

Northern Economic Plan Launch

Key Note Speech

Thursday, 28 January 2016, 12:15pm

**Raymond Spencer, Chairman of the Economic
Development Board**

**Topic: Importance of the Northern Adelaide Region to
the South Australian Economy and how this links to the
global economic change that is occurring.**

On behalf of the Economic Development Board, I was asked, to speak with you about the importance of Northern Adelaide to our State and how this links to the global economic change that is occurring. Before we address the linkage I would like to share with you my observations from South Australia's past and its poignant relevance in today's setting.

Some of you may have heard me comment about this current and critical period of transformation for South Australia. I think it is interesting to learn from history when navigating the future. When reflecting on the State's history since white settlement we can point to what has been definable – many would say 'game-changing' events that reset the direction, to deliver the critical economic and social uplift required.

**We have twice in our history since white settlement been at a time
of great transformation**

In his 1833 report, Captain Charles Sturt wrote, and I quote:

“It would appear that a spot has at last been found upon the south coast of New Holland to which the “people” might venture with every prospect of success.”

It is remarkable to reflect just how profound these words turned out to be.

We continue to ‘*venture with every prospect of success*’ almost 200 years after this was written.

The first period of great transformation was in the earliest years of the colony, when our pioneers like my great, great grandfather were at the very start of establishing a solid foundation. This period was not for the faint-hearted. Brave men and women battled to create a viable agricultural economy to support the new settlement.

John Ridley invented a reaping machine in 1843 which was truly pioneering and changed farming methods throughout South Australia and the nation at large. Toward the end of the 1800’s South Australia would become known as the "granary of Australia".

In the 1840s, Copper was discovered near Kapunda, and even larger deposits were discovered at Burra which brought wealth to those who invested in the mine. It was the copper from Burra's "Monster Mine" that saved South Australia from bankruptcy.

When I was growing up in the 1950's, South Australia was still largely dependent on the economic framework created by the State's founders.

The next great period of transformation began when South Australia and Australia found itself cut off from traditional suppliers of manufactured goods as result of the Second World War. *The country was forced to create its own.* Armaments and munitions factories needed to be created to supply the war effort, and Sir Thomas Playford, elected Premier in 1939, was enthusiastic and determined in advocating South Australia as the perfect location for these industries.

This period of transformation continued after the war. The city of Elizabeth was built by the Housing Trust in Adelaide's north, to support the production of Holden motor vehicles. It was *at the time* a showcase of successful city planning.

The Housing Trust sold Tonsley Park where the Chrysler car manufacturing plant was set up and helped to install rail yards, electricity and water infrastructure there, as it had done at Elizabeth.

Power and water schemes were expanded to be able to cope with the industrial development occurring.

When Playford left office in 1965, South Australia's population had essentially doubled from 600,000 in the late 1930s to over 1.1 million, the highest proportionate rate among the states. The economy had done likewise and personal wealth had increased at the same rate, second only to Victoria. Employment in manufacturing in South Australia had increased by 173%, while the national average during the period was 129%.

It could be argued that both periods of great transformation were achieved through their unique historical and political circumstances, however, I believe this only partially explains the achievements during those times.

For me, the successes achieved were driven by the personalities that encouraged the reforms and the role that citizens played to help lead the change.

And I include Don Dunstan and the social transformation that he led in this as well.

These were political, business and community leaders who were prepared to look ahead with the courage and boldness to confront the challenges and the established norms. People with the vision and courage to invest in the relevant niches in the global supply chain where South Australia could viably compete.

As I speak with you today, I invite you to reflect on these well documented historical times and ask yourself “what contribution will I make to improve our society and create a legacy for future South Australians to enjoy?” “What will I commit to **do** as part of this current and important period of transformation of Northern Adelaide?”

Times of transformation require five elements:

- an accurate understanding of the current reality,
- a shared vision for the future,
- prioritised strategies to attain that vision– for example the State’s ten economic priorities and the Northern Economic Plan.,
- deliberate bold actions, and
- focused investments aligned with the other four.

Simple solutions and the hope for magic bullets will not cut it.

Transformation requires a commitment to disciplined execution of complex solutions.

In Northern Adelaide and indeed the whole of South Australia, it is critical that we choose to chart a course for growth, as distinct from business as usual or inactivity, both of which will result in decline.

The success of this State's transformation depends on the prosperity of this community in particular. Why? Well, there are many reasons including;

- the population of Northern Adelaide is growing at almost double the rate of South Australia;
- this region has the highest rate of unemployment in the State, and yet the region contributes 16% to South Australia's Gross State Product;
- approximately 6,000 of the total 17,200 businesses in Northern Adelaide are businesses who employ others (job makers)
- Leading by example, Northern Adelaide has already taken significant steps through adopting innovative approaches for instance in sustainable water management, to be more resilient to climate change impacts;
- South Australia will be seen as a premium food bowl to Asia and a focal point will be the Food Park in Parafield where food businesses can come together to build scale, and share facilities and services they wouldn't have access to otherwise. This will add significant value to South Australia's already growing food exports;
- the 985 million dollar Northern Connector project will stimulate the economy through securing hundreds of jobs over the next

four years, lower the cost of doing business, attract investment, and improve local businesses' access to core markets;

- as ambitious as it sounds, you are in an ideal position to adapt and grow through South Australia's globally competitive industries including— Urban development, health care and social assistance including aged care, education and training, professional scientific and technical services, and food manufacturing.

While Northern Adelaide has many strengths and for decades has been one of the most robust and significant contributors to our State's economy and social fabric, what I believe it is best known for is the resilience of its people... and it is this resilience, shown during these challenging times, which so powerfully equips Northern Adelaide with the ability to reset and secure a strong future.

The State and Local Governments' unwavering commitment to Northern Adelaide is evidenced today by the Premier unveiling the Government's suite of initiatives that are largely designed around the input from the people of Northern Adelaide. The Northern Economic Plan's initiatives will assist private enterprise, corporations and not-for-profits in providing support to this community, with a focus on jobs in markets, where we are globally competitive.

This plan for Northern Adelaide, dedicated to navigating one of the biggest transformations in the country, encompasses every one of

South Australia's economic priorities in one way or another. For that, I commend the countless hours of work that the many here today and those not present have undertaken to make this all possible.

I believe that with focus, unwavering commitment and clever collaboration, history will mark these times as yet another example of how Northern Adelaide played its critical role in securing the future of South Australia.

Thank you