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Accelerating Regional Growth - Shaping the future of South Australia's economy

RDSA Summit

5 September 2025

Susan F. Stone

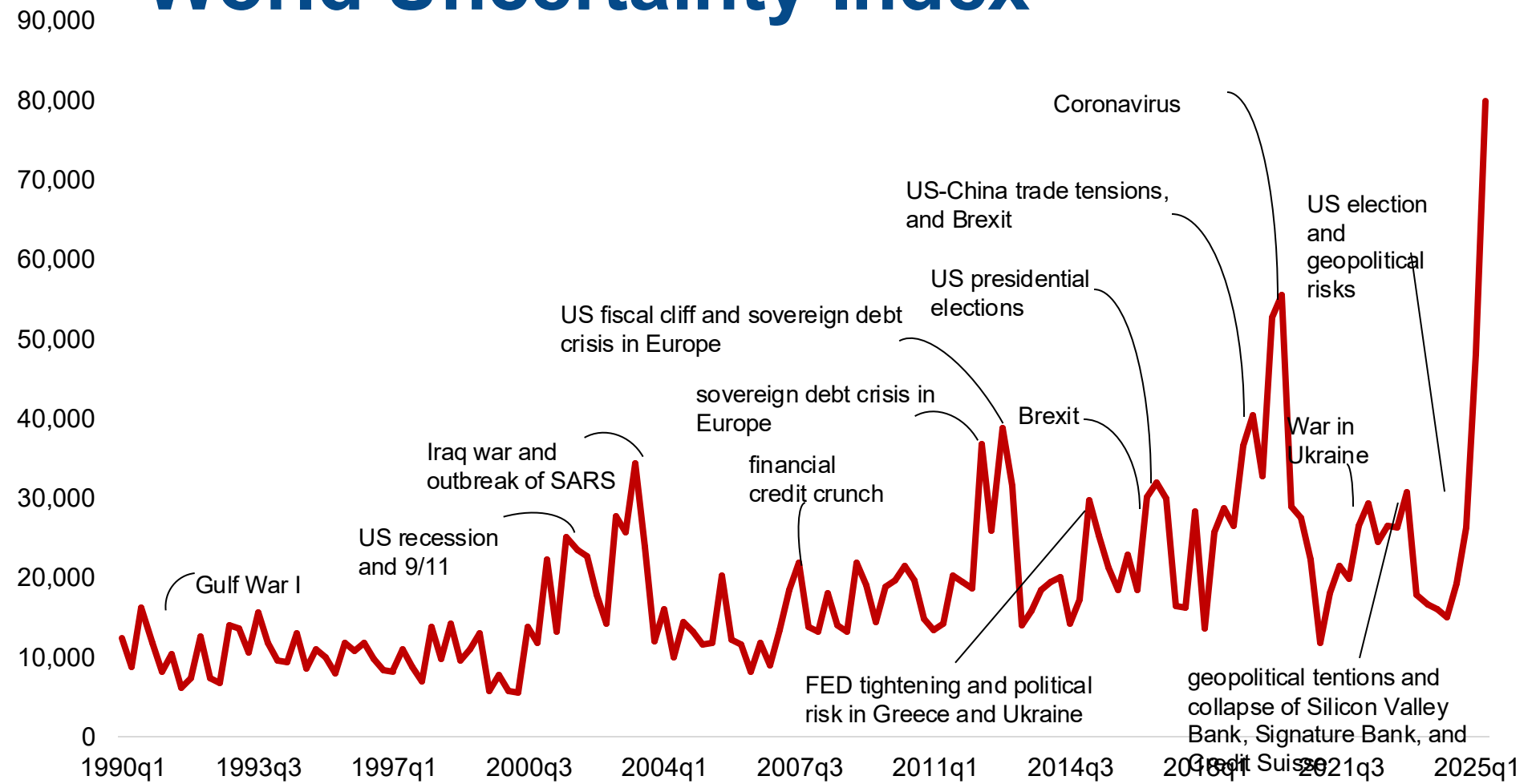
Credit Union SA Chair of Economics, UniSA

What's Impacting the SA Economy?

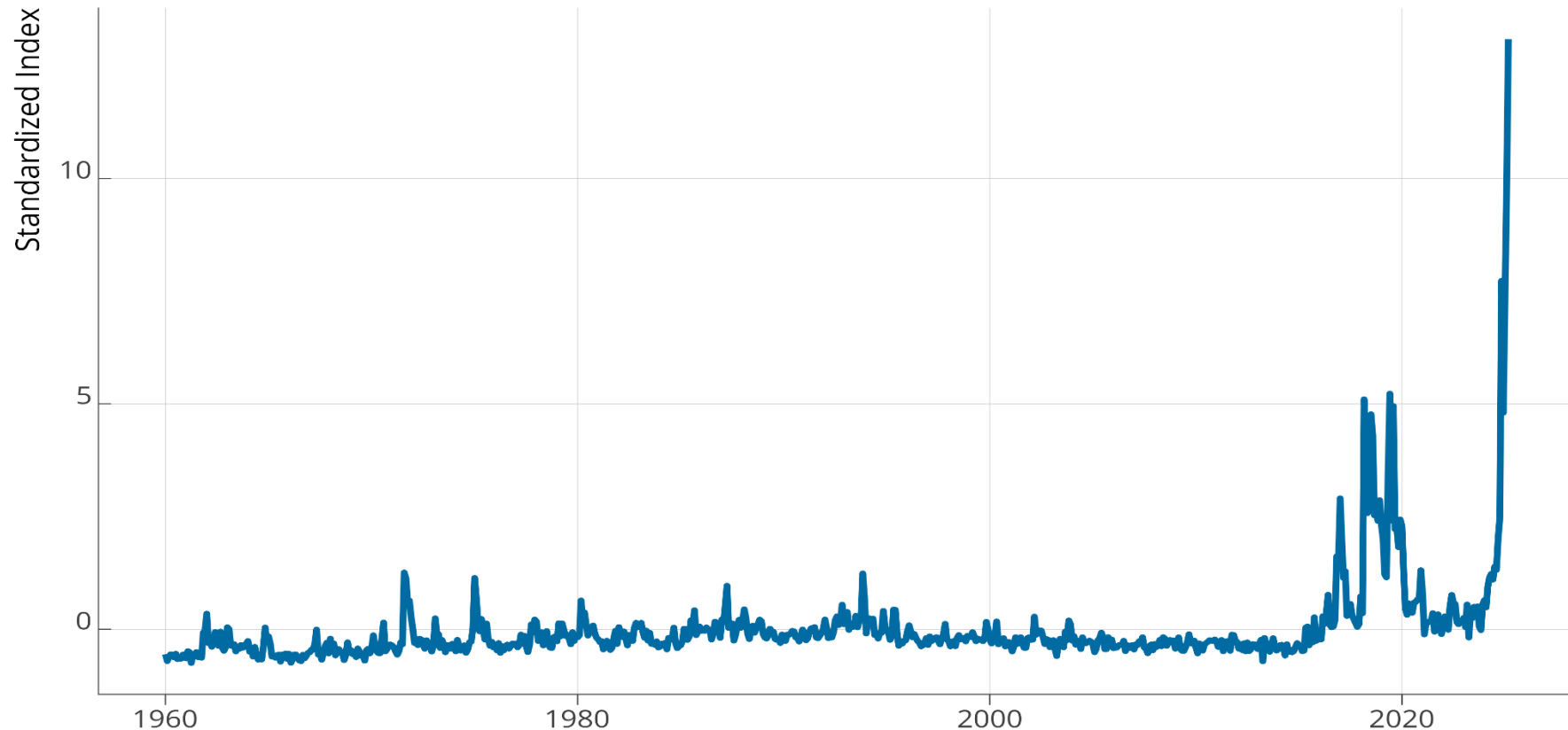
- Risk and Uncertainty
- Investment and growth
- Real estate market and trends
- Broader Economic conditions

Risk and Uncertainty

World Uncertainty Index



Trade Policy Uncertainty



Sources : Source: Caldara et al. (2020). last point: march 2025, calculs OFCE.

Uncertainties beset us

- Pace of Change is Accelerating
- The Acceleration Of Change Requires A Special Set Of Leadership Skills
- Challenges increasingly Complex and Interrelated
- Global Spillovers increasing
- Robustness vs Resilience

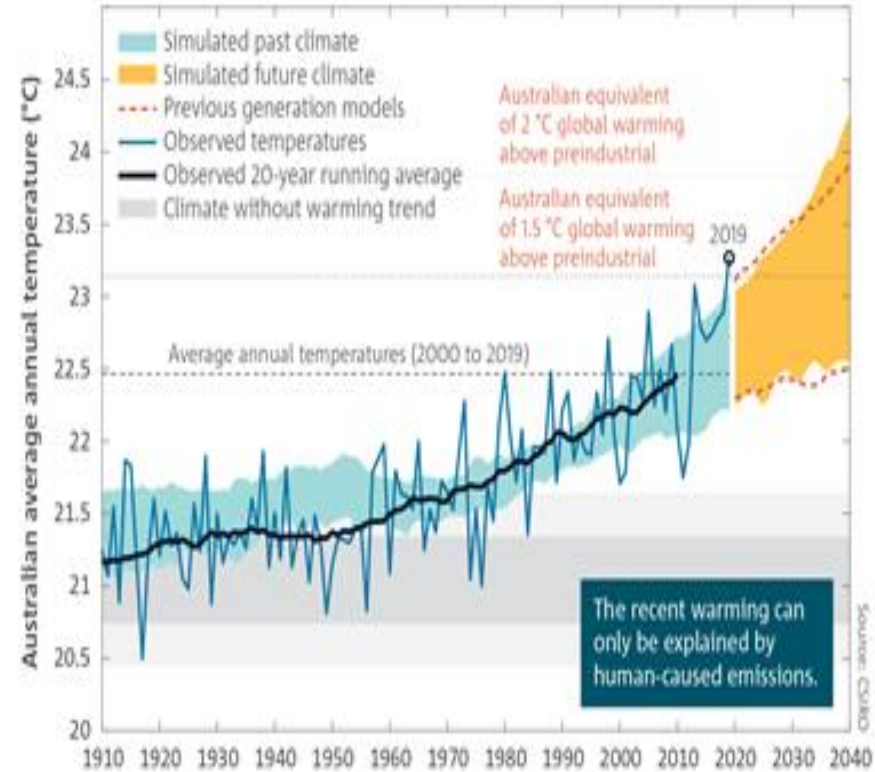


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Accelerating Growth in Technology

(condensed)



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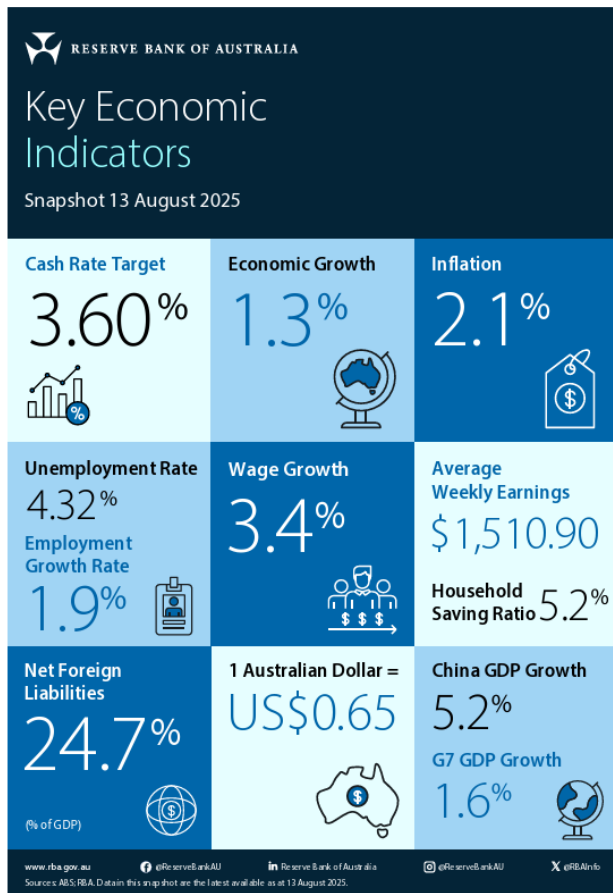
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Current Economic Conditions

Australian Snapshot

This time Last Year

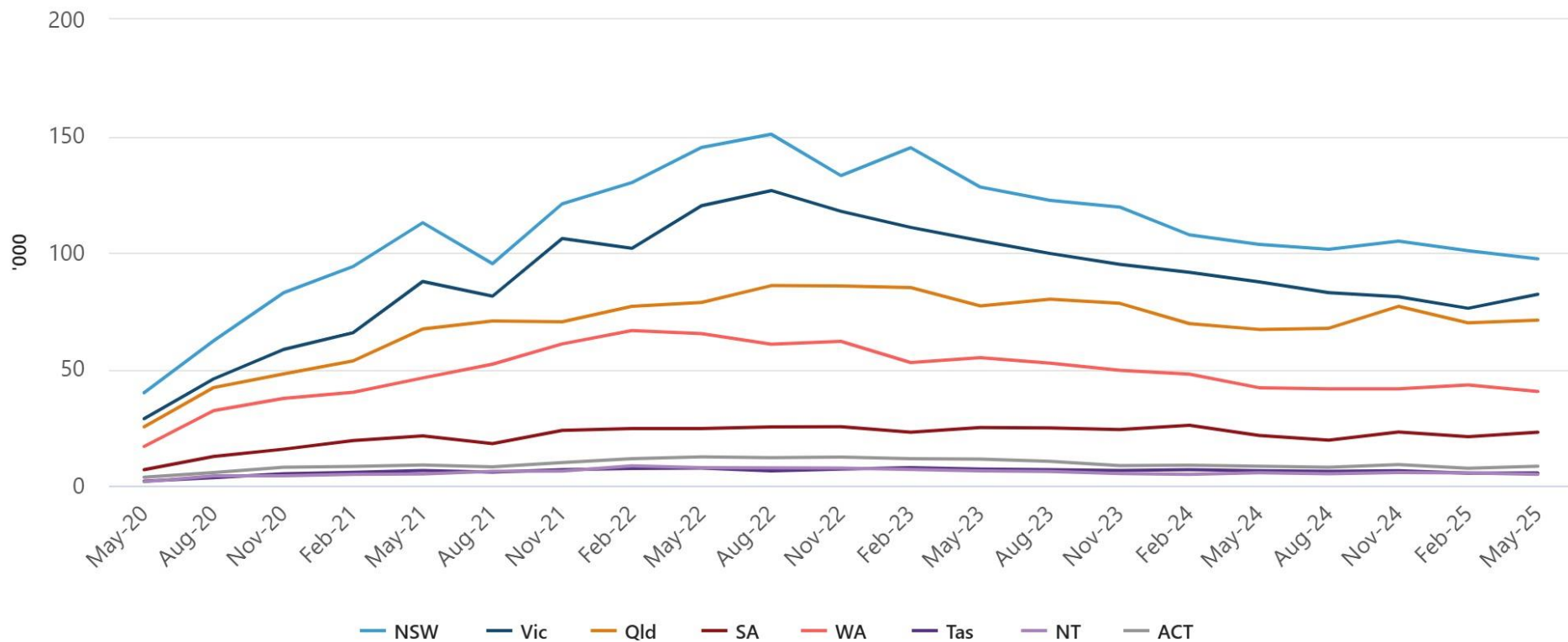
- Cash rate was at 4.35%
- GDP Growth was 0.8%
- Unemployment was 4.1%
- Wage growth was 3.5%
- Household Savings 3.7%
- Household Debt Share of Income was 182% (now 181%)



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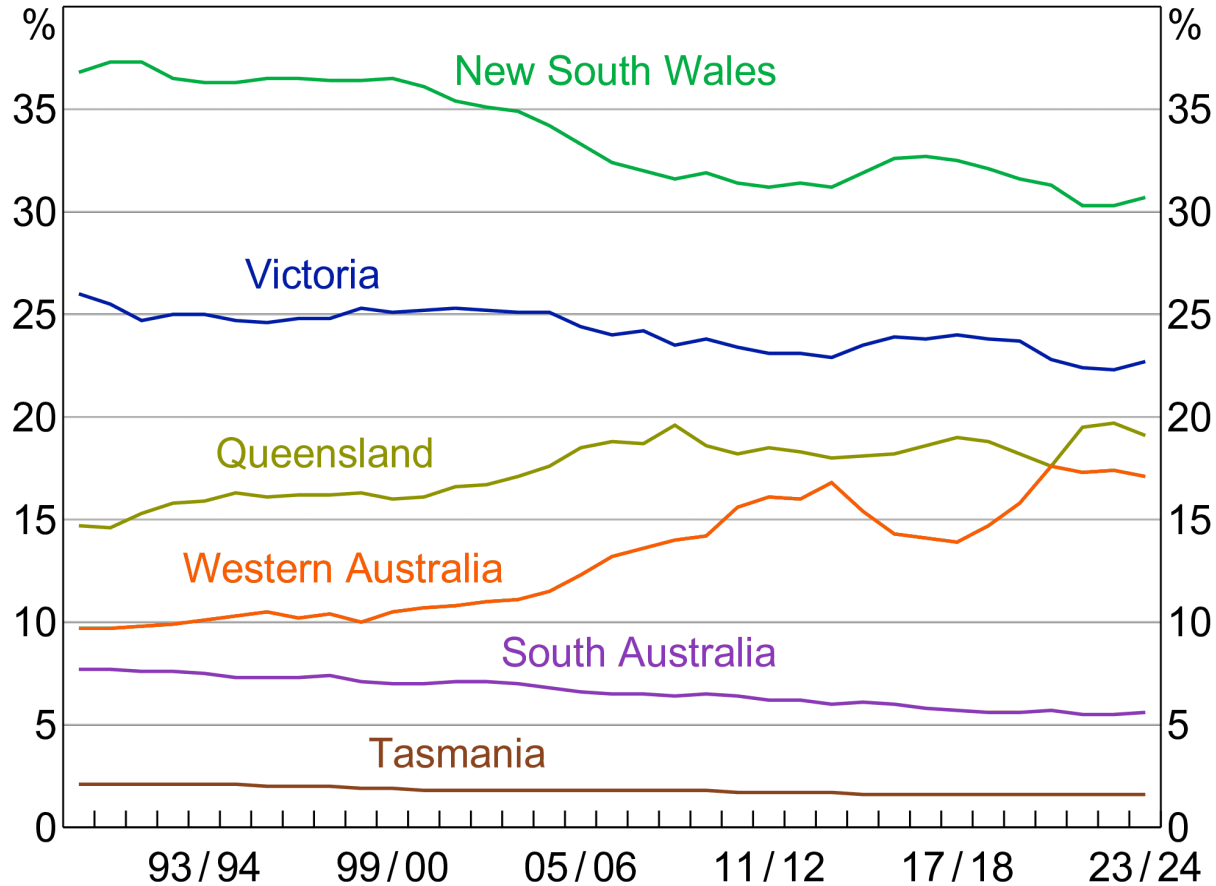
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Job vacancies, states and territories, original



State Share of Output

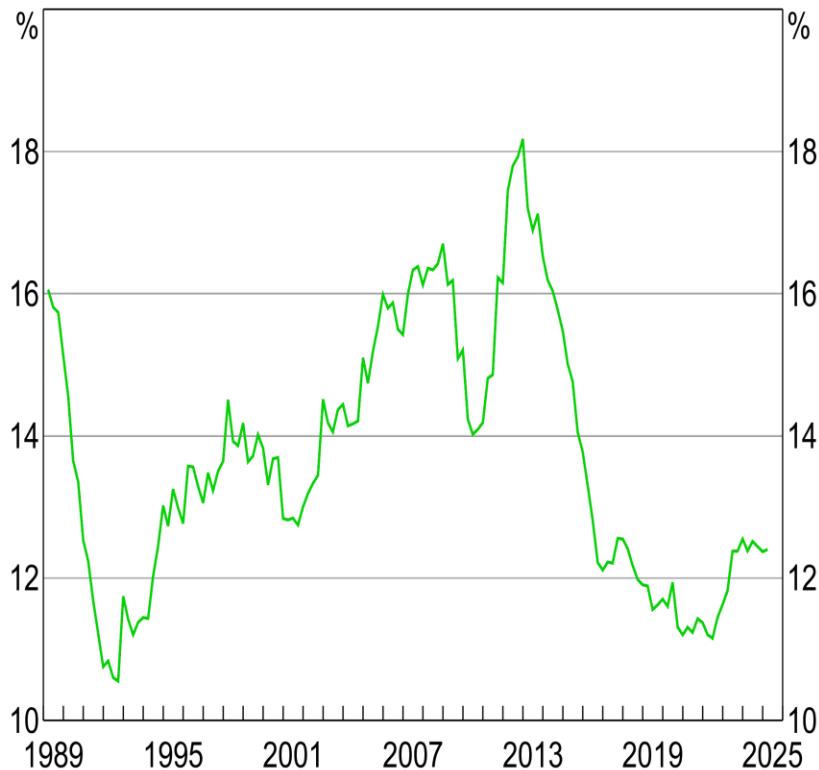
Nominal



Source: ABS.

Business Investment*

Share of nominal GDP

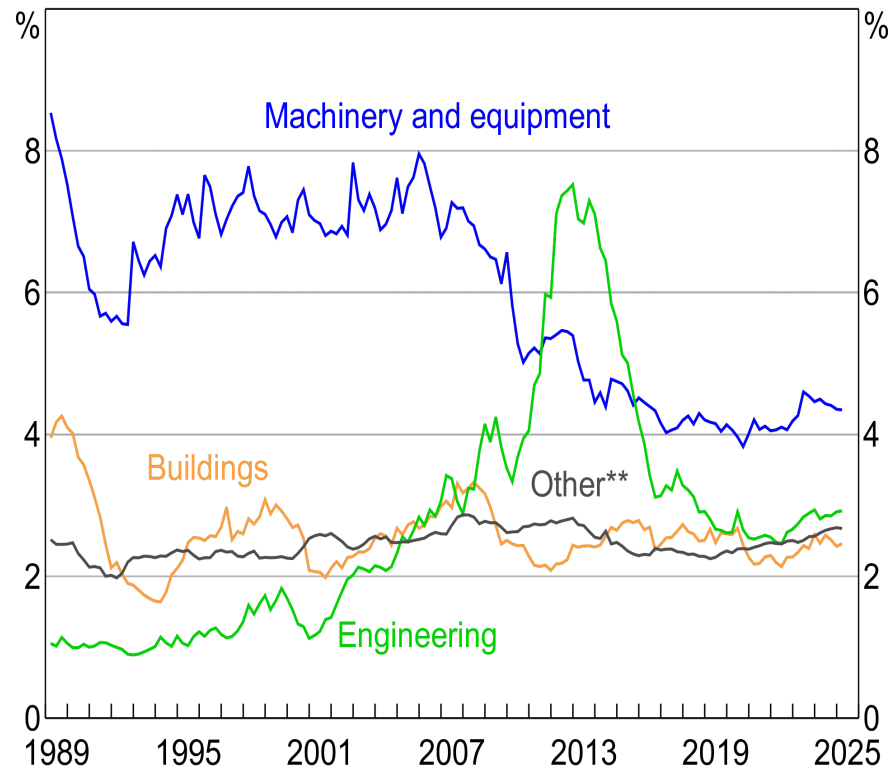


* Adjusted for second-hand asset transfers between the private and other sectors.

Source: ABS.

Business Investment Components*

Share of nominal GDP

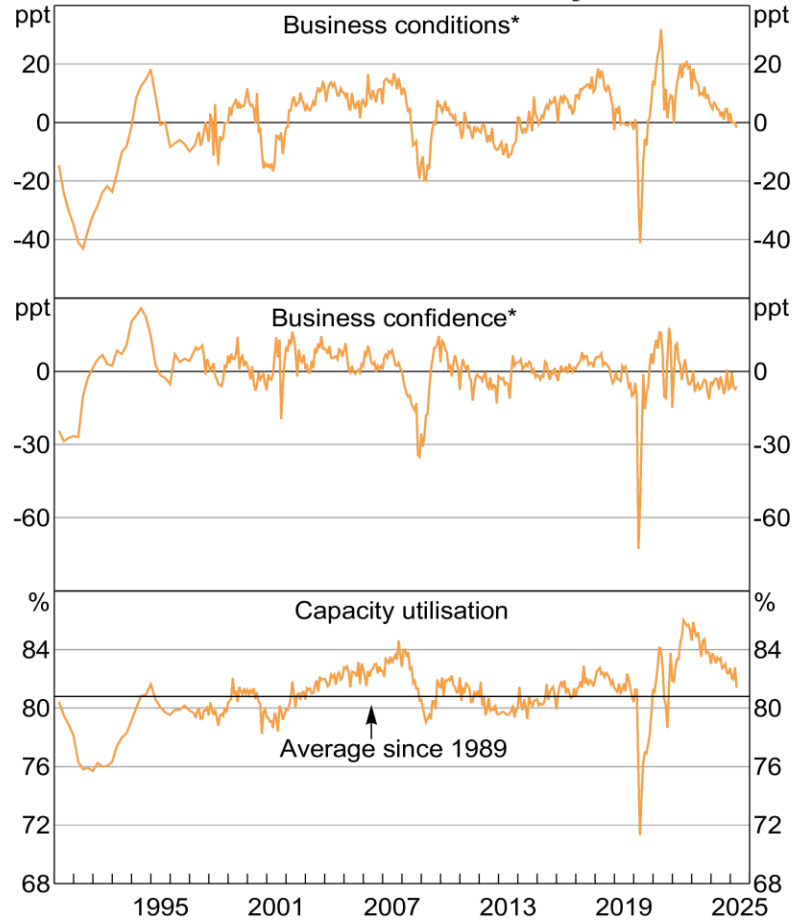


* Adjusted for second-hand asset transfers between the private and other sectors.

** Includes intellectual property products and cultivated biological resources.

Source: ABS.

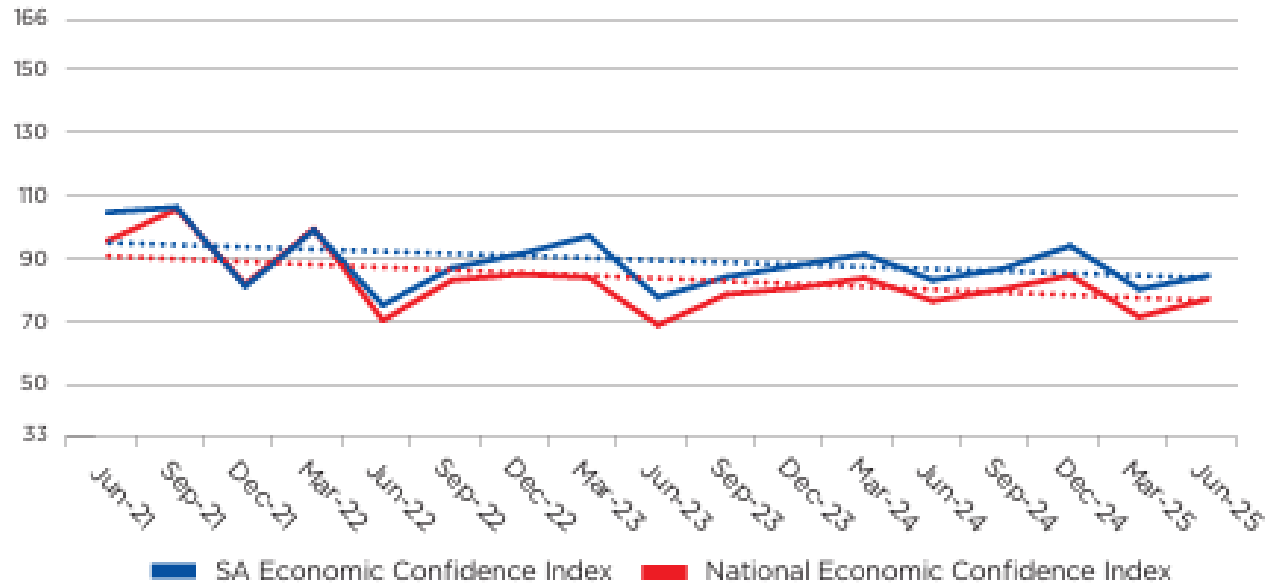
NAB Business Survey



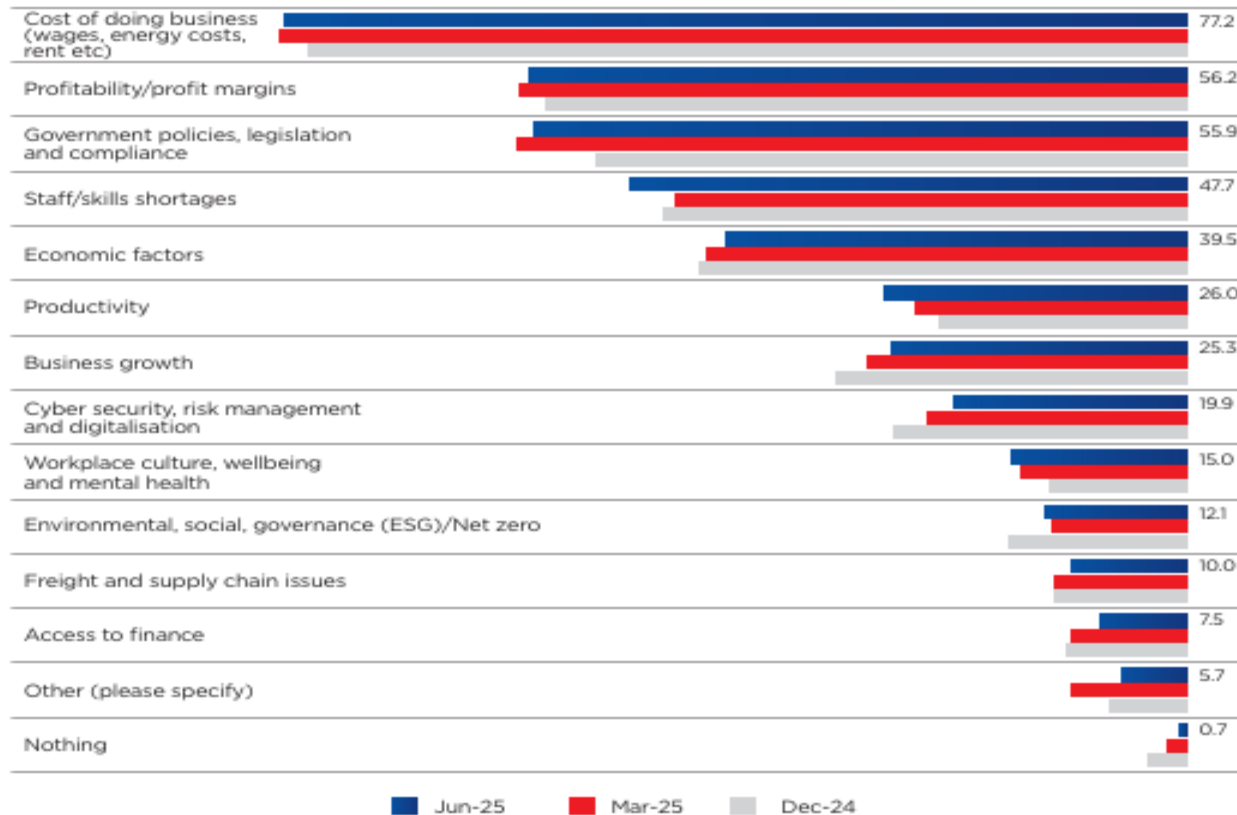
* Net balance; deviation from average since 1989.

Sources: NAB; RBA.

SA & National Economic Confidence Indices

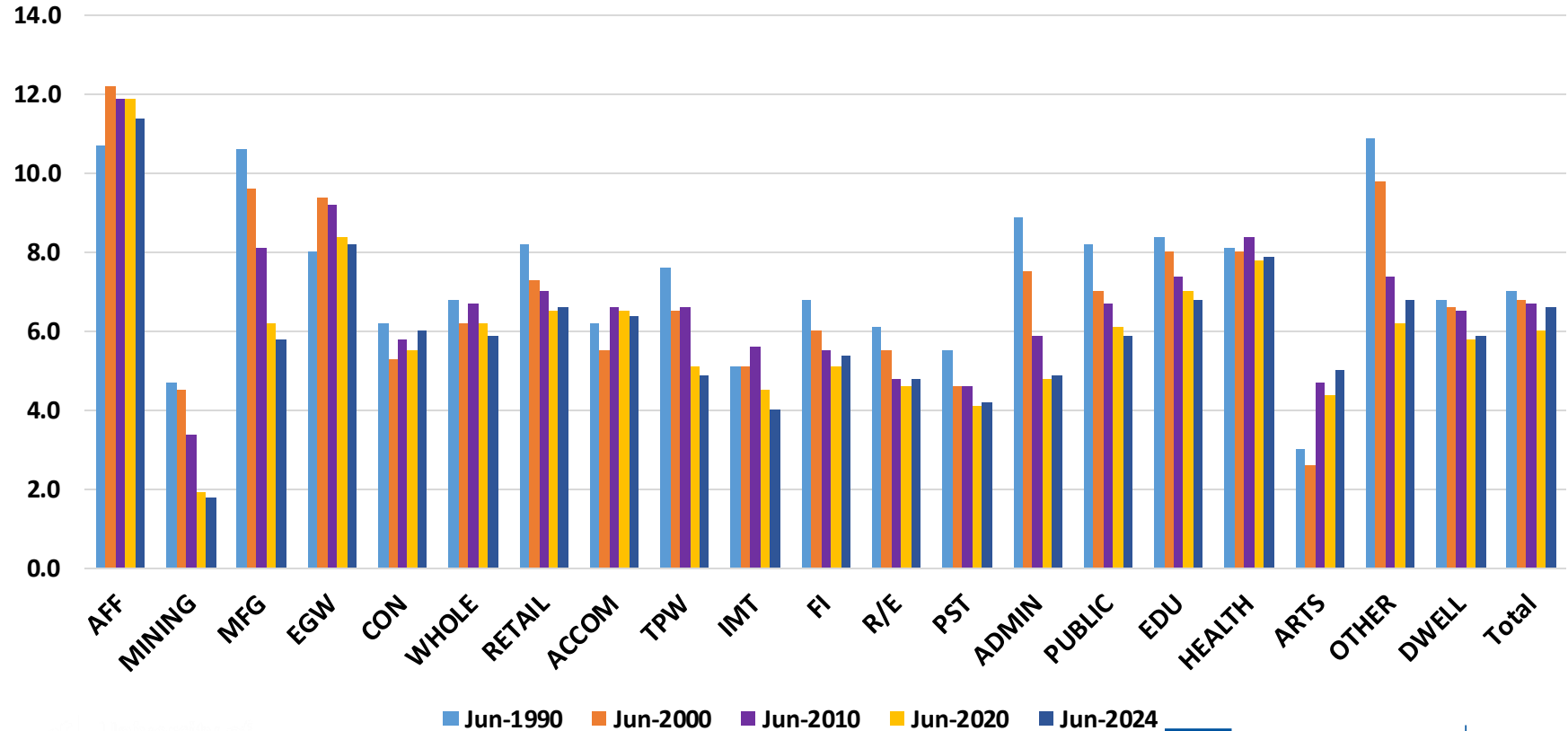


Main Issues Affecting My Business (%)



*respondents were asked to choose their top five

Value Added as Share of National



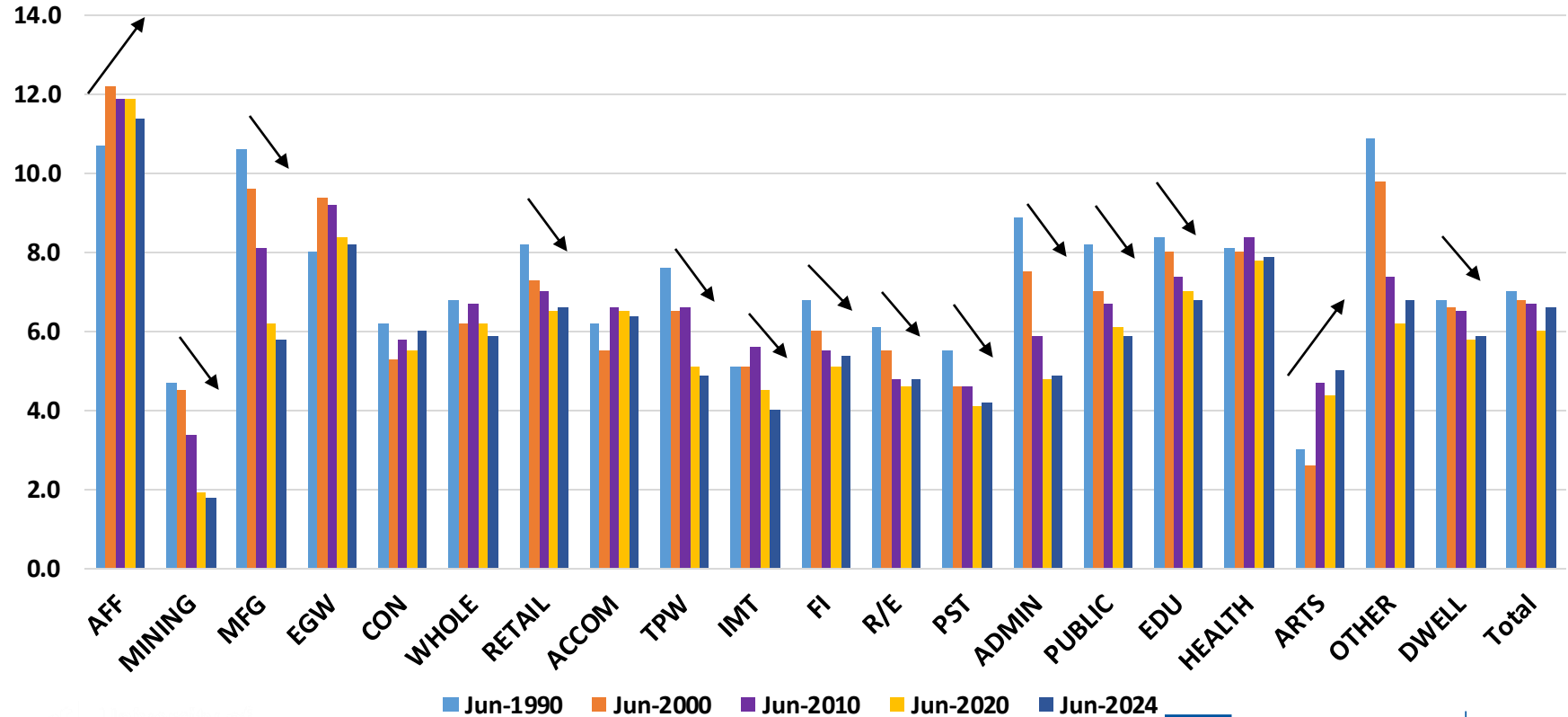
■ Jun-1990 ■ Jun-2000 ■ Jun-2010 ■ Jun-2020 ■ Jun-2024



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Value Added as Share of National



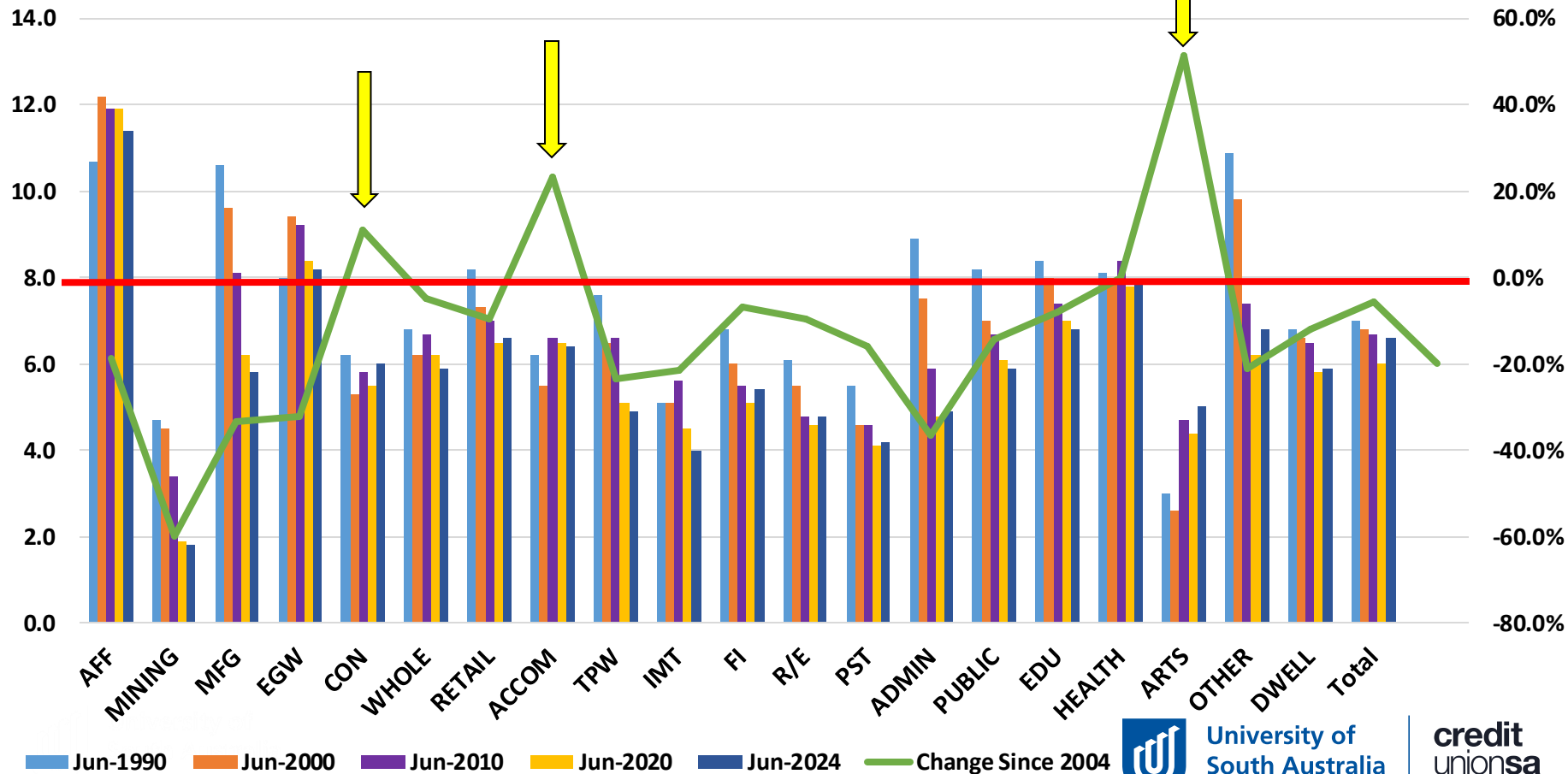
■ Jun-1990 ■ Jun-2000 ■ Jun-2010 ■ Jun-2020 ■ Jun-2024



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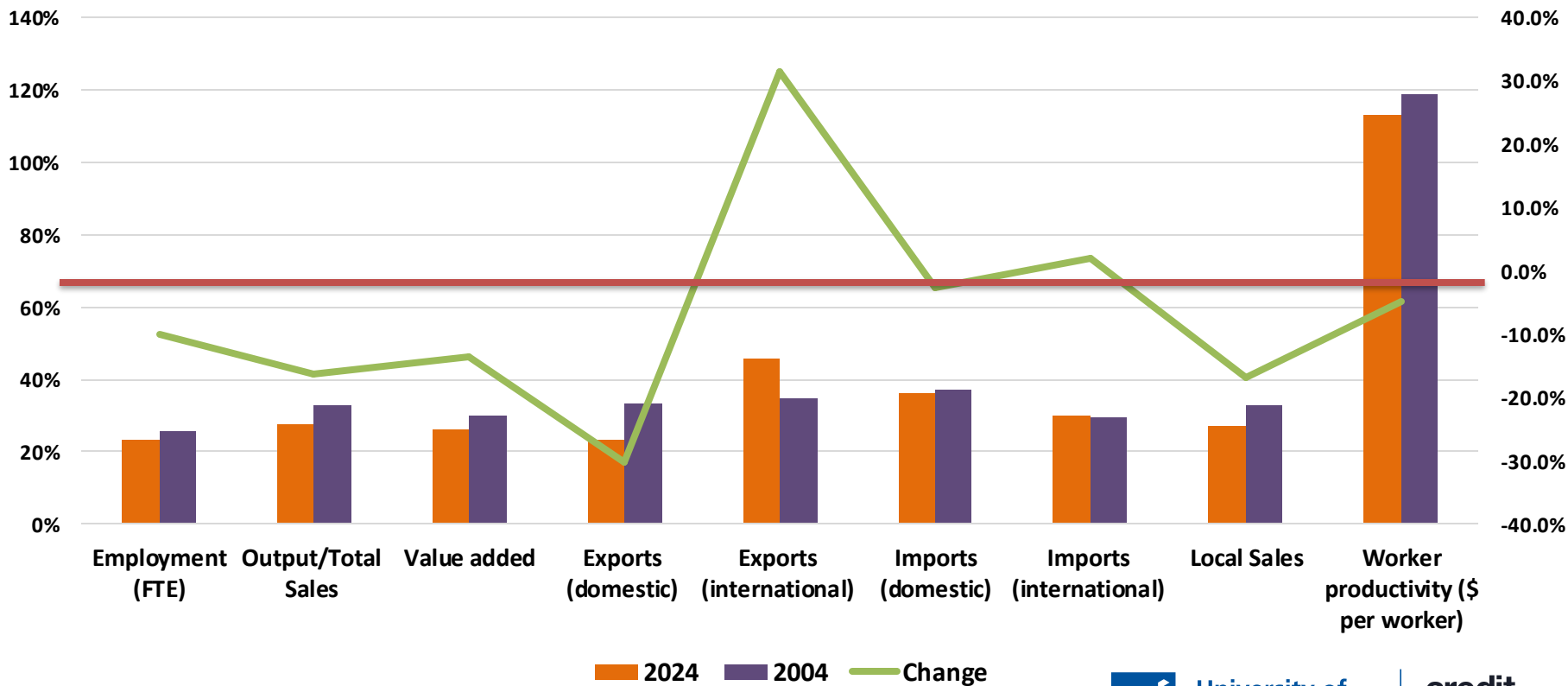
Value Added as Share of National



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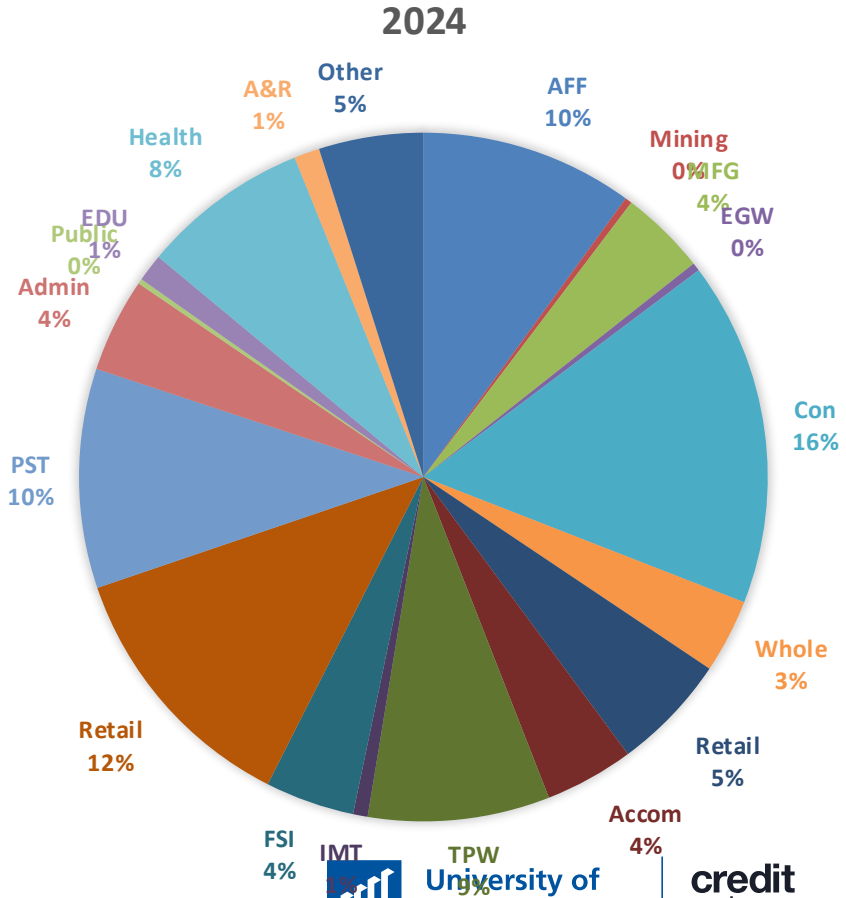
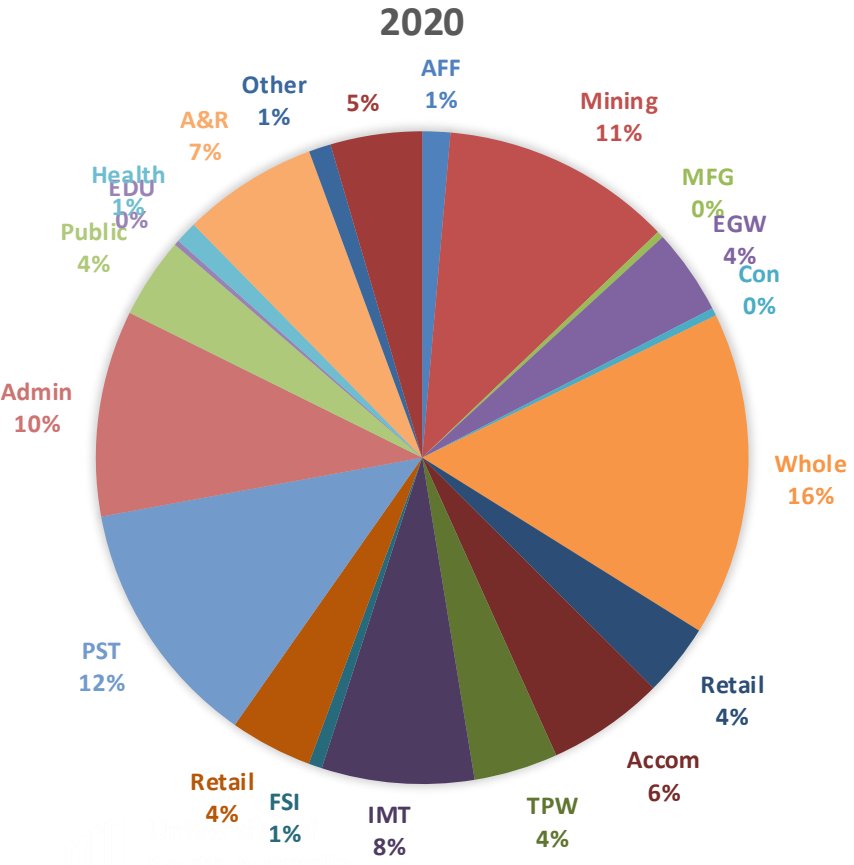
Regional Output as a Share of State



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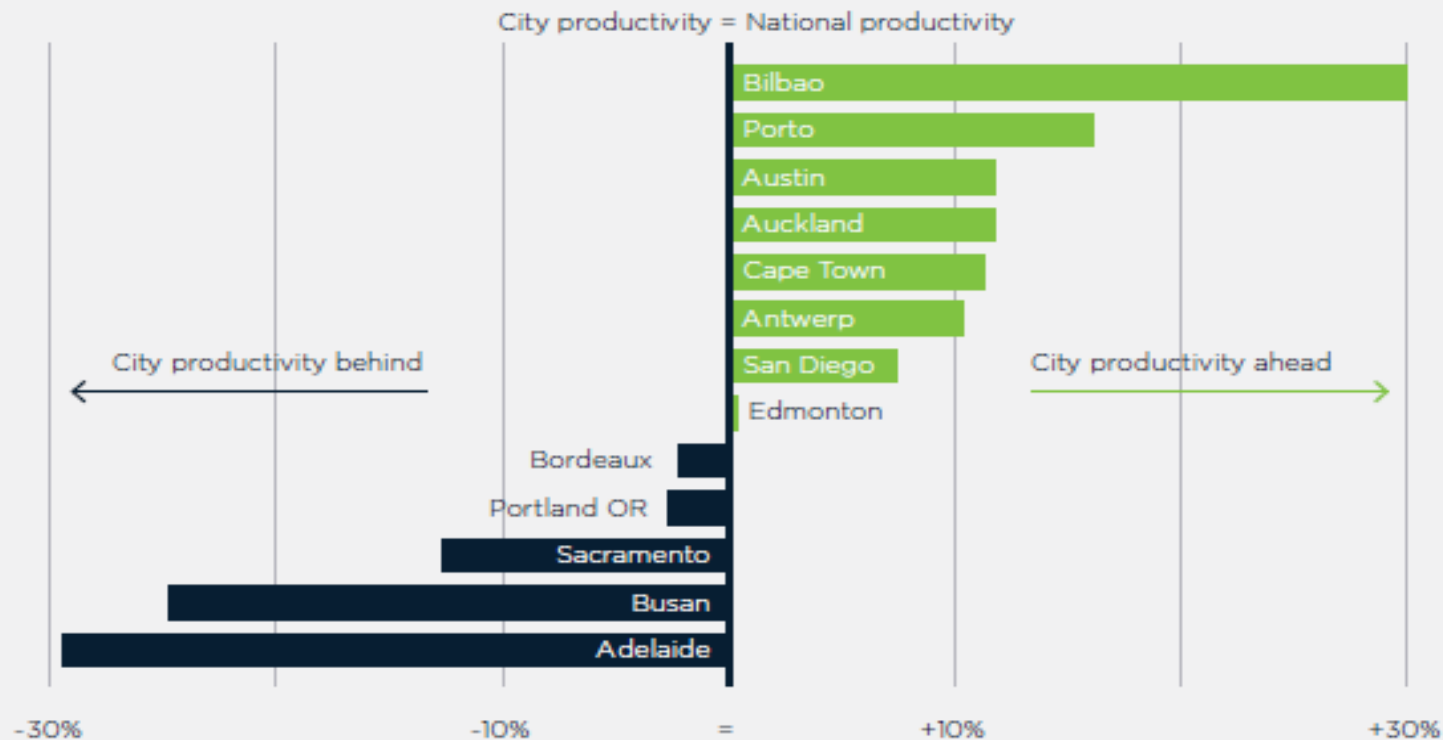
Regional South Australia's Changing Economy



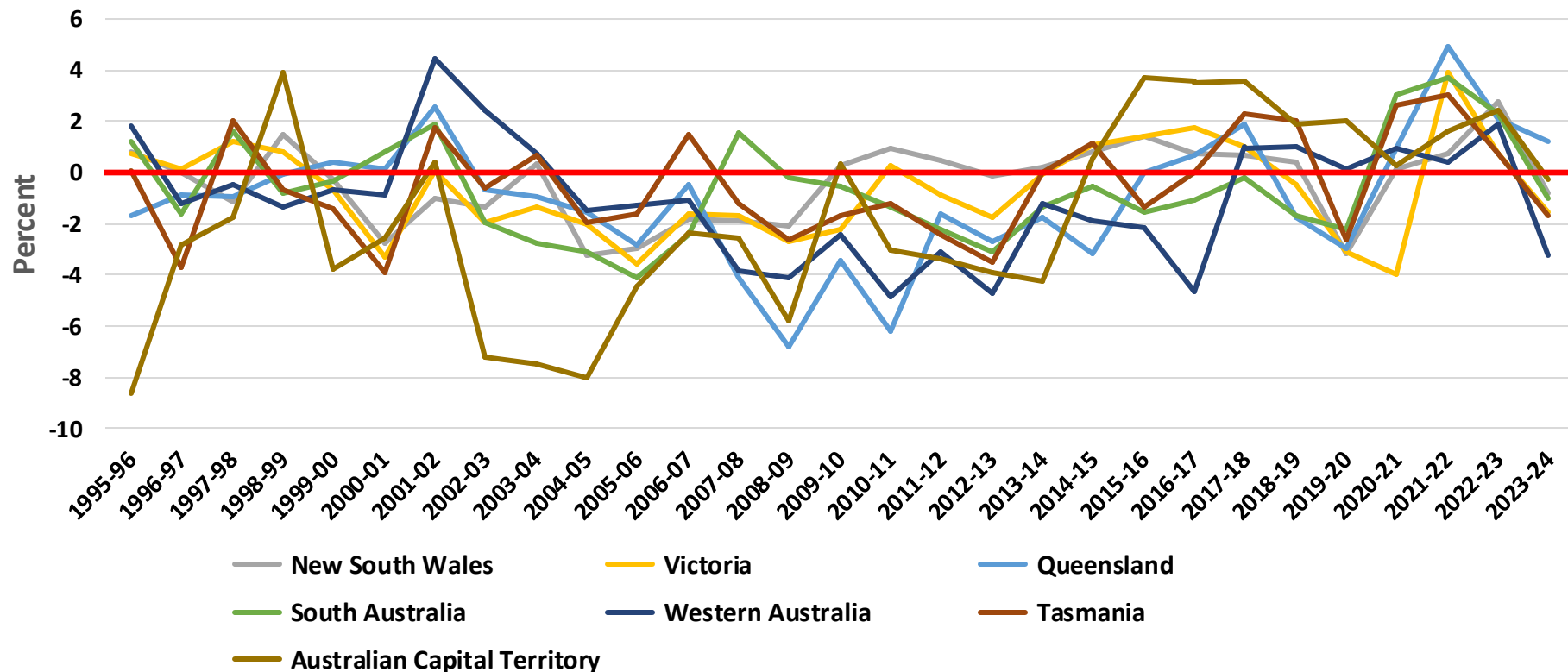
Economic Conditions Outlook

ADELAIDE LAGS NATIONAL PRODUCTIVITY MORE THAN MOST

Metropolitan GDP per capita as a share of national GDP per capita



Changes in Capital Productivity*



*excluding NT
Source: ABS

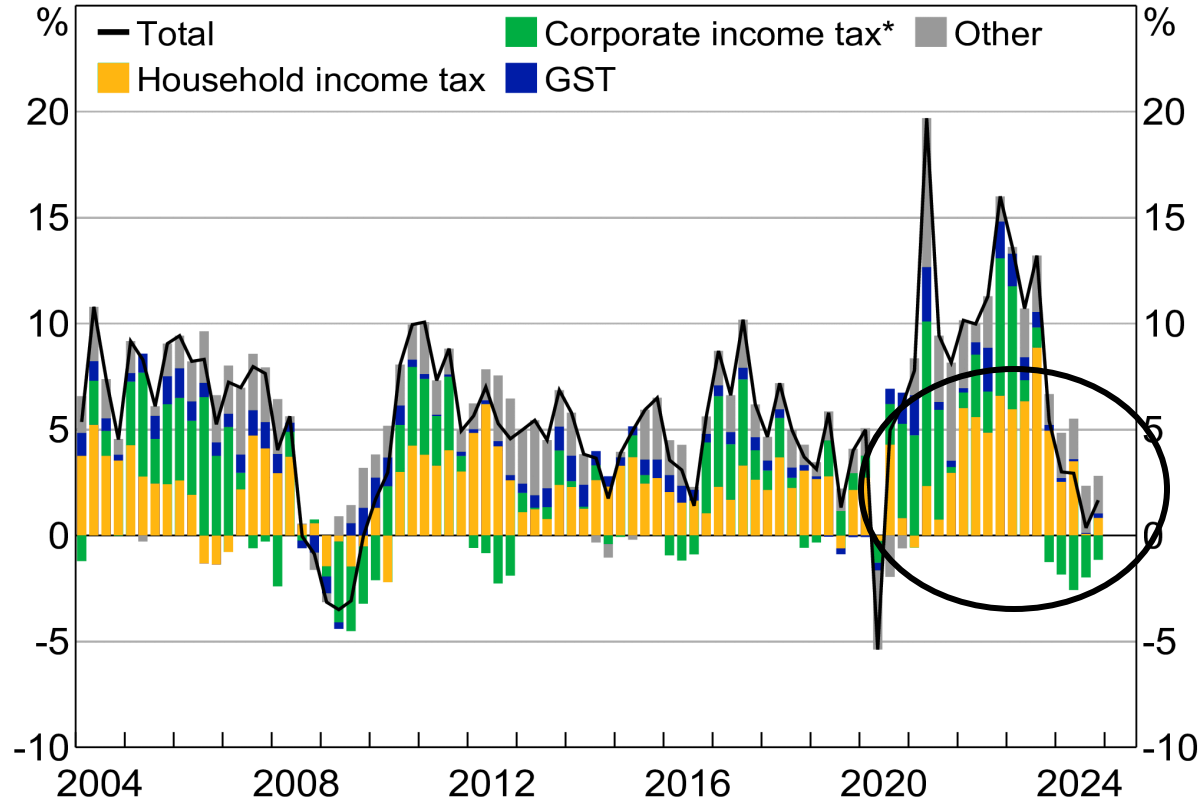


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Taxation Revenue Growth

Nominal, year-ended with contributions

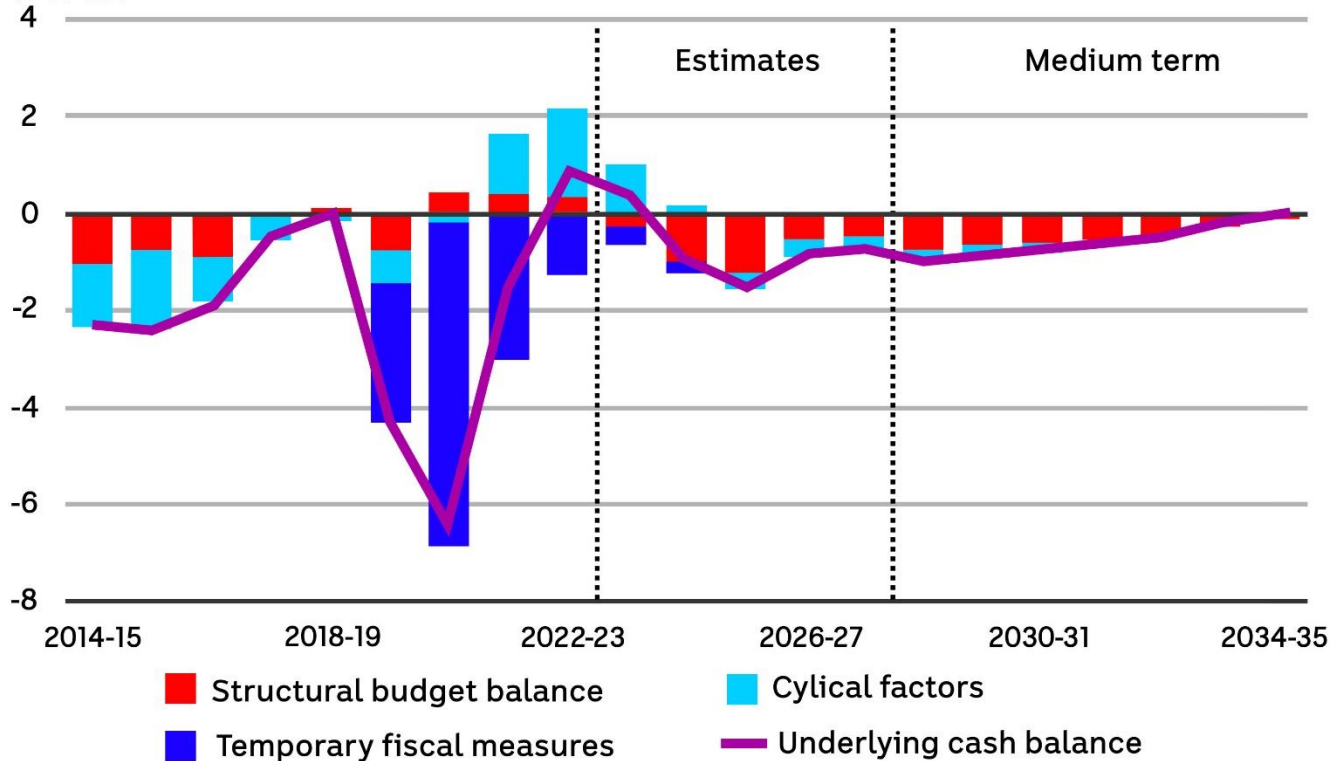


* Only includes taxation of resident corporations.

Source: ABS.

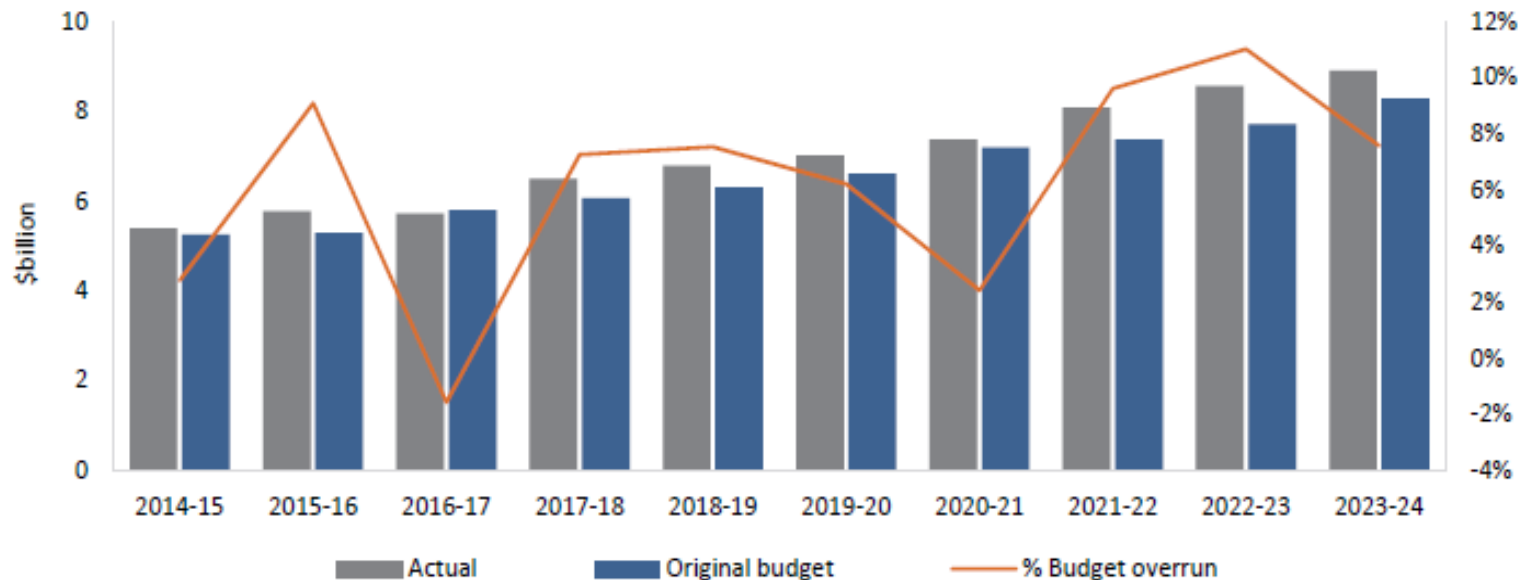
Structural budget balance

% of GDP



Source: Treasury

Comparison of SA Health's original budget and actual total expenditure from 2014-15 to 2023-24



Source: Report of Auditor General SA



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Opportunities for Regional South Australia

- Demographic/Workforce – telecommunications and alternative Workforce arrangements key
- Affordability/Cost of Living- Cost advantage of regional living offset by transport and amenities
- Business size and innovation – ‘lifestyle’ businesses not a recipe for growth
- Climate change– impact insurance and cost of doing business but competitive advantage
- Technology – opportunity and challenge



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Thank you!

Outcomes from Economic Summit

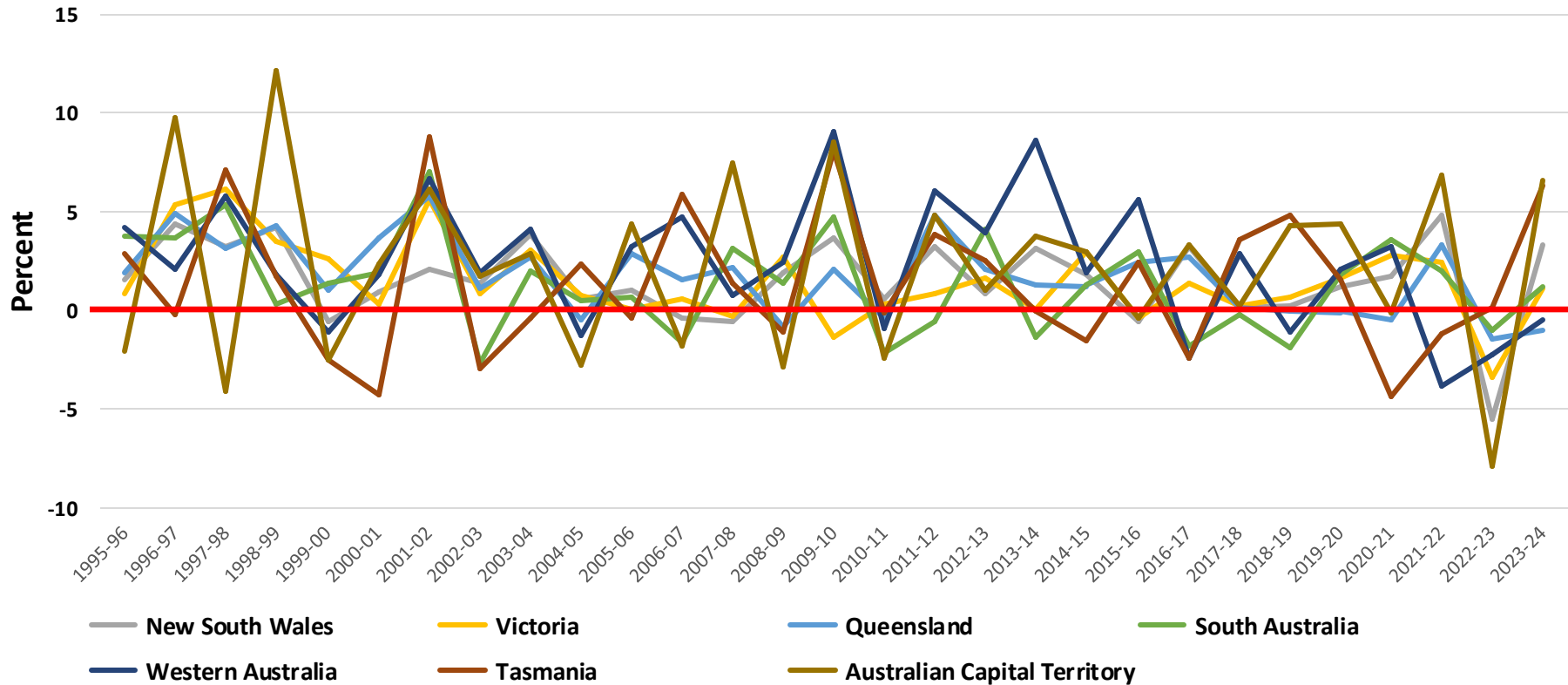
- Freeze Construction Code
- Considering tax reform
 - intergenerational equity, incentivising business investment and simplifying the broader system as demographics change
- Moved up first-time home buyer incentives
- Elimination of 'nuisance tariffs'
- PC to work on compliance reform
- Road user charges



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Change in Labour Productivity*



*excluding NT
Source: ABS



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