

The economy and jobs



Relevant Targets

1 Target 1

2 Target 2

4 Target 4

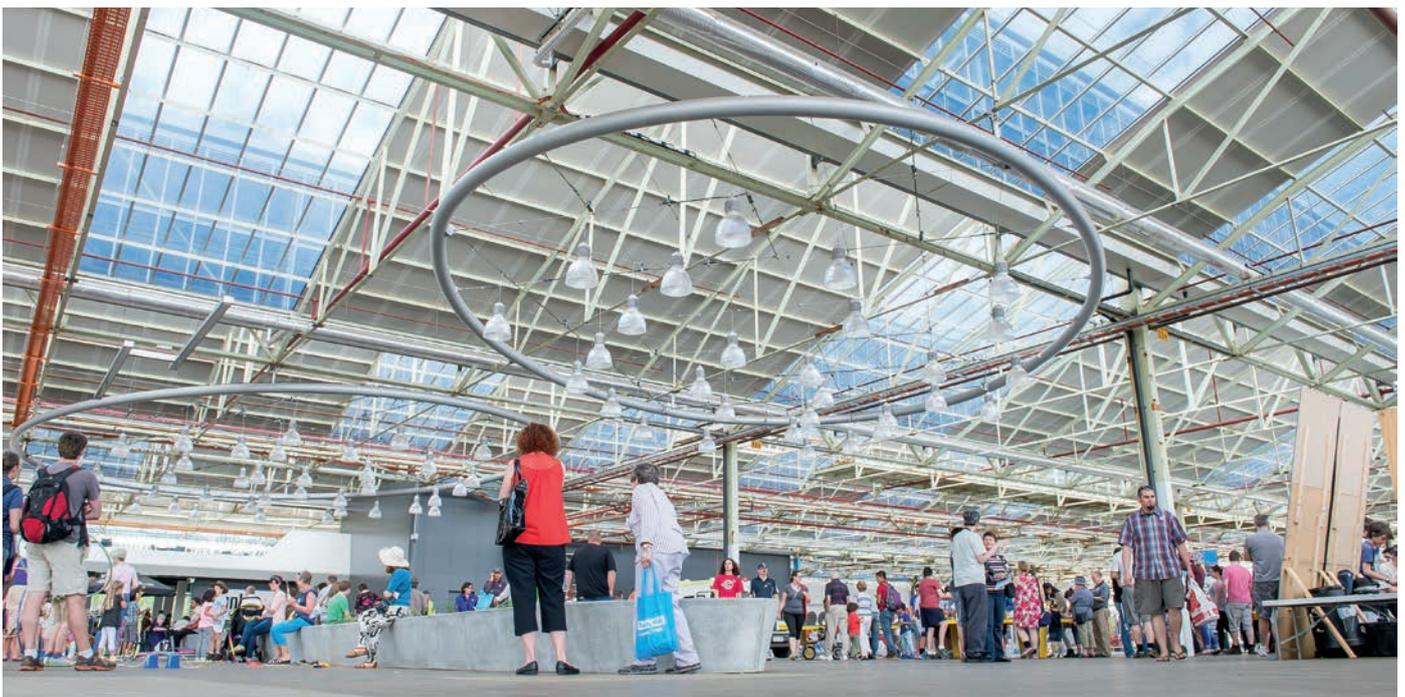
Support economic development and unlocking investment

Greater Adelaide is South Australia's engine room, contributing more than 80% of Gross State Product.⁶ Patterns of production and employment are however changing, as the services, information and communications technology, and retail and commercial sectors replace manufacturing as key economic drivers. The structure of our city and its transport system will need to respond to these changes.

Knowledge-intensive activities predominantly agglomerate in the city and to a lesser extent in other employment centres. This means that our employment areas need to be more flexible; we need to locate more housing in close proximity to the city and activity centres; and better utilise public transport connections to link people with jobs.

There has been substantial growth in new industries such as renewable energy, education and clean technology. There is also enormous potential for our premium food and wine production to grow. To enable this, we need to create conditions that support primary production and related agri-business investment and development.

The planning system has an integral role in enabling private sector planning decisions in relation to commercial, retail and industrial development, and therefore can influence economic outcomes and employment growth. For Adelaide to be competitive in a global economy we must stimulate this new economy by removing unnecessary red tape to business growth, accelerating approvals processes and ensuring that regulations support opportunity.



Tonsley Innovation District

The economy and jobs

Policies

P55. Promote certainty to undertake development while at the same time providing scope for innovation.

P56. Ensure there are suitable land supplies for the retail, commercial and industrial sectors.

Primary production

P57. Maintain and protect primary production and tourism assets in the Environment and Food Production Areas, while allowing for appropriate value-adding activities to increase investment opportunities (Refer to Map 5).

P58. Ensure that the Environment and Food Production Areas, Character Preservation Districts and planning policies work in an integrated way to:

- protect key primary production assets and opportunities
- facilitate local operating and investment conditions that support primary production and related agri-business development
- enable timely business adjustment and climate change adaptation by primary producers.

P59. Enable major new primary production and agri-business development across the Northern Adelaide and Barossa regions and in the Mount Barker-Murray Bridge corridor and prevent ad hoc land use changes that may compromise those investments.

P60. Ensure land use planning in and around the Virginia horticulture district aligns with projects for industry growth and revitalisation anticipated by the Northern Economic Plan.

P61. Increase opportunities for farm-related value-adding development within the Mount Lofty Ranges Watershed where it can be demonstrated that water quality can be maintained or improved, consistent with the Mount Lofty Ranges Watershed water quality risk hierarchy.

P62. Manage the interface between townships and adjacent primary production activities and areas of nature protection.

Tourism

P63. Provide for sustainable tourism development across Greater Adelaide by:

- protecting, enhancing and promoting the qualities that attract tourism and are of value to the whole community
- providing appropriate support infrastructure for tourism
- facilitating sustainably designed tourism accommodation in suitable locations
- facilitating tourism-related developments such as restaurants, specialty retail accommodation and other value adding activities.



Mining and resources

- P64.** Protect existing mineral resource operations by:
- preserving adequate separation distances between mining activities, housing and other incompatible development
 - ensuring buffers are contained within mine sites wherever possible
 - mitigating potential interface issues
 - maintaining access to freight networks.
- P65.** Identify and protect the high-pressure gas pipelines and other key infrastructure services.
- P66.** Define and protect undeveloped strategic mineral resources from urban encroachment and other incompatible development (see Map 6).

Manufacturing / defence

- P67.** Support and promote defence, science and technology clusters ensuring they are linked by high quality road, rail and telecommunications infrastructure and connect to universities (see Map 4).
- P68.** Focus business clusters and manufacturing hubs around key transport infrastructure such as road, air, rail, sea terminals and intermodal facilities to maximise the economic benefits of export infrastructure.
- P69.** Create sufficient buffer activities and design guidelines to prevent manufacturing and defence lands being lost to encroachment by residential activities and to prevent land-use conflicts between these activities.

Green Industries

- P70.** Ensure planning controls for employment lands are flexible to allow new green technologies and industries to emerge and grow.
- P71.** Encourage the establishment and expansion of medium and large scale renewable energy generation within the region.
- P72.** Encourage the development of large scale habitat restoration and conservation projects to increase environmental and primary production values and add to local economies and employment opportunities.

Employment Land

- P73.** Provide sufficient strategic employment land options with direct access to major freight routes to support activities that require separation from housing and other sensitive land uses.

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Case Study: Planning for the future of South Australia's ports

The role of ports in supporting South Australia's economy

Sea ports play an important role in supporting South Australia's economic growth. As shown in Figure 2.4, exports have represented an increasing share of the mining, manufacturing and wholesale trade industries, while the share of exports in the agricultural industry fluctuates over time. These four industries are those with the greatest value of exports from South Australia, and, given the bulky nature of many of their products, are the heaviest export users of ports.

Both agriculture and mining are expected to continue to grow significantly over the next thirty years. Deloitte Access Economics forecasts show that the agriculture, forestry and fishing industry will grow by approximately one third in real terms, while the mining industry is forecast to almost double.

As a consequence, the volume of both exports and imports is expected to grow significantly. Deloitte Access Economics forecasts that by 2045, trade flows will grow by approximately two thirds in real terms (Figure 2.5).

Planning for the future of South Australia's ports

Given this significant ongoing growth in the freight task through the state's ports – principally Port Adelaide – continued effort is required to protect current and future road and rail corridors, as well as sufficient land to preserve options for expansion.

In addition to significant increases in trade flows, other uses of ports and maritime facilities are likely to grow in importance:

- The naval shipbuilding industry will expand its operations at Techport in Osborne, with the construction of twelve new submarines, along with other naval vessels.
- The South Australian Government, led by the South Australian Tourism Commission, has a plan to grow the number of cruise ships calling into South Australia to 43 by 2020, up from 32 in 2014-15.

This issue is of particular importance around Port Adelaide, where the population of the local government area is anticipated to grow by 11 per cent in over the ten years to 2031, and where there are competing residential and industrial land uses.

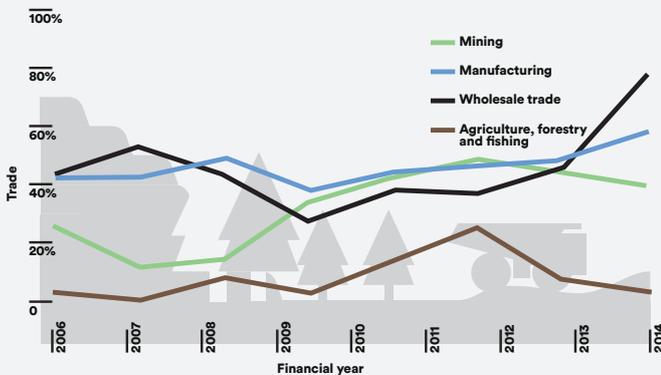


Figure 2.4 Value of exports as a proportion of gross value added in South Australia (2006-2013)

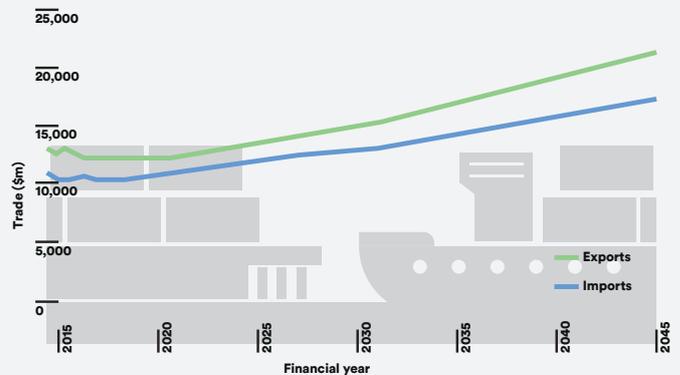
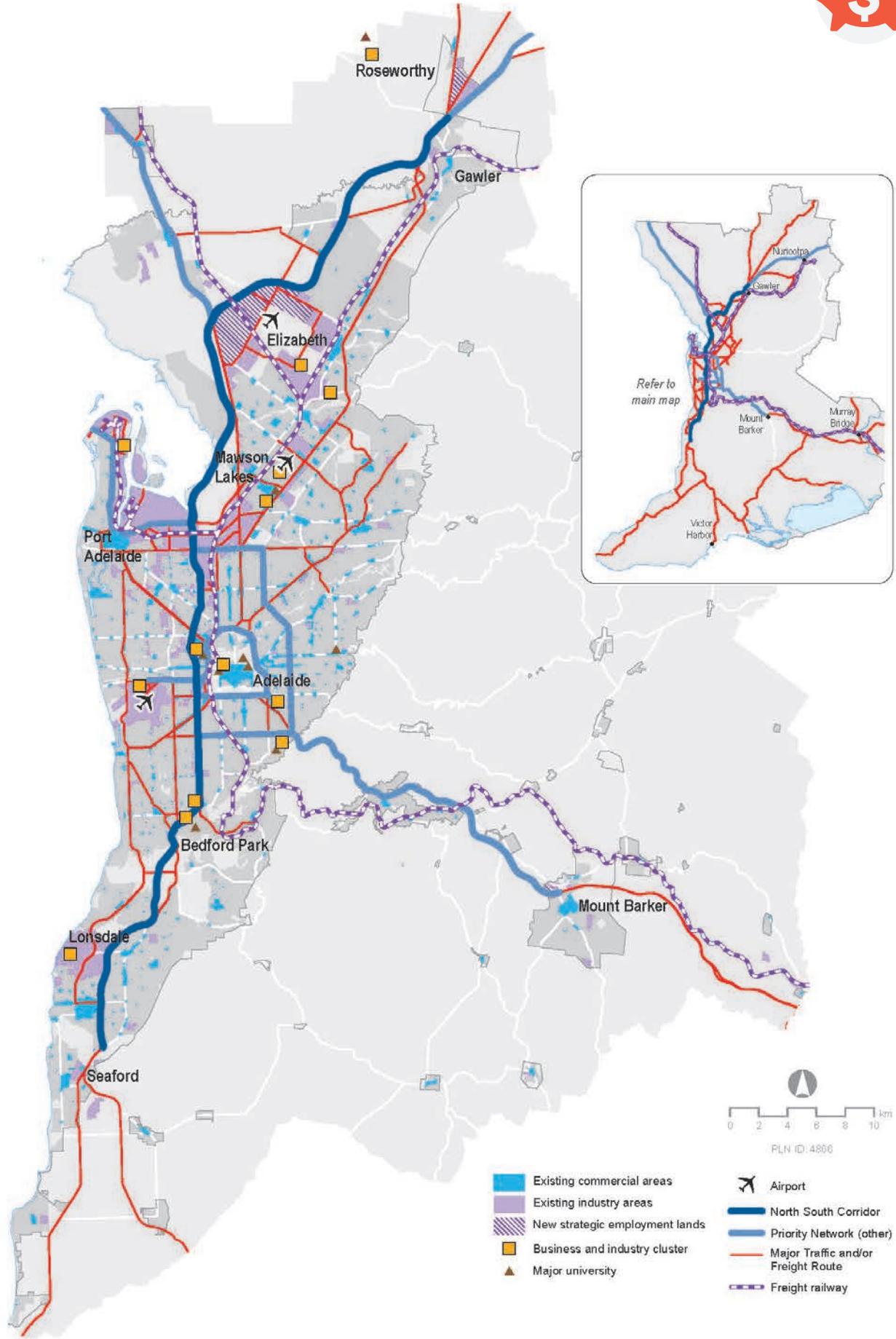


Figure 2.5 Trade flows by year (in millions of dollars, constant prices)

Map 4 — Business and industry clusters



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Case Study: Northern Economic Plan – setting the pathway for transitioning northern Adelaide to a diverse and resilient economy

The Northern Adelaide Irrigation Scheme (NAIS) and the Northern Adelaide Food Park are key elements of the *Northern Economic Plan*.⁷ They also address the State Government's economic priority for 'Premium food and wine produced in our clean environment and exported to the world'.

The South Australian Government, through SA Water, has committed to invest \$110 million to expand the Northern Adelaide Plains (NAP) irrigated food production area. An application has been made to the Federal Government's National Water Infrastructure Development Fund for \$46.5 million to help fund the project. This first stage of NAIS would deliver an additional

12 gigalitres a year of recycled water from the Bolivar Waste Water Treatment Plant, increase water storage capacity and establish an irrigation distribution network to support the expansion of agriculture production. This scheme would create 3700 jobs in and around Adelaide's northern suburbs and add more than \$500 million a year to the State's economy.

The Northern Adelaide Food Park will include food manufacturers and food processing businesses, together with food packaging, storage and logistics companies. Companies will be given the opportunity to establish in a dedicated food precinct with access to infrastructure and services on the one site.

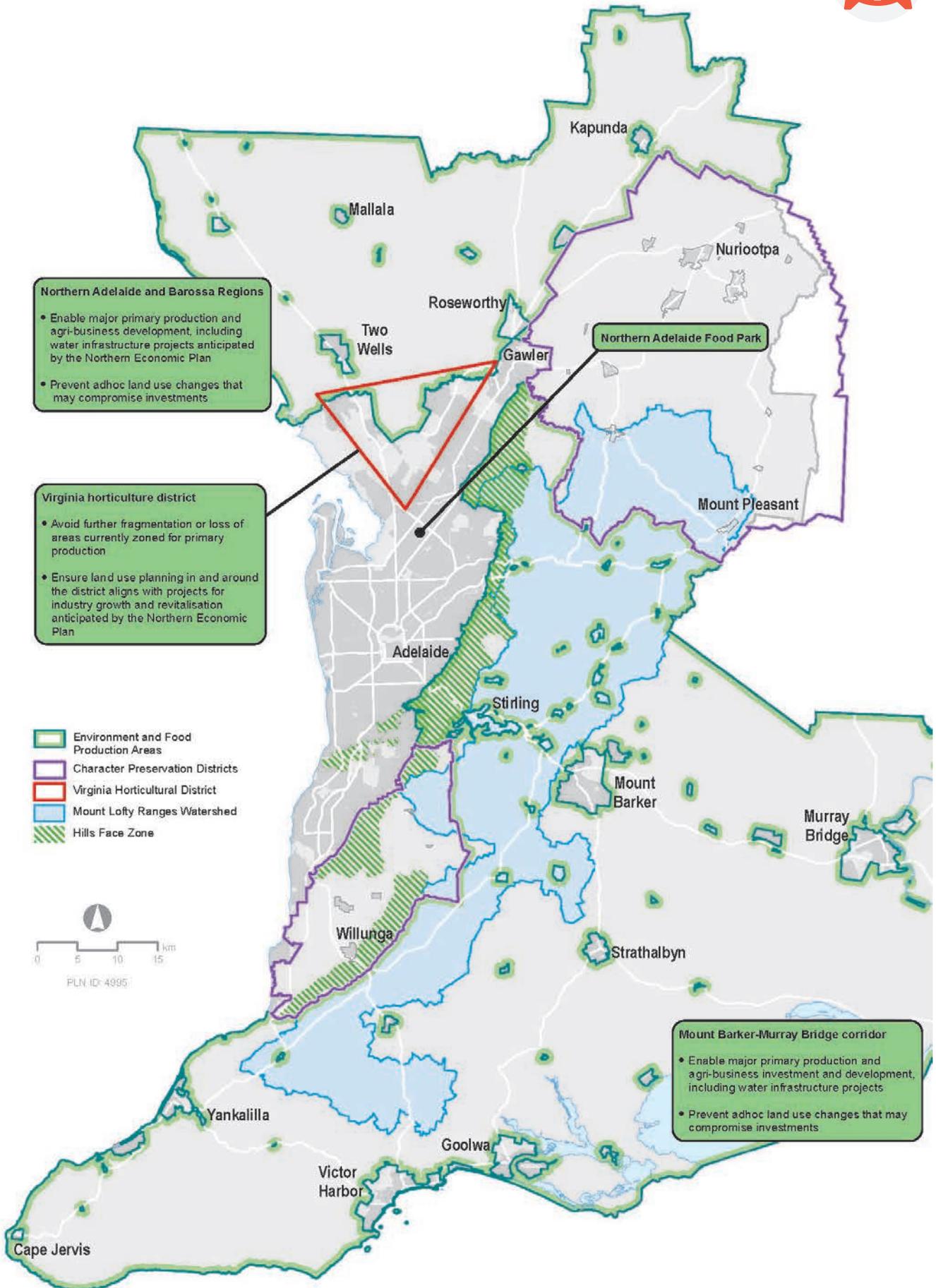
Environment and Food Production Areas (EFPAs)

Introduced in the *Planning, Development and Infrastructure Act 2016*, the Environment and Food Production Areas will:

- protect rural, landscape and environmental areas from urban encroachment
- encourage consolidation within the existing urban footprint and renewal of existing urban areas
- ensure that any expansion of the urban footprint is made transparently and based on agreed evidence
- help prevent ad hoc land use changes that may compromise investments that rely on the maintenance of those rural landscape and environmental areas.

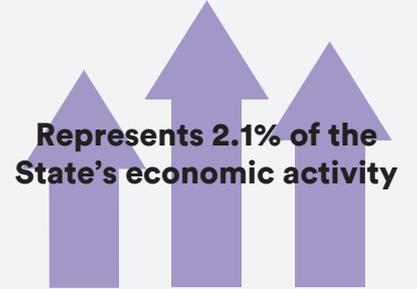


Map 5 — Environment and Food Production Areas



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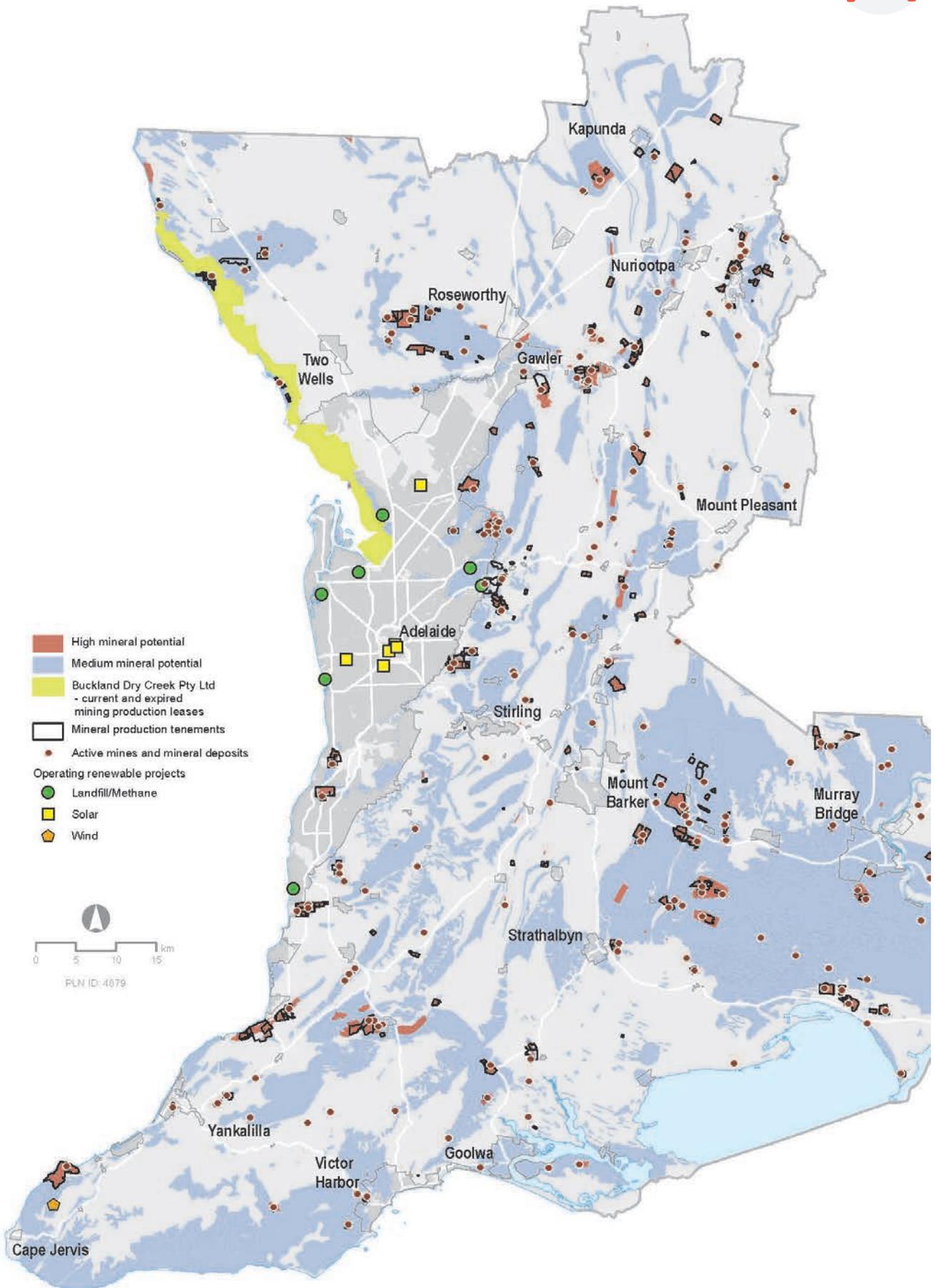
Economic impact of Adelaide Airport



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Map 6 — Strategic mineral resources and operating renewable projects



The economy and jobs

Making it happen - the planning system

In the short term

A35. Prepare guidelines and accompanying planning policies for employment lands (including industrial, defence and agri-business uses) to identify those areas that:

- require protection from incompatible development
- may evolve to more mixed-use employment
- may require expansion
- may transition to other land uses, including residential. (This will require the management of interface issues with adjacent sensitive land uses and the management of any site contamination).

A36. Develop policies and/or guidelines for inclusion in the Planning and Design Code for the following:

- areas of primary production significance
- value-adding activities in primary production areas
- ancillary dwellings, tourist accommodation and short-term worker accommodation in primary production areas

- rural living, inside and outside the Environment and Food Production Areas
- the interface between primary production zones and urban/township zones.

A37. Implement the South Australian Multiple Land Use Framework (developed to address challenges arising from competing land use, land access and land use change).

A38. Develop guidelines to ensure that the interfaces between new development in growth areas with surrounding primary production land and/or nature protection areas are sustainably managed and that buffers are provided and integrated within the growth area.

A39. Undertake a bench-marking process for the underlying assumptions and analysis of retail and industrial employment land supply.

A40. Master plan strategic employment lands (such as Port Stanvac) to secure their future and to maximise community benefit.

A41. Investigate the development of an economic monitoring indicator which has a land-use planning base.

Other key levers to unlock opportunity

- Support job creation in the northern suburbs through \$24.2 million for initiatives aimed at supporting job creation, innovation, business growth and community programs.
- Deliver major infrastructure projects to help stimulate the economy and create jobs, such as:
 - Bowden, Glenside and West Lakes developments
 - North-South Corridor - Northern Connector, Torrens to Torrens, Darlington upgrades
 - \$50bn Future Submarine Project (Federal Government funded).
- The abolition of stamp duty on non-real property transfers and the phased abolition of stamp duty on non-residential, non-primary production real property transfers.
- Use Natural Resource Management Board and Department of Environment, Water and Natural Resources restoration projects to generate employment and business opportunities.