

## CEDA - State of the Economy

### Introduction

I would like to thank CEDA for inviting the Economic Development Board to participate today. I recognise my colleagues on the Board of the EDB who are present, and thank them for their many contributions to our work. You will be hearing from a number of them during the panel session.

I particularly acknowledge David Knox who was recently appointed as the Deputy Chair of the Board. I would also like to thank Rob Chapman, the former Deputy Chair for his nine years of dedicated service and support and recognise his continuing contribution as the Chair of the Investment Attraction South Australia and a Member of the Economic Development Committee of Cabinet

This is the year of the rooster in the Chinese calendar. This is the year to wake up, rise and shine.

This is the year for South Australians to:

Wake up to the reality that we live in a world where it appears that the only thing that is stable is change.

Rise up in response to the disruption to our economy and society at large caused by technology, globality, communication and the improving performance of lower cost economies. In all aspects of life, many of the things that we are doing today may well be irrelevant in 5-10 years' time.

And shine as we acknowledge that in this dynamic world, the people who thrive are people who embrace change, are life-long learners, are bold and act decisively and with speed.

We could act like the tortoise, and go into our shell and naively hide from the forces of change, or we can face the reality we have on our hands, and respond with courage and tenacity.

The Khan Institute recently described the impact of this changing world in this way:

*"In 1998, Kodak had 170,000 employees and sold 85% of all photo paper worldwide. Within just a few years, their business model disappeared and they went bankrupt.*

*What happened to Kodak will happen in a lot of industries in the next 10 years - and most people won't see it coming. Did you think in 1998 that 3 years later you would never take pictures on paper film again?*

*Yet digital cameras were invented in 1975. The first ones only had 10,000 pixels, but followed Moore's law. So, as with all exponential technologies, it was a disappointment for a long time, before it became far superior and mainstream in only a few short years. This will now happen with artificial intelligence, health, autonomous and electric cars, education, 3D printing, agriculture and jobs."*

Technology is disrupting many traditional industries across the globe. What technology is poised to disrupt your business? Are you aware of the technologies that are out there that are not yet commercial but when they become so could put you out of business as you know it?

South Australia is today facing challenges that are unprecedented in their scale and complexity.

Our unemployment climbed to just over 7% but is now back to 6.4%. Over the past 12 months South Australia saw the second strongest employment growth in Australia – adding 5,300 full time equivalent jobs. We now have 17 consecutive months of employment growth, with a record 820,000 people employed in the State. We need to continue working hard to create new jobs to get back to or below the national average.

You don't have to dig deep into the news to see the cost on South Australian communities of the current transformation of our economy, and I'm sure you all know the stories. This isn't just about unemployment figures, as important as they are. It's about the wellbeing of whole communities.

With so many of the old certainties of economic life gone or going, we must be bold and innovative to create the intelligent jobs. We don't have a moment to lose.

Today I would like to share with you my observations of the following:

1. The state of the State,
2. Three issues that require a call to action, and
3. A snapshot of the EDB's initiatives and an overview of our strategic focus in 2017.

### **The state of the State**

Thankfully, South Australia has a lot of advantages we can capitalise on while recognising there is also lots to address.

We are blessed with a wonderful climate and environment. Our social and economic infrastructure is world class, as are our educational and healthcare services. Our relative isolation is no longer a problem in today's virtual world and our size means we can get things done quickly if we have the will and choose to act boldly.

Economically speaking, South Australia's main strength is the diversity of our economy but in all areas we must strive to move up the value chain to produce goods and services that are of the highest value to our end customers. There has never been a more important time than now to be outward-looking in our orientation to the world. We must not become insular and protectionist. This is a connected world that rewards initiative, networking and tenacity – and penalises complacency.

If we are complacent, and refuse to adapt to change, we will be surpassed by our region's rapidly growing economies. As a result, we will not be able to hand down to our children and grandchildren the extraordinary lifestyle that was bestowed upon us. I cannot find comfort or justice in this. I do

not want to be known as a member of the generation that oversaw the great decline in South Australia's living standard.

As we lead the transformational change required for sustainable prosperity, **collaboration** and **innovation** will be key to achieving the desired outcomes. Solutions will be industry led solutions with the private sector, non-profits and community leaders driving the necessary change and working in partnership with government. It's not government's role to find all the answers, nor can we simply blame government for all of the problems. The unfortunate decision by Coca Cola to close their Adelaide plant was a company decision.

For those of you who are not familiar with the Board, the role of the EDB is to provide independent and fearless advice to the Government on economic opportunities and challenges arising in South Australia. The EDB is made up of business and community leaders with experience in a broad range of areas. The EDB holds a somewhat unique role as a key conduit between Government and the private sector.

The EDB understands that when an economy is undergoing the depth of transformation that we in South Australia are experiencing, it is not about doing what you have done in the past better. It's not about picking winners or governing by slogans that appeal to populist thought. Nor is it as simple as changing a couple of policies.

Successful transformation requires carefully analysing strengths and weaknesses of our economy and implementing a comprehensive set of strategies and sticking to these in a disciplined fashion. We are not in a situation where there is a quick fix or a silver bullet.

Given the scope of change we are undergoing in South Australia it is a miracle that our unemployment rate only climbed to just over 7%. In parts of the US that went through this kind of change, like Pittsburgh, Pennsylvania, unemployment rocketed to over 20%. Pittsburgh demonstrates that if the private and public sector do follow an innovative, inclusive and collaborative path you can be successful. Pittsburgh unemployment is now approximately 4% and they have transformed their economy so that 23% of workers are now engaged in the high paying technology sector – 20 years ago there were essentially zero.

It is with the understanding of the complexity of the economic transformation that South Australia is going through, that the EDB in 2013 worked with leaders in the business and non-profit sector, community leaders and government through the **Shaping the Future of South Australia** program to get input from nearly four thousand South Australians on what we needed to do to transform our economy. Nearly 100 recommendations were presented to the EDB who worked with the Economic Development Committee of Cabinet to shape them into the set of 10 economic development priorities. These priorities focused on 5 key sectors with the greatest potential for growth and 5 enabling priorities. Each priority had specific one and three year deliverables.

You can see them behind me and I will not repeat the CEDA session of 2014 when these were discussed at length.

The sectors are a blend of areas where we can get some fairly quick wins in jobs and revenue growth and others that are growth opportunities over the medium and longer term.

For example, priority five, focusing on the visitor economy demonstrates the short term impact from investing an additional \$17.5 million in marketing. International visitor numbers increased 19% in the last two years while the national growth was 12%, and jobs in the sector grew from 31,000 to over 36,000 in just over two years. Last year the visitor economy grew by \$800 million. Perhaps we should double down on this investment!

Likewise, the aspect of priority four focusing on international students, currently a billion-dollar industry directly employing about 5,000 people, is another area that with immediate investment can grow jobs and the overall economy quickly. New innovations in commercialisation of university based discoveries, while very important, take much longer to result in active businesses and new jobs.

Priority two exemplifies building on the historical strength of Agriculture and over the medium term moving our products and exports up the value chain by investing in infrastructure like the food park which will help scale up food manufacturing production. We export 85% of our wheat production mostly as raw product. We in South Australia receive no economic benefit from the value add activities that happen overseas. The world is projected to need twice as much food in 2050 and South Australia's agricultural resources can respond to this demand, in a way that is clean and green. While we do not produce enough to be the food bowl of Asia we can certainly be the producer of high value food products for the millions of people in the growing Asian middle class and do it sustainably.

Other areas like the ageing well aspect of priority three if implemented with continuity and discipline will create thousands of new jobs over the next five to ten years. I will say more about this later while addressing the 2017 work of the EDB.

Since creating the priorities we have also won the submarine contract and the potential for innovative companies to grow in that supply chain is clear.

With the economic priorities as a back drop, I would like to discuss three areas of concern that I feel need to be addressed by the business, academic, non-profit, community and government leaders of the State.

### **The first is Energy**

After all the events and noise of recent months, I am bound to say something about energy. I declare an interest, as a Director and shareholder of the South Australian renewable energy and storage company ZEN Energy, and as a Director and shareholder of the leading grid-level battery storage company in the United States, Greensmith. That interest allows you to discount what I have to say if you wish to do so. The nearly 10 year association that I have had in those organisations also

makes me acutely aware of developments in the economics of renewable energy and storage, and their potential to lower energy costs while enhancing energy security.

I excuse myself from all conversations of the EDB board and subcommittee on this topic led by Terry Burgess and I do not receive working papers on this subject. I also do not participate in any of Zen's interactions with State Government which are led by Chairman Ross Garnaut.

To put today's situation into context, wholesale electricity prices were much higher in South Australia than in any other state in the first decade of this century, even before wind and solar played a large role in any state's supply. From 2001-10 wholesale electricity prices averaged \$46 per Mwh in South Australia, compared with \$31 and \$40 respectively in the coal-rich states of Queensland and New South Wales. By 2016, with renewable energy now much more important in South Australia than elsewhere in the nation because of its advantageous wind generation profile and quality solar resources, the wholesale price had lifted by about the same proportion in South Australia (35 percent) as in New South Wales (30 percent) and by much less than in Queensland (where it rose 85 percent).

The main force driving up wholesale electricity prices right through the National Electricity Market has been the extraordinary lift in the price of gas. Through the unprecedented summer heat of early 2017 the gas prices have been four or five times as high as before the investment in the export oriented LNG plants in Queensland which made domestic gas supply scarce and expensive. Gas has accounted for a much higher proportion of electricity in South Australia than the eastern states for many years, so the crisis of gas shortage and price has had a much larger impact here than elsewhere. In fact, due to the expanding role of renewables bidding into the wholesale market at low prices, the proportionate increase in electricity prices in South Australia has been much less than in Queensland and similar to New South Wales.

Reliability of electricity supply is crucial, and has gone missing recently. Both in September last year and earlier this year, failures in the national regulatory system led to unnecessarily prolonged breakdowns in access to power. While the relevant agencies are primarily Federal, the States are represented on governing Boards. These failures have many parents.

The shift away from fossil fuels in South Australian and Australian electricity does not need to reduce energy security or to increase costs. Recent developments in the technology and economics of electricity storage hold out good prospects for lifting current state levels of wind and solar energy, while reducing power costs and enhancing security of supply.

We won't get these good outcomes by continuing to run the electricity grid in the same old way. From Greensmith in the United States, I have seen firsthand, grid scale batteries playing a crucial role in balancing intermittent wind and solar energy and providing grid stability right now —not in some distant time. Australia lags behind the developed countries of the northern hemisphere in incorporating these new technologies due to the the glacial speed of regulatory change that is necessary for grid stability. Hence the persistence of the quaint Australian practice of averaging

settlement prices for wholesale power and frequency control ancillary services over half hour periods, when bids into the market are made every five minutes. Simply changing these settlement regulations from 30 minute to five minute pricing would greatly increase the impact of the new technologies in attaining price and grid stability.

It is time to put ideology aside, and use the new technologies to reconcile the imperative of decarbonisation of our energy systems, **with** lower costs and energy security. The Prime Minister's support for battery and pumped hydro storage in his National Press Club speech earlier this month provides an opportunity for us to face the future. Facing the future will allow us to turn a South Australian disadvantage in the coal economy of the past, into an advantage in the low carbon economy of the future.

### **Second is Culture Change within the Public Sector**

In this area I regret that I am saying much the same as I did for the past five years and I am personally disappointed in our lack of success. Now, more than ever, we need an innovative, engaged, and productive public sector.

In 2012, the EDB and I became involved in designing a public sector reform initiative in this State, the Change@SouthAustralia program. If you're familiar with the program at all, you would know of its suite of 90 day projects.

The program focussed on the core problem that I hear time and time again when speaking to business and community leaders which is, the conventional culture of our public organisations is not client and outcome focused. It is slow and overburdened with red tape and bureaucratic process, for process sake.

This change program was well thought out. But has it been successful? Sadly, in spite of the courage and conviction of its leader, Erma Ranieri and her team, at this point, I'd have to answer no.

Although there are pockets of excellence and modernisation in our public institutions, there are still too many excuses for continuing with business as usual. The culture change we need to alter individual behaviours has not permeated the broader workforce.

Although we have a lot of programs focussed on community engagement, technological transformation and professional standards, the culture change program needs better adoption across departments to impart a stronger sense of purpose and meaning in all employees.

I am pleased that the public sector has recently re-energised and enhanced this ambitious reform program to emphasise individual responsibility for values and accountability at the most senior level. It recognises that every leader needs to develop the skills to bring their people on the culture change journey which will be supported by the recently announced Leadership Academy for Public Sector Leaders.

I hope this aligns every public sector leader around implementing the programme, and that they will be held accountable for achieving its goals and living the values of a modern organisational culture.

The State's future is relying on this change in its largest employer and I remain optimistic that in 2017 we will witness significant progress in this area.

### **The third is Current Political Tonicity**

The tone of political debate on all sides has to change. Political discourse has been reduced to monologues where politicians talk past each other or stage media events rather than engage in authentic dialogue and debate that leads to creative solutions to complex issues. Too much political speech is for the sake of power grabbing and re-election, not truth telling and problem solving. We, the electorate, need to elect truth tellers who have the courage to communicate that truth even when it may not be popular.

Some say "Raymond, that is naïve idealism on your part."

I don't buy that and I think recent political events in the US and Europe demonstrate the imperative of this change in tone.

I suggest we will not reach our potential in South Australia if political debate is simply saying no to what others propose, nor if we focus our plans on four year electoral cycles, because the transformation we are going through requires longer term continuity. We need multi-sector collaborative processes to forge consensus on fundamental items. Let's have our political arguments over the success or not of their implementation.

As talented as many of our politicians are, the political process is far too important to be left only to politicians. The next time you wonder who is responsible for the state of our politics, look in the mirror.

I think the stalemate on our discourse following the Nuclear Royal Commission is an unfortunate example of the difficulty in conducting complex conversations in the current political environment.

The proposal by the Royal Commission to develop an internationally used nuclear fuel waste industry should not be viewed as an end in itself, but rather as the means to transform South Australia's economy. The Government's successful community consultation process, gave it significant insights into the concerns that South Australians have about the future of our state. The consultation process, through engaging with metropolitan, regional, remote and Aboriginal communities highlighted the challenges communities face and the unanswered questions that remain regarding the Royal Commission's proposed pathway for the State.

These insights present all sides of politics the opportunity to come together to support government undertaking work seeking to address the concerns of South Australians by outlining the role that an international nuclear waste industry could play in improving the social and economic fabric of the

State. This work would also help secure future agreements with customer countries — agreements that the community accepts and owns.

If we cannot get bipartisan support now to undertake that work, given 44 percent of the community has expressed support for further investigations and 20 percent have expressed a desire for more information, we will not only lose a once in a century opportunity for South Australia, but further erode trust in our political leader's ability and desire to lead deep and meaningful transformation and of Government to be a co-creative partner in this change.

A few further comments on this issue. First, I see no other proposition of this scale on the table that has the capacity to facilitate the industrial and social transformation of the State. It's unlikely another proposition will come close to generating as much wealth for the State as that identified in the Royal Commission Report.

Second, given the momentum that the State has achieved in this area over the last two years, it seems nonsensical to stop the conversation and potentially lose the opportunity by abandoning further investigations when those investigations are central to determining the true value proposition as identified by the Royal Commission.

Finally, it seems to me that it would make sense for South Australia to pursue a partnership with the Commonwealth as the State undertakes further investigations, as there is a significant role for the Commonwealth should the activity proceed.

I'll conclude my comments on this issue by again drawing attention to the fact that 64 per cent of South Australians surveyed either were supportive of further investigations or were unsure and needed more information. This is a very solid base on which to undertake further necessary work. It's even more remarkable given it took Finland 30 years to achieve the same level of community support.

Let's just get on and do it and so demonstrate that at least in South Australia we will not succumb to nor tolerate a Trump like approach to decision making.

## **EDB**

2017 is shaping up to be an exciting year for the Economic Development Board.

Let me put the EDB's work in 2017 in perspective, by mentioning some key achievements over the last 14 years of which we are particularly proud. I will then give an overview of the work the EDB will be focused on this year.

A recent analysis suggests that since the formation of the EDB the aggregated monetary value of EDB recommended programs through increased investment, revenue and savings to businesses in South Australia is estimated to be \$4.4 billion.



For example, in its early years the EDB strongly advocated for the establishment of a Resources Industry Taskforce, which in turn led to the development of the PACE (Plan for Accelerating Exploration) initiative. This initiative has been tremendously successful for the South Australian mining and resource sector. Despite the uncertainty of global commodity prices, PACE has prompted South Australia to become the leading State for copper and uranium exploration. For an expenditure of less than \$50 million, South Australia has received \$2.4 billion in mining revenue alone, leading PACE to become the benchmark in mineral exploration in Australia.

The EDB's work in analysing existing investment attraction capability, and the study of global best practices with the assistance of Barry O'Leary the former head of the Irish Development Agency, led to the recommendation to establish Investment Attraction South Australia and its operating model. This has proven to be a great boost to the State's economy. Despite only coming into existence in 2015, this agency has already assisted 20 companies to secure over \$1 billion worth of investment projects to the State, which has directly leveraged over 2,700 jobs within these organisations and over 2,400 construction jobs. Ladies and Gentlemen that is over 5,000 jobs created that would not have been created without the great work of this agency. It is a competitive landscape and if this agency had not spoken to these organisations then they would be in Victoria or someplace else. The full impact on unemployment statistics is of course still to be felt. Rob Chapman tells me he has no problem selling South Australia and that there are things going on here that differentiate us from the other states evidenced by the decisions companies have made to locate here when they had money on the table from other states to go there. This is a government agency that is blazing a new trail in its behaviour and way of operating. I heard a business person the other day say how "unlike government" this agency is.

I am incredibly proud of the role the EDB took in recommending the establishment of a Wellbeing and Resilience Centre at SAHMRI but also in taking ownership of the Centre during its transition from initial vision to the implementation of stage one. The wellbeing and resilience programmes being implemented across the spectrum of all South Australians provide the foundational strength at the individual level to thrive in the midst of economic and social change. To date, the work of the Centre has attracted project partners and sponsorship of \$5 million. The focus is to significantly improve South Australia's ability to build mental health assets, given the estimated cost of mental illness in Australia annually exceeds \$190 billion. This statewide approach will guarantee that everyone can access the skills of resilience and is essential for helping South Australian's be successful in the emerging economy.

The State Brand and Brand South Australia are initiatives of the EDB that have contributed to understanding and marketing the unique values that define South Australia. In just three years it has provided a common, professional approach to improving perceptions and pride in the State with over 4,000 organisations using the brand on their packaging, promotions and communications. Annual market research indicates that nearly 90% of South Australians recognise the State Brand. To put this in perspective, this is a higher recognition than that achieved by the Cadbury logo (which has been in common use for over 80 years).

I am proud to announce that today the EDB has published the Survey of Innovative Companies report, the first of its kind in South Australia. The report provides a comprehensive snapshot of how our most innovative and successful companies go about their business. What I found most pleasing about the exercise was that it provides documented evidence of South Australian companies from all sectors of our economy that are actively engaging in innovation in their organisations. Printed copies are available here today and you can find it on our website too.

The EDB's work in 2017 is on projects under two broad areas of Sector Development and Business Enablers. I'll speak to the Ageing Well initiative in more detail given its newness and potential scale and impact and the others more briefly. All can be explored in more depth during the panel Q&A session.

### Ageing Well

With more people living longer on the planet than ever before, this global phenomenon presents real opportunities to design a better future. We have an opportunity to create a future that engages people throughout the whole of life's course to participate and belong in ways that add value to society.

In my presentation to the CEDA State of the State in 2015, I spoke about a vision the EDB had for Ageing Well. Since then the Premier has endorsed the EDB to take this State on a journey towards Ageing Well. A journey that led to the Shaping the Future of South Australia Ageing Well State Forum, a process which included over 1500 citizens from industry, academia, not for profit sector and the community.

We believe that Ageing Well both socially and economically is a global game changer. Let me explain why.

It is projected that the number of South Australians aged 65 and over will grow by 42% to nearly 400,000 by the year 2030. And in terms of impact - the spending power of this group will soar by over 40% to nearly \$9 billion.

With retirees meaningfully re-engaged in the workforce and people actively involved in co-creating their future by informing businesses of their wants and needs, industry will create new products and services catering to these consumers.

On the employment front, spending by South Australians over 65 results in more than 50,000 jobs today and is projected to be more than 70,000 by 2030.

And what is most remarkable is this forecast is limited to the South Australian consumer market only. Imagine the jobs growth in South Australia beyond this if you add the new jobs that will be created from exports of goods and services nationally and internationally by businesses who service this 65 and older sector. It surely will add at least this quantum of jobs again!

Did you know men and women aged 60 today are expected to live to around 94 and 95 years old respectively? Looking around, I see it captures a number of us.

This is just the beginning of why Ageing Well as a sector is so important to all of us. It is a social and economic movement that requires a shift in mindsets.

We are broadening the conversation to more than traditional Aged care. This conversation extends to almost every sector of our society including Financial Services, Tourism and Recreation, Housing, Transport and Food, to name just a few.

The opportunities are vast and available to people of all ages whether they be entrepreneurs, investors, small business owners or employees. There are already a number of exciting organic activities taking place, in both metropolitan Adelaide and regional South Australia.

With the help and support of many, the EDB is championing four projects in 2017 which will position South Australia as a global leader in the field of Ageing Well.

First is an Ageing Well Entity

We are working towards designing and creating an Ageing Well entity that will provide concierge services and access to networks to inform and enable businesses to accelerate paths to this market. Citizens aged 60 and beyond will be central to the design and implementation of this entity.

The second is A South Australian Living Laboratory Network

The Ageing Well Living Laboratory Network in South Australia will play a key role in South Australia becoming an internationally recognised global leader in Ageing Well. The network will be a global demonstration of how to live well in later years of life and build a robust, vibrant economy around it. It will promote international connections by providing businesses access to global markets and opportunities, and position South Australia as the destination of choice.

Through actively engaging older South Australians in co-creating and trialling innovations, this will allow them to build tomorrow's future while valuing living independently for longer. Local, national and international businesses will flock to get their new products and services into the living labs and it will elevate the State's Ageing Well reputation through a business model that will deliver transformational change and economic prosperity.

The third is the International Conference for Ageing Well. The conference will:

- ▲ bring international experts to SA to share knowledge about the transformation in the way people in their 60 70 80 90s are living and about how smart business and enterprise are aligning to this;
- ▲ position South Australia as a world leader in the ageing well sector by showcasing South Australian projects and companies that are developing innovative products and services and assist them to form international partnerships early; and

- ▲ highlight significant growth potential and opportunities through this rapidly expanding consumer base in the global economy.

### Finally the Premier's Challenge

To attract South Australian businesses and entrepreneurs to showcase their products and services at the International Conference, the EDB has launched the Premier's Ageing Well Innovation Challenge to call for interested entrepreneurs and companies to submit their product or service innovation that they are willing to publically promote at the conference.

The Challenge is still accepting applications. As you can see on the slide behind me, please head over to the website ([www.yoursay.sa.gov.au](http://www.yoursay.sa.gov.au)) for more info on how your business could be showcased on an international stage.

For people in their 60s, 70s, 80s and 90s to successfully transition to the next phase of their productive lives, the businesses and services that support them will have to do likewise.

### Now to the EDB's other projects

Our State has rightfully earned its global reputation for premium **Food and Wine**. Vital to our economy, in 2014-15 it accounted for more than \$16.4 billion dollars in revenue.

The EDB wants to increase the State's market share by continuing to be engaged through several projects. Through its participation on the Food Park Advisory Committee, the EDB aims to ensure hurdles are overcome so that the Northern Adelaide Food Park project is delivered. The SA Food Innovation Centre (or SAFIC) will bring together Government, Universities, Research Institutions, Food SA and industry to help companies create high value products and services. The EDB's focus is to make sure that SAFIC will meet the industry's needs and adapt as those needs change over time.

The ever-growing Visitor Economy is also a key focus of the EDB. Despite the impressive 14% growth in this sector, now as a State we must accelerate this. The EDB is exploring potential to further improve the tourist experience.

Another growth area is our **Arts** scene. South Australia is home to some of the most dynamic and brilliant creative minds, you only have to spend one night at the Fringe to experience the incredible talent our State has on offer. The EDB is seeking to unlock the economic potential that the South Australian arts sector may bring by drawing on lessons from overseas and examining ways to maximise the economic impact.

As I stated earlier, the sub-committee focused on **Energy** is addressing the impact of the cost of energy on doing business in South Australia. This will be discussed by my colleagues on the panel.

Another focus for the EDB is **Building and Growing Medium Enterprises**. Through working with industry, the EDB is seeking to help SA's medium enterprises grow and see a demonstrable impact within 2-3 years. An environment is needed to assist business to not just survive but to flourish and

create new jobs. We believe the potential to create new jobs within existing businesses is greatest in medium scale enterprises.

Within the **Workplaces of Tomorrow** work area, the EDB will identify the alternative infrastructure and other enabling capabilities to support innovative future industries and work with Government to facilitate their implementation.

In addition, the EDB will maintain its ongoing work furthering the economic outlook for **Regional South Australia**. The Board maintains its linkages to regional South Australia through continuing its history of holding regional Board meetings. The EDB is always keen to understand the economic development issues faced by regional communities.

In conclusion, I am reminded that Einstein said ‘that the definition of insanity is doing the same thing over and over again and expecting different results’. We’ve all heard this before and with good reason, it is both relevant and applicable. It’s certainly applicable to South Australia right now in this time of economic transformation. We need to be flexible and innovative in creating and seizing opportunities that will put South Australia on a path to success. If we harness our DNA and apply creativity, ingenuity, and industriousness to everything we do imagine what we will achieve!

I will end this talk as I did the first CEDA address I gave nearly six years ago.

At a time when cities, states and nations all over the world are struggling to engineer solutions to the challenges of environment, social dysfunction and economic decline, South Australia can again act as the incubator of the essential ingenuity the world so desperately needs. If business, government, social agencies and the community invest and work together, and if we build on our strengths, have confidence in our ability to transform, work hard, because it will not be easy, and not succumb to the negativity of those who want to talk South Australia down, South Australia can reach even greater heights of prosperity and continue to be one of the most liveable places in the world and a global model for twenty first century living.

Who in this place wants anything less?

**Mr Raymond Spencer, Chair**

**Economic Development Board of South Australia**

**Delivered at CEDA forum – 24 February 2017**