



# Bright ideas on what may spark growth in 2017

## RENATO CASTELLO

COMPUTERS replacing human endeavour, deploying drones to build the city's office towers, leveraging economic potential from the state's ageing population, improving workplace safety and of course dealing with the state's electricity crisis.

Six industry leaders, executives and economists share their predictions and priorities for SA in 2017.

## DANIEL GANNON, EXECUTIVE DIRECTOR, PROPERTY COUNCIL SA

2017 will welcome the dawn of a new era of disruption for the state's biggest private sector employer.

Drones will help the construction of city buildings, wearable cameras will improve safety, sensors and 3D mapping will assess progress on building sites, and future homeowners will be able to "walk through" a site using virtual reality.

Disruption is already occurring in our state, with new operators transforming the way the industry does business, and existing operators anticipating and preparing for change.

That means Adelaide and its built environment will need to be on the cutting-edge in order to attract more businesses, workers, residents and students to our city.

We're already witnessing the start of a new urbanism, with greater densities in pockets across Adelaide.

To complement this trend, we will need increased investments in transport infrastructure - such as light rail - and a compelling focus on sustain-

ability and livability.

This year will see a Building Upgrade Finance mechanism allow property owners to upgrade their assets with environmentally-friendly technologies, which will put downward pressure on power prices and improve amenity for tenants.

## SETH THURAISSINGHAM, CEO, CONSILIUM TECHNOLOGY

Big Data and the Internet of Things (IoT) will continue to be growth areas, but driven by

practical questions in Artificial Intelligence, in particular, the branch of AI called Machine Learning. Machine Learning is gaining traction in business applications and is out-performing professionals in activities such as lip-reading.

Contextual awareness that is enabled through the IoT is contributing to the production of more data, but even more importantly is bringing digital context to physical objects and making the virtual world "aware" of the physical world.

When we keep our phone in our pocket, the internet - or more broadly speaking, the digital world - becomes aware of our location in the physical world.

Similarly, when we put a sensor on a hospital bed, the internet becomes aware of its existence. This growing digital awareness of the physical world, and the ability of the internet to be contextually aware, will enable machines to learn and get smarter. This will pave the way for real digital intelligence and real opportunity

## health.

in the automation of the knowledge industry.

## DARYL GOBBETT, CHIEF ECONOMIST, BAILLIEU HOLST

I would expect state economic growth to meander around 1 per cent in the year ahead. South Australia could be doing so much more and that is what's so frustrating.

There are some positive signs - particularly across sectors like agriculture, wine, defence, tourism and education - but slow employment and wages growth will continue to hinder the state's economy in 2017.

The biggest issue overshadowing SA's prosperity and progress is electricity.

If we don't get some smart policy changes in place, and soon, we risk deterring crucial investment opportunities for the state and much-needed capital injections.

A conducive policy framework would encourage major investment in sustainable energy generation.

We need more baseload power to provide energy certainty for the business sector.

Get our energy supply and pricing right and we'll also encourage investment into other key industry sectors such as mining, which is looking better with the recent lift in iron ore and copper prices.

Will SA create an environment that helps our world-class businesses reach their full potential, build wealth and jobs, or are we resigned to an-

other year in the economic wilderness? Our approach to sustainable energy supply will determine which path we take.



**MANUEL XIPOLITAS,  
GENERAL MANAGER,  
BUSINESS BANKING NAB**

Our local business community is resilient and maintains a positive outlook for the future, despite the headwinds facing the local economy and subdued business conditions.

There are green shoots emerging across various industries, who stand to benefit from last year's state and federal policy announcements aimed at growth and employment.

The ageing population creates opportunities for sub-sectors across health, such as advanced medical devices, assistive technologies and better aged care facilities. There is potential for South Australia to gain a real competitive advantage and become a leader in these areas.

The NAB Labs Innovation Index showed that South Australians are among the nation's most innovative, scoring highest on our innovation measure of doing things differently.

While our manufacturing sector is transitioning, the tourism and food and wine sectors are out-performing and benefiting from a favourable Australian dollar. We have world-class operators in this state doing great business on the global stage and will be among the key movers to watch in 2017.

Ultimately, it's the businesses that are willing to back themselves and have a go who will rise to the top and taste success in the year ahead.

**REBECCA KNOL, CEO,  
SA CHAMBER OF  
MINES AND ENERGY**

As a sector that directly employs 6800 South Australians, in the year ahead we must do a better job of sharing how our \$4 billion contribution in export revenue supports govern-

ment, and builds better lives for our communities.

2017 provides a genuine opportunity for industry sectors to work closer together to support and develop a diversified economy and attract new investment to South Australia.

Critical to this investment focus will be resolving the current electricity issues. We must have an affordable, reliable and secure network, and this means urgent reform to the National Electricity Market.

Electricity issues cut across the full gamut of sectors and will influence business survival, development and investment. It also highlights the importance of gas as a transition fuel as we move to a lower carbon economy.

The state must have a stable energy mix and 2017 provides an opportunity for continued innovation in the energy space.

Infrastructure will underpin the growth of the resources sector in SA and we hope 2017 marks development towards projects including sealing the Strzelecki track in the state's far north to enable efficient transport into the Cooper Basin, a bulk commodities port in the Spencer Gulf together with rail access to support mining developments on the Eyre Peninsula and the region's

grain industries, and power infrastructure to support existing business and new investment opportunities.

**IAN MARKOS, CEO,  
MASTER BUILDERS SA**

Housing and commercial construction started to see some much-needed positive recovery in 2016 with a return to long-term activity levels, but 2017 poses some challenges.

Interest rates are expected to rise this year. This may cause some consumers and businesses to pause before in-

vesting, but we expect people to sit back and realise that rates will still be extremely low on a historical basis. On that basis, now is the time to invest while rates and other costs are relatively low. Again, confidence will be the main challenge.

The State Government has an important role to play in making this happen. Talk up the industry, work with the industry, invest in the industry and be smart about incentives.

The creation of the ABCC will help cut the thuggery on building sites and reduce the cost of infrastructure to taxpayers – but it also introduces some tendering requirements that are, quite frankly, unworkable.

Finally, safety needs to be a key focus for 2017. There have been too many deaths and too many injuries, and the loud response has all too often been uninformed and uneducated.

Our workers demand the best response to make a change – not just a loud cowboy on a soapbox. This year, regulators and industry will need to show they are serious about safety and back minimum education standards and minimum levels of professionalism.



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**AI PUSH: Seth Thuraisingham.**



**NEW ERA: Daniel Gannon.**



**SAFETY KEY: Ian Markos.**



**The state must have a stable energy mix and 2017 provides an opportunity for continued innovation in the energy space**

REBECCA KNOL



**PREDICTORS:** Artificial Intelligence looks set to advance this year, while Baillieu Holst's Daryl

Gobbett, inset far left, cites electricity as the big issue, and NAB's Manuel Xipolitas, inset left, predicts opportunities in