

# Focus.

Supporting  
business success in  
South Australia

May 2021



## Building boom

SA's construction industry bounces back



# Welcome.

Welcome to the May 2021 edition of BankSA's *Focus* magazine.

Confidence is returning to South Australia.

While some sectors face ongoing economic headwinds, the festival season drew people out of their homes and transformed city streets, crowds are back watching sport, retail is recovering and our cafes, restaurants and pubs are busy.

The construction industry - which ground to a halt when COVID-19 struck – is booming.

Shovel-ready civil construction projects are coming out of the ground and employing surveyors, planners, engineers, tradespeople, and equipment operators. In turn, suppliers of steel, concrete, and asphalt are boosting their workforces to meet growing demand.

Housing approvals have risen both in South Australia and nationally, buoyed by Federal and State Government grants. As a result, there is extraordinary demand for concreters, bricklayers, carpenters and electricians – with further demand flowing to retailers as new homeowners fit-out and furnish their homes.

And the future looks bright.

Buoyed by a strong residential property market, confidence is growing among both consumers and businesses – and with confidence comes investment.

A recent BankSA report found a high percentage of businesses are planning to upgrade their existing property by expanding or buying new premises. They are also using the current low interest rate environment to invest in new plant and equipment. Each of these indicators points to economic growth – and will create flow-on benefits for other parts of the South Australian economy.

In this issue of *Focus*, we meet some proud South Australian construction industry businesses helping to drive this economic momentum. Our stories tell how they have weathered the COVID-19 storm and developed their business, keeping staff employed and building towards the future.

When needed, BankSA has been there for support.

We know that small businesses are the backbone of our local economy and we're committed to supporting them to recover and grow, following an extremely difficult time.

Without strong foundations, South Australia cannot grow and prosper. The construction industry is providing part of the economic foundation for our state's recovery.

I hope you enjoy these inspirational stories about people helping to build a stronger South Australia.

Best regards,

**David Firth**  
BankSA State General Manager  
Business

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# Building the South Australian economy.

**It's a busy time for the South Australian construction industry, with increased demand building the foundations for a stronger future as many businesses rebound from a COVID-interrupted 2020.**

The latest BankSA figures show housing approvals for the year to February rose 20.2 per cent nationally – well above their pre-COVID-19 levels. In South Australia alone, approvals increased by 5.9 per cent.

With the support of government incentives which kept people in work, businesses operating and projects in the pipeline, the housing and construction industries have not only bounced back, but forward orders will keep the sector busy for the foreseeable future.

Master Builders Association figures show that since the start of the financial year, South Australia has been the only state to have seen an increase in the number of people working in construction, adding close to 2,700 new jobs. Almost 71,000 South Australians are now directly employed in the industry. The real estate market is also booming, marked by increased demand and many houses being sold well above reserve. With record-low interest rates, and changing priorities after spending more time at home, many people have been tidying up their homes to make improvements, renovate or sell.

David Firth, BankSA State General Manager Business, said businesses were showing confidence in the state's economic recovery, with construction among the most confident sectors.

"South Australian business is ready to take advantage of the positive investment environment, with government stimulus providing an opportunity for many businesses to manage their debt, keep staff employed and focus on improving cash flow."

Recent BankSA research found a quarter of businesses indicate that they are planning to upgrade their existing premises within the next 12 months, with eight per cent intending to purchase property.

More than a third (38 per cent) of businesses had more cash saved in the bank compared to 12 months ago, and 23 per cent had lower levels of debt - compared to 18 per cent with higher levels of debt, and 53 per cent recording no change.

Overall, 41 per cent of South Australian businesses had improved their financial position, compared to 27 per cent which had declined.

Of the businesses surveyed, 42 per cent consider 2021 as a good time to invest, with 68 per cent saying now is the time to build for the future post COVID-19.



**"The building sector is thriving as shovel-ready projects are expedited and businesses begin to spend after consolidating last year. It's a great time to be working in construction and related services, and it's important for South Australia."**

**David Firth**  
State General Manager  
Business



For 67 per cent, low interest rates are a catalyst and 62 per cent are confident volatile times will come to an end.

In the construction and related industries sector, business owners are benefitting from the turnaround and doing their best to build their own operations at the same time. Many suffered during the pandemic and faced months of uncertainty as the pandemic's impact on the economy and spending – in both the commercial and residential sector – was unknown.

"Business owners were cautious last year, and many put training and facility upgrades on hold, however with the economy now recovering, it's

encouraging to see increased confidence translating into plans to invest on infrastructure improvements and upgrading premises," said Mr Firth.

"Many businesses relied on support measures, such as JobKeeper, last year to stay afloat. This was important to ensure they could retain their staff, keep people working and stay afloat during tough times.

"As their businesses have started to again thrive, buoyed by forward orders and confidence in the sector, their thoughts are turning to upgrading premises, purchasing property and investing in staff through training and development."



## Top 3



Business investment intentions within the next 12 months:

- Investing in staff training and investment (54 per cent)

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- Investing in new equipment for business (53 per cent)

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- Investing in marketing and promotions (50 per cent)

## Top 3



Reasons why businesses see 2021 as a good year to invest:

- It's a good time to start building for the future post COVID-19 (68 per cent)

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- Low interest rates (67 per cent)

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- Volatile economic conditions will come to an end (62 per cent)



# Engineering a future for SA.

**TMK Consulting Engineers has worked hard to build a supportive family culture, ensuring staff turn over has been low and engagement high. The organisation has grown and prospered, with expansion plans underway including establishing offices in the Riverland and Melbourne.**

TMK Consulting Engineers is a firm of civil, structural, building services and geotechnical engineering. Director Trevor Kokkinakis said it brings all aspects of a new building project together by working with the architects to ensure a design can be built, and with the developers and builders to ensure it can be constructed within a budget with the most effective engineering.

"With a challenging design, the first thing we say is that we love that sort of challenge and the concept," Mr Kokkinakis said.

"Then the challenge for us is to make it work economically and to be aesthetically pleasing. We like to think outside the square to make it happen.

"Whether it's the concreter or the architect who's coming up with the concept, it's the communication and the response to queries as quickly as possible that is the cornerstone of our business, and ensuring relationships are strong."

TMK Consulting Engineers' workforce of about 70 people has remained stable, weathering last year's slow-down and now gearing towards growth.

JobKeeper helped when it was needed, with the firm retaining all staff. Upskilling team members and ensuring they can work across different engineering sectors has also helped. Being able to move staff across divisions if one sector has been quiet ensures people will not be pigeon-holed or unable to contribute during slowdowns.

The TMK philosophy has been to build talent within, allowing staff to take on more responsibility, learn complementary skills and work across a diversity of projects. Ensuring staff have fulfilling roles and valuing their contributions is essential, which is reflected in the fact that many staff members have been part of the team for close to 20 years.

"We're intent on having a family-oriented culture within the organisation and we've got a good group that's shown us loyalty. We've responded by showing them loyalty and providing opportunities, including equity shares," Mr Kokkinakis said.

Offering equity to some senior leaders has given them a greater interest in helping the business grow, there's more energy around the office and they've been more engaged in projects.

Another example, Mr Kokkinakis said, has been the decision to open in the Riverland, where the company has undertaken projects and recognised growth opportunities.

"We've had people from the Riverland working here and we've had an engineer

who wanted to go back home, so it provided an opportunity for us to have a highly-qualified engineer who loves the region to make the move to establish himself," he said. "It was the perfect opportunity for us all to have him work in the Riverland.

"The area is on a main route to Sunraysia and NSW. It has potential and I think there's going to be plenty of work going on there, from an agricultural and farming perspective. They've also been looking for more services there in engineering."

Mr Kokkinakis said TMK has grown across each sector it engages with, including home building, commercial developments, schools and even forensic engineering – where they assess and analyse infrastructure for structural integrity.

## Expanding the joints - TMK heads up river.

**TMK Consulting Engineers' Director Trevor Kokkinakis is seeing growth across all sectors of the civil, structural and geotechnical engineering industry and is excited about the opportunities in the South Australian market that lie ahead, whether it be in schools, commercial projects or home building.**



**"We're in the throes of a carefully-considered expansion where we're going to develop into regional areas. We've always had a presence there, however we'd like to have a permanent presence and we're seeing opportunities in Melbourne as well."**

**Trevor Kokkinakis**  
TMK Consulting Engineers



Fotis Koklas (Senior Associate), Trevor Kokkinakis (Director) and John Sergi (Senior Associate) on site on the newly constructed 6th level of the former Fairmont building located at 21 North Terrace.





# Laying the foundations.

**Theo Agelis Constructions Managing Director, Shane Agelis, is busy at the moment – like many people in the construction industry – literally laying the foundations for what he hopes will be sustained growth across the sector.**

After a year of COVID-19-induced lows and having to apply for wage support for a short time, it wasn't long before the Federal and State government HomeBuilder subsidies kicked in, sending the family business into overdrive.

"In August we hit the bottom and got JobKeeper to cover our costs, and we suffered some losses," Mr Agelis said.

"Since then it's been upwards and we've had great numbers. The grants have made things busy, which is great for South Australia. We've always been a bit different to the other states and that's good for us.

"We're generally pretty positive in South Australia and we're calculated with where we're going. We're more conservative and smarter with the way we're doing things and it seems to be working, where the eastern states have more highs and lows."

Theo Agelis Constructions has been weathering the ups and downs in the construction industry since Theo started the company more than 40 years ago. Shane, who established his own luxury home building company – Desyn Homes – moved across to work with his father in 2004.

Theo Agelis Constructions specialises in clearing vacant sites prior to a house being built, digging trenches, laying the steel reinforcements, and pouring the concrete footings.

The company has grown over the years to now employ 48 employees, and with its long-standing subcontractors, has approximately 200 people working on various sites at any one time. It now has the capacity to pour up to eight house slabs per day.

While it would be tempting to employ people during the current building spike, Mr Agelis is concerned that if jobs were to stop coming in now that government incentives have reduced, he would have to lay people off.

"We're simply delivering what we can during the spike," he said. "Lead times will go out a little bit, but we'll keep working consistently for another 12 months and see how we're going then. I don't want to have to lose people either."

Mr Agelis is confident his business will continue to thrive once the COVID-19 building frenzy eases, compared to the fall the business experienced after the global financial crisis in 2009.

This time around, the business is in a stronger position thanks to several years of hard work and efforts to build its reputation within the industry.

"Before COVID-19 hit we were travelling

well, life was rosy and we were getting ourselves affiliated with good, strong builders and work was flowing," he said.

"We're back up to that spike and we're hoping to retain those builders going forward.

"It's funny – if you don't have enough work you're busy chasing it, if you've got too much work you're busy trying to keep everyone happy. We want that smooth flow to continue where we have plenty of work."

For now, it's a matter of keeping up with the workload coming in, keeping the staff and subcontractors busy on sites, and continuing to build relationships across the industry to ensure the workflow will continue once the government grants subside.

"It's always good to see people busy, that's for sure."

## Putting your best footing forward.

**Theo Agelis Constructions Managing Director, Shane Agelis, is riding the housing construction wave as the family business tries to keep up with approvals. Despite suffering setbacks in mid-2020 as people put their building plans on hold, the work has picked up significantly thanks to government home building incentives.**



**“I hope that everyone can do well out of this time and save some money to have when the work dies down. I’ve always been told to save money, if you’re making money you don’t spend it, you save it for a rainy day.”**

**Shane Agelis**  
Theo Agelis Constructions Managing Director







# Strength through diversity.

**When Wayne Irvine and Allan Sage undertook their apprenticeships, little did they know their working lives would be entwined. Mr Irvine became a refrigeration mechanic and Mr Sage a sheet metal worker.**

The pair worked together for 15 years before going separate ways. They re-connected at the Sarah Group – Mr Irvine as General Manager of Hindmarsh Mechanical & Electrical and Mr Sage as Construction Manager.

In 1998 they opened their own business - Westside Mechanical Contracting – working in commercial and industrial air conditioning services.

Such was their expertise, success and ongoing strong relationship with the Sarah Group, the construction business suggested selling them Hindmarsh Mechanical and Electrical. They renamed it Westside Services.

These two companies were followed by Westside Plumbing in 2009 – which has a further four divisions within, including poly piping fabrication.

Mr Irvine and Mr Sage extended into home and commercial solar and batteries four years ago, starting Westside Energy, bringing in business partner Chris Bull. With energy in the mix, the Westside Group is complete. For now.

“The building industry is high risk and if you concentrate on one area and it goes down

you’re in trouble, so if we diversify we can manage the ups and the downs,” Mr Irvine said.

Discussing whether any division of the Westside Group outperforms the others, Mr Irvine said they all have their strengths at times and contribute to its greater success.

“It’s forever changing. Westside Mechanical, our first business, was really successful for the first 10 years,” he said.

“Westside Services was very slow for four to five years and then started firing up when Westside Mechanical was slowing. Westside Plumbing was difficult for the first few years as it’s difficult to start a greenfields plumbing business, all the while being supported by Westside Services and Westside Mechanical Contracting.

“Westside Energy really only started to become successful the past eight to 10 months. At any one time, one star outperforms the others and one isn’t doing too well, and that justifies our aim of having a diversified group.”

When COVID-19 struck and the building industry went into panic mode, the Westside Group concentrated on its strengths, and with Government COVID relief and the support of their BankSA relationships manager, rode through a difficult time.

The construction industry has since gone from strength to strength, buoyed by government moves to expedite shovel-ready projects including the year seven to high

school transition, super schools and major projects.

The Westside Group is working on public-private partnership school projects in Aldinga and Angle Vale and Whyalla’s Super School, providing mechanical services such as air conditioning, ventilation, exhaust systems, solar power systems and plumbing work.

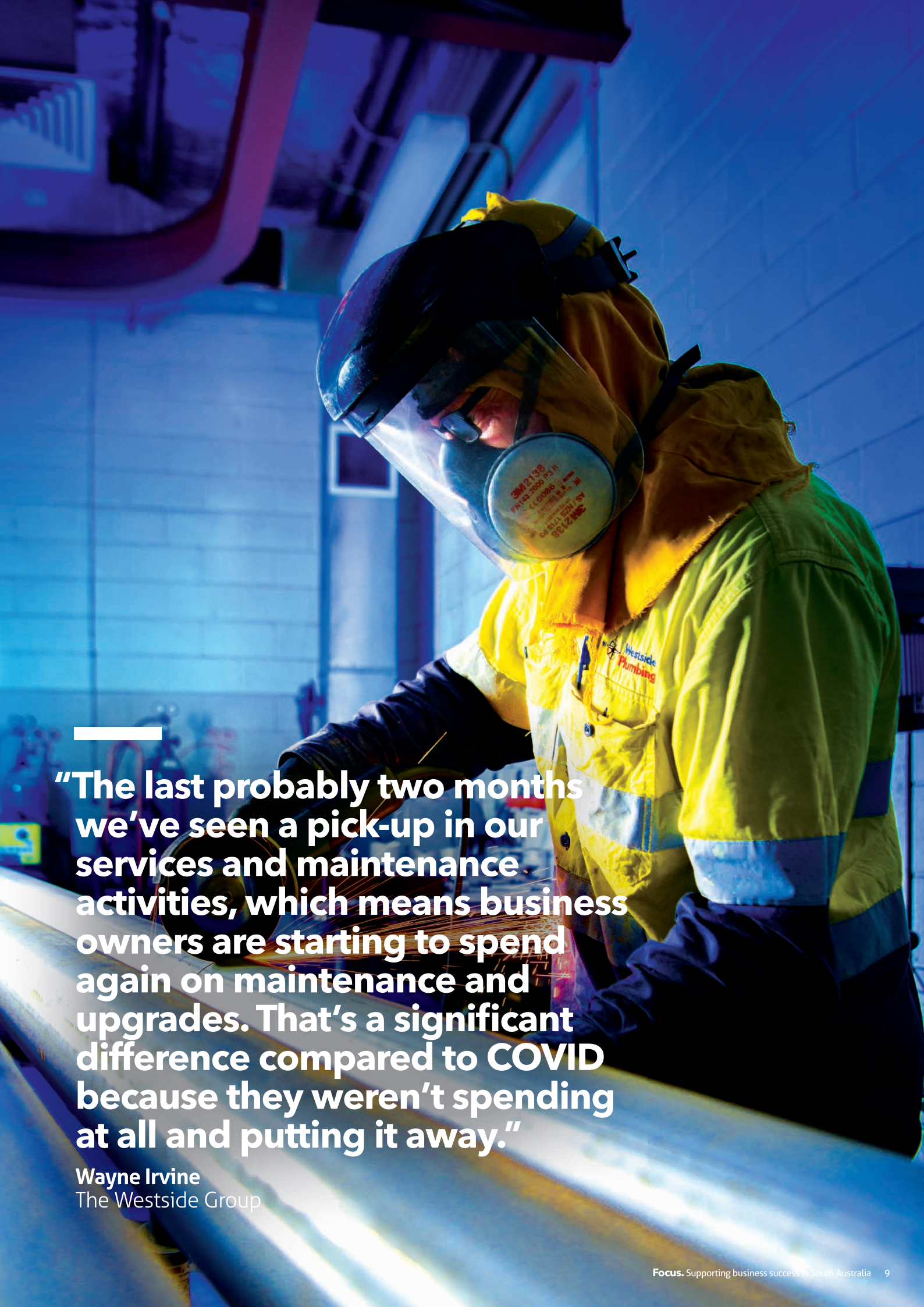
Conscious of the ups and downs of government contracts and subsidised schemes, Mr Irvine said diversifying ensured they built sector-wide relationships.

“We’re not looking to grow any further at the moment and for us it’s about consolidating our client base now. The risk varies greatly with who you work for and we’re trying to corporatise that more and work less in the general builders market. There’s also a lot to be said for having more working capital.”

## The success of a group is its sum.

**The Westside Group has diversified since Wayne Irvine and Allan Sage started the business more than 20 years ago, finding that if one of its four building services businesses - across plumbing, industrial engineering, mechanical, power, generation and facility management sectors - is struggling, another is likely to be buoyant.**



A worker in a yellow protective suit and respirator mask is working on a metal pipe in an industrial setting. The worker is wearing a full-body yellow protective suit with reflective strips, a clear face shield, and a respirator mask. The background shows industrial equipment and a blue-tinted environment. The worker is focused on their task, and sparks are visible from the work being performed.

**“The last probably two months we’ve seen a pick-up in our services and maintenance activities, which means business owners are starting to spend again on maintenance and upgrades. That’s a significant difference compared to COVID because they weren’t spending at all and putting it away.”**

Wayne Irvine  
The Westside Group



# Homage to heritage.

**There's a vibrancy around Port Adelaide these days. Pubs have been refurbished, new cafes have opened, Port Adelaide Plaza has been redeveloped and more people are moving in as new housing pops up.**

Regeneration is set to continue for years to come, as Starfish Developments' Dock One housing project and its distinctive Marine and Harbours Building conversion to a boutique hotel enliven the precinct. And it's much to the relief of Lefevre Peninsula's residents.

Starfish Developments Managing Director Damon Nagel, who established the business in 2011, said Dock One and the Marine and Harbours Hotel had been embraced by locals, who appreciate their progress in an industrial area long subjected to promises being made and projects falling short.

"People can see we've been respectful and the fact that we haven't knocked down the Marine and Harbours Building has made a difference," Mr Nagel said.

"We were aware that the locals didn't want to see a developer knocking stuff down and leaving, and we haven't done that. We're part of the fabric now."

One of those reasons is the style of built-form that Starfish Developments has used in its Dock One project, working with renowned architect Enzo Caroscio.

Recognising Port Adelaide's cultural

significance - including the saw-toothed rooves of ship-building sheds, shipping containers, the historic wool stores and customs buildings - townhouses have been designed to pay homage to the surrounding streets, rich in heritage.

"We thought why not draw on the shape of the buildings, the size of the balconies, the shape of the windows, and work with the heritage of the area," Mr Nagel said.

"In regard to the Marine and Harbours building, everyone wanted to knock that down and we wanted to keep it. We've ended up turning it into a hotel which will open in 2022, and we've got the right management team in there too, with the team from Lancemore set to operate a really unique, retro experience."

With Dock One's first stage more than half finished, all 51 townhouses sold in the second stage and another round about to be released, interest is growing in moving to what was once the epicentre of the state's working-class shipping trade.

Mr Nagel said two thirds of those buying houses have already been living in the Port Adelaide area - which is a sign there's widespread support - and a third are investors, people living outside of the Port, or expats coming home.

Within the coming months, as construction is increasingly completed, landscaping will also start to turn what was once a grey industrial canvas into a greenway.

"We took the two main roads out and turned them into park links. You gain access to your house via a service road," he said.

"We're encouraging people to create a walkable community. We want people to meet their neighbours and to be able to walk everywhere; we want people to be immersed in the culture of the Port."

As part of the greenway project, Mr Nagel said the Starfish Developments team has created zones where you can have a kick of the footy, a picnic on the grass and thoroughfares with trees.

"I'm passionate about the smell of gardens, so there'll be lots of frangipanis, Chinese star jasmine, honeysuckle and rosemary. It's woven into the fabric of the landscape as well as having colours and textures, deciduous and non-deciduous trees, and an area for all seasons."

## Building communities from the dock up.

**Starfish Developments' Dock One is creating architecturally-designed homes inspired by local heritage, art and culture at Port Adelaide. Between the waterfront and the wool stores, Dock One is creating a walkable community where neighbours can have a kick of the footy and watch dolphins in the river.**



**"I have always wondered why there have been failures down here in the past, when there is so much potential? We've looked at the area and asked what needed to be done to better integrate into the Port, bordering on a heritage precinct, and we've been driven by that."**

**Damon Nagel**  
Starfish Developments



Craig McRostie, Rebecca Mead, Ben Colmer, Damon Nagel, Natasha Riley, Deke Smith.





# Listing with the best.

**A little more than 30 years ago, Mario Bonomi teamed with business partners Rino Pancione and Claude Buccella to establish an LJ Hooker office.**

As house prices rose and interest rates fell, Mr Bonomi's love for the industry grew, prompting investing in four more offices. The team now has offices in St Peters, Glynde, Walkerville, Adelaide and LJ Hooker Commercial. It also oversees the largest LJ Hooker property management business in its international network.

Mr Bonomi has seen the ups and the downs, the price spikes, the high interest rates, and now the historic low rates. For three decades he has committed to helping develop his staff into highly-respected professionals, find clients dream homes, and help investors build portfolios.

Despite COVID-19 impacting the market last year, the real estate industry is now thriving.

"The industry is going gangbusters at the moment," Mr Bonomi said. "It's a seller's market in a traditional sense, but it's also a buyer's market in residential and commercial real estate."

The time is right to buy, according to Mr Bonomi, citing record-low interest rates, the improving financial position for many people post-pandemic due to more favourable lending criteria, and the home

buyer and builder grants available.

"It has a lot to do with lending criteria being relaxed last year, and that's taken three to six months to flow through," Mr Bonomi said.

"From December things started to move quickly, because a lot of people were able to access very cheap money very quickly. Then we were also seeing FOMO in play – fear of missing out – and people are definitely jumping in now."

In recent weeks, several homes in middle-class suburbs have sold for tens of thousands of dollars above reserve, and in some cases hundreds of thousands.

Mr Bonomi said the trend is spreading to traditional mortgage-belt suburbs, north and south, and there are similar trends interstate and in New Zealand as people "make hay while the sun shines so to speak".

The commercial real estate market has also bounced back post-pandemic.

"We're seeing more metro market sales than city. Sales are exceeding expectations by very large numbers because there's a large number of people wanting to invest in the commercial space, and the cost of finance being very low is helping," he said.

"If you're investing \$1 million in commercial property and you're borrowing at 2.5 per cent, your interest

would be about \$25,000 a year and the rental return would be about \$50,000 a year. You're positively geared, so why wouldn't you want to invest?"

South Australia has also attracted its share of the expat market, with people returning to buy real estate, change their lifestyle and move to clean, green Adelaide.

Mr Bonomi could talk about real estate all day, as he's prone to doing with the life-long friends he has made through the industry.

And the dream home for a real estate agent who has seen it all?

"It would be next to George Clooney's place overlooking Lake Como, within walking distance of some of the best restaurants."

There's nothing wrong with having a real estate dream.

## The perfect time to sell and buy.

**With interest rates at record lows, relaxed lending criteria and less household debt for many, LJ Hooker's Mario Bonomi said it's the perfect time to sell. For those worried about buying, Mr Bonomi said if you're buying and selling in the same market, the timing couldn't be better.**





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**“BankSA is a fantastic partner for us because they’re South Australian, they understand the market and they know what’s going on. For a local bank they’re relevant to us and our clients.”**

Mario Bonomi  
LJ Hooker



# Forged in the Barossa.

**The Ahrens family name is synonymous with the Barossa Valley, with five generations of the family playing a role in its history of agricultural and engineering pursuits.**

In 1906, Wilhelm Ahrens stood at the centre of Shea-Oak Log as the town's blacksmith. Two generations later, his grandson Bob brought engineering to the family business, expanding the operation to sheds, steelwork and silos.

Bob Ahrens married Marj, and as Ahrens Group's current Managing Director Stefan Ahrens said, his mother had "business smarts".

"Dad had the great engineering background and Mum had the book-keeping ability, and they were strong community and family people and they really set the standard at Ahrens," Stefan Ahrens said. "I've been lucky enough to inherit that."

As a fourth-generation member, Stefan has been joined by his daughter Ellen, and he hopes his son will return to Ahrens after a stint in Sydney working for financial services firm BDO, having gained valuable external experience.

In the meantime, Stefan is focusing on consolidating the ever-expanding group of companies Ahrens has acquired and managing growth in strong agricultural and mining services industries.

"Our business started based on steel and manufacturing and blacksmithing, and we've grown that into a product range to complement that," he said.

Ahrens have grown and diversified into four main divisions. Design and Construction can deliver any project from concept to completion; from warehouses to multi-storey carparks and landmark builds like SA's award-winning Cooper's Malting Facility. Mining Services, operating out of Olympic Dam and the Pilbara, provides facilities management, plant/equipment and other in-house services. Rural provides grain silos, field bins and sheds, leading the way in rural infrastructure, while Water Storage is the largest supplier of its kind nationally, growing internationally in the US.

With more than 1,000 workers nationally, Ahrens' is stepping towards Vietnam and the US, where it has acquired a local agent.

Then there's tourism, with Ahrens' Kingsford Homestead hosting weddings, corporate events and internal training programs.

"We're certainly quite a diversified business and that's helped us a lot," Stefan Ahrens said. "Our focus is to grow these businesses but we're not looking to diversify further, other than in tourism."

Before opening to the market, Ahrens is making the most of the 16-room Kingsford Homestead as an executive training base.

"Our aim is to try and have great people and train them to be the best they can be," he said. "We get these young emerging leaders and fly them in and have a week of personal development and networking with each other and they become lifetime friends.

"We're trying to spread the strong family

culture throughout the business, across Australia."

Throughout its history in South Australia, Ahrens has built a strong relationship with BankSA, which provides banking services across the entire business.

"They support us and they're a great local business with national skills and abilities as well"

The Ahrens Group gives back to the Barossa region and to agricultural communities across the nation, having donated field bins to country sports teams to help fundraise \$750,000. It supports many other charities as well, including contributing more than \$500,000 to build the Barossa Cellar - a regional wine museum protecting and preserving local wines - and has donated machinery and blacksmithing items to the Sheaoak Log Machinery Museum.

## From the Barossa to the world.

**The fifth-generation Ahrens Group has grown from being a blacksmithing business started at Shea-Oak Log on the edge of the Barossa Valley in 1906, to now having more than 1,000 staff across Australia, and expansion plans to provide mining services, agricultural equipment and water tanks in the US and Vietnam.**



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**“We’re strong believers in communities and we believe it’s an important part of what should be the fabric of any business, and it’s important to give back to the communities that support us.”**

**Stefan Ahrens**  
Ahrens Group





# Positive signs for SA's economy.

**Besa Deda was born into a family with an interest in world affairs and the economy. Learning about economics from an early age, the BankSA Chief Economist was influenced by her father, who was born in eastern Europe but came to Australia as a refugee.**

With an interest in European and Australian economics, Ms Deda remembers watching the Federal Budget as an eight-year-old with her father, and then every year onwards. Without realising, she was being conditioned into a life exploring how the world works and how economies tick.

"A big part of our role is analysing data and identifying trends to form a view of what's going to happen in the economy and communicating these views to our staff and customers in a concise way," Ms Deda said.

After finishing an economics honours degree, Ms Deda joined the Colonial Group's graduate program. Her last departmental rotation was in economics, where Group treasurer Mike Hirst, who later became Bendigo Bank's CEO, embraced her enthusiasm.

"Mike was very progressive and would give people opportunities. The role replaced a Senior Economist and being a very small two-person team, I had big responsibilities for an economist just starting out."

The Commonwealth Bank later purchased Colonial and in 2008, Ms Deda accepted a role created for her by St. George Bank. She now works across BankSA, Bank of Melbourne, St George and Westpac Business Bank.

"The bank was looking for someone who specialised in both foreign-exchange options structuring and economics - which is like looking for a surgeon who operates on eyes and the heart in the one. There is a synergy of sorts, but that person does not exist. Instead, a Specialist Options Structurer was hired, and a new role was created for me."

With a birds-eye view of each state's handling of COVID-19, Ms Deda said South Australia's economic recovery had been better than most, particularly in housing and construction.

"Building approvals have picked up strongly in South Australia from 781 in August 2020, surpassing 1,300 per month in the three months to February 2021. Low interest rates and the HomeBuilder grant helped."

"The lift in approvals will help generate a strong pipeline of residential construction activity and flow on to jobs which should sustain, if not lift the level of employment in the state."

House prices in Adelaide have risen 8.6

per cent over the year to March, the fastest rate in nearly 11 years. In regional South Australia, house prices are up 13.0 per cent, the strongest pace since August 2004.

With low interest rates underpinning housing demand, rising confidence, and more people choosing to stay in South Australia to work and live, the state's economic outlook is bright.

"Recently Adelaide was named Australia's most liveable city<sup>1</sup>. It is affordable, it has good infrastructure, it's easy to get around, consumer confidence is elevated and businesses are more optimistic.

"If South Australia continues to keep its talent and grow its economy, there are good prospects for the state. COVID has shown you don't have to move interstate for work. Staying has become a more attractive prospect."

<sup>1</sup>Ipsos Life in Australia 2020 report

## A strong pipeline in the works.

**BankSA's Chief Economist Besa Deda said a powerful combination of low interest rates, government subsidies and an upturn in housing are contributing to South Australia's economic confidence.**



# Working with you to build a **better future.**

BankSA is committed to helping businesses invest in and develop the Australian property landscape. Talk to our team of specialist bankers today.

BankSA Property Specialists | Call Lindsay Hick 0422 216 220

# Supporting our community for 80 years.

BankSA Foundation is part of St.George Foundation. St.George Foundation is administered by St.George Foundation Limited (ABN 46 003 790 761) as trustee of St.George Foundation Trust (ABN 44 661 638 970). *St.George Foundation Trust is a Public Ancillary Fund, endorsed by the ATO as a Deductible Gift Recipient.* St.George Foundation has chosen to treat all supplies as input taxed. Please note the BankSA Foundation is registered under the Collections for Charitable Purposes Act, 1939, No. CCP2743 WBCBSA08471 0421

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