

**As a proud South Australian, and Westpac Bank Young Executive Of the Year Award winner Bob Day wants to see this State back on its financial feet. And he believes the answer is in bricks and mortar.**

## Building South Australia's future

**My vision is to see SA grow and prosper using housing as the catalyst. But for me this is not just a vision, it's a quest. I know this can work and I'm determined to make it work.**

We've just come through the 1980s - they're calling it the "decade of excess". And no one doubts that what we now need are leaders in our community who are honest and sincere.

Or, as Groucho Marx once said, "The key to success in business is honesty and integrity. If you can fake that, you've got it made!"

But in there is one point I would like to make about the '80s, about the almost universal belief that all the blame lies with the banks. Well I don't happen to subscribe to that view and I raise this because it is a key point. I believe that the person at the top sets the agenda. Whether it's a company or a Government department or the local footy club, the person at the top sets the tone.

And in the case of the Australian economy, it's the Government that's at the top. So when a Government decides to fully tax savings, but then gives a 100 percent tax deduction on borrowings, it is no wonder people borrow a lot and save little.

The business community during the 80s was positively pressured into a "borrowing mentality". The excesses and subsequent disasters of the 80s were, in my opinion, simply a product of Government economic policy.

Well, that's all behind us now and hopefully a new breed of business leaders will emerge with a different policy. And nowhere does this new corporate philosophy have a better opportunity to grow than right here in SA.

South Australia has a tradition of good business ethics. Perhaps because of our "big country town" image or perhaps from our early settlement and our non-convict past. Whatever the reason, South Australia has a good base on which to build.

But SA has a problem - we really are behind the economic eight-ball because all the big manufacturing bases and port facilities and financial headquarters are located in Melbourne and Sydney. I have experienced first-hand how difficult it is raising capital for projects when the decisions are made interstate.

For example, when the eastern States' housing industries are in a slump, the bankers over there find it very hard to accept that things are not just as bad everywhere else. We need to be able to develop a competitive edge and I believe one of the ways we can do this is through housing.

South Australia has the most affordable housing in Australia. Not only is it more affordable than in other States, the standard of housing is superior.

Now I'm told that a man has four basic needs - food, clothing, shelter and love. If you are a purveyor of any of these commodities you will always do well.



**"... I have found everyone, but everyone, deep down wants a home of their own." - Bob Day**

Woolworths is in the food business, Levi Strauss prospered during the Great Depression making hard-wearing clothing and love, well, I don't claim to be an expert.

But housing I do know something about. Through my company Homestead I have been building houses for many years and I've found everyone, but everyone, deep down wants a home of their own.

And I don't care what anybody says about "Better Cities" programs and urban consolidation, Australians in the main want a big house on a big block. But for many families in the eastern States, a house has become an impossible dream - they can no longer afford to buy a home of their own.

So, what's the housing situation like in South Australia? A recent Commonwealth Bank survey found that average home loan repayments were nearly \$500 a month cheaper in Adelaide than they were in Sydney or Melbourne. Another recent survey showed Adelaide is one of Australia's cheapest cities when it comes to shopping for groceries.

So, here we are in this nice city and with a much lower cost of living, yet, and this is the key, we have a centralised wage fixing system.

This system says that, irrespective of the cost of housing, irrespective of the cost of groceries, irrespective of the cost of commuting to work every day, everyone, everywhere must get the

same pay. But it's not the size of the pay packet that counts, it's what that pay packet can buy.

And in South Australia it can buy a lot more than in Sydney or Melbourne. In SA we could afford to reduce the size of a pay packet a little and still be better off. This, then, will be an attraction to industry. That means more jobs, the economy will grow and South Australia will prosper. So how do we achieve this competitive wage arrangement?

Call it enterprise bargaining, call it deregulating the labour market. I believe we must adopt industrial reform to attract industry to this State. New businesses will then spring up to service these industries.

As these new businesses grow, there will be a need for executive training. And that's where organisations like the Young Executives Network can assist.

So, that brings me to the hardest part of all - how to bring about this change. I have discovered, as I am sure many of you have, that if you want something changed in the world one must be acutely aware of the politics of each situation.

No one listens to a lone voice crying in the wilderness. The reaction is that you're just acting out of self-interest.

The groups that are listened to and who do have some influence are the various employer organisations and industry associations. Politicians like to be seen listening to industry groups.

In my case it is the Housing Industry Association, a well respected and influential body, because it accounts for more than five percent of Australia's Gross Domestic Product (our GDP is currently almost \$400 billion per annum), employs nearly 600,000 people and represents nearly 40 percent of all construction investment in Australia.

Not only that, but the housing industry has huge spin-off effects on transport, furnishings, whitegoods, electrical appliances and so on.

Through the HIA I am in a good position to start bringing about some of these much-needed reforms and I believe the Government will listen.

The HIA involves itself not only in general policy areas, but is also endeavouring to use its vast building industry resources to assist various church and community groups to provide emergency housing for homeless youth and low income families.

I believe very much that private sector companies have a responsibility not just to make profits, but to use their resources to benefit the wider community.

If the private sector does its job properly South Australia will be a lot further along the road to prosperity.

Housing is the key, industry is the door. My vision is to see that door flung wide open.