

SA making headway in hard times

CHRISTOPHER RUSSELL

POPULATION loss in the crucial 20s age group, business investment being drawn to resource-rich states and a high Australian dollar dampening exports are all making the going tough for South Australia's economy.

But, the state made "an impressive" effort in achieving economic growth on par with the national average for the past three years, a report by BankSA has found.

The state's share of the national population has slipped from more than 8 per cent in June, 1996, to about 7.5 per cent now, the BankSA *Trends* report, released yesterday, says.

"We've done well in terms of international migrants and attracting people to SA," BankSA managing director Rob Chapman said.

"But our young - the twenty-somethings - are still flowing out of this state.

"We have to grow our population. It is fundamental to driving the economy."

Opposition Leader Iain Evans said stamp duty costs were a big disincentive. "The Government has done nothing to try and make housing

cheaper in SA, to get people to buy their first home here and stay here," he said. "So there's still a flood of people that leave in their 20s."

The *Trends* report, written with Access Economics, found world currency movements "have hurt SA (exporters) more than the rest of the country but "results for 2006 show local exports are now lifting rapidly".

It found business investment was lagging as "investors look for better returns to the north and west" because of the mining boom.

Premier Mike Rann highlighted the report's positive view on low unemployment.

"With record low unemployment and a record number of people in work, SA's economy is in great shape, and we are punching well above our weight," he said.

Mr Rann noted a "nearly five-fold increase" in mining exploration which would, in turn, push up business investment.

Mr Chapman agreed that "defence and mining will drive this economy for the next 15 to 30 years".

"But we should never forget or underestimate the effect that small business has in SA," he said.