over the medium term. Conversely if their goal is not to increase commercial investment above the current long-term run rate, it would be fair to ask why such an agency would exist.

9.9 DTTI develop a clear strategy for growing business investment across the state and is held accountable for state-wide investment performance as well as that for individual projects.

In order to be successful in this goal, DTTI needs to be a strong advocate alongside Treasury for policies that improve the state's competitiveness, while advising against policies that detract from that competitiveness. In order to do that the agency's views and analysis should be sought on policy changes proposed by other agencies that impact on that competitiveness. Those views should be included in relevant Cabinet papers for Cabinet consideration, especially when they differ from those of the lead agency.

9.10 DTTI be encouraged to provide its views and analysis for Ministers' considerations on all policy decisions that have the potential to increase or decrease the competitiveness of South Australia and encourage or discourage commercial investment in the state.

The review envisages that the industry policy resource transferred into DTTI from DIS will lead this role and will assist DTTI to take a more strategic focus.

Consistent with a more strategic approach, DTTI's investment group should be refocused from providing government subsidies to curating specific investment opportunities for investors in areas where the state has a demonstrable competitive advantage and/or there is a clear opportunity for investment. Doing the analytical work that shows potential investors clearly the likely gaps in the market and the reasons why the state is a good investment for particular sectors will achieve more than offering a short-term subsidy to defray the advantages of another state.

'Pitchbooks' or investment briefs about particular investment opportunities in different sectors should be written and made available to all prospective investors, and DTTI should use them to stimulate interest and investment in the state. It should also offer help the investors to navigate state processes quickly to help facilitate their investment in the state.

9.11 DTTI's investment group shift its focus from providing government subsidies to companies, to curating investment opportunities for investors to consider, and to helping investors to navigate state processes quickly to enable their investment in the state.

State Marketing and Branding

An important role for DTTI is to manage the brand of South Australia in both interstate and international markets.

South Australia is a relatively small jurisdiction which is part of a mid-sized country in world terms. It's not hard to imagine how difficult it can be to get marketing cut-through for the state in large cities like Hong Kong, Jakarta, Chicago and Los Angeles, let alone whole vast countries like China and the United States.

Yet the South Australian story is important. When doing business internationally customers want to understand where their suppliers come from and what makes them tick. The provenance of South Australia is very important to the food and wine industries, and the tourism and international education sectors naturally need to sell the benefits of the state in their marketing efforts.

If all the major sectors tell a consistent South Australian brand story offshore those efforts will build on each other and give the state a greater brand presence than would otherwise be the case.

Brand SA is the current state-funded organisation with responsibility for marketing the South Australian brand. It has a staff of sixteen people and is a partnership between the state and the private sector, with the Government providing \$1.6 million (consisting of \$1.1m in base funding plus \$500k in programme funding) in 2018-19 of the organisation's \$2.8 million budget.

Brand SA currently reports to DPC on the use of this funding, and directs most of its marketing effort internally within the state. A number of stakeholders made the point that this was the wrong approach, and to maximise the impact of the Brand SA work the marketing should be directed internationally.

It is the review's view that DTTI should take over responsibility for Brand SA from DPC, and redirect the Government's funding towards international branding and marketing of South Australia. This is consistent with DTTI's mandate of building exports from and investment to the state.

9.12 DTTI be charged with coordination of state positioning and marketing, with the responsibility for Brand SA shifting from DPC to DTTI.

A number of stakeholders proposed initiatives for actively engaging with South Australian expats on a voluntary basis to support the state's economic growth. Many passionate South Australians living abroad would willingly assist with promotion of South Australia, facilitation of business connections for trade and investment purposes, and provision of market intelligence. An example of a successful expat initiative is the South Australia Club in the UK established and managed by the Office of the Agent General. The group was established in 2011 and consists of high profile volunteers with strong connections to South Australia and has an active role in facilitating business connections and state promotion activity. Similar initiatives were established in China and other locations by the former Department of State Development.

9.13 DTTI be encouraged to consider an expansion of expat engagement initiatives in cooperation with appropriate industry partners to support its state promotion, trade and investment functions.

DTTI Organisational Structure

DTTI's organisational structure and activity should reflect both its core functions and the way its stakeholders work. It should therefore be primarily made up of a trade promotion function, an investment function, and a policy section which promotes policies that encourage investment and competitiveness.

To create clarity and remove potential points of friction with other agencies and confusion with other stakeholders, operating functions in these areas that still remain with other agencies following the machinery of government changes in 2018 should be brought into DTTI, including as described in relation to DIS.

The structure should acknowledge that it is companies and industries, not government, that leads trade and investment and the Government is there to remove barriers and facilitate industry efforts. Accordingly, DTTI's trade and investment teams should be organised on a sectoral basis consistent with the Government's economic agenda and be required to develop deep sectoral knowledge and work closely with relevant industry and business associations.

The trade and investment groups should remain separate as the skill sets required to perform trade and investment are different and the lead for each team needs to be accountable for the key performance indicators that apply to each function.

9.14 DTTI should continue to have separate investment and trade promotion teams to ensure accountability for performance targets and to reflect the different skillsets required in each group.

However, there needs to be a strong cross-agency sectoral lens to ensure all information is shared and there is full cooperation between staff. The agency needs to consider itself as operating in a lattice, with policy, trade and investment groups on one axis, and sectors on the other. Cross-agency sectoral teams in policy, investment and trade should meet regularly with stakeholders and internally so that there is a 'one government' approach to encouraging investment and trade for each sector.

9.15 DTTI's policy, investment, and trade promotion teams should be organised on similar sectoral lines consistent with the Government's economic agenda, and staff working across each sector must work together to build industry expertise and collaborate on realising investment and trade opportunities.

Currently DTTI's investment group doesn't provide full coverage of all of the major export sectors in the state, and often cover a subset (for example renewable energy instead of 'energy and mining'). It should arrange itself so all are covered, but tailor that approach depending on the presence and activity of related government agencies (like SATC, DEM and Defence SA). Additional resources from DIS as previously discussed will assist in this regard.

While the trade and investment groups should be largely organised on sectoral lines, there should be room in the DTTI structure for some core country specialists dedicated to key markets that are crucial to South Australia's economic future. These people would support both the trade and investment teams, and also be available as a resource for wider government to government engagement.

For example, both China, given its importance for South Australian exports, and France in relation to the defence industry, are countries that currently merit such attention. In both cases government to government engagement is particularly important.

In recognition of these important relationships, the Government of the day set up small strategy groups to manage them and located them in DPC where they both currently remain.

Given that the China Strategy team (4 years) and the French Strategy team (3 years) have both been in place for a significant period of time, and the importance of both France and China to DTTI's trade and investment mandate, the China and France teams should move from DPC to DTTI to work more closely with the core trade and investment teams. They should also take on a more specific economic and trade focus with the cultural and societal elements acting in support of those economic objectives. They can continue to provide whole-of-government advice from DTTI – in the same way it provides such advice on all other aspects of the Government's external engagement strategy.

9.16 The Government should maintain a special unit for the state's China Strategy and French Strategy as long as they are required, but move those from DPC to DTTI to work more closely with the core trade and investment teams and give them a specific economic focus.

The net transfer of staff into DTTI from DIS (approx. 34 FTEs), plus the inclusion of the China and French strategy teams, the Brand SA resource and the State Coordinator-General's office currently located in DPC, will help alleviate the resource constraints DTTI is currently experiencing.

Consistent with the machinery of government change guidelines a rebalancing of corporate services and other support staff between DTTI and DIS will be needed to reflect the clarified responsibilities of the two agencies. DTTI will also require additional staff to perform its expanded external communications and stakeholder engagement functions. Appropriate FTEs with those skills should be transferred from DIS to DTTI. This resource transfer should take place at the same time as the transfer of the other resources.

9.17 Appropriate corporate services and other support staff should be identified for transfer from DIS to DTTI. This should be managed by an appropriate independent party.

As we saw earlier there is ample resource available to support economic growth across government, but some of it may not currently be applied in the right places.

It is important that DTTI have very good relationships with state exporters, and encourage new ones. It is also very important that DTTI have strong industry relationships in all of its activities.

Where appropriate, DTTI should partner with industry to deliver services to exporters and investors. An example is the TradeStart programme where a joint tender with an appropriate industry body such as Business SA should be explored. The Export Ready programme run by Business SA with funding from DTTI is a good example of a successful partnership.

9.18 DTTI should cooperate closely with suitable industry partners to deliver the Commonwealth TradeStart programme.

Food SA is currently funded by PIRSA, while its predominant activity is trade promotion and market development, and its main interaction with the Government is with DTTI. Responsibility for Food SA funding arrangements should therefore move from PIRSA to DTTI.

9.19 Transfer the Government funding for Food SA from PIRSA to DTTI.

Overseas Representation

The new government has committed to rebuilding South Australia's permanent representation in key markets overseas, with offices to be established in Shanghai (to service mainland China), Tokyo (to service Japan), Kuala Lumpur (South East Asia), and in the USA. These offices are in addition to the longstanding position of the Agent General in London, which has continuously represented South Australia in the United Kingdom since 1859.

Permanent representation can be very beneficial. There is nothing quite like having eyes and ears on the ground for enhancing business activity with another geographic region of the world. However South Australia's resources are necessarily limited, and the state is unlikely to have the resources for more than one or two people in each location.

It is therefore important that the markets selected are those with the biggest likely return to the state and its businesses. They should be located where there is already significant trade which can likely be enhanced through greater cooperation and co-ordination. The offices announced to date clearly meet those criteria.

It is also sensible to co-locate offshore staff with Austrade. Operating an office co-located with the wider Australian trade effort is likely to significantly increase the impact of the dedicated South Australian resource.

9.20 The new overseas offices for trade and investment be co-located with Austrade to ensure their cost-effectiveness.

It is important that all the state's necessarily limited offshore resources be co-ordinated to work together. For example the existing Agent-General office of ten FTEs (including the Agent-General) should be tasked to work more closely with DTTI, while ensuring that the special relationship between the Agent-General and the Premier is maintained.

9.21 Responsibility for administration of funding for the Office of Agent General be moved from DPC to DTTI to improve the coordination between them. The statutory role of the Agent General should continue to report to the Premier.

The South Australian Tourism Commission also has sixteen staff representing it overseas, including in China (3 in Shanghai, 1 in Guangzhou), Malaysia/Singapore (1 based in Singapore), UK, Italy, France, Germany, New Zealand, and North America. These are co-located with Tourism Australia staff in the first three of these markets and that is appropriate for the same reason trade and investment staff be co-located with Austrade. Other representatives have their own arrangements.

All offshore staff should work closely together and maximise the leverage of their resources in a co-ordinated South Australian effort in each market in which they operate. The Agent-General's office is a good model in this regard. This review recommends that where there is a co-location of overseas tourism and trade staff in offshore markets that, where possible, these be located in the same city, and a single person be designated as the lead manager in that market with the responsibility for co-ordinating and ensuring a state-wide approach.

9.22 Where overseas offices for tourism and trade exist in the same country, the Chief Executive of DTTI work with SATC to ensure they are located in the same city and that a single individual be mandated to lead the South Australian effort in that country.

This review proposes caution in further growing the overseas office network until the existing offices are bedded in and clearly contributing. If the state wishes to invest further, it should consider expanding the existing offices to service more markets as an alternative to setting up further one person offices.

9.23 Considerable care be taken about adding further overseas offices beyond those already committed given the state's limited resources and consider using existing offices to service new territories including by expanding them as appropriate.

A useful tool is to have an annual review of the State's combined offshore footprint and its alignment with the Government's growth strategy. The review should be prepared by DTTI on behalf of the Minister and incorporate the views and resources of all agencies and Ministers with some form of offshore representation. The views of the private sector should also be considered. It should be reported on and any changes to the footprint approved by Cabinet via the relevant Cabinet Committee. This will help ensure an ongoing "One South Australia" approach to offshore representation.

9.24 DTTI to prepare on behalf of all agencies an annual review of South Australia's international footprint and its alignment to the State's Growth Agenda, to be presented to and approved by the Economic and Infrastructure Cabinet Committee.

Trade Missions

There was considerable input into this review from many stakeholders about the size, frequency and destinations of out-going trade missions.

The previous government encouraged the then DSD to organise and undertake a sizeable number of regular missions. Many of these missions were quite large affairs with significant numbers of businesses and government employees travelling (for example on the mission to China in May 2015, out of 250 participants, almost 50 were from the State Government).

Criticisms of the mission programme included that the missions were often too unwieldy in size and too general in nature. They often included businesses that were only at the early stages of thinking about exporting and some of the destinations, notably India, were too speculative.

There were criticisms too about returning too regularly to particular destinations, although some stakeholders felt it was important to show commitment to each market by returning regularly. Having a large mission calendar meant that some stakeholders felt they were on a treadmill and there to make up the numbers, although there were generally positive comments about the benefit of having a forward calendar of upcoming missions.

The review has been shown no post-evaluation of recent missions. A significant number of Memoranda of Understanding have been signed between the State Government and host governments on the missions, but it is unclear what economic activity those Memoranda have led to. DTTI should consider existing MoUs and Sister State relationships, assess the budget impacts of maintaining the current arrangements, and identify those that are of benefit and ensure they are appropriately leveraged. More rigorous analysis should be undertaken in the future of strategic fit and benefits before further such agreements are entered into.

9.25 DTTI to determine the budget implications of maintaining all the state's MoUs and identify those that should be leveraged to deliver benefits to the state.

Trade missions can be useful ways of lifting trade activity with other countries. They can be particularly beneficial in markets where a government imprimatur helps ensure market access. However, it is important they are clearly targeted and with specific aims to ensure they don't waste money, and importantly the time of participants.

In general, government overseas business missions should only be organised if there is strong local industry support for them. Therefore, an important principle to adhere to in constructing an outbound missions programme is to regularly seek the views of industry sectors, and the benefits that they believe will accrue from a particular proposed mission. Sectoral representatives should also be consulted in regards to the export-readiness of the mission participants. Often smaller more customised sector-specific missions will achieve more than broad caravans of travellers.

9.26 DTTI should consult closely with industries and sector groups on proposals for outbound trade missions, and only proceed with those that are sought after and encouraged by exporters. Companies to travel should be pre-qualified with sectors – and Ministers to accompany missions should be selected on their ability to enhance the mission's objectives.

To ensure limited taxpayer resources are well-managed and to prevent agency double-ups, the default position should be that all outbound economic missions across the Government be led and coordinated by DTTI. Any proposals for outbound trade and investment missions from other agencies or Ministers should be specifically approved by Cabinet and comment on the proposal be sought from DTTI.

9.27 DTTI should lead all outbound economic missions involving commercial companies. Any exceptions should be specifically approved by Cabinet and any such Cabinet papers should include comment from DTTI.

A strategic and planned approach to missions should be signed up to across government. DTTI should propose an outgoing trade and investment missions calendar to the Economic and Infrastructure Cabinet Committee (EICC) on an annual basis for approval. This annual missions programme should be developed in close consultation with industry and other economic agencies.

9.28 DTTI should present an annual trade and investment missions calendar to the EICC for approval.

Post-mission evaluations should be conducted by DTTI for all significant outgoing trade and investment missions, and reported to the Minister. DTTI should also ensure a coordinated effort on follow up so that the outcomes of missions are realised, shared and reviewed across government.

The post-mission evaluations should be summarised and the outcomes included in the annual Cabinet paper advising the annual mission calendar.

9.29 Post-mission evaluations of trade and investment missions should be conducted by DTTI for all significant missions, and reported to the Minister. The annual missions calendar Cabinet paper should include a review and advice on the outcomes of the previous year's missions at the same time.

Inbound trade and investment missions are also important opportunities to secure investment in the state and enhance trade. A number of stakeholders believed they were more useful than outbound missions and are an effective means to showcase South Australian goods, services and the economy. However, both inbound and outbound missions have a place in any trade and investment strategy. Again, DTTI's trade and investment teams should take the lead on inbound trade and investment missions, but they will need to work even more closely with other agencies and industry bodies to secure a high quality inbound mission.

Once the China and French strategy teams are moved to DTTI, DPC's clear role is to retain responsibility for the management of the state's official visits (diplomatic/ protocol) programme and the delivery of the Premier's international visits working closely with DTTI. DPC should remain the holder of definitive records on Ministerial travel.

9.30 DPC should retain responsibility for the management of the state's official visits programme and the delivery of the Premier's international visits and liaise closely with DTTI on trade missions.

The Tourism, International Education and Defence Industries

There are four related government owned or government related organisations that currently operate in industry sectors related to DTTI's remit. These are the South Australian Tourism Commission (SATC - a government owned statutory authority) which is responsible for promoting tourism demand, the South Australian Convention Bureau and StudyAdelaide, which are both partially government funded and promote their various sectors, and Defence SA, a government organisation charged with promoting investment and trade in the defence sector.

Between them the four organisations operate in three significant and important sectors in the South Australian economy; tourism, international education, and the defence sector.

SATC and StudyAdelaide both report to the DTTI Minister, but there isn't currently a lot of oversight by DTTI of either organisation on the Minister's behalf. While both organisations appear to do a good job, both they and the sectors they support would benefit from more regular challenge of their plans and performance.

There is currently confusion within the tourism industry about the respective roles of SATC and DTTI. SATC's core role is in driving the demand for the South Australian tourism product through destination marketing campaigns and the events programme and the majority of its budget is dedicated to this function. SATC has in the past put some effort into tourism product development including investment attraction into accommodation and other tourism specific infrastructure, but it has been ad hoc and not considered a core function. DTTI is better placed to take responsibility for investment attraction in the tourism sector in line with its broader mandate.

There is also some question mark over the role and mandate of DTTI to promote investment in the international education sector. It is clear that the weakest part of South Australia's international education offering relative to other states currently is the VET sector, with very little private sector activity in the state. There seems a real strategic opportunity to attract quality private sector VET investment.

The SATC and StudyAdelaide models are both effective and commonplace in similar jurisdictions and they should be retained as separate destination marketing entities. They should be properly monitored by DTTI, which should also operate a tourism and education investment function to encourage a strong supply response to help both sectors grow.

9.31 The South Australian Tourism Commission and StudyAdelaide should be retained as separate entities, but clear responsibility should be given to DTTI to regularly monitor the plans and performance of both and provide advice on their progress to the Minister for DTTI and Cabinet.

9.32 Clearly delineate the roles of SATC and DTTI in the tourism sector and charge DTTI with having an investment attraction function for both the tourism and international education sectors in line with its broader mandate.

Currently official international visitor numbers contain international students studying in South Australia for a period of less than 12 months and hence do not provide a clear picture of tourism activity. To enable appropriate assessment of the effectiveness of government funded marketing activity in tourism and international education DTTI and SATC should clearly separate and report on tourism activity in the state as distinct from international education activity, and the Minister and DTTI should hold SATC and StudyAdelaide responsible for lifting their particular industry's growth rate.

9.33 DTTI should clearly separate and report on tourism activity in the state as distinct from international education activity, and hold SATC and StudyAdelaide responsible for lifting their particular industry's growth rate.

The Adelaide Convention Bureau currently reports to the South Australian Tourism Commission and there is some discussion about where the convention attraction function should sit, with mixed views on the effectiveness of the Bureau and its use of the funding provided by the Government. It is the view of the review that the best way to ensure the performance of the Bureau would be to have it report on its activities directly to the same group in DTTI that monitors the SATC and StudyAdelaide. Those officials would then be best placed to consider and ensure the effectiveness of the Government's funding and any alternative approaches over time.

9.34 Transfer the responsibility for funding and monitoring the Adelaide Convention Bureau from SATC to DTTI.

The role of Defence SA effectively carves out a large investment sector from DTTI's purview.

Stakeholders have a mix of views on Defence SA. Some say that it is an important player for attracting investment to the state by defence companies, others that it is not central to that activity. Still others say that it should be re-focused on defence industry skills issues now that the main defence contracts have been let.

On balance the review found that Defence SA has an important role in investment attraction, trade, and industry development for the defence and space industries, and if it didn't exist a similar function would need to be developed within DTTI. It specifically has opportunities to facilitate partnerships between European contractors (primes and sub-primes/SMEs) and suitable Australian firms, in order to facilitate investment in South Australia. However, this should be articulated as a clear and specific mandate for which Defence SA is clearly accountable.

Both Defence SA and DTTI would benefit from a closer relationship in terms of achieving both their mandates. It is therefore proposed that Defence SA be retained as a separate agency given its unique industry mandate, but become an attached office to DTTI and subject to the same DTTI monitoring arrangements as those of other associated agencies. This will ensure DTTI has full visibility over the investment, supply chain and trade opportunities of the defence and space industries. This need not have any impact on the Premier's position in holding the Defence and Space Industries portfolio. We also recommend that DIS retain responsibility for skills issues in the defence and other industries.

9.35 Defence SA should become an attached office to DTTI while still reporting to the Premier. This will ensure DTTI has full visibility over the investment, supply chain and trade opportunities of the defence and space industries.

DTTI is currently overseeing one further organisation called Scope Global. Scope Global is a fully government owned commercial training and project development company with 80 staff in South Australia and 120 overseas. While it is a viable and profitable business its business model is dependent on continuing to win contracts in a highly competitive global market. The link between Scope Global and the mandate of DTTI to encourage investment and exports across South Australia is not strong. Scope Globe is an exporter, but owning an export business itself is not core business for DTTI. Furthermore, it can be debated whether it is an appropriate business more generally for taxpayers to be in given it competes on a commercial basis with other providers. It is therefore proposed that the responsibility for Scope Global be transferred to the Treasurer with a view to the Government assessing its long-term ownership of the business in due course.

9.36 Transfer the responsibility for Scope Global to the Treasurer with a view to the Government considering its position in the business over time.

10. A South Australian Growth Agenda

South Australia's economic history over the last two decades is a reminder that lifting the state's growth to an average of 3% or more will not be easy. It is also clear that rearranging the way the public sector works is necessary in places, but will not be sufficient to achieve the growth goal.

Achieving the growth goal is also not something that any one agency, including DTTI, can do on its own. There are many policy decisions required across many agencies and Ministers to lift the competitiveness of the state and encourage more investment in South Australia.

Indeed the public sector can't achieve growth on its own. It is the private sector that will do the heavy lifting. Nothing will happen unless and until the owners of companies take the decision to invest more, hire more people, and take a risk on economic opportunity.

Achieving the 3% growth goal will require an ongoing co-ordinated commitment to change across the public sector, and strong continuing confidence in the direction of the Government by the private sector.

Businesses need to know on an ongoing basis what the Government's priorities are, where are they up to with each key policy decision, and what the outcomes are likely to be. If they don't have confidence about policy decisions, programmes or projects that affect them, they will postpone their investment decisions until they do. And each time that happens is a missed opportunity for South Australia.

10.1 The Government recognise that lifting investment in South Australia will require the private sector to have ongoing confidence in the Government's economic programme. The Government will need to provide both strong visibility and regular updates on cross government economic policies, programmes and projects, and have regular dialogue with industry about the key policy priorities for encouraging investment growth.

As this review has already noted, a number of the decisions required to lift investment and growth are cross-agency decisions and these are generally speaking the hardest and slowest decisions that governments make, because of the different priorities and perspectives of different agencies.

In governments around the world these sorts of decisions often get "kicked down the road" because of the risk to an agency of losing out to another through the Cabinet process. Or bespoke multi-agency processes are set up to try and resolve the policy issue, but their bespoke nature means they are rare, often convened quite late, and often dissolve before a solution is found, as agencies discover "more urgent priorities" that they can advance on their own.

Yet they are important decisions. In the South Australian context, policy decisions in areas like water availability, growing international education, eco-tourism development, land use priorities, prioritising skills investment, infrastructure investment, attracting new migrants, and strengthening the electricity supply, all require multi-agency co-ordination. If a separate process was set up for each of the multi-agency decisions at once, Ministers and the public sector would quickly get lost in a spaghetti of processes.

Decisions are needed in a timely manner in all areas to achieve the Government's growth goals. It therefore makes sense to have a cross-government policy clearing house that expedites economic policy discussions, so they can be concluded swiftly and provide certainty to investors.

10.2 The Government recognise that many of the decisions that need to be made to encourage economic growth in South Australia involve more than one economic agency, and that a semi-formal cross-government policy process is needed to expedite these policy areas and make joint recommendations for Cabinet approval.

One effective way to both meet the need for transparent communication with businesses and help cross-government decisions happen more quickly, is to set up a South Australian Growth Agenda. The South Australian Growth Agenda would be an economic growth strategy that articulates clearly what the Government is working on and holds agencies to account for resolving policy issues and bringing solutions forward for Cabinet decisions. It would replace the current fragmented and duplicative approach to economic development and maximise the chances of success.

New Zealand operated such a growth agenda between 2011 and 2017, and it was instrumental in helping to lift the country's growth rate to between 3 and 4 percent over the last three to four years.

10.3 The Government should create and publish a 'South Australian Growth Agenda' to prioritise, co-ordinate and publicise the major individual policy projects and actions of the Government and government agencies to encourage investment and economic activity in South Australia.

The South Australian Growth Agenda would lay out the Government's growth goal and its commitment to it, plus details of the sectoral goals for each of the key export sectors. It would then lay out the Government's work programme of economic policies, and which agency or group of agencies is responsible for advancing each initiative.

10.4 The Growth Agenda should be made up of a summary of the Government's overall growth goal and sectoral goals, and then chapters of policy initiatives and projects, collected in key themes, all designed to help improve the state's competitiveness and achieve its growth goals.

The SA Growth Agenda would communicate the Government's strategic direction and priorities with the public sector, businesses and the broader community, nationally and globally. It would set Cabinet mandated priorities and clear outcomes for external engagement and for all other economic portfolios.

10.5 The 'South Australian Growth Agenda' be used as a specific organising and enabling tool to assist the public sector to achieve the Government's overall economic priorities, and to liaise with industries and businesses on government priorities, and seek industry views as to the priorities and effectiveness of individual initiatives.

While a significant part of the Growth Agenda would be focused on the growth of export sectors, lifting the state's growth rate will require an increase in competitiveness of all of the state's industries and businesses. The Agenda should include policies that benefit all sectors of the economy.

The Growth Agenda should be organised along lines that are clearly and easily understood by businesses. It is proposed that policies, programmes and projects be grouped and streamed according to the key inputs businesses need access to in order to be successful. These are markets (for their goods and services), capital investment, skills and innovation, access to any necessary resources (land, minerals, water etc), and access to the required supporting infrastructure (roads, ports, flights, broadband, electricity networks etc).

This approach would also allow each stream of policies and the associated chapter in the Growth Agenda to be led by the most relevant agency and Minister for each stream. A combined Trade and Investment stream would be led by the Department for Trade, Tourism and Investment, a Skills and Innovation stream would be led by the Department for Innovation and Skills, and the Infrastructure stream would be led by DPTI with close input from Infrastructure South Australia.

Recognising that there are many competing interests in the land and resources stream, this review recommends that the Minister and CE of DEW should lead the land, water, and environment section of the Growth Agenda, with close input from DEM, PIRSA, and DPTI.

10.6 Each policy chapter of the Growth Agenda should be led by the most relevant agency and include full participation by Ministers and agencies with relevant policy areas of responsibility:

- Trade and Investment, led by DTTI
- Skills and Innovation, led by DIS
- Infrastructure, led by DPTI in association with Infrastructure SA
- Land, water, and the environment, led by DEW.

The lead agencies, in cooperation with other relevant agencies, would be responsible for identifying and developing policies, programmes and projects to be included in each chapter, designing accountability, managing collaboration, and reporting on progress.

To provide appropriate focus a relatively small number, maximum of 25 per chapter, of projects significant to the growth agenda, would be identified and committed to. Every project across the Growth Agenda should have a clear single or joint Ministerial and agency lead.

10.7 Each chapter of the Growth Agenda be limited to working on no more than 20 to 25 separate major policies, programmes or projects at one time that are significant enough to assist the Government's economic aspirations, as determined by the co-ordinating Ministers and agencies. Every project across the Growth Agenda should have a clear single or joint Ministerial and agency lead.

An important part of the Growth Agenda process is for each stream to have regular informal joint meetings of relevant Ministers and CEs outside of the formal Cabinet process to check on progress across all the initiatives in the stream, clear blockages, and seek to resolve any cross-agency concerns. Discussing initiatives this way in a single meeting is an important part of avoiding a plethora of duelling processes.

The lead Minister and agency would determine how often and when these meetings are needed. Done well they can increase the likelihood of joint agreed positions being presented to Cabinet when policy decisions are needed.

10.8 Regular informal meetings (monthly or every two months) be held between each stream of Growth Agenda Ministers and agency chief executives, with a particular focus on clearing blockages to achieve policy objectives, and resolving any cross agency concerns.

The Growth Agenda needs to be a living document, updated regularly so businesses and the community are kept informed of the Agenda's progress. To ensure a sustained focus the Agenda would be published annually, noting progress on each project, which projects have been completed, and what programmes/initiatives are put in place to maintain economic contributions from completed projects. To keep the Agenda current and relevant new projects should be identified and added to the Agenda on annual basis.

10.9 The Growth Agenda be updated and published annually, noting progress on each project, noting when projects are completed and move to business as usual, and identifying new projects to add to the Agenda.

Overall Leadership of the Growth Agenda

The South Australian Growth Agenda will be the key organising tool to help the Government deliver on its growth targets. It is therefore proposed that it be appropriate for the Premier (or a Minister delegated by him) to lead the Growth Agenda overall and that the Department of the Premier and Cabinet assist the Premier in that role.

10.10 The Premier, or a Minister delegated by him be the lead Minister for the South Australian Growth Agenda, and that the Department of the Premier and Cabinet (DPC) assist the Premier in that role.

The review recommends that a small secretariat be set up within DPC to co-ordinate the collation, production and publication of the Growth Agenda, to co-ordinate cross-agency activity to advance the Agenda, and report to Cabinet and the Economic and Infrastructure Cabinet Committee on progress with the Agenda.

The unit should promote information sharing and collaboration across the Government, and assist the Premier in ensuring the smooth progress of the agenda.

It is important that the management and staff of this unit understands that its role is a co-ordination, facilitation and publication role, and neither the unit or DPC is responsible for policy leadership in the Growth Agenda. Those roles are retained by DTTI for the sectoral goals, each lead agency for each policy stream and chapter, and individual agencies or groups of agencies for each policy initiative. If DPC or the Growth Agenda unit started to take a policy leadership role it would likely disenfranchise and demotivate the other agencies as well as confusing accountabilities.

10.11 A small secretariat be set up in DPC to co-ordinate the production, publication and launch of the Growth Agenda, co-ordinate semi-formal meetings on different chapters between relevant agencies and Ministers, and report on overall progress to the Cabinet Economic and Infrastructure Committee and Cabinet.

The Department of Treasury and Finance has three important and distinctive roles in the South Australian Growth Agenda. Firstly, it has a line function in policy areas like taxation that can be used to encourage investment – and would therefore contribute to the investment stream of the Growth Agenda.

Secondly, a core function of DTF is to ensure that the public sector is accountable in financial terms to the Government of the day. It has a key responsibility to measure and report on the cost-effectiveness of significant individual items within the Growth Agenda, and provide second chair economic advice on individual initiatives as they are considered by Cabinet.

Thirdly, it should measure and report to the Economic and Infrastructure Cabinet Committee and Cabinet on progress with the economic indicators that underpin the Growth Agenda, as part of the regular Growth Agenda reporting cycle.

Both Treasury and DPC should have an open invitation to attend all of the informal Minister and CE Growth Agenda meetings.

10.12 Treasury's core roles in the Growth Agenda would be to:

- measure and report on the cost-effectiveness of significant individual items within it, and provide second chair economic advice on individual initiatives as they are considered by Cabinet,
- measure and report on the economic outcomes of the Growth Agenda, and
- participate as a line agency in policy areas which it leads e.g. taxation policy in regards to investment.

It is important to note that nothing in the Growth Agenda policy process should in any way be used instead of the formal decision-making process of Cabinet and Cabinet Committees. The purpose of the Growth Agenda is to help organise, co-ordinate and expedite the Government's economic programme in support of its growth goals. Formal decisions should continue to be made through the Cabinet process.

10.13 All formal government decisions should continue to be taken through the Cabinet process, including the relevant Cabinet Committee, and that Growth Agenda processes are not used to replace the formal Cabinet-led decision-making process.

11. Summary of Recommendations

The last 20 years have been difficult for South Australia with the loss of many segments of the state's manufacturing sector, and a declining share of national GDP, population and exports. There is now an urgent need to take a different approach to turn this around for the future prosperity of all South Australians.

The March 2018 election saw a new Government take office with a clear economic growth mandate and a focus on more jobs, lower cost and better services. The South Australian Government has set an objective to lift economic growth in the state to more than 3% per year and in doing so make South Australia a more attractive place to live and work in.

South Australia's future prosperity will be built by accelerating the growth of sectors that have strong growth prospects globally and in which the state has a comparative advantage. This requires a concerted increase in private sector investment and trade, and requires concentrated effort from the Government to remove barriers to growth.

To maximise the chances of success a clear plan is required which focusses on clearly defined outcomes, and governance arrangements that create a common sense of responsibility and accountability. The roles of economic agencies need to be clearly defined and delineated and all activity aligned with the economic growth agenda.

The recommendations of this review are aimed to provide a clear strategy, and governance and organisational structures to effectively and efficiently deliver the Government's economic agenda.

Recommendations have been listed by the Chapter of the report, which they appear in.

Chapter 7. The Economic Opportunity

- 7.1 The State Government should confirm its target of 3% average annual growth in GSP, subject to any major external economic shocks, and review dates to test progress (suggest 5 and 8 years).
- 7.2 The South Australian Government should clearly define the likely growth industries for the state over the next five to ten years based on comparative advantage and likely investor interest. This work should be led by DTTI with input from other economic agencies.
- 7.3 The Government should draw on work that has already been done in collating its target sectors including the work done in the Deloitte 'Make it Adelaide' report. The sectors should be broad enough to avoid unnecessary debates about 'which sector fits where' while fitting easily with the way industries organise themselves.

Chapter 8. Realising the Opportunity

- 8.1 Government agencies should recognise that state-wide growth goals will only be achieved by improving the competitiveness of South Australia and by the willingness of individual businesses large and small to invest in building and growing operations within South Australia.
- 8.2 DTTI should work closely with relevant sectoral representatives and government agencies to determine ambitious, but achievable goals for the growth of each main export sector which are endorsed by the relevant sectoral representatives.
- 8.3 Government agencies must be clear that sectoral goals need to be owned by each sector and can be assisted with, but not be achieved by government agencies. The goals are designed to provide clear signals as to the direction of travel for each sector, and ensure agencies actively seek to encourage the competitiveness of each sector when performing their regulatory and advocacy functions.
- 8.4 The Government should confirm the current broad structure of the economic agencies, while making further shifts of operational responsibilities between agencies as recommended in the next chapter of this review to remove boundary issues and duplication that will slow down the effective implementation of the Government's economic agenda.

- 8.5 The Government recognise that there has been very significant and regular structural change in government agencies in the last sixteen years, and once the current structural alignment has been completed, there should be a moratorium on further major changes and the focus should go on the delivery, performance and monitoring of government agencies.
- 8.6 The Government consider that DTTI, DIS, DEM, PIRSA, DEW and DPTI are the core government agencies with responsibility for the regulatory and policy settings that encourage or discourage investment in South Australia, and that these six agencies be tasked collectively and specifically with advancing the Government's economic agenda.
- 8.7 The six micro-economic agencies should be tasked with regularly and specifically monitoring and reviewing the performance of all stand-alone government bodies within their policy area plus contracts with non-government bodies, and report on those and make recommendations to Ministers.

Chapter 9. Structural Alignment - The Roles of DTTI and DIS

- 9.1 DTTI be confirmed as the government agency with express frontline responsibility for encouraging business investment in the state across all industries, and for facilitating trade opportunities in all goods and services both interstate and internationally.
- 9.2 The Industry and Business Growth, Creative Industries, Industry, Policy and Analytics, and Case Management and Regions groups currently located in DIS (approx. 56 FTEs) be moved across to DTTI to reduce crossover between the agencies and better reflect DTTI's mandate to encourage business investment and growth.
- 9.3 The state's case management functions be consolidated and strengthened by also transferring the Office of the State Coordinator-General from DPC to DTTI.
- 9.4 DTTI should work with industry specialists in PIRSA, DEM, DEW and DPTI to ensure all sector knowledge held by government departments is fully utilised to encourage investment and a single front door on investment and development issues is presented to industry.
- 9.5 Change the name of DIS from the Department for Industry and Skills to the Department for Innovation and Skills to reflect its specific focus on innovation, entrepreneurship, and developing a skilled workforce.
- 9.6 The Immigration SA group (22 FTEs) should be moved from DTTI to DIS to ensure all matters in relation to skills, entrepreneurship and workforce are co-ordinated from a single agency.
- 9.7 Once an appropriate governance and operational structure is in place and operating, DIS should become the lead policy agency in charge of the development of the Lot 14 Innovation Precinct and the Minister for Innovation and Skills the lead Minister for the precinct.

- 9.8 Set up a separate Governance Board for Lot 14 – to include an independent Chair and Directors with responsibility for delivering the Government’s vision for the project through an agreed statement of intent and a single project team.
- 9.9 DTTI develop a clear strategy for growing business investment across the state and is held accountable for state-wide investment performance as well as that for individual projects.
- 9.10 DTTI be encouraged to provide its views and analysis for Ministers’ considerations on all policy decisions that have the potential to increase or decrease the competitiveness of South Australia and encourage or discourage commercial investment in the state.
- 9.11 DTTI’s investment group shift its focus from providing government subsidies to companies, to curating investment opportunities for investors to consider, and to helping investors to navigate state processes quickly to enable their investment in the state.
- 9.12 DTTI be charged with coordination of state positioning and marketing, with the responsibility for Brand SA shifting from DPC to DTTI.
- 9.13 DTTI be encouraged to consider an expansion of expat engagement initiatives in cooperation with appropriate industry partners to support its state promotion, trade and investment functions.
- 9.14 DTTI should continue to have separate investment and trade promotion teams to ensure accountability for performance targets and to reflect the different skillsets required in each group.
- 9.15 DTTI’s policy, investment, and trade promotion teams should be organised on similar sectoral lines consistent with the Government’s economic agenda, and staff working across each sector must work together to build industry expertise and collaborate on realising investment and trade opportunities.
- 9.16 The Government should maintain a special unit for the state’s China Strategy and French Strategy as long as they are required, but move those from DPC to DTTI to work more closely with the core trade and investment teams and give them a specific economic focus.
- 9.17 Appropriate corporate services and other support staff should be identified for transfer from DIS to DTTI. This should be managed by an appropriate independent party.
- 9.18 DTTI should cooperate closely with suitable industry partners to deliver the Commonwealth TradeStart programme.
- 9.19 Transfer the Government funding for Food SA from PIRSA to DTTI.
- 9.20 The new overseas offices for trade and investment be co-located with Austrade to ensure their cost-effectiveness.

- 9.21 Responsibility for administration of funding for the Office of Agent General be moved from DPC to DTTI to improve the coordination between them. The statutory role of the Agent General should continue to report to the Premier.
- 9.22 Where overseas offices for tourism and trade exist in the same country, the Chief Executive of DTTI work with SATC to ensure they are located in the same city and that a single individual be mandated to lead the South Australian effort in that country.
- 9.23 Considerable care be taken about adding further overseas offices beyond those already committed given the state's limited resources and consider using existing offices to service new territories including by expanding them as appropriate.
- 9.24 DTTI to prepare on behalf of all agencies an annual review of South Australia's international footprint and its alignment to the State's Growth Agenda, to be presented to and approved by the Economic and Infrastructure Cabinet Committee.
- 9.25 DTTI to determine the budget implications of maintaining all the state's MoUs and identify those that should be leveraged to deliver benefits to the state.
- 9.26 DTTI should consult closely with industries and sector groups on proposals for outbound trade missions, and only proceed with those that are sought after and encouraged by exporters. Companies to travel should be pre-qualified with sectors – and Ministers to accompany missions should be selected on their ability to enhance the mission's objectives.
- 9.27 DTTI should lead all outbound economic missions involving commercial companies. Any exceptions should be specifically approved by Cabinet and any such Cabinet papers should include comment from DTTI.
- 9.28 DTTI should present an annual trade and investment missions calendar to the EICC for approval.
- 9.29 Post-mission evaluations of trade and investment missions should be conducted by DTTI for all significant missions, and reported to the Minister. The annual missions calendar Cabinet paper should include a review and advice on the outcomes of the previous year's missions at the same time.
- 9.30 DPC should retain responsibility for the management of the state's official visits programme and the delivery of the Premier's international visits and liaise closely with DTTI on trade missions.
- 9.31 The South Australian Tourism Commission and StudyAdelaide should be retained as separate entities, but clear responsibility should be given to DTTI to regularly monitor the plans and performance of both and provide advice on their progress to the Minister for DTTI and Cabinet.

- 9.32 Clearly delineate the roles of SATC and DTTI in the tourism sector and charge DTTI with having an investment attraction function for both the tourism and international education sectors in line with its broader mandate.
- 9.33 DTTI should clearly separate and report on tourism activity in the state as distinct from international education activity, and hold SATC and StudyAdelaide responsible for lifting their particular industry's growth rate.
- 9.34 Transfer the responsibility for funding and monitoring the Adelaide Convention Bureau from SATC to DTTI.
- 9.35 Defence SA should become an attached office to DTTI while still reporting to the Premier. This will ensure DTTI has full visibility over the investment, supply chain and trade opportunities of the defence and space industries.
- 9.36 Transfer the responsibility for Scope Global to the Treasurer with a view to the Government considering its position in the business over time.

Chapter 10. A South Australian Growth Agenda

- 10.1 The Government recognise that lifting investment in South Australia will require the private sector to have ongoing confidence in the Government's economic programme. The Government will need to provide both strong visibility and regular updates on cross government economic policies, programmes and projects, and have regular dialogue with industry about the key policy priorities for encouraging investment growth.
- 10.2 The Government recognise that many of the decisions that need to be made to encourage economic growth in South Australia involve more than one economic agency, and that a semi-formal cross-government policy process is needed to expedite these policy areas and make joint recommendations for Cabinet approval.
- 10.3 The Government should create and publish a 'South Australian Growth Agenda' to prioritise, co-ordinate and publicise the major individual policy projects and actions of the Government and government agencies to encourage investment and economic activity in South Australia.
- 10.4 The Growth Agenda should be made up of a summary of the Government's overall growth goal and sectoral goals, and then chapters of policy initiatives and projects, collected in key themes, all designed to help improve the state's competitiveness and achieve its growth goals.
- 10.5 The 'South Australian Growth Agenda' be used as a specific organising and enabling tool to assist the public sector to achieve the Government's economic priorities, and to liaise with industries and businesses on government priorities, and seek industry views as to the priorities and effectiveness of individual initiatives.

- 10.6 Each policy chapter of the Growth Agenda should be led by the most relevant agency and include full participation by Ministers and agencies with relevant policy areas of responsibility:
- Trade and Investment, led by DTTI
 - Skills and Innovation, led by DIS
 - Infrastructure, led by DPTI in association with Infrastructure SA
 - Land, water, and the environment, led by DEW.
- 10.7 Each chapter of the Growth Agenda be limited to working on no more than 20 to 25 separate major policies, programmes or projects at one time that are significant enough to assist the Government's economic aspirations, as determined by the co-ordinating Ministers and agencies. Every project across the Growth Agenda should have a clear single or joint Ministerial and agency lead.
- 10.8 Regular informal meetings (monthly or every two months) be held between each stream of Growth Agenda Ministers and agency chief executives, with a particular focus on clearing blockages to achieve policy objectives, and resolving any cross agency concerns.
- 10.9 The Growth Agenda be updated and published annually, noting progress on each project, noting when projects are completed and move to business as usual, and identifying new projects to add to the Agenda.
- 10.10 The Premier, or a Minister delegated by him be the lead Minister for the South Australian Growth Agenda, and that the Department of the Premier and Cabinet (DPC) assist the Premier in that role.
- 10.11 A small secretariat be set up in DPC to co-ordinate the production, publication and launch of the Growth Agenda, co-ordinate semi-formal meetings on different chapters between relevant agencies and Ministers, and report on overall progress to the Cabinet Economic and Infrastructure Committee and Cabinet.
- 10.12 Treasury's core roles in the Growth Agenda would be to:
- measure and report on the cost-effectiveness of significant individual items within it, and provide second chair economic advice on individual initiatives as they are considered by Cabinet,
 - measure and report on the economic outcomes of the Growth Agenda, and
 - participate as a line agency in policy areas which it leads e.g. taxation policy in regards to investment.
- 10.13 All formal government decisions should continue to be taken through the Cabinet process, including the relevant Cabinet Committee, and that Growth Agenda processes are not used to replace the formal Cabinet-led decision-making process.

Appendices

Appendix A: Terms of Reference

REVIEW OF THE GOVERNMENT'S INTERNATIONAL AND INTERSTATE ENGAGEMENT BODIES AND FUNCTIONS

Purpose

Review the effectiveness and efficiency of the Government's international and interstate engagement bodies and functions.

In light of the key economic and trade opportunities facing the state, develop options for improvement that better align effort, streamline activity and remove duplication.

Scope

The effectiveness of South Australia's country and sector strategies, plans, programs and activities across all forms of engagement will be reviewed against current and emerging opportunities to determine areas for improvement.

The Government's organisational structures, governance arrangements, resource allocations and partnerships with external parties will be assessed against desirable economic outcomes and refined strategic approach.

All SA Government international and interstate engagement agencies, business units and representatives/offices and functions are within the scope of the review. Financial support for non-government bodies will also be considered. Initial assessment may determine to exclude some bodies and/or functions from further consideration.

Key Tasks

- Map out current strategic focus, plans, programs and activities across functions, countries and sectors
- Assess the effectiveness of current strategies, plans and activities (export, investment, immigration trends in real terms as well as a percentage of national totals)
- Assess future engagement needs and objectives in view of forecast economic opportunities, and gaps/misalignment with current strategic focus and initiatives (ie. focus countries, sectors etc);
- Map and audit current structures, bodies, services and capability – governance arrangements, functions, current and future FTEs, current budgets and projected future budgets;
- Refine the scope of the activity to be considered in the review;
- Consult with stakeholders including Senior Management Council, Cabinet Committees, impacted agencies, and key external parties;
- Identify any duplication, overlaps, and gaps in current arrangements;
- Identify proposed enhancements to external engagement arrangements;
- Engage external consultant to provide independent advice, testing of options and recommendations on improvement; and
- Make recommendations to the Premier on improvements.

Appendix B: Parties Consulted

Adelaide Airport Ltd
Adelaide Convention Bureau
Austrade
Australia China Business Council
AusVeg
Brand SA
Business SA
Chief Entrepreneur
Committee for Adelaide
Commissioner for Public Sector Employment
Defence SA
Department for Education
Department for Energy and Mining
Department for Environment and Water
Department of Foreign Affairs and Trade
Department for Industry and Skills
Department for Planning, Transport, Infrastructure
Department for Trade, Tourism and Investment
Department of the Premier and Cabinet
Department of Treasury and Finance
Economic Advisory Council
Food SA
Minister for Defence (Federal)
Minister for Energy and Mining
Minister for Environment and Water
Minister for Industry and Skills
Minister for Primary Industries and Regional Development
Minister for Trade, Tourism & Investment
Minister for Transport, Infrastructure and Local Government
Office of Agent General
Premier
Primary Industries and Regions SA
Primary Producers SA
Renewal SA
SA Chamber of Mines and Energy
SA Wine Industry Association
SA Tourism Commission
SA Tourism Industry Council
Senior Management Council
State Coordinator-General
StudyAdelaide
TAFE SA
Tonsley Steering Committee
Treasurer

Appendix C – Memoranda of Understanding and Sister State Agreements⁴¹

MEMORANDA OF UNDERSTANDING SIGNED, WITNESSED OR OBSERVED BY SOUTH AUSTRALIAN GOVERNMENT:

China

China Development Bank, 2015, renewed in 2017
Suzhou Industrial Park Government, 2016
Longhua Hospital – Shanghai University of Traditional Medicine, 2017
Shandong Provincial Foreign Affairs, 2015
Shandong Government on enhancing Cooperation and Development, 2013 (renewed 2016)
Shandong Provincial Government - South Australia Friendly Cooperation Action Plan (FCAP) (2015-2018), 2015
Shandong South Australia Mutual Economic Benefit Office (2017)
Exchange & Cooperation through SA/Shandong Cooperation and Development Forum and High Level Working Group, 2016
Shandong Provincial Foreign Affairs - Shandong Connect – Public Sector Exchange Program, 2016
Shandong Provincial Bureau of Geology and Mineral Resources, 2015
Shandong Sports Bureau, 2016
Shandong Foreign Affairs -Collaboration in Innovative Urbanisation Training for Shandong Leaders, 2015
Shandong Department of Commerce - Strengthening Business Cooperation, Shandong, 2013
Shandong Department of Commerce - Strengthening Business Cooperation through collaboration between prefectures of Shandong and South Australian Local Councils, 2015
Qingdao Commerce Bureau - Economic Partnership, 2016
Shanxi Foreign and Overseas Chinese Affairs Office, 2017
Shandong Education Department -Framework agreement of exchange and cooperation platform for higher education institutions between Shandong and SA, University of Adelaide, Flinders University, University of South Australia, Shandong Provincial Education Department, 2015
Shandong Academy of Science, 2016
Tengzhou No. 1 Middle School, 2016
Shandong Vocational Animal Science and Veterinary College, 2015
Qingdao No. 6 High School, 2015
Qingdao Vocational College and Technical College of Hotel Management, 2015
Shandong Provincial Education Department, VET Framework, 2016
Shandong Institute of Commerce and Technology, 2015
Zaozhuang University, 2015
Shandong College of Tourism and Hospitality, 2015
Shandong Provincial Education Department, Science, Technology and Commercialisation Partnership Platform, 2017
Shandong Science and Technology Department, 2017
Shandong Library, 2015

⁴¹ DTTI, DPC and other agencies – Not an exhaustive list, may include expired/inactive agreements

Shandong Museum, 2016

Department of Commerce Shandong & Province China Development Bank, 2015

Shandong Provincial Department of Agriculture and Primary Industries, 2014 and re-signed in 2015

Shandong Provincial Department of Oceanic and Fisheries, 2015

Shandong Disabled Persons Federation, 2017

Shandong Provincial Education Department, VET Partnership Program, 2017

Shandong Environment Protection Department, 2017

Qingdao Municipal Health and Family Planning Commission, 2016

Shandong Tourism Administration, 2014

UniSA Business School; Shandong Tourism Administration 'Shandong University School of Management, 2015

Shandong Department of Commerce, 2017

Flinders University, Shandong Academy of Sciences, 2017

Shandong Academy of Science, 2017

Jinan Commerce Bureau, 2017

Australia China Sponge City Consortium, Jinan Municipal Engineering, Design and Research Institute, 2017

TusHoldings, 2017

Cooperation in Research and Talent Development in Big Data, The University of Adelaide, Shanxi Science and Technology Department, 2017

Strategic Cooperation Framework Agreement, The University of Adelaide, Agricultural Department of Shanxi Province, 2017

Strategic Partnership for Research and Innovation in Inflammation in Chronic Disease, The University of Adelaide, The Shanxi University of Traditional Chinese Medicine, China, 2017

The University of Adelaide, Shanxi Zhendong Pharmaceutical Co. Ltd. 2017

UniSA Venture, TusStar (Shanghai), 2017

UniSA, D&R Pharmaceutical, 2017

UniSA Venture, Guangdong Foshan New Technology Industry Developing Zone, 2017

UniSA, Guangdong University of Technology, 2017

Wellbeing & Resilience Center (SAHMRI), TusHoldings H+Lab (Tsinghua University, Beijing), 2017

Renmark Paringa Council, Shishi City, Fujian Province, 2017

I AGE MEDIA ; Shandong Dazhong News Ltd, 2017

SA-Shandong Cooperation and Development Association Inc., Shandong Youth Federation, 2017

Port Adelaide Football Club, UniSA, Shandong University, Shandong Bureau of Sports, 2017

Australia China Aged Care Consortium (through Charles Sturt Council), Yantai Investment Development Board, 2016

South Australian Cricket Association, Shandong Minor Balls Sports Management Center, 2016

Alano Water, Shandong Ronghui Guantong Ltd, 2016

Business SA, China Council for the Promotion of International Trade Shandong Sub-Council, 2016

Aoan International, Shandong Dongyue International, 2016

Onkaparinga Council, South Australian Water Industry Alliance, Shandong Ronghui Guantong Co Ltd, 2016

Tomich Wines, Linyi International Procurement Centre, 2016

RPC Pipe Systems, Shandong Ronghui Guantong Co Ltd, 2016
 City of Charles Sturt, Yantai Municipal Government, 2016
 City of Onkaparinga, Shandong Ronghui Guantong Co Ltd, 2015
 City of Playford ; City of Zibo (Shandong Province), 2016
 City of Salisbury ; Linyi Prefecture Government, 2016
 Onkaparinga Council, Shandong Shangshi Ecological Agricultural Science and Technology Co Ltd, 2016
 City of Onkaparinga, South Australia, City of Jinan, Shandong Province, 2016
 Water Alliance, SA, Jinan Public Utility Bureau, Shandong Ronghui Guantong Ltd, 2016
 City of Charles Sturt, City of Yantai, Shandong, 2016
 SACE Board of SA, Tengzhou No. 1 middle School, Shandong Province, 2016
 Pulteney Grammar, Taihangshan Road Primary School, 2016
 Westminster School, Shandong Experimental High School, 2016
 Westminster School, Qingdao Chaoyin Primary School, 2016
 Flinders University, Tianjiu Industrial Group, 2016
 Flinders University, Shandong Academy of Science, 2016
 Flinders University, Australian Kelp Products Pty Ltd, Qingdao Gather Great Ocean Algae Industry Group Corp, 2015
 Flinders University, CSIRO, Qingdao National High-Tech Industrial Development Zone, 2015
 University of South Australia, Shandong University, 2015
 Flinders University - Flinders Centre for Marine Bioproducts Development (CMBD), Shandong Academy's Biology Institute, Shandong Homey Aquatic Development Co. Ltd, 2016
 University of Adelaide (School of Agriculture, Food and Wine) – Faculty of Science, Shandong Academy Ecology Institute, 2016
 University of Adelaide – Institute of Photonics and Advanced Sensing, Shandong Academy of Science Laser Institute, 2016
 Flinders University, Shandong Academy of Science Automation Institute, 2016
 Flinders University, Shandong Academy of Science Laser Institute, 2016
 University of South Australia, Shandong Academy of Sciences, 2016
 UniSA, SD Academy of Science 1, 2017
 Australian Aged Care & Health (Export Services), Qingdao Aged Care Association, 2017
 Wattle Range Council, City of Longkou, 2017
 West Torrens Council, Weifang City, 2017
 Renmark Paringa Council, Shouguang City, Shandong Province, 2017
 Cura1, Yantai Medical Company, 2017
 Flinders University, Shandong Academy of Sciences, 2017
 Centre for Marine Bioproducts Development, Flinders University, Shandong Academy of Sciences, 2017
 Australian Aged Care & Health (Export Services) Pty Ltd, Qingdao Aged Care and Services Commission, 2016
 University of South Australia, Shandong University, 2015
 SAHMRI, Affiliated Hospital of Qingdao University (AHQU) in Shandong Province, 2016
 ElwaEnergy Savers Pty Ltd, Xingbang Electronic Appliances Qingdao, 2016
 City of Adelaide, Qingdao Publicity Department, 2016
 Aerem (Holdings) Pty Ltd, Shandong Dongying Land Dairy, 2015
 Frontier International Agri Pty Ltd, Shandong Zhong Wo You Da Logistics Co Ltd, 2015
 L&Q Enterprises Pty Ltd, HouSheng Livestock Husbandry Co. Ltd. Shandong, 2016

Thomas Foods International (TFI), Unifood Industrial Group Co., Limited Shandong, 2016
 Nova Vita Wine, Zibo International Economic & Technical Coop. Co., Ltd, 2016
 SAHMRI, Shandong Provincial Hospital (SPH), 2016
 Adelaide City Council, Qingdao CCPIT Tourism Department, 2017
 North Adelaide Golf Course, Qingdao International Golf Course, 2017
 57 Films, Qingdao TV, 2017
 Adelaide Festival Centre Trust, Shandong Provincial Department of Culture, 2015
 Water Industry Alliance SA (WIA), Shandong Academy of Environmental Planning, 2015
 South Australian Film Corporation, 57 Films, Qingdao Broadcasting and Television of China, 2017
 South Australian Film Corporation, 57 Films, Qingdao Broadcasting and Television of China, 2017 (Meeting regarding visit)
 Adelaide United Football Club (AUFC), 57 Films, Qingdao Football Association (QFA), 2017
 State Library of South Australia, Shandong Friendship Press, 2017
 Joint Laboratory for Soil Ecological Health and Remediation, Adelaide University, Shandong Academy of Sciences, 2017
 Joint Laboratory for laser technologies, Adelaide University, Shandong Academy of Sciences, 2017
 Joint Laboratory for laser technologies, University of South Australia, Shandong Academy of Sciences, 2017
 Facilitate doctoral student exchange, University of South Australia, Shandong Academy of Sciences, 2017
 Shandong-South Australian Exchange Visitor Work Placement Program, 2018
 SA Health, Health and Family Planning Commission of Shandong Province, 2018
 Tafe SA, Qingdao Vocational and Technical College of Hotel Management, 2018
 Flinders University, Shandong Academy of Science, 2018
 University of South Australia, Shandong Academy of Science, 2018
 University of Adelaide, Shandong Academy of Science, 2018
 Cycling South Australia Association, Shandong Cycling Federation, 2018
 Fashion project, 57 Films, Qingdao Television Station, 2018
 MOU on Environment Protection Collaboration, Department for Environment Protection of Shandong Province, Department for Environment, Water and Natural Resources, Environment Protection Authority and Green Industries SA
 Comprehensive Water Management (Sponge City) Steering Committee, Jinan Urban and Rural Water Authority and Department for Environment, Water and Natural Resources
 MOU (and Action Plan) on Water Management and Environmental Cooperation, Department of Environment Protection of Jiangsu Province and Department for Environment and Water

India

Government of South Australia and Confederation of Indian Industry, 2018
 The Establishment of the Rajasthan Centre of Excellence in Water Resources Management, Government of Rajasthan and Government of South Australia 2016
 Water Cooperation, Government of Maharashtra and Government of South Australia 2017

Japan

Okayama Prefectural Board of Education and International Education, Japan, 2016

Middle East and North Africa

UAE Space Agency, 2018

South East Asia

People's Committee of Da Nang, Socialist Republic of Vietnam, 2018

University of Udayana, University of Adelaide, WCHN – A/Prof John Svigos, 2016

DECD and Australia International School, Indonesia, 2015

Adelaide Festival Centre Trust / West Java Department of Culture and Tourism, 2016

Government of South Australia – Adelaide Festival Centre Trust and Indonesian Agency for Creative Economy on Cultural Cooperation, 2017

Adelaide Festival Centre, Georgetown Trust

DECS, Ministry of Education Thailand, 2013

SAHealth, Da Nang National Technical College of Medicine No II, 2010

International and Higher Education, DECD and People's Committee of Da Nang, Socialist Republic of Vietnam, 2016

DECD, Office of International Affairs, Ajou University, 2013

DECD, Gangseo High School, 2006

North and South America

DSD Mineral Resources and Government of the Province of Saskatchewan – Ministry of Energy and Resource, 2009

University of Western Australia, University of Notre Dame, 2011

PIRSA, SARDI, Ministry of Agriculture and Agri-Food Canada

Driver Licensing Authorities of each Australian State and Territory, Ontario Ministry of Transportation, 2009

Cisco, ACC IoT Innovation Hub

Ignite, 2017

Government of the Republic of Chile, 2011

Europe

Inspur Group, 2016

Sigfox S.A, 2016

EasyMile/TAG, 2018

BioXclusters, 2016

One Nucleus, 2017

GE, CRC and Health Industries Healthcare MoU, 2017

The establishment of a cooperative relationship to advance South Australia's Hydrogen Future, Neoen Australia, 2017

The establishment of a cooperative framework in the context of South Australia's French Engagement Strategy, Neoen Australia, 2017

SA Government and the Free Hanseatic City of Bremen

SA Government, University of SA and International Space University – Alsace, France

Team France, Team SA (SA Government)

DECD, Ambassador of France, 2017

DECD, Recteur of région académique de Normandie, 2017

History Trust of South Australia – South Australia Maritime Museum (SAMM), National Museum and Museum of Natural History Le Havre

Sigfox S.A (representative of Sigfox), Thinxtra, Sigfox's Australian network operator
 Simulation Australasia and Siemens Ltd.
 Siemens Ltd (Victoria) and Siemens AG (Germany)
 DECD and Minister for Education, Goethe-Institut, 2017
 DECD and Minister of National Education and Religious Affairs of Hellenic Republic, 2007
 DECD and Consul of Italy Dante Alighieri Society of South Australia, 2015
 DECD and Minister for Education of Spain, 2010
 Adelaide Festival Centre Trust and Seville Guitar Festival
 Adelaide Festival Centre Trust and Cordoba Festival
 DECD and International School of Zug and Luzern, 2016
 The University of Cambridge, WCHN – Prof William Hague, 2016
 Climate Group, The Climate Group, Carbon Disclosure Project, 70 signatory regional
 governments and associations, 2014
 DECD and Director Online Training UK, 2016
 Adelaide Festival Corporation (AF), Edinburgh International Festival (EIF), 2016
 DPTI and Design Council, UK, 2011
 DECD and the American International School of Bucharest, 2017
 DECD and Kyiv International School, 2017
 DECD and Pechersk School International, 2017

Asia-Pacific

DEWNR, Council of Heads of Australasian Herbaria Inc. and Andrew W Mellon Foundation (an
 international partnership of herbaria and universities), 2011
 University of Auckland, WCHN – Dr Anu Kochar, 2016
 Agreement for Interstate Assistance, New Zealand Government, 2016
 All Australian States/Territories, New Zealand Child Protection Agencies, 2016
 Performing Arts Network of New Zealand (PANNZ) & Country Arts SA, 2017
 PIRSA -SARDI, Papua New Guinea University of Technology, 2015

SISTER STATE AGREEMENTS

Shandong, China
 Rajasthan, India
 West Java, Indonesia
 Chungcheongnam-do, South Korea
 Region of Bretagne, France
 Okayama, Japan

Appendix D – Current Approach to External Engagement

Engagement	Agency	Sectoral focus	Market focus	Comments
Diplomatic	DPC	NA	International – particularly China and France SA Sister State relationships with: Shandong – China, Rajasthan – India, West Java – Indonesia, Okayama-Japan, Chungcheongnam-do– South Korea, Bretagne-France.	Three separate business units involved in this function – International Relations & Protocol, China Strategy and French Strategy. A prioritisation matrix has been developed to help prioritise diplomatic visits/engagement. A WoG Action Plan developed for France. Strategy for China currently being developed. A WoG action plan developed for the Shandong Sister State relationship. Office of the Agent General actively supporting SA Government's diplomatic activity.
Arts and culture	DPC	Arts and culture	International – China, France, Indonesia, Other Asian countries, Germany, UK Interstate	Arts SA has the main responsibility in this area, however other parts of DPC also involved (French Strategy and China Strategy). Arts SA support offered to artists for other international markets as well as national. Multicultural SA supports cultural connections/vibrancy.
Trade	DTTI	International Education Country strategies/ action plans indicate sectors with opportunities in the market	International – China, India, South East Asia, North East Asia, Europe, USA, Middle East and North Africa (MENA)	Country based approach with significant focus on multi-sector outgoing missions. Strategies or action plans developed for target markets. Currently reviewing approach to trade and strategies including development of an industry based approach. Overseas offices and Austrade embedded SA representatives actively involved in this activity.
	DE	School based education and training	China, Hong Kong, Vietnam, Germany, Japan, Korea, Brazil, Malaysia, Thailand	DE arranges school placements and home-stays for students.
	SATC	Tourism	International – China, UK, Europe, North America, New Zealand, Singapore, Malaysia Interstate	
	PIRSA	Food & wine, primary products, agri tech and research	Various, particularly China, USA, Japan, Korea, South East Asia, Middle East Interstate	Main involvement through trade policy and local industry regulation (including bio-security), also financial support to Food SA, SARDI research projects/collaborations.
	Adelaide Convention Bureau	Tourism – convention visitors	International – not specified Interstate	
	Scope Global	Education, Training, Project services	Asia, Africa and South Pacific	Funds activities through participation in Commonwealth foreign aid programmes.
	StudyAdelaide	Education and training	International – China, India, Hong Kong, Malaysia, Vietnam	Focus on marketing SA and its tertiary institutions.
	DEW	Water technology, services and education	India, China, Indonesia, Vietnam	
	DPC	Various	China, France, Europe	DPC's China Strategy and French Strategy teams, and the Office of the Agent General.

Investment	DTTI	Future industries & advanced man., Food & agribusiness, Technology & creative industries (incl.space), Financial & business services, minerals & renewable energies, health.	International – USA, China, Europe/UK, France, Nordic Region, Japan, South Korea, Oceania, MENA, India Interstate	Overseas offices and Austrade embedded SA representatives also actively involved in this activity.
	Defence SA	Defence (including space)	International -USA, Europe Interstate	
	DEM	Minerals and energy	International - North and South America, Europe, China Interstate	
	Renewal SA	Project specific (e.g. Lot 14, Tonsley Park)	International – various – depending on industry focus of the project Interstate	
	DIS	Various, Future industries, focus on entrepreneurs and business start-ups in advanced technologies, specific projects (e.g. Lot 14)	International – Various Interstate	
	DPC	Various	Europe, China, France	DPC's China Strategy and French Strategy teams, and the Office of the Agent General.
Immigration	DTTI	NA	International – all markets (China key for business migration)	Focussed on skilled & business migration. Overseas offices and Austrade embedded SA reps involved.
	DPC	NA	Various – particular focus on Europe (UK and France) and China	China Strategy & French Strategy teams & the Agent General involved in promotional activity. China team actively engaging with business migrants.
Workforce/skill development	DIS	Growth industries e.g. defence and space Skills in regional SA	International Interstate Intrastate	Close links to immigration, industry development and investment attraction functions.
Research, commercialisation	DIS	Future industries such as AI	Various	
Entrepreneurship, innovation	DIS	Future industries such as AI	Various	
State branding/ Positioning	DPC			WoG marketing & comms. policy/guidelines & oversight of govt. use of state brand. Manages funding agreement with Brand SA. China Strategy, French Strategy and International Relations & Protocol teams, and the Agent General involved in promoting SA.
	Brand SA			Management of SA brand use in industry, local and interstate promotional campaigns.
	DTTI			Promotions interstate and overseas for trade, investment and immigration purposes. Overseas offices and Austrade embedded SA reps. Involved.
	SATC			Promotions overseas, interstate and intrastate for tourism purposes.
	Study Adelaide			Promotions overseas for international students.

State branding/ Positioning cont'd	DEM			Promotions overseas and interstate of the state as a major mining and energy region.
	Defence SA			Promotions overseas and interstate of the state as a major defence and space region.
	PIRSA			Promotions overseas and interstate focused on raising state's profile as clean and green food and wine region.
Others (i.e knowledge exchange)	Various	Various		

Note: current (post July 2018 MOG) names of the departments are used in the table above, although the strategies, functions may have been delivered by other agencies previously.

Source: Agency input into the review and consultations

Appendix E – Key Government and Non-government Bodies

Diplomatic and commercial foreign country representatives based in Australia- Canberra/Sydney and Adelaide

COMMONWEALTH – DFAT, AUSTRADE, IMMIGRATION AND CITIZENSHIP

SA GOVERNMENT – CENTRAL AGENCIES, OR AGENCIES WITH WHOLE OF GOVERNMENT FUNCTIONS

DEPARTMENT OF THE PREMIER & CABINET

DEPARTMENT OF TREASURY & FINANCE

COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT

PRODUCTIVITY COMMISSION

INFRASTRUCTURE SA

Office of the Agent General

SA GOVERNMENT – POLICY/OPERATIONAL AGENCIES

Department for Energy and Mining

Primary Industries and Regions SA

Department for Trade, Tourism & Investment

Department for Industry & Skills

Department for Education

Department for Planning, Transport & Infrastructure

Department for Environment & Water

China representative

SA overseas offices (other than AG's) & Austrade embedded representatives

Stand-alone SA government & quasi state government bodies

SATC

Scope Global

Renewal SA

StudyAdelaide

Defence SA

Overseas representatives

INDUSTRY BODIES/MEMBER ASSOCIATIONS

(with govt \$ for external engagement activity/programmes – shaded boxes)

Business SA

Food SA

Adelaide Convention Bureau

Brand SA

Defence Teaming Centre

SA Chamber of Mines & Energy

Farmers' Federation

SA Wine Industry Association

Other industry bodies

Australian Industry Group

Country specific chambers & community groups