

Our Jobs Plan
South Australian Government Response to GM Holden closure
January 2014

On 21 January 2014 South Australian Premier the Hon Jay Weatherill MP released *Our Jobs Plan*, the State Government’s response to the closure of General Motors Holden’s Elizabeth plant in 2017.

The plan was developed in consultation with the community sector, banks, industry leaders and unions and provides for six key actions:

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The State Government has committed \$60 million over four years towards fourteen initiatives within the Plan to assist South Australian workers and industry.

The South Australian Government is also asking the Federal Government to commit \$330 million to support South Australia in these efforts.

Our Jobs Plan is available in full [here](#).

The Premier’s media release on the Plan is available [here](#).

On 11 December 2013, GM Holden announced it would close its Australian car manufacturing in 2017. The Hawker Britton Occasional Paper this decision and the Federal government’s response is available [here](#).

1. Training and support for workers

Economic modelling estimates that 13 200 jobs will be lost in South Australia because of GM Holden's closure. This includes the 1 700 workers currently employed by GM Holden, approximately 4 000 workers in the automotive supply chain and approximately 7 500 across the state's economy.

The State Government will be introducing new programs to support, re-skill and re-employ workers affected by GM Holden's closure. This includes:

- enabling workers affected by the closure of GM Holden to access the training available under *Skills for All* jobs and skills package, and through the state's *Retrenched Worker Program* for a period of six months;
- expanding eligibility for employment assistance under the Automotive Industry Structural Adjustment Program (AISAP);
- establishing a 'one stop shop' near the GM Holden plant at Elizabeth to provide both advice to workers and a central location for community organisations to provide support services; and
- initiating the development and implementation of a South Australian Government *Workforce Development Plan* with support from GM Holden, industry leaders and stakeholders in Adelaide's north to address immediate skill needs.

Funding

State Government contribution: \$7.9 million

Contribution sought from Australian Government: \$37.4 million

2. Regional Community Building Initiatives

Analysis of the State's automotive supply chain indicates that a number of suburbs in Adelaide's north and south will be particularly affected by the GM Holden closure, including the local government areas of Playford, Salisbury and Onkaparinga. The Government will attempt to support local communities most affected by the closure of GM Holden to generate local activity and employment, through local infrastructure projects and job development programs. This will include:

- Northern Connections, a program which aims to assist the achievement of improved economic, social and environmental outcomes in northern Adelaide;
- targeting the South Australian Government's Planning and Development Fund to affected areas; and
- State and local government support for community initiatives in affected areas via grants of \$12 000 to \$570 000 through the *Community Building Fund*.

Funding

Contribution sought from Australian Government: \$20 million for the *Community Building Fund*

3. Restructuring of the South Australian Automotive Industry

The South Australian Government has appointed former Federal Government Minister the Hon Greg Combet as South Australia's Automotive Transformation Coordinator to drive initiatives to transition automotive component suppliers into non-automotive industries.

The following initiatives will be pursued to facilitate automotive supply chain restructuring and diversification into non-automotive activities:

- the State Government will expand the *Automotive Diversification Program*, which assists businesses to identify and access alternative markets consistent with their capability, to help automotive supply businesses to find alternative markets and opportunities;
- the *Re-tooling for Diversification Program* will provide co-funding for 200 companies to create 5 500 jobs to diversify from the automotive supply chain over the next four years;
- the Government will assist the Industry Capability Network to manage the impact of firm closures; and
- the Government will review the future use of the GM Holden plant and site at Elizabeth.

Funding

State Government contribution: \$7.2 million for the automotive diversification program, \$4.65 million for the Re-tooling for diversification program

Contribution sought from Australian Government: \$26 million for the automotive diversification program, \$21 million for the Re-tooling for diversification program, \$4 million to assist the Industry Capability Network to manage the impact of firm closures and to review the future use of the GM Holden plant and site at Elizabeth

4. Acceleration to Advanced Manufacturing

In its March 2013 Economic Statement, the South Australian Government identified the move to advanced manufacturing as a major priority for the state. The Economic Statement drew upon the Government's Manufacturing Works strategy, launched in October 2012, which set out a 10-year timeframe for this transition to advanced manufacturing.

The South Australian Government will now accelerate this transition so that it is substantially completed within four years. Existing programs under Manufacturing Works will be expanded in 2013–14 and extended to 2017–18. This will include:

- the development of industry roadmaps for new industries, such as defence industry technology, minerals and/or petroleum technology and medical and assistive technologies, to support economic diversification;
- government support for new smart specialisation clusters and precincts in the city, suburbs and regions;
- the provision of new Business Transformation Vouchers of up to \$50 000 to support about 200 small and medium enterprises to tap into expert advice to assist with growth and diversification; and

- expansion of the Manufacturing Leaders Network to expose manufacturers to global trends, expertise and knowledge about high-performance manufacturing.

The acceleration will also involve precinct development, an innovation voucher program and expansion of the reach and extension of the timeframes for the Small Medium Enterprise Innovation Building Programs, including Business Model Innovation, Building Design Competence and Manufacturing Services.

The Hawker Britton Occasional Paper on the South Australian Economic Statement is available [here](#).

The South Australian Government's *Manufacturing Works* strategy is available [here](#).

Funding

State Government contribution: \$1.45 million to support the industry roadmaps, \$5 million to clustering and precinct initiatives, \$4.5 million to the expansion of the Business Transformation Voucher Program, and \$2.7 million to expand the remaining Manufacturing Works initiatives

Contribution sought from Australian Government: \$10 million to support the industry roadmaps, \$20 million for the clustering and precinct initiatives, and \$10 million for the Business Transformation Voucher Program

5. Creating new jobs

The State Government's through its structural adjustment and industry diversification strategy will attempt to build new capabilities in sectors where the South Australia already enjoys competitive strengths and which are also expected to experience above average growth in global demand. These sectors include:

- defence;
- resources and energy;
- agribusiness, premium food and wine;
- health, medical and assistive technologies;
- tourism;
- education and business services; and
- creative industries.

The State Government will establish a \$200 million *Jobs Acceleration Fund* to assist businesses to invest in new economic activity that creates jobs in South Australia. This fund will address a major road block to business growth in the State—access to affordable capital. The Economic Development Board will be charged with responsibility for making recommendations to the South Australian Cabinet on how to invest the *New Jobs Acceleration Fund* and putting in place the Fund's governance and investment processes.

The Government will also be supporting local entrepreneurs through start-up initiatives, including a *Micro Finance Fund* for small grants to entrepreneurs, funding to enable the *ANZ Innovyz Start*

Program to operate in South Australia, expansion of the Student Entrepreneurship Initiative and further research into the establishment of a Centre for Innovation and Commercialisation in the Adelaide CBD.

Funding

State Government contribution: \$20 million towards the New Jobs Acceleration Fund, \$2.68 million for entrepreneurship initiatives

Contribution sought from Australian Government: \$180 million towards the New Jobs Acceleration Fund, \$2.68 million for entrepreneurship initiatives

6. Acceleration of Infrastructure Projects

The State Government will also work with the Australian Government to bring forward high-priority economic infrastructure projects which will be targeted to support industry. These include:

- construction of the Northern Connector and preservation of an adjacent freight rail corridor between Port Adelaide and the area north of Adelaide;
- Regional Mining and Infrastructure Plans for the Far North, Eyre and Western and Yorke and Mid-North regions;
- upgrades to road infrastructure in the Far North of the State;
- an upgrade of the Kingscote airport on Kangaroo Island; and
- development of port infrastructure on the Eyre and Yorke Peninsulas to support mining developments.

This will build on upgrades delivered by the current Government to South Australia's economic and social infrastructure through the Northern Expressway, Port River Expressway, modernisation of the public transport system, new Royal Adelaide Hospital, South Road Superway, a duplicated Southern Expressway, Adelaide Oval redevelopment and a rejuvenated Riverbank Precinct.

The Hawker Britton Occasional Paper on the South Australian Government's Greater Riverbank Implementation Plan and the Royal Adelaide Hospital site redevelopment is available [here](#).

These decisions will also be guided by South Australian Government's Integrated Transport and Land Use Plan, announced October 2013. The Plan, together with the volumes of the Planning Strategy, including the 30-Year Plan for Greater Adelaide and the Strategic Infrastructure Plan for South Australia, aims to provide a comprehensive framework for land use, infrastructure and transport development for the coming 30 years.

The Hawker Britton Occasional Paper on the South Australian Integrated Transport and Land Use Plan is available [here](#).

Funding

Project	Cost (Out-turn \$m)	Funding Split (Aus:SA)
South Road Torrens to Torrens	896	70:30
South Road Darlington	600	70:30
Strzelecki Track	450	100:0
Kingscote Airport, Kangaroo Island	17	80:20
South East Freeway, Mount Barker Interchanges	34.9	69:23:8*
Northern Connector Stages 1 & 2	1,104	100:0

* South East Freeway Mount Barker Interchanges includes a contribution from local government

Further information

Our Jobs Plan is available in full [here](#).

The Premier's media release on the Plan is available [here](#).

The Hawker Britton Occasional Paper on GM Holden's decision to end its manufacturing operations in Australia and the Federal government's response is available [here](#).