SOUTH AUSTRALIA: PARTNERING FOR GROWTH

Martin Haese MBA, a former Lord Mayor of Adelaide and now Special Envoy to Singapore and Southeast Asia for Trade and Investment for the Government of South Australia, was in Kuala Lumpur recently and met with MABC Chairman, Loong Caesar. At their meeting they discussed promoting investment between Malaysia and South Australia. Here are excerpts from their conversation as to why South Australia is one of the world's most compelling investment destinations.

Caesar: Martin, it's always so nice to see you and thank you for making the effort to meet. Let me start with the obvious question: Why South Australia, and why now?

Martin: Thanks, Caesar. The simplest answer is that this is a moment of extraordinary opportunity. South Australia has been consistently voted the best place to do business in Australia for several years running based on growing demand, construction growth, low unemployment, land-use planning certainty, transparency and regulatory stability. We're also ranked Australia's number one jurisdiction for economic growth. Alongside the historic AUKUS agreement and advanced manufacturing work that will be done in SA, and our lead in the green energy transition, we're seeing a genuine transformation of the economy. For an investor, that combination of stability and momentum is rare.

Caesar: You mentioned the green transition. Tell me about South Australia's renewable energy story.

Martin: That is a remarkable story, and I don't say that lightly. South Australia is Australia's renewable energy superpower. Close to 80 per cent of our net electricity generation already comes from wind and solar. Coal exited our grid entirely back in 2016, and natural gas plays and important firming role. We're targeting 100 per cent net renewable generation with the next two years and could generate several hundred per cent of current local grid demand by 2050. Our clean energy project pipeline sits at up to AUD$30 billion. For investors, that means real opportunities in large-scale generation, battery storage, low-carbon fuels, green iron, minerals, rare earths and more. We have 19 billion tonnes of magnetite iron ore and the renewable power to process it into decarbonised steel.

Caesar: Let's talk about defence, because AUKUS has put South Australia on the global map.

Martin: South Australia is the defence state. We're home to over 500 defence and space organisations, and we're building Australia's first fleet of nuclear-powered submarines, the SSN-AUKUS vessels at the Osborne Naval Shipyard, which is becoming one of the world's most advanced naval construction facilities. Over the next four years we anticipate around A$2 billion in investment, employing up to 4,000 workers at peak just on the infrastructure. When the submarine program reaches full stride, we're looking at 4,000 to 5,500 additional jobs. There is also the Guided Weapons and Explosive Ordnance enterprise and other opportunities aligned to AUKUS.

Caesar: Space is another area where South Australia punches above its weight.

Martin: It does. The Australian Space Agency is headquartered here in Adelaide, at our Lot Fourteen innovation precinct. We're home to the world's first commercial spaceport, the Koonibba Test Range which in 2025 hosted the world's first-ever successful re-entry of a commercial spacecraft to a commercial spaceport. We also launched Kanyini, our first state-funded satellite, built entirely in Adelaide. It's a full-service ecosystem, from satellite manufacturing and launch through to ground services and space domain awareness.

Caesar: Technology and AI seem to underpin almost everything you've described.

Martin: Critical technologies are the connective tissue across every sector. We host the Australian Institute for Machine Learning which is the largest machine learning group in the nation plus the Responsible AI Research Centre and world-class quantum and photonics capability. The results speak for themselves: Amazon Web Services, Deloitte, CommBank and Qantas have all established significant operations here. Qantas alone is building a Product Innovation Centre with more than 420 high-value technology roles. Our tech sector employs around 40,800 people today and is projected to nearly double to 89,400 by 2035.

Caesar: And health care and medical?

Martin: Adelaide's BioMed City is a A$3.8 billion medical innovation district is one of the world's most connected life sciences precincts, with more than 2,000 researchers. What makes us distinctive is speed. Thanks to Australia's regulatory framework, you can start clinical trials here in as little as six weeks, working to FDA, EMA and TGA standards. We offer end-to-end capability clinical trials, GMP manufacturing, drug development, and precision health powered by AI and a single electronic medical record covering 1.8 million people.

Caesar: My favourite topic of course and certainly not the least important to Malaysians, is food and wine. Tell me more about this.

Martin: Absolutely! Primary industries and agribusiness contribute A$17.1 billion in revenue, and nearly half our overseas exports come from primary industries and processing. We're the largest exporter of premium wine in Australia, producing 55 per cent of the national crush, worth A$2.5 billion a year across 18 iconic wine regions. Add to that, grains, meat, dairy, horticulture, and some of the world's most sought-after seafood. All clean, green, safe and traceable. For a partner like Malaysia, with growing demand for premium food, that's a natural fit.

Caesar: How about tourism?

Martin: Record-breaking, in fact. Visitor expenditure reached A$9.9 billion, and the State Tourism Plan targets A$12.8 billion by 2030. Adelaide Airport passed 9 million passengers for the first time in 2025, with international numbers up more than 20 per cent. We have an exciting state-backed major events calendar embracing motorsport, the arts, sport, food and wine and so much more. The Adelaide Motorsport Festival, bp Adelaide Grand Final, and MotoGP will next year see motorcycles racing on a city-centre street circuit in the heart of Adelaide. There's a strong investment pipeline in new hotels and premium regional accommodation, with A$1.6 billion in metropolitan hotel projects already underway.

Caesar: Let's get concrete about incentives. What does South Australia actually offer an investor financially?

Martin: This is where South Australia is genuinely less expensive and less complicated. A few headline incentives:

- No stamp duty on commercial property transactions — that's a straight saving on entry.
- Zero payroll tax on wages under A$1.5 million, and a higher threshold with a lower rate than Melbourne, Sydney or Brisbane.
- We're the lowest-taxing state on mainland Australia — around A$2,970 per person in state taxes versus A$5,073 in Victoria.
- Average wages roughly 6 per cent below the national average, and lower office, industrial and construction costs than the eastern capitals.

There are targeted rebates and incentives for creative industries covering games, post-production and visual effects (PDV), R&D, and film and television.

Caesar: What about workforce and migration? These are often barriers for foreign investors.

Martin: We've made that easier too. For international businesses, our Skilled and Business Migration pathways, including the Designated Area Migration Agreement help you bring in specialised talent, and there's priority state nomination under the National Innovation Visa. So, you can staff up quickly and confidently.

Caesar: What's your best advice for a Malaysian investor?

Martin: Through *Invest SA*, our dedicated investment attraction unit within the Department of State Development, we offer hands-on, end-to-end case management and project facilitation help. This includes site selection, guidance on regulations and incentives, and direct connections to senior decision-makers in government, research institutions and our innovation precincts. Importantly for this region, we have expert personnel on the ground in Kuala Lumpur. Investors don't have to find their own way through. We walk the journey with them.

Caesar: And why is Malaysia specifically such a valued partner?

Martin: Malaysia is one of our major trading partners and a gateway to Southeast Asia. There's growing demand in Malaysia for premium food, education, health services, minerals, renewable energy and technology. Exactly what South Australia can offer. We see real opportunity in aerospace, agritech, the digital economy, clean energy, defence industries, education and tourism, and scope for genuine two-way investment and joint ventures across ASEAN. More importantly, we also enjoy deep cultural ties. Malaysia Airlines operates daily direct flights between Adelaide and Kuala Lumpur, so we're genuinely close. I am a regular visitor to Malaysia myself.

Caesar: Before I let you go, can you say something about the historic ties between SA and Malaysia.

Martin: Ah yes. All the more reason why South Australia and Malaysia have a special connection. Adelaide was planned by Colonel William Light in 1837 who was the son of Captain Francis Light, the founder of Penang. So, we have two colonial cities, roughly 50 years and an ocean apart, founded by a father and son. It's a genuine Sister City relationship and a rather remarkable piece of shared heritage between George Town and Adelaide.

Caesar: Martin, you've done a fabulous job promoting South Australia. Thank you for reaching out and sharing this information. Enjoy the rest of your stay in KL.

Martin: My pleasure, Caesar. Terima kasih.

[For investment enquiries, contact Invest SA, Department of State Development — invest.sa.gov.au or the MABC secretariat at mabc@mabc.org.my]