

## Link to South Australia's Strategic Plan Objectives

The timely provision of adequately serviced, affordable, and appropriately located industrial and residential land will contribute to the achievement of the following targets:

### Objective 1: Growing Prosperity

<b>Competitive business climate</b>	Maintain Adelaide's rating as the least costly place to set up and do business in Australia and continue to improve our position internationally. (T1.4)
<b>Investment</b>	Match or exceed Australia's ratio of business investment as a percentage of the economy within 10 years. (T1.6)
<b>Exports</b>	Treble the value of South Australia's export income to \$25 billion by 2013. (T1.12)
<b>Strategic infrastructure</b>	Increase investment in strategic areas of infrastructure, such as transport, ports and energy to support and achieve the targets in South Australia's Strategic Plan. (T1.16)

### Objective 5: Building Communities

<b>State and local Government</b>	Align State and Local Strategic Plans within 12 months of the release of South Australia's Strategic Plan and agree joint initiatives from them. (T5.7)
<b>Regional infrastructure</b>	Build and maintain infrastructure to develop and support sustainable communities in regions. (T5.11)

### Objective 6: Expanding Opportunities

<b>Housing</b>	Encourage the provision of affordable housing in the community. (T6.6)
	Halve the number of South Australians experiencing housing stress (people paying more than 25% of their income on rent) within 10 years. (T6.7)

## Background

South Australia must continue to hold a competitive advantage for investment in land and development through a planned supply of well-located, affordable and serviced land.

The public and private sectors both play significant roles in the release and development of industrial and residential land throughout the state. The majority of residential land development projects are undertaken by the private sector development industry, supported by a highly efficient project housing sector. The government, in some instances, undertakes joint venture activities with the private sector to facilitate economic, social and environmental outcomes that are considered important for the wider community.

The government monitors the supply and demand of residential, commercial and industrial land in conjunction with the property development industry to ensure continued availability of broad hectare land and infill sites that are adequately serviced by essential infrastructure and facilities.

The Land Management Corporation (LMC) is responsible for managing, releasing and developing State Government-owned land in the metropolitan area for residential, commercial and industrial use, often in joint ventures with the private sector. The total amount of land released by LMC over the last six years was around 700 ha, which accounts for most of the major housing estate developments in Adelaide over that period.

As at June 2003, of the total vacant broad hectare residential land holdings in metropolitan Adelaide (Adelaide Statistical Division), the private sector owns 61%, LMC owns 35% , other government agencies 1% and associations 3%.

Vacant industrial and commercial land in metropolitan Adelaide is owned approximately 55% by the private sector and 45% by the State Government. The majority of vacant industrial and commercial land in rural South Australia is held under private ownership.

It is important that the planning system facilitates market delivery of suitable sites to support commercial sector developments. There is renewed market interest in quality office accommodation, with new buildings under construction in a number of CBD and fringe locations, including the City Central development, the Flinders Link project and Admiral House.

#### **Policy Parameters**

Several policy documents set the parameters for the State Government's land release program. These include the National Charter of Integrated Land Use and Transport Planning; the Planning Strategy and the Residential Metropolitan Development Program (RMDP).

The Planning Strategy states that sufficient land must be made available for economic activity and that this land must be supported by the required infrastructure, particularly in those areas preferred by industry (e.g. north-west Adelaide). Furthermore, existing and future industries must be protected from encroachment by incompatible land uses.

Local governments are required to update their development plans every five years to reflect the objectives of the Planning Strategy.

The Planning Strategy also introduced the concept of a metropolitan Urban Boundary (UB). The principal role of the UB is to delineate the outer limit of the forecasted 10 to 15 years of urban growth and to protect valuable agricultural areas and water catchments, open space and conservation zones from urban development, to limit urban sprawl and facilitate efficient provision and use of infrastructure.

The government recognises the importance of better integrating land use planning, guided by the State Planning Strategy, and strategic infrastructure planning. Better planning will ensure that future industrial and residential developments make more efficient use of existing infrastructure capacity and that investment in new infrastructure capacity proceeds in a timely and economically and ecologically sustainable manner. Greater consultation with the private sector is required to ensure that land use and infrastructure planning and decision making occurs within a whole-of-state perspective.

## Challenges and Opportunities

### Industrial Land

The supply of industrial land has come under increasing pressure from competing uses, constraints on land use, rising land values and developer speculation, particularly in the rapidly growing areas in and around metropolitan Adelaide.

Analysis of the historical supply of and demand for industrial land shows that there are approximately 800 ha of suitable land in or near metropolitan Adelaide that could be readily developed, including brownfield sites. There is a shortage of land between Gepps Cross and Darlington (as residential uses encroach on previous industrial land) and across the state more generally for large vacant sites (larger than 5 ha).

This industrial land supply shortage is partly due to the state having a greater amount of land zoned as industrial than is readily available for use. Some land requires capital investments, such as provision of services, filling or remediation before it is suitable for use. Other parcels are not suitable for industrial development because the terrain is steep, the sites are unserviceable or constrained by adjoining land uses, or are disconnected from the supply chain.

Due to changing industrial practices, some older industrial areas are becoming obsolete. Connections to the transport network, for example, cannot handle large trucks and the required large lot sizes for new distribution facilities are not available.

To accommodate these changes, future large industrial estates will need to cater for medium to large allotment sizes (>5000 sq.m) and preclude the development of small industrial allotments (<2500 sq.m).

It is likely that Adelaide's transport, storage and logistics industries will undergo significant change in the coming years. Growth in e-commerce and e-business is expected to have a significant impact on warehousing and distribution in Adelaide. The transport and logistics industry is expected to be a major user of industrial land.

If the state is to meet the growth targets in South Australia's Strategic Plan, an adequate supply of suitably located and serviced land is required, particularly in the northern Adelaide region, where there is good access to the existing transport and utility infrastructure.

Releasing the right amount of industrial land to the market at the right time is crucial to encouraging a competitive business climate and maintaining a high level of investment. Analysis of the state's land holdings has commenced and further work must be undertaken to enable strategic mapping of future land disposals and acquisitions. This work must include reviewing government policy relating to land disposal and acquisition, and greater consultation with the private sector and other stakeholders on future land needs.

The future supply and location of industrial land and the provision of infrastructure will need to be tailored to suit sector requirements relating to transport intermodal facilities, supply chains, clean locations, allotment sizes, cluster opportunities, sector growth forecasts, access to labour and buffer zones.

### Industrial Precincts/Zones

Further establishment and maintenance of precincts with complementary uses will help industry to invest in and develop appropriate sites.

Key precincts for future industrial growth will include Le Fevre Peninsula/Pelican Point, Gillman/Dry Creek, Edinburgh Parks/Burton and Seaford. These precincts will require prioritised investment to ensure continuity of land supply and orderly development.

More coordination between the private sector and all spheres of government is required to ensure targeted growth in South Australia's defence and technology clusters at Technology Park and Edinburgh Parks and to establish the proposed defence precinct at Osborne. Infrastructure upgrades to Edinburgh Parks will be required to support increasing uptake of this land.

The Osborne maritime precinct master plan features 60 ha of land dedicated to naval shipbuilding and supporting industry, a new ship lift, dredging to berth large vessels and provision of supporting infrastructure services. Realising the potential of this precinct to boost the economic growth of the state will be a high priority for the government over the coming years.

Established industrial sites and precincts such as these are generally well serviced by surrounding infrastructure and will continue to be marketed to industry to ensure the best possible economic returns for the state.

Primary and rural industries have location specific requirements, for example, mines to the mineral deposits, vineyards to suitable soils, intensive animal keeping to areas with suitable separation distances and wind farms to areas of sufficient reliable wind. Primary industry zones and other strategically important sites need to be protected from encroachment by sensitive uses or alienation.

Value adding of locally produced primary products is one of the strategies being used to increase local economic return (e.g. wineries, timber mills, cheese factories, animal processing facilities). Suitable land is required that does not conflict with other economic or social interests, such as tourism, nor alienate high quality rural land.

Examples of significant regional developments include the Amcor bottle manufacturing plant at Kingsford Estate and the Berringer Blass bottling facility at Nuriootpa. In addition, mixed-use land developments support major regional industries, such as the proposed Ceduna and Cape Jaffa marinas, which will be used by the fishing and aquaculture industries.

The development of such land for industrial purposes requires the timely provision of adequate support infrastructure, in particular, energy, water, transport and communications.

#### **Industrial land Supply and Development Opportunities**

The most significant areas of vacant land are located at Edinburgh Parks (520 ha), Le Fevre Peninsula (200 ha), Port Adelaide (80 ha), Gillman (95 ha), Dry Creek (190 ha), Wingfield (72 ha), Lonsdale (167 ha), Burton (89 ha), Parafield Airport (100 ha), Adelaide Airport (60 ha), Port Stanvac, Gawler (Kingsford Estate) and several other regional locations. Not all of this land is in the locations preferred by industry, some sites have significant constraints or have been earmarked for particular developments and will need work to bring online. For example, Dry Creek and portions of Gillman will require significant remedial works.

There is a need to reserve land at Port Stanvac for future industrial development, once ownership and other matters have been resolved with Mobil. There is an increasing need for more industrial land to the south of Adelaide and this needs to be identified and prepared for suitable industrial development.

A number of large companies are seeking to be located in 'super regional' distribution facilities that are replacing a number of smaller facilities within cities. Super regional facilities are often built on the fringe of the urban area, for example at Direk or Monarto near Murray Bridge. These projects are usually one-off developments and can be catered for within special project planning processes.

Initial work has been undertaken to establish a 15 to 20-year supply of industrial land. This would be sufficient to satisfy short, medium and longer-term market needs, thereby helping to maintain competitive industrial land prices. This timeframe recognises the required lead times for land use policy change and infrastructure sequencing, and provides certainty of future industrial land supplies relative to other land uses (such as residential). Further work on this project will be undertaken by the government in consultation with industry.

Industries are increasingly operating with improved environmental performance in order to satisfy global supply chains and community expectations and to manage risks and costs. South Australia's desire to be clean and green and a competitive investment destination may require concepts of 'industrial ecology' to be increasingly incorporated into future industrial design. Such measures will facilitate achievement of the sustainability targets of South Australia's Strategic Plan.

Industrial investment and development in South Australia will increasingly need to incorporate principles of sustainable development, not only to meet Environment Protection Authority (EPA) requirements but also to improve business operations and minimise environmental impacts.

#### **Strategic Priorities**

- Identify, protect and facilitate the development of a 15 to 20-year supply of suitable industrial land to meet demand.
- Ensure infrastructure is provided in an integrated and timely manner to support existing and proposed industrial land developments (e.g. transport corridors, inter-modal site developments, etc.).
- Planning of industrial estates should encourage sustainable industrial practices.
- Ensure suitable sites are available for industries that are strategic to the state's economy and have site-specific requirements.
- Identify land suitable for industrial sites in southern Adelaide.

## Residential Land

State Government data indicates that there is an adequate supply of residential land to meet projected demands in the metropolitan area for about 10 to 15 years.

The key issues affecting residential land in metropolitan Adelaide include:

- the rate of increase in total households continuing to exceed the increase in population
- the government's aim to increase the population to 2 million by 2050
- the expected long-term decrease in dwelling occupancy rates (e.g. single person households will be the fastest growing household type, followed by couple households). This trend is predominantly due to the ageing of the population
- the need to maintain a sufficient supply of residential allotments to facilitate an adequate supply of affordable housing for purchase or rental by low income earners.

Residential developments are delivered by a range of means, including broad hectare developments, existing vacant allotments, demolition of existing dwellings and redevelopment of the sites, creation of additional sites by subdividing existing house lots, construction of high-density housing, and use of airspace above existing developments such as commercial premises. There is growing interest in establishing residential developments in association with marinas.

In regional areas, the highest population growth has been recorded in the peri-urban centres around Adelaide (e.g. Mount Barker and Victor Harbor) and coastal cities (e.g. Port Lincoln and Mount Gambier). This growth has been attributed to the movement of retirees and increased growth from specific industries (e.g. wine and aquaculture) in these centres. The success of the state's population growth initiative in attracting people to rural South Australia will need to be considered in planning for the provision of serviced residential land in regional towns.

An important consideration in new residential developments is ensuring access to adequate infrastructure, including transport. Planning and approval processes should more formally recognise infrastructure needs. This could be achieved through more formalised and comprehensive infrastructure audits, conducted during the early planning stages. This will boost investment confidence and contribute to meeting the investment target in South Australia's Strategic Plan.

There are several significant residential land development projects currently in their early stages in metropolitan Adelaide, including the Port Waterfront Redevelopment, Northgate Stage 3 and the Lochiel Park 'green village'. These projects are on sites that have good access to essential infrastructure and will have greater emphasis on higher housing densities and the application of ecologically sustainable development principles than past projects.

Significant residential developments led by the private sector, planned or in progress, include those at Brompton, the former Underdale Campus, Westwood, Sheidow Park, Seaford, Aldinga, Sellicks Beach, Burton, Andrews Farm, Craigmore and Mawson Lakes. Several high-rise residential developments are also occurring or are planned within the CBD such as the Domain apartments and the RAA site at Hindmarsh Square, and near city locations such as Air on Greenhill Road and Holdfast Shores at Glenelg.

There is also scope in regional areas for the government to engage with regional development boards and councils to pursue residential development opportunities. Collaboration between these bodies has the potential to address market failure in regional housing.

The government will continue to review the land holdings of its agencies to identify surplus sites that can be made available for development. The process by which surplus land is disposed of will be reviewed to ensure the best possible economic outcomes for the state are achievable, with due consideration to probity requirements.

The government will also continue to monitor the supply and demand of residential land and associated infrastructure implications through the RMDP.

## Strategic Priorities

- Review processes for disposal of surplus government land.
- Ensure residential land supply is available when needed to meet market demand.
- Give greater consideration to population data and changing demographics in residential land supply planning.
- Ensure that planning for residential developments is more closely integrated with infrastructure and transport planning.

### Land Administration

There is an increasing reliance on ICT applications for business operations in land management.

The Automated Torrens Land Administration System (ATLAS) program of business reform is designed to improve land administration (and upgrade systems) in South Australia over the long term for the benefit of industry, community and the government.

The three main themes of the ATLAS program are:

- economic development through the more productive use of land assets and greater efficiency in land-related dealings (digital conveyancing, division reform)
- protection of the state's revenue base by providing reliable and sustainable data upon which various state taxes are calculated (valuation reform)
- risk mitigation of the foundation land titles database system (IT infrastructure project).

The ATLAS program will consolidate a range of land-related information held across government and provide better access to this information by industry and the community.

## Projects

Project	Priority #	2005/6–2009/10	2010/11–2014/15	SASP Targets
Identify options for more strategic use of public land to provide more efficient delivery of community services <b>* Lead – State Government, local government</b>	U/way	*		5.7
<b>Industrial Land</b>				
Continue to develop industrial precincts close to infrastructure networks to ensure the best economic and investment outcomes are secured. Precincts include: <ul style="list-style-type: none"> <li>■ Technology Park</li> <li>■ Seaford Industry Park</li> <li>■ Wingfield Cast Metals Precinct</li> </ul> <b>Lead – State Government, private sector</b>	U/way	*		1.4 1.6
Prioritise the development and staged release of strategic parcels of land such as: <ul style="list-style-type: none"> <li>■ Port Adelaide/Dry Creek/Wingfield EcoIndustrial Precinct (437 ha)</li> <li>■ Le Fevre Peninsula (200 ha)</li> <li>■ Edinburgh Parks – automotive and defence (520 ha)</li> </ul> <b>Lead – State Government, private sector</b>	1	*	*	1.4 1.6 1.12
Establish the Osborne maritime precinct for construction and maintenance of surface and sub-surface naval vessels including, if successful, the shiplift for the air warfare destroyers <b>Lead – State Government</b>	1	*		1.4 1.6 1.12
Identify and preserve additional land suitable for industrial sites and, when appropriate, develop industrial estates: Progress investment opportunities for industrial sites in the south of Adelaide <b>Lead – private sector, State Government</b>	1	*	*	1.6
Pursue alternative uses of Port Stanvac land <b>Lead – State Government, local government</b>	1	*	*	1.6
Develop industrial estates in regional centres, including Kingsford Estate (Gawler), Mount Barker, Whyalla, Mount Gambier and Strathalbyn <b>Lead – private sector, local government</b>	2	*		1.6 5.11

\* Lead – lead responsibility for promoting, developing and evaluating the project.

# Priority – preliminary rankings. Priority numbers do not represent a final commitment by the State Government or other lead entities. See the Delivering the Plan section for further details

## Projects

Project	Priority	2005/6– 2009/10	2010/11– 2014/15	SASP Targets
<b>Residential Land</b>				
Progress major development projects including the Port Waterfront Redevelopment Holdfast Shores, Mawson Lakes and Northgate Stage 3 <b>Lead – private sector, State Government</b>	U/way	*	*	6.6
Progress the Lochiel Park model 'green village' development <b>Lead – State Government</b>	U/way	*		6.6
Prepare marina development policies to ensure the environmental, economic and social costs and benefits of marinas are transparent in decision making <b>Lead – State Government</b>	U/way	*		5.7
Implement the ATLAS program reforms to land administration to ensure South Australia is able to provide existing land administration services more effectively <b>Lead – State Government</b>	U/way	*		1.4 1.18
Undertake urban regeneration activities at Playford North <b>Lead – State Government, local government</b>	1	*	*	6.6
Make changes to the state's planning system to increase housing densities in strategic locations and to increase the supply of affordable housing in locations that have access to infrastructure and services <b>Lead – State Government</b>	1	*		6.6 6.7