



Employment Revitalization Plan

CITY OF CHARLES STURT

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EXECUTIVE SUMMARY

CONTEXT

This report is about employment revitalization, as seen through the prism of Charles Sturt's industrial lands.

It is the next chapter in a continuum of studies commissioned by the City of Charles Sturt over the last three years including, most notably:-

- in 2008, the Charles Sturt Industrial Land Study (ILS), which identified many of the issues affecting industrial lands and precincts within Charles Sturt and effectively defined the current Study Area; and
- in 2010, AustralAsia Economics' "Quantitative assessment of Charles Sturt and Economic Models of Engagement and Delivery" Report (or the 'Blandy Report' as it is referred to herein) , which addressed the anticipated shape and drivers of the Charles Sturt economy over the coming decade and beyond.

It is also prepared in a new strategic context, initially set by 2010's 30 Year Plan for Greater Adelaide and soon to be supplemented by the North West Corridor Structure Plan, which overlay much of the Study Area. Together, these plans presage substantial change for parts of Charles Sturt, with land use intensification being a key element.

However, while much of the focus of discussion of the 30 Year Plan has been about new forms of housing, the Plan also includes substantial employment growth targets – with 40,500 net new jobs targeted in the Western Region¹, of which 26,750 are industrial jobs. It follows that land use planning must anticipate and provide for the enterprises and activities which will give rise to this new employment.

INVESTIGATIONS

Within the preceding context, the current brief is to select a Priority Precinct from the nine Prime Industrial Areas (PIAs) identified in the ILS² and to prepare a (replicable) Employment Revitalization Plan for that precinct.

To this end, compiling the report has entailed:-

- an extensive review of the strategic settings, which are as summarized above;
- consultation with a number of surrounding Councils, State Government agencies and others, with a particular emphasis on economic development activities;
- a review of planning policy settings, both current and future, undertaken by Urban and Regional Planning Solutions;
- a review of the industrial economy of Charles Sturt, undertaken by Barry Burgan; and

¹ Comprising the Cities of Charles Sturt, West Torrens and the western half of Port Adelaide Enfield.

² Comprising Royal Park, Hendon, Woodville North, Athol Park, Arndale, West Croydon/Kilkenny, Beverley, Port Road/South Road and Hindmarsh.

- review of the City’s demographics and infrastructure, and of the PIAs themselves (size & scale, land-use & ownership configurations and the like), all of which paints a picture of the present on-ground situation.

The planning review points to and provides comment on:-

- the complexity of Charles Sturt’s current Industrial zones, and the need for a more cohesive commercial and industrial land use planning framework;
- the shift in language in State planning policy from “industrial” land to “employment” land, concurrent with a shift to a greater level of mixed use development under the 30 Year Plan;
- the underlying drivers of planning policy in an employment landscape, including the changing nature of industry and the changing expectations of an increasingly skilled workforce; and
- appropriate policy responses to changing circumstances, including the possible adoption of an Urban Employment Zone module current being finalized for inclusion in the State Planning Policy Library.

The economic review:-

- notes the Blandy Report’s findings as regards the rise of Small to Medium Enterprise as the principal driver of future employment growth, and the need to accommodate and facilitate this;
- adds the mining sector to defence, health and bio-sciences as potential growth sectors;
- notes that the bulk of economic growth will come from the rising tide of population, but that real growth in regional wealth will be dependent on growth in regional exports;
- points to a need for upgrades of hard and soft infrastructure – broadband, transport, skills upgrades, improved living & working environments – to support such growth;
- clearly articulates both –
 - the shifting employment base in Charles Sturt, including declines in manufacturing and industry employment and the likelihood of a continuation of these trends in the absence of strategies and plans to address them; and
 - the economic benefits which can flow from employment revitalization in terms of increased wages & salaries and increases to Gross Regional Product; and
- suggests that a Sustainable Employment Ratio for Charles Sturt will best be derived from an index of industry jobs per Ha and the ratio of industry jobs to total jobs, with the initial target being to stabilize both at current levels (being 23 jobs per Ha and 59% respectively), and the subsequent target being to increase these numbers (beyond 25 jobs per Ha and 60% respectively).

As to infrastructure, the key issues are the need for:-

- upgrades to road transport infrastructure, particularly into areas such as Beverley and Athol Park;
- faster broadband speeds, most notably in areas such as Athol Park, Hendon and Royal Park; and
- workforce development, with the Western Region submission to the State Infrastructure Plan identifying the creation of a Trade Training Centre as a “matter of priority”.

There are also infrastructure opportunities, such as those that will be afforded by the new non-potable water reticulation system being established as part of the Waterproofing the West Project.

THE PRIORITY PRECINCT

The overall analysis of the Study Area is summarized in the multi-criteria assessment matrix included at Table E1 overleaf.

Of the nine PIAs, three emerge as being the most prospective for employment revitalization. These are:-

- Hendon, which has reasonable scale, proximity to both the Grange rail line (and the proposed West Lakes tram line) and the beachside suburbs' workforce, moderate intensity of existing enterprise and the second largest average assessment size of all PIAs;
- Athol Park, which is a large precinct with a lower level density of enterprise, an average assessment size close to the mean, excellent (and recently much improved) arterial road transport access but problematic local access, an often poor urban character and a set of Development Plan policy settings that need review; and
- Beverley, which has scale, both as to its size and as to the number of existing enterprises, has a relatively high density of development, is on Port Road, close to the rail line and central to the Council area, is highly accessible both for transport and workforce but has potential upside for local access, has a relatively poor urban character with great potential for improvement and is midway between Bowden Village and St Clair/Woodville West, where residential infill and renewal is either underway or pending.

On balance and given its overall character and innate potential, it is considered that Beverley best warrants designation as the Priority Precinct³. An aerial image of Beverley is included at Figure E1 overleaf.

EMPLOYMENT REVITALIZATION

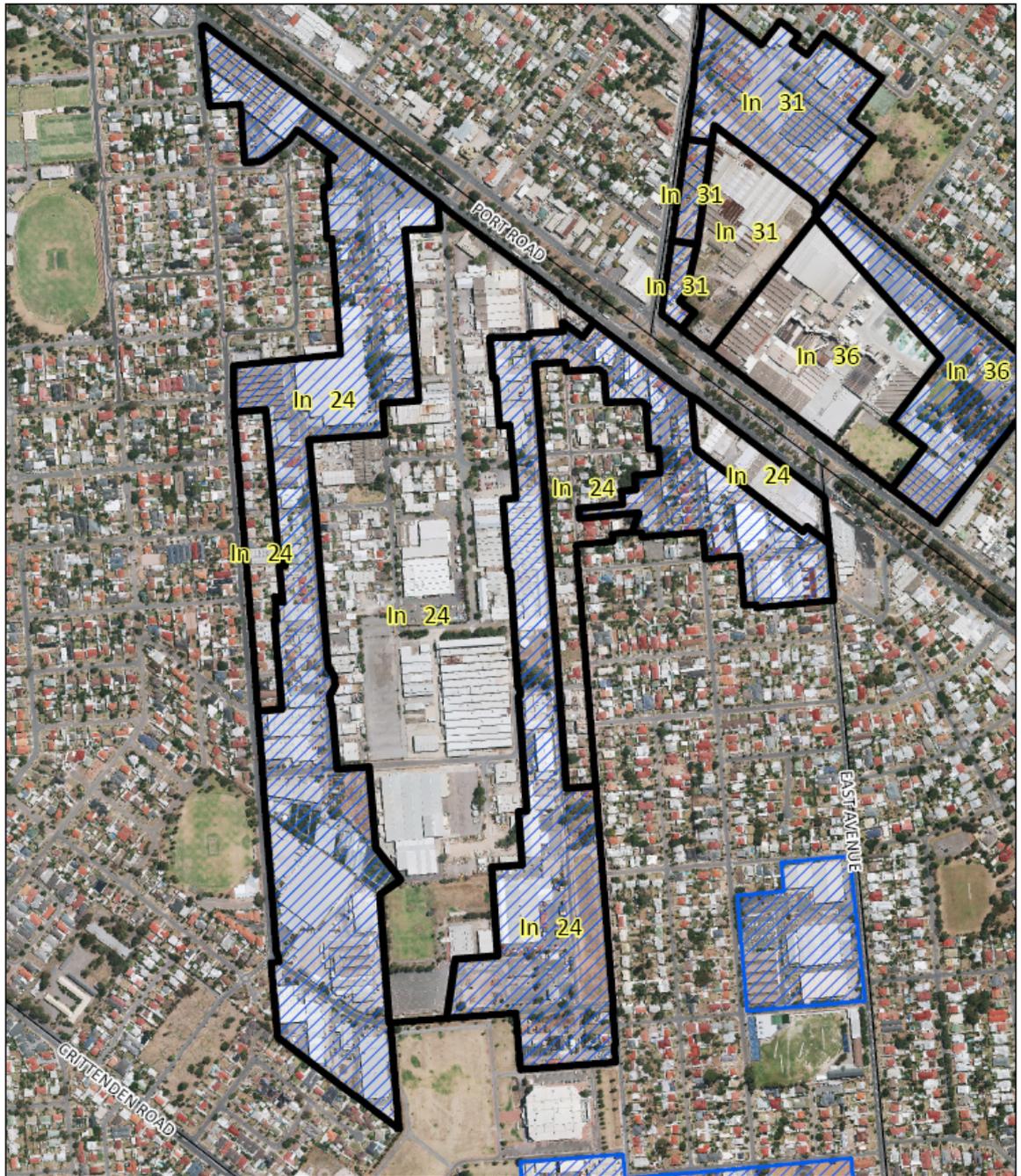
As to how to revitalize employment in Beverley, this will entail:-

- agreeing the objective(s) and desired outcome(s);
- clearly articulating a strategy to deliver the those outcomes;
- identifying the list of tasks to be attended to;
- establishing the resources – human & financial – required to undertake these tasks; and
- setting a programme and, as part of that process, identifying programme priorities for the delivery of the plan.

³ Potentially supplemented by West Croydon/Kilkenny and Allenby Gardens to create an enlarged 'West Central' precinct.

Table E1:	Summary PIA Characteristics								
	Royal Park	Hendon	Woodville North	Athol Park	Arndale	West Croydon/ Kilkenny	Beverley	Port Rd/ South Rd	Hindmarsh
• Distance from CBD (kms)	10	10	9	10	8	7	7	5	3
• Total Land Area (Ha)	50.6	30.1	67.5	58.8	27.0	23.4	76.0	14.6	25.2
• Rating Assessments									
• Total No,	225	64	143	261	90	66	479	123	242
• Av. Size (sqm)	2,250	4,700	4,720	2,250	3,000	3,550	1,590	1,190	1,040
• Assessments per Ha	4.4	2.1	2.1	3.3	3.3	2.8	6.3	8.4	9.6
• Employment									
• Industry Jobs per Ha	10.8	35.0	12.1	13.2	10.4	25.4	25.5	72.6	49.9
• Industry % of Total Empl	63.2%	65.8%	83.0%	79.6%	30.0%	36.8%	74.9%	49.3%	51.0%
• Zoning									
• Interface %	48.6%	70.9%	42.5%	83.3%	83.5%	52.9%	51.5%	74.8%	54.5%
• Land Use Code									
• Primary Non-Residential Use	Financial Personal Professional (41%)	Financial Personal Professional (46%)	Metal Fabrication (58%)	Financial Personal Professional (15%)	Financial Personal Professional (15%)	Financial Personal Professional (24%)	Metal Fabrication (18%)	Financial Personal Professional (38%)	Financial Personal Professional (24%)
• Residential Use %	5%	0%	9%	35%	2%	6%	36%	4%	12%
• Road Transport Accessibility									
• arterial	Good	Good	Good	Excellent	Good	Excellent	Excellent	Excellent	Excellent
• local	Good	Good	Average	Average	Average	Average	Poor	Fair	Good
• Electrical Capacity	Available	Available	Available	Available	Available	Available	Available	Available	Available
• Broadband Connectivity (Mbps)	9.6	6.0	13.0	2.0	17.0	11.6	14.0	22.6	15.0
• Within 800m of a rail station	No	Yes	No	No	No	Yes	Yes	Yes	Yes
• Urban Character	Good	Good	Fair	Poor	Average	Fair	Fair	Fair	Average
• Proximate New Housing	West Lakes	West Lakes/ Woodville West	Cheltenham/ St Clair	Cheltenham	Cheltenham/ St Clair	Bowden/ Kilkenny/ St Clair	Bowden/ Kilkenny/ St Clair	Bowden/ Kilkenny	Bowden/ Kilkenny/CBD
• Significant Renewal Constraints	None	None	Ownership Patterns	Interface Issues	None	Change of Use Pressures	Interface Issues	Change of Use Pressures	None

FIGURE 1
Aerial Image of Beverley



<p>Legend</p> <ul style="list-style-type: none"> Industrial Zones Areas Industry Interface Council Boundary 	<p>Precinct 24 - Beverley/Findon Precinct</p>	<div style="display: inline-block; text-align: center; vertical-align: middle;"> <p>N</p> </div>
<p>DISCLAIMER While care and effort has been taken in the presentation of this data the City of Charles Sturt accepts no liability for any reliance placed on the validity and accuracy of data in this publication.</p>		

Source: City of Charles Sturt

To this end, and with the objective of revitalizing employment in Beverley, the strategy proposed is to:-

- set the task of revitalization in its broader economic context;
- use regional leverage to address higher order economic initiatives;
- supplement regional efforts with local industry programmes, including a high level of engagement with local industry;
- recognize and support the rising tide of SMEs, including through on-ground mentoring and support;
- facilitate economic renewal and modernization of Beverley through renewal and modernization of the Development Plan;
- address infrastructure shortcomings so as to remove bottlenecks to success; and
- improve the local environment so as to make Beverley more attractive to contemporary enterprise and its increasingly knowledge based workforce.

A two-pronged approach is proposed whereby separate economic development and urban development plans and programmes run concurrently and in concert with one another.

The [economic development stream](#) must, firstly, recognize that the matters at hand are more regional in nature than localized, and that strategies are required at both levels. It is therefore proposed that Council should work at a regional level in the first instance, with localized programmes running in support.

The specific tasks which emanate from this stream for Council are therefore to:-

- develop an over-arching economic development strategy to provide an agreed framework and set of actions which address the whole range of issues in Charles Sturt, including employment revitalization in its industrial lands; and, notwithstanding the time required to achieve this;
- move immediately to strengthen and, as appropriate, formalize the collaboration between the Western Region Councils, with a particular focus on economic matters including infrastructure, workforce development and research linkages;
- initiate an ongoing dialogue with local industry, including via an industry leaders' group, regarding the facilitation of opportunities for enterprise;
- facilitate the delivery of an on-ground SME business management support service to foster innovation, entrepreneurship and sound business practices; and
- in the short term, case manage the Priority Precinct so as to facilitate the delivery of specific initiatives identified by this report⁴.

⁴ Case management would entail working with owners and occupiers across Beverley, identifying and addressing issues of concern, tackling urban blight and identifying opportunities to make connections – in other words, it would provide a short, sharp dose of close attention after a long period of there being so little.

Overall, this approach has both “top down” and “bottom up” elements, in that it sets a strategic course which is aligned with State (and Federal) level strategies and priorities. It seeks strength in numbers and knowledge dissemination, and it also works directly with the small end of enterprise to foster growth and jobs creation at the local coal face.

Rather than seeking to develop “innovation precincts”, which found almost universal dis-favour during consultation for this project, this approach leans more towards what might be called “entrepreneurial precincts”, where:-

- it matters more that an enterprise is active in a growth sector than which particular sector it is in;
- small businesses are less likely to fail for want of basic management skills;
- small business owners & operators are aware of the wants and needs of bigger industries, and of the opportunities they present; and
- broader issues of transport and telecommunications infrastructure, workforce skills and the like are being actively addressed by a regional body with “voice”.

In support of this approach, one specific opportunity identified by this report is the creation of a new Business Enterprise Centre (BEC) to support businesses operating (or looking to operate) in the Priority Precinct (and beyond). This BEC would be in a form to be agreed, and would require premises from which to operate and to develop a sustainable operation. It may require ongoing support – which might best be delivered in a regional context and may simply entail an “outreach” (or on-line) extension of an existing BEC.

However it is delivered, its purpose will be to support the greater success of the rising tide of SMEs identified by the Blandy Report as the main driver of future jobs growth in this region.

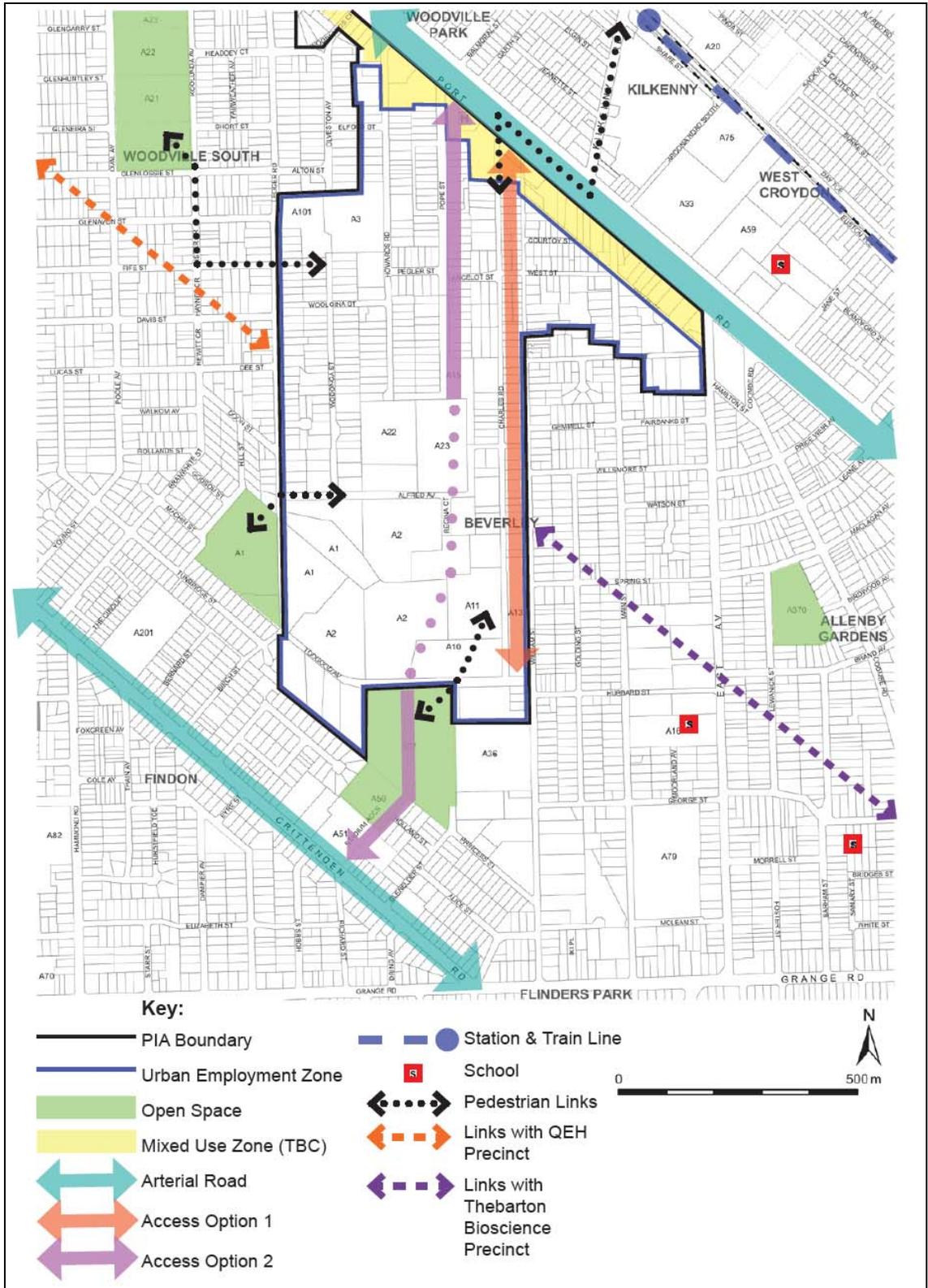
Lastly, Charles Sturt will also need to develop a communication strategy which presents a consistent and persistent set of messages aimed at informing, enabling and enlivening the local business and industry sectors, including:-

- promoting awareness of Council's activities and objectives;
- creating and nurturing linkages between industry and Council, beginning with an industry leaders' forum (as per the Prospect model); and
- promoting both Charles Sturt generally and Beverley specifically as a place to do new business – including articulation of the “business case” for Beverley.

Concurrently, via the [urban development stream](#), Beverley's urban realm needs re-investment and renewal, a task which needs to be tackled on several fronts, including:-

- modernization of the Development Plan (via adoption of the Urban Employment Zone module, so as to provide greater land use planning flexibility and to underpin future employment and investment;
- infrastructure works associated with the underlying concept plan shown at Figure E2 overleaf; and
- improvements to the public realm, including streetscapes, pedestrian connectivity (including to Kilkenny Railway Station) and the precinct's address to Port Road.

FIGURE E2:
Beverly PIA
Indicative
Concept Plan



Apart from re-zoning, the most urgent of these matters are, firstly, improved transport connectivity, both from the north and from the south, and, secondly, improved local traffic legibility and accessibility according to the chosen solution. Two alternatives are identified – one through the centre of the precinct using Pope Street, together with a new connection point from Crittenden Road to the south, and the other on its eastern side using portion of the Holbrooks Road extension corridor between Charles and Williams Streets. One or the other of these options badly needs to be implemented as soon as possible.

RESOURCING

An appropriate commitment of resources will be required to deliver this plan, including the resources necessary to:-

- develop and implement an economic development strategy, exclusive of the individual implementation plans it contains;
- facilitate the effective and ongoing operation of a 'Western Alliance' of Councils;
- establish support services for SMEs, possibly including the provision of premises (either via a capital purchase or a recurrent rental commitment) and/or an on-line facility;
- deliver an 'industry programme', including funding for initiatives such as industry events and knowledge dissemination forums, and the development of an industry leaders' forum;
- undertake a DPA for Beverley;
- deliver associated infrastructure projects, notably around transport infrastructure, but also potentially around broadband infrastructure;
- undertake masterplanning for Beverley (with a focus on public realm upgrades), and implement the masterplan; and
- develop a communication strategy to promote the economic development programme, the renewal of Beverley and the services on offer by Council.

The exact quantum of funds required to deliver these initiatives and how they are to be funded, remains to be determined – and is beyond the scope of this brief. However, a range of funding sources is likely to be called upon, including Council's own budget(s) and Federal and State funding, as available, for specific initiatives and programmes.

PROGRAMMING

Programming can be considered in two tranches – the economic development programme and the urban development programme – both of which should commence immediately and run concurrently.

The economic development programme should commence with the development of an economic development strategy – which, in turn, will generate its own programme.

The development of an 'industry programme' and, in particular, the establishment of an industry leaders' forum (on account of both its catalytic effect and the early direction that it will provide) should also be an early priority – and need not be an expensive exercise in the first instance.

Workforce skills development is also identified (by Council itself, through its SIP submission) as an early priority.

On the urban development front:-

- a DPA for Beverley and its immediate industrial environs could be commissioned immediately;
- as part of this programme, structure planning would include an early focus on local area traffic management and, more specifically, on how best to optimize long term accessibility in the short term; and
- masterplanning should follow immediately behind, with a view to implementing the first on-ground improvements in subsequent budgets.

On this basis, 2011/12 would become a year for planning and strategizing the revitalization framework, while on-ground delivery of priority projects would begin in 2012/13 (subject to funding).

OTHER MATTERS

Although this report ultimately focuses in on Beverley, there are a number of other precincts where short term issues can and should be addressed regardless of initiatives being undertaken in Beverley. Most notable among these are situations where upgrades to transport and/or broadband infrastructure is badly needed and where review of current Development Plan settings is called for.

Emergent issues and opportunities in other precincts include:-

- future Development Plan settings at Woodville North, where the largely redundant development along the Torrens Road frontage will soon interface with the (residential) redevelopment of the former Cheltenham Racecourse and where pressure for new main road commercial uses should be anticipated;
- the future of the existing Home Industry zone designations in Royal Park, Woodville North and Athol Park, which could be expunged from the Development Plan as soon as is reasonably practical. This is especially so at Athol park, where (a surely unintended) consequence of the zone is that the surrounding prime industrial land is caught in the Interface net;
- investigating how to encourage the early rollout of the NBN in Charles Sturt, most particularly in Athol Park and Hendon;
- promoting and identifying opportunities arising from the Waterproofing the West Scheme, and the significant non-potable water supply that it will make available within Charles Sturt; and
- the investigation of opportunities to build a high technology precinct at Hindmarsh, leveraging off the existing Bio-Science precinct and the University of Adelaide facilities in Thebarton – possibly beginning with a new footbridge over the River Torrens to provide immediate pedestrian connectivity.

CONCLUSIONS AND RECOMMENDATION

This report focuses on employment revitalization through an industrial lens. It concludes that:-

- a broadly based approach to employment revitalization is required, of a nature which may initially derive from a desire to focus on one Priority Precinct, but which will ultimately be framed by Charles Sturt's broader economic renewal strategies and will have benefits for all industrial precincts and for all other sectors of the local (and regional) economy;
- any one of several precincts could have been selected as the Priority Precinct and would benefit from a period of early and close attention;
- within this context and as the chosen Priority Precinct, Beverley presents a range of opportunities for renewal – including to its economic base, its transport infrastructure, its Development Plan settings and its sense of place – all of which should be addressed as a matter of priority; and
- beyond Beverley, there are a number of initiatives which would improve the functionality and employment generating capacity of the other PIAs, especially in Athol Park, Hendon, Woodville North and Hindmarsh, and which warrant early consideration.

It is recommended that the City of Charles Sturt proceed accordingly.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
Context	1
Investigations	1
The Priority Precinct	3
Employment Revitalization	3
Resourcing	9
Programming	9
Other Matters	10
Conclusions and Recommendation	11
GLOSSARY	1
1 PREAMBLE	1
1.1 Introduction	1
1.2 The Study Area	2
2 STRATEGIC CONTEXT	5
2.1 Background	5
2.2 Reference Points	7
2.2.1 State Government Plans & Strategies	7
2.2.2 Local Government Plans & Strategies	14
2.3 Consultation	17
2.4 Land Economics	29
2.5 Land Use and Development Planning	33
2.5.1 Current Zoning	33
2.5.2 Planning for the Future	46
2.5.3 Employment Revitalization Policy Principles	47
3 ECONOMIC REVIEW	51
3.1 Review of Previous Analysis	51
3.2 Current Economic Settings	56
3.3 Implications for Priority Precinct Planning	59
3.4 Employment Forecasts by Precinct	60
4 THE STUDY AREA	67
4.1 Demographics	73
4.2 Infrastructure	78
4.3 The Prime Industrial Areas	81
4.3.1 Description	81
4.3.2 Configuration	83
5 PRIORITY PRECINCT SELECTION	89
5.1 Methodology	89
5.2 Assessment	90



6	PRIORITY PRECINCT PLANNING	95
6.1	Employment Revitalization Framework	95
6.2	Economic Development Initiatives	97
6.3	Urban Development Initiatives	100
7	An Employment Revitalization Plan	109
7.1	Strategy	109
7.2	Tasks	109
7.3	Resourcing	110
7.4	Programming	111
7.5	Other Precincts and Matters	112
7.6	Conclusions and Recommendations	113

APPENDICES 1 - 8



GLOSSARY

30 Year Plan for Greater Adelaide	the 30 Year Plan
Better Development Plan	BDP
Business Enterprise Centre	BEC
Charles Sturt Industrial Land Study	ILS
City of Port Adelaide Enfield	PAEC
Colliers International Consulting Services	CICS
Department of Planning & Local Government	DPLG
Department of Trade & Economic Development	DTED
Department of Transport, Energy & Infrastructure	DTEI
Development Plan Amendment Report	DPA
Hectare	Ha
Housing and Employment Land Supply Programme	HELSP
Information & Communications Technology	ICT
Kilometres	kms
Land Management Corporation	LMC
Local Government Association	LGA
Megabits per second	Mbps
National Broadband Network	NBN
Northwest Corridor Structure Plan	the Structure Plan
Prime Industrial Areas	PIAs
Small & Medium Enterprises	SMEs
South Australia's Strategic Plan	SASP
Square Metre	sqm
Strategic Infrastructure Plan	SIP
The Inner West Business Enterprise Centre	IWBEC
The North West Business Development Centre	NWBDC
Transit Oriented Development	TOD
Trade Weighted Index	TWI



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1 PREAMBLE

1.1 INTRODUCTION

The City of Charles Sturt takes in a large north-westerly slice of Adelaide's original metropolitan area, sitting atop the River Torrens and extending from Hindmarsh to West Beach to Semaphore and West Lakes.

Along the way, it takes in most of Port Road, which has long been the major arterial link between the city and Port Adelaide. Straddling Port Road was much of Adelaide's original industrial heartland, built around a manufacturing base which, in the face of global economic shifts, has eroded away over the years.

Charles Sturt stands on the threshold of a period of unprecedented change in its urban form, brought on by a confluence of strategic imperatives. The opening up of new transport infrastructure and a new strategic focus on land use planning in Adelaide now heralds the point where the long, slow decline in the condition and utilization of the older industrial areas along the Port Road corridor turns to face the future – a future which will likely be very different to the past.

To this end, and as the next step in a continuum of strategic reports prepared by the City of Charles Sturt, this current brief addresses the renewal of the City's industrial fabric in the context of its emerging economic settings. Its purpose is to deliver a study which:-

- considers the City's economic context and objectives;
- reviews the eight Prime Industrial Areas (PIAs) identified in the Charles Sturt Industrial Land Study (ILS)⁵ and ranks their development potential based on agreed criteria, including capacity for revitalisation and consequent employment effects;
- identifies a "priority precinct" and develops an Employment Revitalization Plan, aimed at realizing its full economic potential; and
- has the ability to be used as a template for other such areas in the future.

A copy of the full brief is included as Appendix 1. The brief is noted to specifically exclude any consideration of industrial land outside the PIAs.

The outcome will be a considered review of the issues at hand, together with first recommendations as to how Charles Sturt should approach and begin to implement the process of renewal in its industrial heartland over the next 5-10 years. The resultant report will be an important step in defining and providing direction towards a new industrial and economic future for the City.

The report is structured such that:-

- Section 2 provides context and background, including review of Development Plan matters;

⁵ Charles Sturt Industrial Land Study, Colliers International Consulting Services, April 2008



- Section 3 reviews the economic setting;
- Section 4 examines the Study Area;
- Section 5 addresses the selection of a Priority Precinct;
- Section 6 addresses the elements of an Employment Revitalization Plan; and
- Section 7 encapsulates this plan, and addresses its implementation.

It is not intended that every reader will want to read the whole document. Those with an economic development focus will turn to Sections 2.3, 3 and 6. Those with an interest in land use planning and property will turn to Sections 2.2, 2.4, 2.5 and 6. Section 4 provides detail on the Study Area, while Section 5 takes more of an overview. Finally, Section 6 provides the rationale for an Employment Revitalization Plan, while Section 7 encapsulates and summarizes the Plan.

It has been written by Geoff Hayter, Director, Colliers International Consulting Services (CICS), with contributions by:-

- Barry Burgan, Director, Economic Research Consultants, who addressed economic issues; and
- Grazio Maiorano, Director and Michael Arman, Planner, Urban & Regional Planning Solutions, who addressed planning matters.

This report is provided by CICS. It has been prepared **for strategic planning purposes only and should not be relied upon for any other purpose or by any person other than the City of Charles Sturt**. CICS accepts no responsibility for any statements in this report other than for the stated purpose.

1.2 THE STUDY AREA

The Study Area for this report derives from the ILS, which assessed each of Charles Sturt's 22 industrially zoned precincts against the Rezoning Assessment Framework set out in the State Government's Industrial Land Strategy⁶. Via this process, eight PIAs were identified, being:-

- Royal Park, at the corner of Old Port and Frederick Roads;
- Hendon, on Tapleys Hill Road;
- Woodville North and Athol Park, which are two adjoining precincts between Torrens Road and Grand Junction Road;
- Arndale, encompassing areas both north and south of Regency Road;
- West Croydon/Kilkenny, on Port Road and centred on the glass factory;
- Beverley, on the opposite side of Port Road (which then links to Allenby Gardens);
- Port Road/South Road Corner, with its cluster of enterprise; and

⁶ Metropolitan Adelaide Industrial Land Strategy, Planning SA, April 2007



- Hindmarsh, on the River Torrens and at Charles Sturt's eastern extremity.

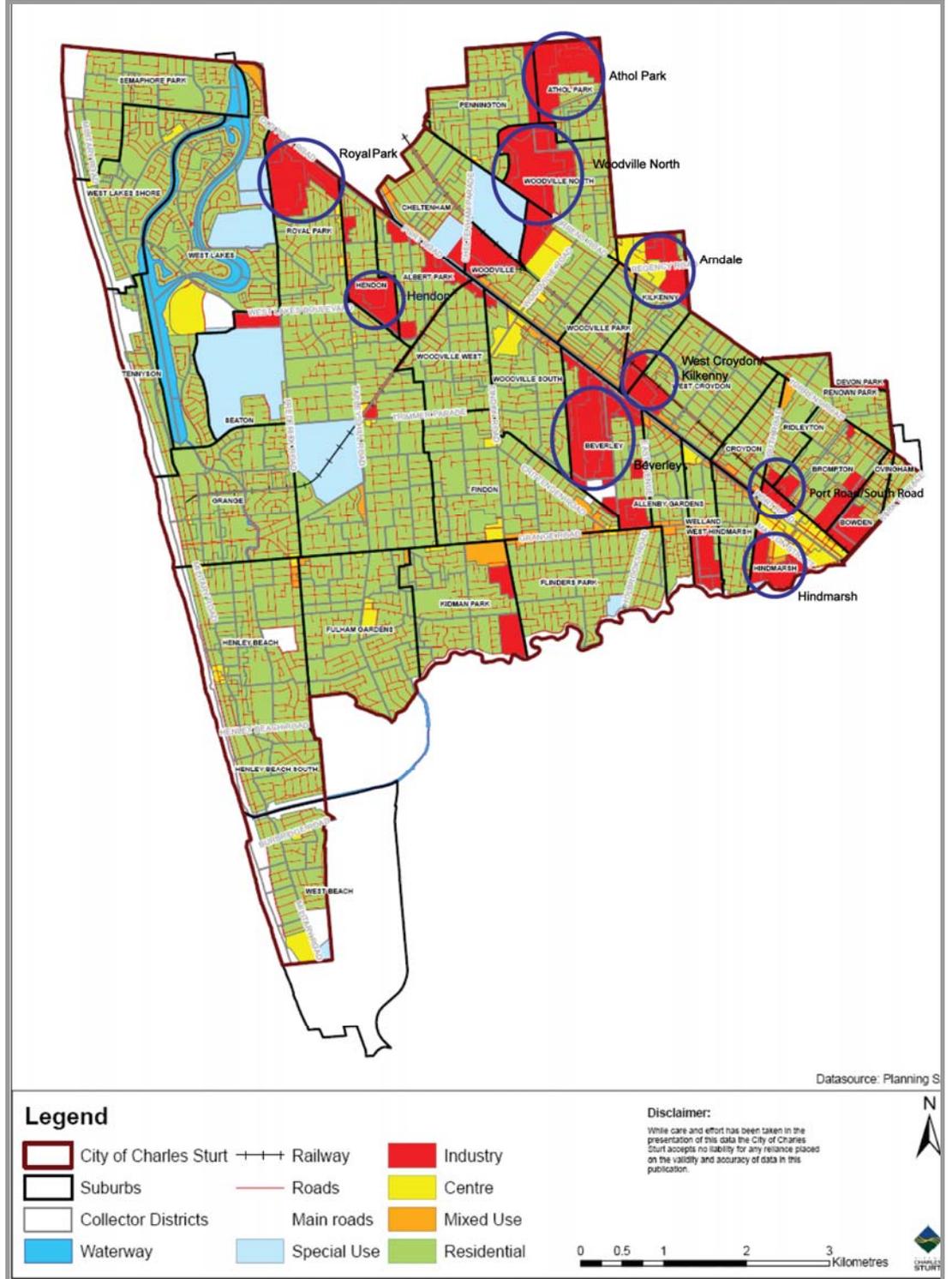
The location of these precincts is illustrated at the Plan shown at Figure 1 overleaf.

Excluded is the City's remaining industrial land which, as described in the ILS, comprises:-

- "non-prime" industrial areas in continuing industrial use (Cheltenham/Albert Park, Allenby Gardens);
- non-prime industrial areas with either mixed use or alternate use potential (Welland, Kidman Park North and South);
- Bowden/Brompton, on account of its pending conversion to alternate use;
- smaller industrial pockets (Tapleys Hill Road, East Ave, Torrens Rd); and
- precincts recommended for rezoning to an alternate use (West Lakes, Seaton, Devon Park).



FIGURE 1
City of Charles Sturt
– Prime Industrial Areas





2 STRATEGIC CONTEXT

2.1 BACKGROUND

This study is being conducted in a strategic context which has evolved rapidly in recent years in consequence of:-

- shifts in the underlying economic and industrial base of the City of Charles Sturt, including those identified by the Industrial Land Study; and
- the development of various strategies by the South Australian Government including, most notably, the State Strategic Plan and the recently released 30 Year Plan for Greater Adelaide, which forms part of the State Planning Strategy..

In response, Charles Sturt has been exploring the issues and considering how best to respond. In 2008, the **Charles Sturt Industrial Land Study** considered the totality of the City's industrial land stocks and concluded, among other things, that:-

- as against the State Government's Industrial Rezoning Assessment Framework, only some of the City's industrial precincts could be classed as PIAs;
- even then, renewal and revitalization was going to be required if this status is to be sustained over the medium to long term; and
- the path to renewal and revitalization would be a function of both economic development and urban renewal, and would need to be facilitated, rather than simply being expected to occur organically.

In 2010, in response to the ILS, Council received a report from AustralAsia* Economics entitled '**A Quantitative Assessment of the Economy of Charles Sturt and Economic Models of Engagement and Delivery**', which considered the economic future of the City in some detail and suggested directions for economic renewal and revitalization.

This is the most recent detailed report on opportunities for the region as a whole. It describes the context and the economic parameters that will underpin development opportunities for industrial land in Charles Sturt over the next decade. It also provides a vision for economic development within the region, with an emphasis on:-

- the large scale opportunities in the existing submarine and air warfare destroyer projects and the defence sector more generally, and in the health sector, focused around the Queen Elizabeth Hospital; and
- a future for the region which will be dependent on the "blossoming" of small businesses across all sectors, underpinned by skills development, high quality communications infrastructure and regional collaborations.

Even though specific growth sectors are identified, the changing and sometimes uncertain nature of economic development directions represents a significant challenge for all Councils, including in Charles Sturt.



This dynamism is evidenced by the fact that in the short time since the submission of the AustralAsia report there have been some changes that look like they may become more entrenched – providing both opportunities and constraints for the future. Among these are:-

- a long term outlook for a somewhat higher value of the Australian dollar than might have been expected six months ago;
- continued pressures on high oil prices, which have implications for commodity prices generally and alternative energy developments specifically; and
- changes in cost structures, including the carbon tax, costs and taxes relating to the funding of infrastructure, and natural disaster mitigation.

Against this future context, the immediate local context is of a substantial fall in sustained employment in the traditional manufacturing base of Charles Sturt over the last 20 years, which has seen large tracts of industrial land lost to other uses or under-utilized. These changes are not linked to under-lying planning based land uses. Achieving the employment vision of the AustralAsia report (and as implied by the 30 Year Plan) will require a range of complementary strategies, underpinned by the industrial land infrastructure.

When these two elements interact – the economic environment and the on-ground environment – land use development and planning theory clearly indicates that, in a general sense, increases in transport costs lead to increases in the value of centrality of location within a city. Charles Sturt clearly has value associated with centrality of its location – in terms of proximity to the CBD and links to key transport infrastructure and major economic projects. The challenge in developing a land use strategy is to focus on how to maximize the opportunities linked to that increased value.

In this regard, and also in 2010, the State Government's **30 Year Plan for Greater Adelaide** (the 30 Year Plan) was released. At its core, it proposed a shift in new dwelling supply, away from a high level of reliance on broad-acre greenfield sites on the urban fringe and towards a greater reliance on urban infill, particularly along public transport corridors. It also proposed both dwelling and employment targets on a regional basis.

To promote the implementation of the 30 Year Plan, the State then produced the **Housing and Employment Land Supply Program** (HELSP), which was released in late 2010 and is intended to guide more effective management of land supply for residential, commercial and industrial purposes.

Sitting astride the Port Adelaide rail corridor, as it does, the City of Charles Sturt is squarely in the sights of the 30 Year Plan.

The rail corridor is identified as a major opportunity for renewal and land use intensification, both along the main line to Port Adelaide and on the Grange spur-line, as will be addressed by the soon to be released **North West Corridor Structure Plan**. The extension of the tram to Hindmarsh and the imminent re-making of the former Clipsal and Origin sites at Bowden as high density mixed use (but substantially residential) neighbourhoods are but a first step in the process. The re-making of Cheltenham and Woodville are following close behind. The electrification of the rail line and the introduction of new rolling stock will accelerate this process – as will the proposed spur line, connecting to the proposed Transit Oriented Development at West Lakes.



At the same time however, the preservation of employment lands and the revitalization of the local economy is important if the local population is to be afforded opportunity to work both close to home and in industry sectors which are on a growth path rather than in long term decline. Renewal of now often aging industrial facilities is needed if Charles Sturt's industrial precincts are going to be able to successfully accommodate and integrate 21st century enterprise. It will also be required if the City is to achieve the employment numbers indicated within the 30 Year Plan.

To this end, planning for the future of Charles Sturt's industrial lands must recognize and respond to:-

- the changing nature of industry itself, including a more global outlook, the introduction of new technologies and, especially in Australia, the shift to knowledge based industries;
- a more 'conscious' operating environment, including a greater emphasis on 'triple bottom line' outcomes, taking account of social and environmental matters as well as economic matters;
- the new industrial ecology, including decarbonisation and a greater emphasis on down stream processing linkages between enterprises;
- changing land use and infrastructure requirements brought on by these new modes of operation;
- greater integration of industry with the communities within which it operates;
- changing expectations of the workforce as regards its immediate working environment, and the associated desire on the part of forward thinking enterprises to be an 'employer of choice'⁷: and
- the increasingly pro-active role that many Councils are taking in economic development and investment attraction on behalf of their communities.

These matters and more are discussed in the pages that follow, beginning with a more detailed review of the key reference documents, including those just noted.

2.2 REFERENCE POINTS

This section outlines the principal matters addressed by a series of key State and Local Government planning documents.

2.2.1 STATE GOVERNMENT PLANS & STRATEGIES

The South Australian Strategic Plan: 2007

South Australia's Strategic Plan (SASP) establishes the State's strategic direction, as described within 6 objectives, 35 topic areas and 98 specific targets. The Plan draws together the hopes and aspirations of South Australians, and maps out a comprehensive path to the

⁷ In the office sector, this has led to the standard of accommodation occupied (including its environmental rating) becoming an issue for employers. Over time, this issue will filter down to the industrial sector, particularly in higher order knowledge based industries.



future. Its aim is to provide a blueprint for the prosperity and wellbeing of South Australians, delivering a society where health, equality, safety, enterprise and creativity underpin a quality of life that is the envy of the world.

The 2007 Plan is currently being updated, with new targets to be set, and with the new plan expected to be released in the coming months.

Being the highest level of strategic policy in this State, all other State Government policy, including the Planning Strategy and the Infrastructure Plan, reflect the goals of the SASP.

At ground level, SASP seeks to drive State Government policy and budgetary decision making processes. It also seeks to influence local governments by implementing a comprehensive process of 'regionalization'. This will mean developing coordinated approaches to pursuing those SASP targets that reflect priorities specific to individual regions. Local councils and regional development boards will be central players in this process.

The SASP is underpinned by a number of themes. The two most relevant to this study are Growing Prosperity and Fostering Creativity and Innovation, which are supported by the following vision statements:-

- "Growing Prosperity - South Australians want a dynamic economy that is competitive, resilient and diverse. The State's prosperity should benefit all citizens. Our growth will be managed in an environmentally sustainable way. Investors will be drawn to South Australia because of the quality of our workforce, the vitality of our communities, the efficiency of our government and our reputation for innovation;
- Fostering Creativity and Innovation – South Australia has a reputation for innovation in science and in the arts. We understand that our prosperity depends on the imagination, courage, talent and energy of our citizens. We want to reaffirm South Australia as a place that thrives on creativity, knowledge and imaginative thinking. This capacity to do things differently will determine whether we can achieve all our goals for the State's future."

A closer examination of the targets associated with these themes indicates that there is a desire to focus on high employment generating industrial activities (as opposed to, for example, simple warehousing), and on innovative and emerging industries, including science, mining and defence related industries.

The Planning Strategy

The Planning Strategy provides direction from the State Government on land use and development in South Australia, in the form of geographical and regional maps, policies, strategies and targets regarding a range of social, economic and environmental issues.

Under Section 22 of the Development Act, the Minister for Urban Development and Planning is assigned responsibility for preparing the Planning Strategy on behalf of the State Government, and reporting annually to Parliament about its implementation.

Council Development Plans must reflect the Planning Strategy, although there is a natural lag time between the release of a new Planning Strategy and the alteration of Development Plans. Councils are however required to review their Development Plan within twelve months of the adoption of a new Planning Strategy, to identify how the Strategy can be implemented



in their areas, through the revision of their Development Plans, via the Development Plan Amendments (DPA) process.

The 30 Year Plan for Greater Adelaide.

In February 2010, the 30 Year Plan for Greater Adelaide was endorsed as a volume of the State Planning Strategy.

The 30 Year Plan sets out the strategic planning framework required if Adelaide is to contain its sprawl. It recognizes that greater housing choice is needed to accommodate a population of aging baby boomers at one end of the spectrum and younger generations who are increasingly locked out of the housing market by affordability issues at the other. It also recognizes that new employment opportunities are needed if a growing inner city population is to have the opportunity to work locally in meaningful occupations.

The plan provides the spatial land use framework to manage anticipated population growth in the Greater Adelaide region over the next thirty years. Broadly, it envisages an additional 560,000 people, 258,000 new dwellings, 282,000 new jobs and economic growth of \$128 billion across Adelaide. In the Western Region, which includes Charles Sturt, the targets are 83,000 new people, 42,600 new dwellings and 40,500 net additional jobs.

It also envisages increasing amounts of development within the existing urban footprint through higher density development around public transportation nodes, including 14 proposed transit-oriented developments. However, it suggests that population growth will be managed in such a way that 80% of the existing urban character will remain largely unchanged.

The City of Charles Sturt, located in metropolitan Adelaide's western suburbs, will be the focus of significant urban infill and growth as the 30 Year Plan is implemented. Higher density urban villages are already proposed for Bowden, Woodville, Woodville West, Cheltenham and West Lakes, and such development will result in significant investment in both public and private infrastructure for a range of purposes.

Given the new directions set by the 30 Year Plan, all Councils in the region, including Charles Sturt, will be reviewing and amending their Development Plans in the near term.

North West Corridor Structure Plan

As this report was being finalized, an early draft of the North West Corridor Structure Plan (the Structure Plan) was made available for review. It has very direct bearing on both the underlying principles of future transit corridor development and on a couple of specific PIAs.

On the subject of Economy and Employment, it notes that "the 30 Year Plan proposed the retention of key industrial locations and the redevelopment of new industrial uses within these areas. The importance of economic growth areas in relation to the corridors cannot be understated".

The Structure Plan itself establishes a hierarchy of stations along a rail network that extends from the City to Outer Harbor (and Grange) and includes a tramline extension along West Lakes Boulevard, from Hendon to (a large loop around) West Lakes



It establishes a hierarchy of 27 stations, comprising:-

- at the highest level, four TODs – at Bowden, Woodville, Port Adelaide and West Lakes; followed by
- four Neighbourhood Stations, including Kilkenny and Hendon, both adjacent to PIAs;
- five Village Stations; and
- fourteen Local Stations.

As shown, stations adjacent to the West Croydon/Kilkenny and Hendon PIAs get a “top eight” ranking in this hierarchy.

The Structure Plan then considers future land use around these key stations.

At Kilkenny, the PIA designated area is shown as “Corridor (Mixed Infill)”, as is the whole of the adjoining Port Road frontage (on both sides of Port Road). Renewal, intensification, diversification and activation are all envisaged, with residential development of 3-6 storeys above.

At Hendon, where a new tram stop will be located at the corner of Tapleys Hill Road and West Lakes Boulevard, en-route to West Lakes, retention and intensification of the existing industrial and employment land uses is envisaged.

Housing and Employment Land Supply Programme Report 2010, Greater Adelaide

The Housing and Employment Land Supply Programme, released in October 2010, focuses on ensuring an adequate supply of well located developable land for residential, commercial and industrial purposes in Greater Adelaide over the next 15 years. It is intended to underpin the work of the 30 Year Plan and to inform State Agencies and Local Government of the State’s objectives regarding land supply.

Referencing the State Strategic Plan and the Economic Development Board, HELSP identifies the drivers of industrial demand as being:-

- very strong growth in both exports and the defence sector;
- opportunities arising from a focus on research and development and on high value adding activities; and
- initiatives such as “innovation clusters”.

It also acknowledges the often unpredictable (and certainly uncontrollable) effects of a range of externalities including (to use a current example and as previously cited) the value of the Australian dollar.

As regards industrial land, HELSP looks at demand and supply and the balance between the two, together with regional targets and a rezoning schedule for the release of land required to meet the Government’s “available supply” targets.

The HELSP report states that, in more recent time, suitable industrial land has come under increasing pressure from competing uses, interface related constraints and rising land values.



Although it operates at a regional level and its focus is primarily on larger scale land release opportunities, it provides interesting insights and context for this present study.

Consistent with the 30 Year Plan and as shown at Figure 2 overleaf, HELSP regionalizes metropolitan Adelaide⁸ into:-

- Western Adelaide, comprising Charles Sturt, West Torrens and the western half of Pt Adelaide Enfield;
- Northern Adelaide, comprising Salisbury, Playford, Tea Tree Gully and the eastern half of Port Adelaide Enfield;
- Southern Adelaide, comprising Marion, Onkaparinga, Mitcham and Holdfast Bay; and
- Eastern Adelaide (including the CBD), which is excluded from the industrial land analysis.

Within these four regions, HELSP reports⁹:-

- estimated total employment growth of 219,000, including 40,500 in the Western Region;
- estimated industrial employment growth of 68,300 to 2039, including 26,750 in the Western Region; and
- industrial employment growth of 34.1% in the Western Region, compared to 28% in Northern Adelaide and 18% in Southern Adelaide.

As shown:-

- Western Adelaide is projected to be the strongest industrial employment growth area, both in absolute and percentage terms; and
- two thirds of new jobs in the Western Region are expected to be in industry.

Demand for new industrial land over the same period is estimated at 2,900Ha, comprising¹⁰:-

- 1,240Ha in Western Adelaide;
- 1,020Ha in North Adelaide; and
- 640Ha in Southern Adelaide.

It also reports the consumption of some 525Ha of vacant Industry zoned land in the period 2002 to 2008¹¹, comprising:-

- 254Ha in Salisbury;
- 140Ha in Pt Adelaide Enfield;
- 47Ha in Onkaparinga;
- 31Ha in Playford; and
- 11Ha in Charles Sturt¹².

⁸ ie disregarding the Barossa, Fleurieu and Adelaide Hills Regions.

⁹ Table 4.1, page 153

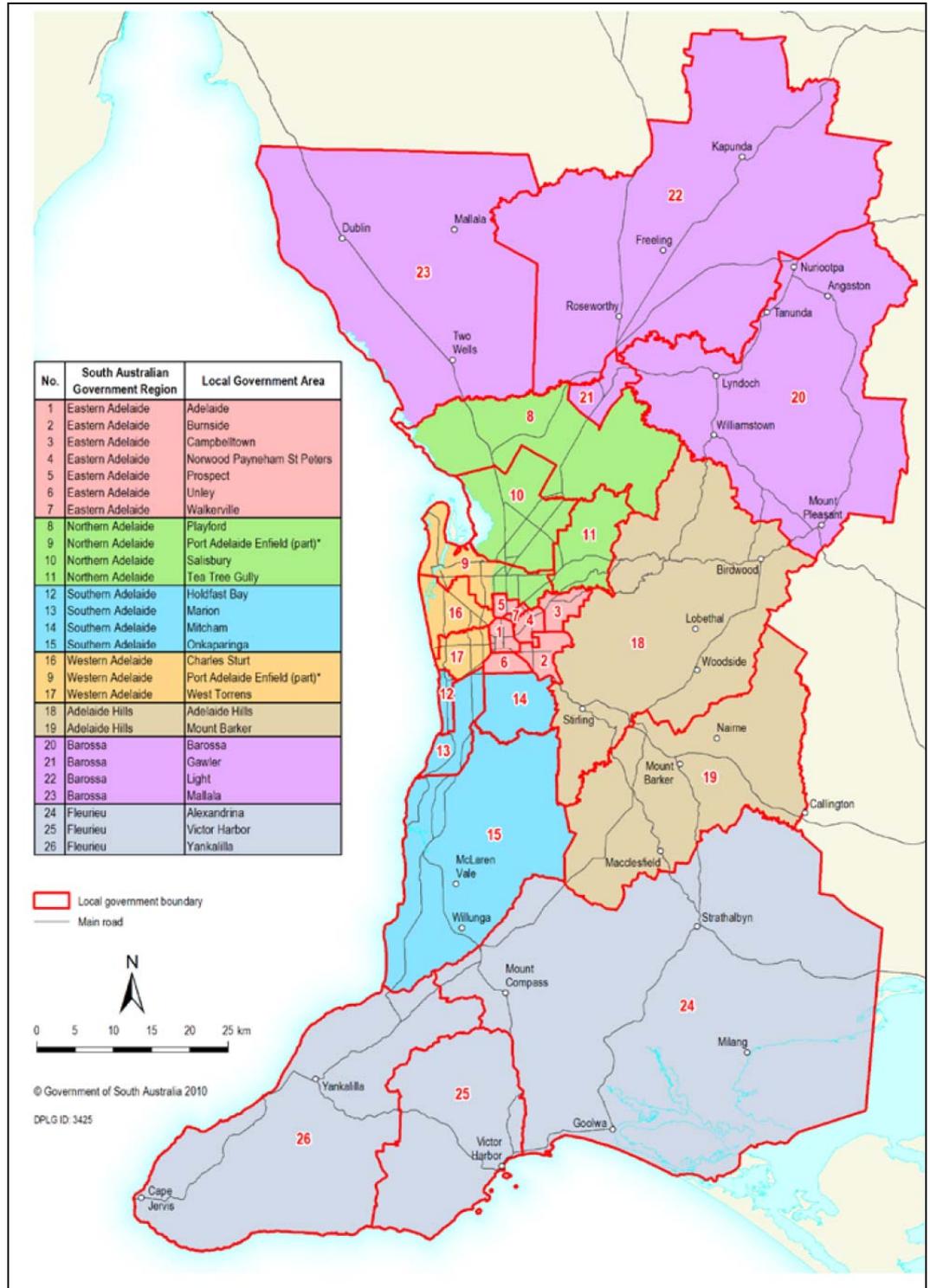
¹⁰ Table 4.3, page 155.

¹¹ Page 153, noting also the rezoning of 148Ha for non-industrial use.

¹² Comprising 32 separate sites ranging in areas from 1,000sqm to 33,000sqm. ??



FIGURE 2:
Relationship between
SA Government
Regions and Local
Government areas



Source: The 30 Year Plan for Greater Adelaide



If this consumption pattern (and rate) is replicated over the next decade – and, Olympic Dam aside, there is little to suggest any great variation over this timeframe – then it is clear that there will be significant expansion and intensification of industrial enterprise in the Northern and Western Regions. It is also clear that, although Charles Sturt itself may be only a minor source of land supply, it will be proximate to a significant level of new industrial activity and opportunity in the near to medium term.

The report then considers the configuration of the current and future vacant industrial land supply (and availability) by region, against which is offset expected demand over time. This analysis shows that the (theoretical) demand in Western Adelaide will outstrip the vacant land supply over a 30 year period by an estimated 644Ha. The resultant imbalance far outweighs that shown for other regions – with the only other negative result being for Northern Adelaide at 157Ha¹³. This points to a much more intense and competitive industrial market in the Western Region, with the available land supply likely to be severely depleted within 10 years or so.

Finally, HELSP considers each region in some detail, including plotting of existing and future supply. A copy of Section 4.5.3 of the HELSP report – addressing Western Adelaide – is included at Appendix 2.

Strategic Infrastructure Plan for South Australia, 2004/05 to 2014/15

The current Strategic Infrastructure Plan (SIP) is now approaching its end point and is presently being updated. Its purpose is to set strategic directions and priorities for the development of new public infrastructure over the next 10-15 years.

The Western Region Councils – Charles Street, West Torrens and Port Adelaide Enfield – lodged a joint submission covering a very wide range of projects, from new cemeteries to justice to energy, arts, recreation, health and waste management. From an economic and employment viewpoint, under the headings of:-

- *Transport*, it notes¹⁴ the North-South Connector from Marion Road to Hanson Road, the North South Corridor (ie South Road) Project and the upgrading and extension of light rail;
- *Information & Communications Technology*, it “supports high speed broadband related to business growth”;
- *Education & Training*, it notes high unemployment levels in some areas and skills gaps, with the current population unable to meet the demand for labour; and the need for a Trades Training Centre “as a matter of priority”;
- *Science Technology & Innovation*, it supports continued growth of the Bio Sciences precinct at Thebarton, and its possible expansion into Hindmarsh;
- *Health*, it notes that health services in the region are currently at capacity and now face the surge of population growth that will come to the region as a result of the 30 Year Plan; and

¹³ Figure 4.4, page 165

¹⁴ Among other things, as is the case for the headings that follow.



- *Waste Management*, it notes the need for a large scale increase in electronic waste recycling infrastructure.

The first two involve high cost infrastructure projects with often long lead times. Education and Training is a long term programme with short term infrastructure requirements. The remaining three areas all present commercial and economic opportunity – noting, in particular – the notion of expanding the Bio-Sciences precinct into Hindmarsh.

Overall, the submission points to a number of areas and initiatives which would, if acted on, tend to stimulate economic and employment activity.

Beyond that however, the need to deliver on many of the matters and projects raised is inevitable if 80,000 new people are going to work in 40,000 new jobs in this region over the next 30 years. The issue is therefore as much about planning, timing and priorities as anything, pointing to the need to ensure the best strategic outcome from near term infrastructure expenditure. To this end, the Western Region SIP submission warrants review in its own right as to the shortest term employment revitalization prospects it offers.

2.2.2 LOCAL GOVERNMENT PLANS & STRATEGIES

City of Charles Sturt Community Plan

Sub-titled 'Shaping the Western Suburbs 2027', Charles Sturt's Community Plan was adopted by Council in 2007. It addresses the long term aspirations of the Charles Sturt community for its area, as expressed through an extensive consultation process at that time.

The Community Plan is the principal reference point for Council's strategic planning, with the key strategic directions it sets including:-

- a safe and healthy City that supports vibrant community life;
- an economically prosperous, attractive and functional City; and
- a City which values, protects and enhances the natural environment.

These themes include an economic focus that was absent from the previous strategic plan, albeit at a low level.

Charles Sturt Industrial Land Study – Colliers International Consulting Services, April 2008

This study, which provides the platform from which this current study proceeds, reviewed:-

- the broad economic settings of the City;
- the then current Development Plan policy settings for their contemporary relevance; and
- the whole of Charles Sturt's industrial land stock against the Rezoning Assessment Framework¹⁵ established by the State's Industrial Land Strategy (which is now incorporated into HELSP).

¹⁵ This assessment is included in this report at Appendix 3.



The study concluded that, from a strategic viewpoint, the key planks to any future industrial land development and planning strategy should reflect the broad objectives of:-

- preserving the city's industrial capacity and employment levels in appropriate degree, by:-
 - continuing to provide suitably zoned land with suitable infrastructure connections for an appropriate range of industrial uses;
 - enabling industry to operate effectively and efficiently within these zones; and
 - properly aligning the policy provisions of all its commercial and industrial zones;
- facilitating the entry of higher value industrial activities where appropriate;
- achieving improved environmental outcomes on a range of fronts within its industrial precincts; and
- ensuring that, on strategic balance (ie on a triple bottom line basis), land in Charles Sturt is able to be put to its highest and best use, probably including rationalization of some Industry zones.

The study gave rise to a number of particular planning policy issues, many of which remain current, including:-

- the need to provide for the many faces of industry but, at the same time, to lean towards the most economically appropriate industries;
- the substantially low impact nature of much of the City's Industry zoning and the strategic implications and opportunities this gives rise to;
- the failure of Home Industry Policy Areas to produce worthwhile development or economic outcomes – and, in some cases, their tendency to inhibit broader industrial land use outcomes;
- the degree of mis-alignment between current zoning and the situation on the ground – especially along arterial roads, where non-industrial uses tend to predominate;
- the commonality of land uses between zones, especially between Industry and Mixed Use zones, and the need for a more integrated policy approach;
- the extent to which community uses are causing industrial capacity to be bled off and the best policy approach to dealing with such uses in the future; and
- the need to address residential interfaces in some areas, either to ameliorate the harshness of existing situations or to avoid repeat performances in the future.

Beyond policy, the infrastructure and programme needs embedded in these findings, included:-

- the need to take decisive action to upgrade transport infrastructure in selected precincts – often to sustain their long term PIA designation;
- the need to develop “strategies for change” to address economic development initiatives, including the attraction of new industry;
- the need to actively intervene in priority precincts so as to catalyse and facilitate industrial and employment renewal on a scale, in a manner and at a rate that might not otherwise



be achieved – which will entail masterplanning and case management in some precincts; and

- the need to improve the amenity of many precincts, especially where higher value activities are desired.

Finally, it recommended that Council begin a conversation about the non-policy initiatives required to facilitate industrial renewal and modernization, and how it should go about planning both their scoping and their implementation.

For Council (and acknowledging that the report was delivered ahead of the release of the 30 Year Plan), the implications of the report's findings included that:-

- from an industrial viewpoint, there was no need for any fundamental shift in Charles Sturt's underlying economic settings, but there was a need (and an opportunity) to modernize its economy in order to sustain current levels of economic activity;
- via this path, there was (and is) an opportunity to achieve either increased economic output from the same industrial footprint or the same output from a smaller footprint – with the latter suggesting a consequent opportunity for non-industrial renewal in some sectors;
- more change should be anticipated in desired land use and development patterns over the next decade for both industrial and non-industrial uses, and Council needed to respond accordingly now; and
- there will be a need for both capital expenditure in some industrial precincts, especially if there is to be enhanced transport infrastructure, and for resources to be applied to pro-actively work on the renewal of priority precincts.

A Quantitative Assessment of the Economy of Charles Sturt and Economic Models of Engagement and Delivery – AustralAsia*Economics, December 2010

This recently received report, written by Richard Blandy and referred to herein as the Blandy Report, addresses the underlying structure of Charles Sturt's economy and provides strategic pointers to its future. Its content is addressed in detail as part of the economic review in Section 3.

Other Documents

A range of other documents have been reviewed, including:-

- **Water Proofing the West – Stage 1** – a Council document which describes a significant stormwater capture and re-use strategy between Cheltenham and the River Torrens. The project is costed at \$68mill and includes the installation of a trunk main to supply non-potable water to selected locations in the city. Some of the associated infrastructure will be on the Old Port Road corridor, immediately adjacent to the Royal Park PIA;
- **Towards One Planet Living: City of Charles Sturt, 2008** – which focuses on sustainability issues;
- **Kilkenny & Seaton Park TOD Scoping Study** – Parsons Brinkerhoff, Sept 2009, for the City of Charles Sturt – which, most notably, envisages a residential based mixed use precinct at Kilkenny, north of the rail line and adjacent to the Croydon/Kilkenny PIA;



- **Bowden Village Employment Plan, pracys, Aug 2009**, for LMC – which postulates a future employment scenario for Bowden Village;
- **Woodville Village Masterplan, Jensen Planning + Design, 2010**, for LMC - which addresses the future of the Woodville Road and Woodville Station precinct;
- **St Clair Town Centre Precinct Plan, Hassell, October 2010 for the St Clair Joint Venture** – which describes a new town centre on the railway line adjacent the Cheltenham Parade crossing; and
- **Creating a Vision for the AAMI Stadium Precinct: SANFL 2011.**

Most of these reports address residential infill opportunities. They provide clear context for but otherwise, with the exception of Waterproofing the West, have little direct bearing on this report.

2.3 CONSULTATION

A number of interviews have been conducted with a range of stakeholders and/or industry participants as part of this study, including:-

- staff of the City of Charles Sturt;
- representatives of relevant State Government agencies, including DPLG, Department of Trade & Economic Development (DTED) and the Land Management Corporation (LMC);
- staff of selected other Councils, including Prospect, Salisbury, Onkaparinga, West Torrens and Port Adelaide Enfield; and
- selected industry groups.

A précis of the individual interviews follows below.

City of Charles Sturt

Charles Sturt's thinking is driven by its Community Plan which remains unchanged since the production of the ILS in 2008. Renewal of the plan was just starting as this report was being written.

Council's context for this review includes a strong focus on the 30 Year Plan and on managing growth, particularly as it affects infrastructure needs. While there is suggested to be some resistance to change within the community, the 30 Year Plan is generally viewed by Council as a positive – although what it all actually means will become clearer as the DPLG reveals the results of its structure planning over the coming months.

The new Community Plan is likely to have a stronger economic focus than the old. In particular, it was noted that while a significant percentage of growth was in consequence of a rising population and economic tide, the real challenge was to ensure that the smaller export oriented sector was firing – noting that, in this context, export means selling to markets outside Charles Sturt (or, if regional thinking is applied, outside of the Western Region). Also noted was the continuing long term shift from heavier to lighter industry.

Council's economic objective is "jobs, jobs, jobs", within the context set by the 30 Year Plan, and the economic directions proposed by the Blandy Report.



As evidenced by the likes of this brief, Council is searching for the key(s) to the sustainment of employment ratios at healthy levels – including short term opportunities to implement corresponding action(s) – and pointers for Council investment (hopefully, it was expressed, without the need for a significant expansion of employment by Council itself).

As to infrastructure, and as reported in Sec. 2.2.1, its economic infrastructure focus is in areas such as the Holbrooks Road connector, broadband provision and education & training “as a priority”. Interest was expressed in the notion of shared use facilities within industrial areas.

As to the individual PIA’s, the view was expressed that:-

- Royal Park is largely looking after itself;
- the future of Hendon may be tied to the 30 Year Plan;
- Woodville North and Athol Park present a prime opportunity, being accessible and proximate to other industry;
- Arndale rides with the adjoining shopping centre, but tends to fly “below the radar”;
- the future of the Croydon/Kilkenny Precinct is dependent on the future of the glass factory (which is not presently in question);
- Beverley is centrally located but is blighted by interface and access issues;
- the Port Road/South Road Precinct has a question mark hanging over its future, notwithstanding recent development; and
- Hindmarsh, like Royal Park, largely “looks after itself”.

State Government

Department of Planning & Local Government

The DPLG has responsibility for the timely delivery (expressed as a rolling 15 year supply) of appropriately zoned land to all market sectors. It is at the centre of planning for the implementation of the 30 Year Plan. Although not hard and fast, it sees the State’s role in the planning process as being at a strategic level, but including staging, while the role of Councils is seen as being in implementation.

Particularly in areas such as along the Port Adelaide rail corridor, one of the principal challenges for DPLG (and DTED, as referred to below) will be to determine where the balance lies between, on the one hand, the preservation of existing industrial and employment (and therefore economic) land uses and, on the other, the objective of increasing development densities, especially for residential development. The balance is seen as being important because, while the 30 Year Plan targets steep increases in the residential population, it also acknowledges the need for a correspondingly steep increase in employment – a percentage of which will continue to be in industry.

In this regard, and as previously noted, DPLG has shifted the planning language away from “industry” to “employment” and therefore now speaks of “employment lands” although the exact kinds of employment are not so clear.



As regards the 30 Year Plan, DPLG's initial focus is on the "inner-ring" Councils (including Charles Sturt), within which, it was suggested, intensification of lower value non-residential land uses will be necessary if existing low intensity precincts are to hold their ground in the face of the coming wave of higher density residential redevelopment and the accompanying re-rating of regional land values.

As further discussed below, it is also looking to identify those existing industries which are an important part of the economic future and which should be protected from encroachment. The objective in this regard is employment preservation in the face of increased residential development pressures, so as to support the employment targets set in the 30 Year Plan.

This all reflects in the drafting of an Urban Employment Zone BDP module which is currently being prepared for inclusion in the State Policy Planning Library.

Its purpose will be to promote jobs growth in a single employment zone. Its focus is on providing a more flexible, adaptive and integrated approach than has occurred in the past, via a less sectoral and single use approach. As with all Development Plans, and assuming it is done well, it will provide an enabling framework for the future development and use of employment lands in metropolitan Adelaide, reflecting this new thinking.

It is envisaged that the Urban Employment Zone will be applied, as appropriate, both on greenfields sites, where the fundamental nature of future employment is yet unknown, and on existing land currently zoned Industry, Commercial or the like, where it is thought that the current provisions are unnecessarily restrictive in relation to emerging business activities.

Lastly, of the nine PIAs, DPLG's interest in employment revitalization seemed to be most piqued by Kilkenny, which is the next stop on from Bowden, and Hendon, which lies on the Grange rail line and is seen as a notable employment opportunity, particularly after AFL football is relocated from West Lakes to the City and the rail line is extended.

Department of Trade & Economic Development

DTED is the State's principal economic agency, although it works alongside other agencies such as Primary Industries & Resources where it comes to mining, and Defence SA, which controls several State significant land precincts¹⁶.

Its focus is on four key areas:-

- resource services and technology, particularly in its supply chain aspects;
- cleantech, primarily via opportunities in energy, water and waste, and in products and processes which lead to a low carbon future;
- high value manufacturing, which entails finding a niche (or niches) in a highly competitive world; and
- knowledge intensive services, where knowledge of product and process – or simply innovative thought – coupled with technological skills are the service provided.

¹⁶ Including Techport and Technology Park



DTED's investment attraction programme has become more focused over recent years and now takes more of a case management approach. The strategies being employed include:-

- working closely with individual companies, via Innovate SA, to target high growth opportunities; and
- the provision of development funding via grants such as the Economic Innovation Grants and the Cleantech Partnering Programme.

DTED sees industrial land as an important issue, although its interaction with it is primarily through DPLG¹⁷. It sees the bleeding off of supply for non-employment uses as a particular issue. It also sees the need for a State perspective to be brought to bear on the planning of industrial land, albeit recognizing that its on-ground involvement may not be high.

To this end, DTED (with DPLG) has recently commissioned a report which will examine the question of balance between the provision of residential and employment land.

Specifically, it is to develop a 'Vulnerability Index', for use in enabling the Government to *"strategically influence the location of compatible land uses near industrial development that will not negatively affect the nature of that land use and effectively prevents or mitigates the impact of inappropriate 'displacement' of industry due to surrounding land use changes"*. By its description, it appears that the application of this index will be on a very localized basis.

The brief is also looking to develop an understanding of *"how vacated industrial land can be used in a way that is more compatible with surrounding development whilst maintaining or improving former employment levels in agreement with the 30 Year Plan"*.

These matters are close to the heart of planning for Charles Sturt's industrial future and the resultant report will be a highly relevant reference document in the ongoing process – noting that the Vulnerability Index is to be piloted in Adelaide's North West Corridor to validate its effectiveness.

Lastly, as to innovation precincts, "everybody wants one", while inter-Council competition for economic advantage is seen as not always being productive or appropriate, with a more regional view preferred. In DTED's view, there may be a place for innovation precincts, but only on a limited basis, as and where particularly appropriate.

Land Management Corporation

LMC is the State Government's principal land management and development agency. While it has some involvement in fostering economic and employment activities – such as through labour force programmes associated with the Playford Alive project in northern Adelaide and the Industrial and Commercial Premises Scheme, which it inherited from the old Housing Trust – its principal role is in land supply for both residential and industrial purposes. To this end, and other than Defence SA (which controls Technology Park and the State owned industrial land supply on Lefevre Peninsula), it is the principal custodian of State owned broadacre land in Greater Adelaide.

¹⁷ Which is seen as currently having a greater focus on economic issues than has always been the case.



From an industrial viewpoint, LMC's principal economic development role is in ensuring the timely release of an adequate supply of industrial land. To this end, it has provided 30% to 40% of Adelaide's industrial land over the last 5 years, primarily at Edinburgh Parks, Gillman and Seaford.

Looking ahead to the next decade, its primary land release of relevance to the current study will be at Gillman – and, specifically, the former Dean Rifle Range on the western side of the Wingfield Waste and Recycling Centre. However, the low lying nature of this land means that there will be significant lead times and substantial costs involved in bringing it into production.

It was also suggested that the Cast Metals Precinct at Wingfield, which has attracted only a very low level of take-up since its inception, may be released for a wider range of industry uses.

Within Charles Sturt, LMC's focus is on the delivery of the planned mixed use developments at Bowden Village and Woodville/St Clair. While these will be the principal source of visible activity over the next decade, its attention will inevitably shift to other opportunities, especially along the rail corridor. This has potential consequences for both lower value uses and users and, over time, for the City's industrial land supply. "Anything is possible" was the suggestion.

Lastly, a view was also expressed that so called "innovation precincts" are a problematic proposition, being notoriously difficult to foster or sustain. Rather, the key issues in land supply were seen to be matters such as siting, pricing, servicing and proximity to workforce. On all but pricing, Charles Sturt rates very well.

Local Government

City of Prospect

The City of Prospect, which adjoins Charles Sturt and is Adelaide's second smallest Council, has a very pro-active approach to economic development. Its Strategic Economic Plan 2008-2011 – titled "Future Prospect" – focuses on building on strengths engendered by its skilled workforce, its location between the Adelaide CBD and the City's industrial north and the emerging importance of Small & Medium Enterprises (SMEs).

A direct and quite notable spin off from this strategy has been the Digital Economy Strategy, whereby Prospect identified that its workforce was of a nature that would benefit from the early adoption of new technologies, but that much of the city was (then) in a digital black-spot with a very low uptake of digital technology.

The resultant strategy, and associated lobbying, led to Prospect being selected as one of the inaugural sites for the roll-out of the National Broadband Network (NBN), and a consequent quantum leap in the level of broadband connectivity available to local residents – with the proposed NBN roll-out supplemented by Prospect's own (\$300,000) investment in local area fibre-optic cabling. It is (and will) enable a short term shift in digital literacy and will enable and strengthen an already significant work-from-home economy.

Much of this investment – including funding for the economic development role itself – has been funded by a separate rate. It has garnered widespread recognition for its innovative



approach and has resulted in a great deal of positive media coverage for the City which, in turn, has begun to attract new interest and investment.

One of the most successful initiatives has been the Business Leaders' Forum, whereby Council has recognized and engaged with local business leaders to identify and work through issues and initiatives of common interest. This programme has led to there being "champions" for the cause of local economic renewal, both from within the business community and among the elected members of Council – an outcome which is seen to be of considerable strategic benefit.

City of Salisbury

The City of Salisbury has developed a reputation as an innovator in economic development. To this end, it has a published Economic Development Strategy¹⁸ which addresses:-

- Council's commitment to the programme;
- its economic context and the over-arching planning framework;
- a series of eight specific objectives¹⁹;
- four "policy & planning streams"²⁰ under which various specific actions and goals are identified; and
- measuring outcomes.

Its economic settings are centred on:-

- job creation – which was described as "the bottom line";
- skills development to bridge the skills gap; and
- new business formulation.

It targets corporate investment, supply chain linkages and links to innovation and research – the latter helped along by the presence of Uni SA's Levels Campus at Mawson Lakes. Over the past 15 years, a significant percentage of new jobs have gone to locals, bringing a social dimension to the economic equation.

¹⁸ Salisbury, Shaping the Future, Sept 2008

¹⁹ The eight objectives are –

- Enhance skills and workforce development opportunities
- Facilitate partnerships between education, research and industry;
- Promote investment in research and development;
- Attract and enhance business development;
- Encourage quality and appropriate development;
- Facilitate the long-term supply of industrial and commercial land;
- Ensure infrastructure supports development;
- Facilitate the delivery of an integrated transport network.

²⁰ These streams being –

- Regional Culture & Framework of Innovation, Entrepreneurship and Collaboration;
- Sustainable Business Growth;
- Workforce Development
- Building Enabling Infrastructure



Salisbury sees its role as being to facilitate opportunities to connect, which it does with:-

- the corporate and business communities through programmes such as the Northern Economic Leaders Forum and the events held under this banner – often bringing people together regularly, often to focus on a single issue; and
- the school age population, via ‘inspirational’ programmes run in conjunction with local industry, including the Northern Adelaide Industrial Manufacturing Group.

The focus is not on land based programmes, but on business development. Addressing a shortfall in business management skills is seen as being fundamental to there being a pathway to innovation, for those that choose it.

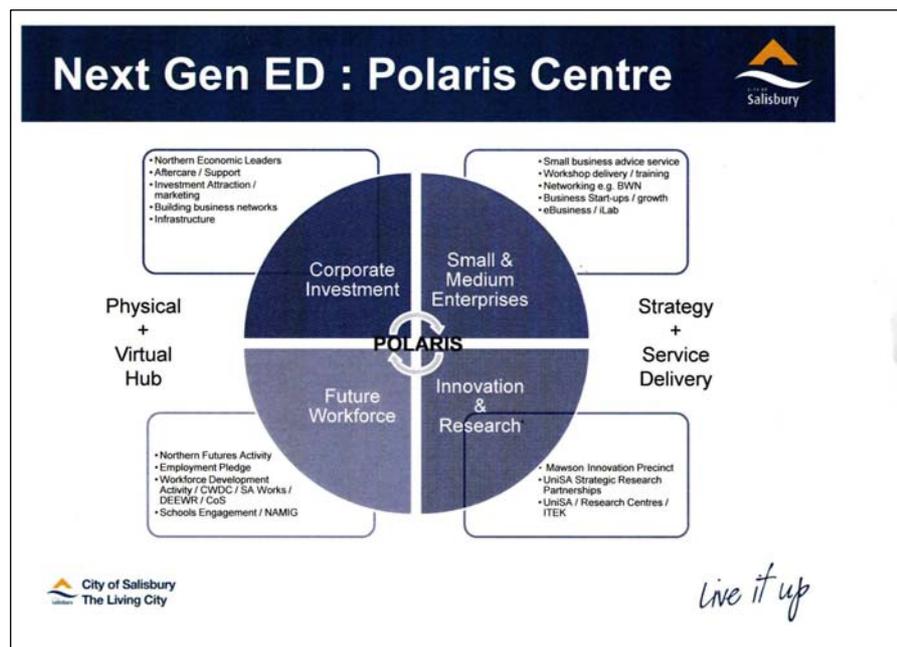
Salisbury looks to achieve a common sense of purpose between itself and government agencies, but takes the view that on-ground leadership primarily comes out of Local Government. It sees economic development as a task requiring constant vigilance and pushing of the boundaries, and that linkages to innovation & research are vital to fostering new industry.

It also works at a regional level, via an informal Northern Alliance, on matters such as the State Infrastructure Plan, the NBN and investment attraction.

In the industrial sector, Salisbury is looking for diversity built around the defence and new manufacturing sectors, with a particular eye on the environmental sector. With significant new industrial lands in its northern quarter, opportunity abounds.

This thinking is all given its most tangible expression in the newly opened “Polaris Centre” at Technology Park. The Polaris Centre is a business and management training centre and incubator which brings together State & Local Government, Uni SA and local business, both corporate and from the SME sector, to foster business creation and product innovation. Council leases a 600sqm facility for the purpose, demonstrating an ongoing commitment to the project. The Polaris Centre model is illustrated at Figure 3.

Figure 3: Polaris Centre Model





As shown, it has a circularity between four key sectoral groupings, each with its own role to play, and could be seen to be an extension of the Business Enterprise Centre concept, discussed below. Its success remains to be measured, but it is clearly an initiative that has been thought through over time.

As regards the 30 Year Plan, it was noted that Salisbury is already moving on planning for its town centre. As to innovation precincts, it regards itself as one big innovation precinct!

City of Onkaparinga

The City of Onkaparinga has a dedicated economic development unit, but its work is hampered by the tyranny of distance, largely as measured by transport distances and constraints, and by perceptions of a loss of economic momentum following the closure of Pt Stanvac and Mitsubishi, both at Lonsdale and Tonsley. The contrast between the list of national, brand-name companies operating at Onkaparinga and at Salisbury, of which we have just spoken, could not be more marked.

That said, Onkaparinga's economic development focus is on:-

- sharing of knowledge;
- advocacy and introductions; and
- co-ordination and monitoring.

Its work is primarily expressed through the Southern Suburbs Co-Ordination Group, which covers the Southern Region Councils (Onkaparinga, Marion, Mitcham and Holdfast Bay, all of which are represented), along with the State Government's key economic, education and planning agencies, relevant Federal agencies and the Southern Adelaide Economic Development Board.

The five key issues which this group is addressing are:-

- the digital economy, including digital literacy – built on the notion of the movement of ideas vs the movement of goods – partially to overcome the tyranny of distance, but also to provide some competitive advantage, with some success achieved in the early roll out of NBN at Willunga;
- workforce development, with a particular focus on the transition from school to university and the SA Works Programme with the Department of Further Education, Employment, Science & Technology, which focuses on workforce participation;
- employment land supply, which is extremely constrained but for Pt Stanvac – which is not presently available;
- transport linkages which, from an export point of view, remain the regions' Achilles heel; and
- marketing of the region and of its economic profile – albeit that this is largely based on agriculture and tourism.

As to innovation precincts, its focus is more across the board rather than on particular sectors or precincts. Onkaparinga supports the Southern Success Business Enterprise Centre and the Southern Exporters Club, both of, which are federally funded.



City of Pt Adelaide Enfield

Subject to notes following on the North West Business Development Centre, the City of Port Adelaide and Enfield (PAEC), which adjoins Charles Sturt to its north, has no formal economic development strategy, beyond references to a “Strong & Diverse Economy” in its City Plan 2010-2016.

Noted under this heading are the decline of the Port Regional Centre, the high concentration of traditional industry and the correspondingly low occurrence of new and emerging industry, the scale of the opportunity (given the amount of lower value property available) and the skills gap that presently exists.

Five principle objectives are set by this section of the City Plan, with associated performance indicators and targets. These objectives are:-

- an attractive, vibrant and revitalized Port Adelaide Regional Centre, supported by a variety of quality retail, tourist, commercial and residential development;
- strong and effective linkages between the community, education and training providers and local employers;
- support for and recognition of business initiatives that employ local people;
- the encouragement of opportunities for economic diversification; and
- strategic land use and infrastructure planning which supports economic development while balancing social and environmental outcomes.

Industry is clearly seen as very important to PAEC (especially, in the present context, in its western half) on account of the employment generated and the rates base that it provides – and the opportunities currently inherent in both. However, the immediate focus is more on new development on new land supply than on renewal. Gillman is seen as a key opportunity, despite the potential time lag to supply coming on stream.

Growth is seen to be primarily either in defence or in transport & distribution. There was limited intelligence on SMEs or on manufacturing activity.

There has also been seen to be a need for renewal of the City’s Industry zones, with an Industry DPA now on public display for consultation. Some intensification of land use is anticipated.

As regards the 30 Year Plan, PAEC appears to be waiting for more detail although, in a local context, the main focus is on the Port Centre, which is the key planning issue on its own agenda at present.

As with other interviewees, innovation precincts were viewed with some skepticism.

City of West Torrens

The planning focus in West Torrens, which also adjoins Charles Sturt but to its south, is on housing diversity and housing density, with capacity for 9,000 to 10,000 new dwellings identified in selected areas, as per its Strategic Directions Report 2008. These areas include



the Torrensville industrial precinct, which sits on the southern bank of the River Torrens between South and Holbrooks Roads – albeit in the longer term.

West Torrens does not have a specific focus on economic development, other than as expressed under the heading “City of Prosperity” in its strategic plan, although it is involved in the operation of the Inner Western Business Enterprise Centre (with Charles Sturt).

West Torrens is a net exporter of jobs, with limited capacity for change or growth, other than at the airport (which plans its development independently of West Torrens – this being a key issue of itself) or until either Coca Cola and/or SA Brewing decide to relocate from Port Road, neither of which is apparently likely in the near term.

The biggest industrial and employment opportunities in the city are seen as being the expansion of the BioSciences precinct – which abuts and presents clear opportunities in Hindmarsh – and the “bulking up” of Keswick. Overall though, not a great deal of industrial intensification is envisaged.

West Torrens is in favour of and is actively participating in the so-called Western Region Alliance, including on matters pertaining to the 30 Year Plan, light rail, infrastructure planning and climate change.

As with other interviewees (and with the notable exception of the Bio-Sciences precinct), innovation precincts were viewed with some skepticism.

Industry Groups

North West Business Development Centre

The North West Business Development Centre (NWBDC) is a community based, not for profit and largely self sustaining organization which has been operating, with whole of government support, in central Pt Adelaide for the past 10 years. It is one of a series of 10 or so BECs operating across Adelaide (and one of 150 operating nationally). These centres assist local business with independent, confidential advice on business operations and management.

NWBDC's one commercial advantage in life is that its landlord is the City of Pt Adelaide Enfield, which purchased the premises for the purpose of occupancy by NWBDC and which collects only a peppercorn rent.

These 1,500sqm premises – the “Tod Street Chambers” – provide the NWBDC's ‘business hub’, where the managed environment “engenders good business behaviours”. From here, it also operates mobile teams of business consultants who work in the field.

For its investment, Council gets business attraction, business development, local employment and the economic leverage that these bring. The business hub creates a reason for new business to come to PAEC, because of the services it offers and the inherent capacity for acceleration.

The NWBDC's core mission is business incubation. Its ‘mantra’ is “attract, grow, develop, accelerate” and, to this end, it is working with over 150 start up enterprises.



As a separate stream, it is also working on business development for over 500 existing companies which reportedly have an aggregate revenue of almost \$170 mill – to whom it offers “any service which will accelerate growth”, across the full range of business sectors.

Over the longer term, success has built on success. For example, the Tod Street Chambers has generated a strong outflow of new property tenants and owners – with 28 individual enterprises apparently taking up their own premises in the general locality since 2008.

Lastly, from NWBDC’s viewpoint, growth areas are seen as:-

- defence, although not yet in great degree – with this opportunity possibly to prove to be as much reliant on the new battalion at Edinburgh as on naval construction;
- mining, on multiple fronts, including niche manufacturing, professional & technical services and education & training;
- multi media; and
- low carbon activities and products.

Inner West Business Enterprise Centre

The Inner West Business Enterprise Centre (IWBECC) works in a manner which is similar to but a variant on the operation of the NWBDC.

It employs four full-time staff and operates from premises leased from the University of Adelaide, with financial support from the Federal and State Governments²¹, and from the Cities of West Torrens and Charles Sturt. It is not a commercially viable organization and is reliant on this funding for its continuing operation. Its annual operating budget fluctuates between about \$500,000 and \$1mill, with the exact amount varying from year to year according to allocations from its funders.

IWBECC delivers programmes which support start ups and SMEs in both Council areas and from the Adelaide CBD. It has a very diverse clientele.

Its purpose is to establish solid foundations for individual SMEs and it will essentially provide (or arrange for the provision of) whatever services are required to achieve this end. The key issues it is dealing with are the development of base level business skills and digital literacy.

Its focus is on growth prospects although, unlike NWBDC, it does not run an incubation stream. While some programmes are delivered from training rooms at its premises, it relies much more on mobile teams working “in the field” to provide both specific skills development programmes and ongoing mentoring.

It also undertakes a variety of related special projects, such as business surveys for Councils and delivery of AusIndustry programmes for the Federal Government.

²¹ Although the State is currently re-directing such funding.



Property Council

From a market perspective, as provided by representatives of the Property Council's Industrial Committee, the current view of Adelaide's and Charles Sturt's industrial sectors includes the following:-

- smaller industrial users (up to about 2,000sqm NLA) primarily want to be in the inner north and north-west, while bigger users are moving north;
- demand for space in the inner west – which includes the inner ring portions of Charles Sturt – is very strong, primarily from users looking to stay in touch with their markets and primarily in the 500sqm to 1,200sqm band
- demand from SMEs , including owner occupiers, is very evident and the development market is seen to be responding – and although pre-commitment is difficult to achieve, vacancy on completion tends to be short;
- development and demand generally is becoming more intense and this presents significant opportunities in selected areas;
- manufacturing and exporting are generally seen to be very thin on the ground, with the majority of the market focused on distribution, trade services and allied activities;
- greater flexibility is needed in industrial floorspace ratios as between the office and warehouse components of new development, with up to 60% office space being sought by some users;
- in the process, there is a need to re-think what “industry” means from a planning and development perception;
- parking ratios too often drive development, and lead to reduced site coverage ratios – although co-operative arrangements (such as shared parking) were not in favour either;
- mixed use (with industrial) was seen as problematic – with “mix anything but residential” seeming to be the default position;
- industry sector clustering is seen as “illusory” and lacking synergy, with supply chains seen as being much more important;
- unless it is to be higher and better use, the adaptive re-use of old industrial facilities was seen as risky for no benefit (including minimal depreciation benefits);
- the need for fast broadband access has become a given;
- b-double access is a significant issue south of Grand Junction Road and drives some decisions to locate further north;
- shared local facilities for the periodic breaking out of containers was suggested as an idea with merit²²;

²² Because some users' land requirements are greater than they need to be, consequent on a periodic need to receive and break down a container.



- the issue of quality of space is beginning to permeate the market, especially in the Government sector, initially driven by NABERS ratings which focus on water, power and other green credentials;
- quality of space issues will also spill into the public realm in terms of market perceptions;
- perceptions matter, and are generally positive as regards Charles Sturt, with “off the cuff” perceptions of the eight PIA’s being as shown at Table 1.

Table 1: Market Comments on PIAs	
PIA	Comments
Royal Park	<ul style="list-style-type: none"> • good average, but not front of mind
Hendon	<ul style="list-style-type: none"> • not popular, heritage concerns (false, as it happens), needs a re-think, the “last cab they’d take”¹
Woodville North/Athol Park	<ul style="list-style-type: none"> • great opportunity, held back by land ownership, access is an issue
Arndale	<ul style="list-style-type: none"> • unique demographics & socio-economics, suffers perception problems, needs beautification
West Croydon/Kilkenny	<ul style="list-style-type: none"> • not on the radar
Beverley	<ul style="list-style-type: none"> • good future, suffers perception problems, access problems
Port Rd/South Rd	<ul style="list-style-type: none"> • bad access, compromised, under pressure
Hindmarsh	<ul style="list-style-type: none"> • pick of the crop, intense development, high value, sought after

¹ All of which are interesting responses in light of the apparent direction of the North West Structure Plan

Finally, if they were Council, the Committee would:-

- simplify the Development Plan via a redefinition of industry; and
- be pro-active in facilitating better development, economic and employment outcomes.

2.4 LAND ECONOMICS

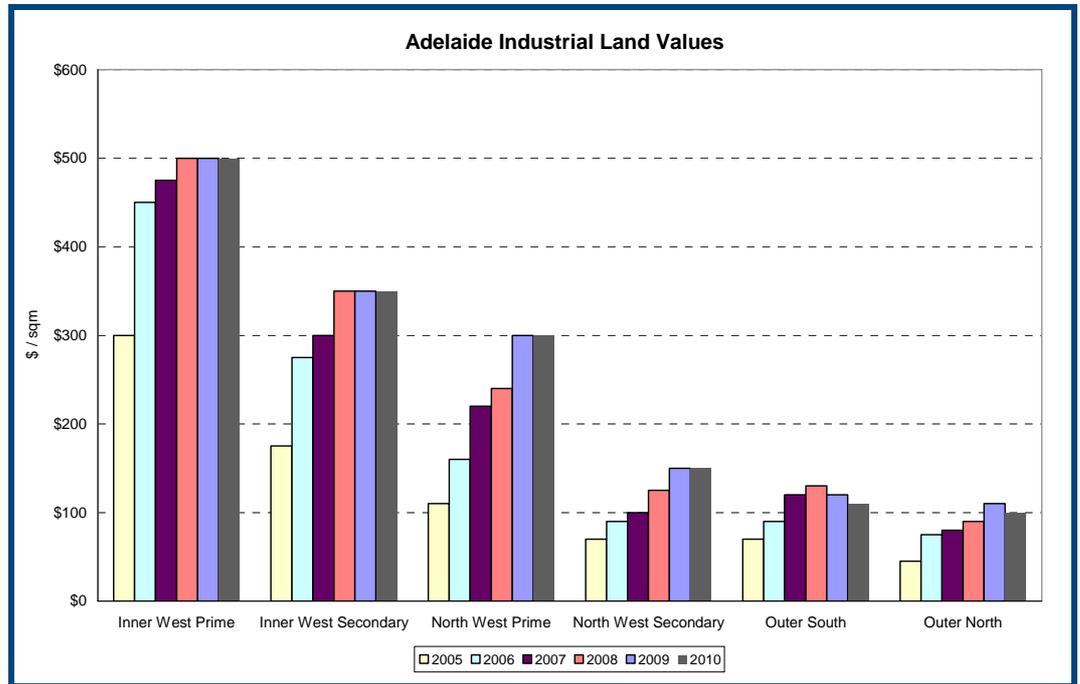
Not all industrial land is created (or remains) equal and, underlying the planning of the north west corridor for the next decade (beginning as this report is being written), there will be testing of alternative futures for what does remain. As part of this process, some existing industrial land may well be designated for alternative use(s).

As illustrated in Figure 4, Adelaide’s industrial markets can be geographically segmented into a series of submarkets, each with their own particular characteristics and value ranges.



Figure 4:

Growth in Metropolitan Adelaide Industrial Land Values by Sector, 2005 - 2010 (\$psm)



Source: Upmarket, CICS

As shown:-

- there are significant differences in the levels of value as between, firstly, the inner and outer areas and, secondly, the prime and secondary locations;
- growth over the five years from 2005 to 2010 was approaching 70% for Inner West Prime (from \$300psm to \$500psm) and over 170% for North West Prime (from \$110psm to \$300psm); and
- the growth in underlying land values has effectively stalled since 2009, and even earlier in the Inner West.

This report concerns itself with the “Prime Industrial Areas” and it follows that, for present purposes, the discussion is not about whether land should be used for industrial purposes, but more about how to extract best economic value from its use for industrial purposes.

The immediate issue here is the value of individual precincts as against the benchmark values for the region which, as per the foregoing, would be derived from the Prime Inner West and North West classifications – being \$500psm and \$300psm respectively. These are the levels of value that, on current market evidence, a prime precinct should theoretically sustain.

However, review of recent sales in each of the PIAs²³ against the benchmarks, reveals the outcomes shown at Table 2.

²³ Acknowledging that, in some precincts, there is only a small sample of recent sales.



Table 2:		Industrial Land Value Benchmarks (\$ psm Improved)		
Precinct	Benchmark		Current Values	
	Precinct	Rate		
		Prime	Secondary	
Royal Park	North West	\$300	\$150	\$110
Hendon	North West	\$300	\$150	\$120
Woodville North	North West	\$300	\$150	\$80
Athol Park	North West	\$300	\$150	\$160
Arndale	North West	\$300	\$150	\$200
West Croydon/Kilkenny	Inner West	\$500	\$350	\$90
Beverley	Inner West	\$500	\$350	\$180
Port Rd/ South Rd	Inner West	\$500	\$350	\$500
Hindmarsh	Inner West	\$500	\$350	\$400

As shown, and noting that the current values cited are *improved* values, there is significant and always negative variation from the prime benchmark value. This suggests that the market tends to see these precincts as secondary rather than prime, and sometimes not even that. These underlying levels of value are further illustrated in the discussion at Section 4.3.

The implication is that there is a clear potential for uplift in value – which will need to be realized if the underlying land use(s) are to be retained in the longer term. This potential should serve as encouragement for investment in these areas, not only to extract true value, but also to protect the long term integrity of the zones, and to maximize employment generating opportunities.

Value is driven by a variety of factors, some rational and some not. They include both development economics, as applied to specific opportunities, and market perceptions, which affect both the choice of one location over another and the value(s) ascribed to those choices. Decisions by individuals to undertake (or not to undertake) particular developments, sometimes in compliance with the current Development Plan and sometimes not, continually test the bounds of these underlying levels of value.

To this end, and in light of the 30 Year Plan, the great alternative to industrial use is residential use.

Over the same time period as referred to in Figure 4 above, residential land values have increased significantly.

In 2005, the average price for vacant residential land was \$260 per sqm for an average site of 475 sqm (within an area range of 300sqm to 1,000sqm). By contrast, between July 2010 and June 2011 for the same range of sizes, the average price had risen to \$690 per sqm and the average site had fallen to 415 sqm.

The increase over 5 years is 170% which, coincidentally, is the same as the increase in the Prime North West benchmark value. While some of this increase can be attributed to smaller



lots achieving substantially higher rates psm more recently, it does suggest that residential land values have sometimes been more resilient, particularly closer into the CBD and particularly over the last couple of years, than have industrial values. It also suggests that the locational value of residential land is being recognized by the market in greater degree than the locational value of industrial land, notwithstanding Charles Sturt's centrality for either use. However, while residential land is generally more valuable in its end form, particularly given the trend towards smaller lots and higher densities, it can also be more expensive to subdivide, especially in the case of brownfield industrial sites and even more so if there happen to be remediation issues. The net difference between choices about future land use is, therefore, not always clear cut and can be called either way on individual sites.

Further, while apartment living has taken off in the City, at Glenelg and latterly at West Lakes, the suburban market for non-traditional forms of housing remains fledgling and may continue to be so in the near future – with the notable exception of Mawson Lakes (which adjoins a university). Bowden Village will be the next big test of this market and its success or otherwise will have a significant effect on land use and property value outcomes in the north-west over the next decade.

Whatever the rate at which new forms of housing are taken to by the market, the net effect of recent planning changes is that the commercial development equation has shifted. Exactly how this translates to on-ground outcomes largely remains to be determined on a case by case basis – including site and location specific answers to questions regarding latent development potential, value in existing use (including enterprise value) and the total cost to realize any apparent uplift in value.

Again, all of these questions and more will be tested for each site (or locality) before the highest and best commercial use – as opposed to either the highest and best permitted use or the highest and best economic use – can be established.

Whilst the commercial equation should not drive planning policy, it will drive the development industry's view of the world and it will tend to be drawn to projects with the best margins and the lowest risk.

The challenge for Charles Sturt's policy planners and for the development industry, is to recognize that if employment targets in the 30 Year Plan are to be met, there will have to be employment lands, but if such lands are to be preserved, market perceptions will have to be shifted and shaped such that values in the PIA's increase to benchmark levels. Given the size of the gap, this will require a fundamental re-rating of some of these precincts in the eyes of the market.

If this can be achieved – such as via the strategies developed in this and other reports – then the pressure for conversion to alternate use will ease because there will be a greatly reduced imperative for change. If not, then the risk is that commercial and economic pressures will ultimately result in these lower value uses simply being swept away, potentially with adverse social and environmental effects.



2.5 LAND USE AND DEVELOPMENT PLANNING

Local Government plays a significant role in the way industrial land is used and managed. It implements State Government policy by aligning Development Plans with the Planning Strategy, so as to ensure that land set aside for industry is not developed for other purposes and it provides consent for development proposals within and alongside Industry zones.

This section of the report provides preliminary observations on relevant portions of Charles Sturt's current Development Plan, having regard to the Better Development Plan (BDP) format which Council has recently adopted, the HELSP Report and the range and location of current and likely future industrial and commercial land uses within the Council area.

2.5.1 CURRENT ZONING

Since the preparation of the ILS in 2008, the City of Charles Sturt Development Plan has undergone its "Better Development Plan" conversion. A BDP is one which has adopted the pro-forma planning "modules" developed by the Department of Planning & Local Government (DPLG) in its State Planning Policy Library. The use of these modules, with local modifications as needed, ensures that Development Plans closely align with the Planning Strategy and are generally consistent across the State.

Following below is an overview of the current policy framework within the Industry Zone, and within certain allied zones.

The zoning which now applies to the nine PIAs²⁴ is summarised at Table 3 overleaf and is illustrated in the maps at Figures 5 –13 at the end of this section.

Analysis of data underlying these maps²⁵ reveals that:-

- the PIAs cover a total of 373Ha of Industry Zoned land, including 1.6Ha zoned Bulky Goods and 6.4Ha zoned Home Industry;
- 287Ha, or 77% of all Industry zoned land, is designated Industry Interface;
- there are only two PIAs (Royal Park and Woodville North), where the Interface area covers less than 50% of the total precinct area; and
- at Athol Park and Arndale, more than 80% of the precinct is designated Interface.

As to current policy settings, all of the PIAs are located within the Industry Zone, for which there are broad objectives in terms of envisaged development and land use, non-industrial development, land division and the form and character of development²⁶.

The key objective of the Industry Zone is "a zone primarily accommodating a wide range of industrial, warehouse, storage and transport land uses", while the first principle of development control identifies the envisaged forms of development as:-

- high-tech, bio-tech, research and development;
- industry;

²⁴ Woodville North and Athol Park are considered separately from hereon, thus increasing the number of PIAs from 8 to 9.

²⁵ See also Table 12 at Section 4.3.2

²⁶ As detailed at pages 138 to 162 of the Development Plan.



- store;
- transport distribution; and
- warehouse.

Table 3:	Current PIA Zoning Framework
Prime Industrial Area	Relevant Development Plan Policy
Royal Park	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precincts 33 and 45 • Policy Area 6 (Bulky Goods) • small portion of Home Industry on Dixon Street
Hendon	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precincts 28 and 22
Woodville North	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precincts 37 and 38 • several small portions of Home Industry
Athol Park	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precinct 23 • Small portion of Home Industry Zone on Athol Street
Arndale	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precinct 31
West Croydon/Kilkenny	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precincts 31 and 36
Beverley	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precinct 24
Port Road/South Road locality	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precincts 32, 26 and 29
Hindmarsh	<ul style="list-style-type: none"> • Industry Zone (including Industry Interface Area) • Precincts 43 and 29

These envisaged land uses are supported by ‘complying’ and ‘non-complying’ (ie expressly discouraged) development designations for selected land uses across the zone²⁷, as shown at Table 4 overleaf.

It is noted that within the Industry Zone (with the exception of the Bulky Goods Policy Area), office and retail uses should be ancillary to the industrial uses – as per the non-complying designation applied when either use exceeds 250sqm..

It is also noted that a place of worship, of which there are a number in the current Industry Zone, is not a non-complying use, and that the Development Plan is similarly silent on the use of Industry zoned land for uses such as function centres, recreation and playing fields.

Sitting below the Industry Zone are 22 individual Precincts (Precincts 22-43), for which there are more specific ‘Desired Character Statements’ and development assessment guidelines.

²⁷ Excluding the Industry Interface Area and Precincts 41-43



Table 4: Industry Zone – Complying and Non-Complying Development

Complying	Non-Complying
• general industry	• advertisements
• light industry	• amusement machine centre
• motor repair station	• community centre
• road transport terminal	• consulting room
• service industry	• dwelling
• service trade premises	• horticulture
• store	• motel
• warehouse	• nursing home
	• office (with gross leasable floor area >250sqm)
	• pre-school
	• shop or group of shops (with gross leasable floor area >250sqm)
	• tourist accommodation
	• waste reception storage treatment or disposal
	• wrecking yard (within the Industry Interface area)

The Desired Character Statements and provisions for the precincts generally differ in their expectations regarding the appearance of development, the focus for industrial traffic and the management of interfaces with adjoining areas. There is scope to refine the Desired Character Statements for these Precincts to reflect both the changing nature of industry and future policy directions stemming from strategic planning processes.

Sitting ‘on top’ of both Zone and Precinct level policies is the Industrial Interface Area. Most Precincts contain some land within the Industrial Interface Area, for which there are certain development constraints. The interface area typically accommodates industrial activities that do not create any appreciable nuisance, that have minimal off-site impacts (such as via noise, air, water and waste emissions or via traffic generation and movement) and do not have a detrimental impact on the amenity of properties in residential or similar environmentally sensitive zones. Taken together, Charles Sturt’s planning policy structure, as expressed in its Industry Zone, is shown to be somewhat complex, with the different layers of policy resulting in a degree of difficulty in understanding the overall policy intent for the zone.

The Development Plan also contains a small Home Industry Zone at Royal Park, Woodville North and Athol Park. The Home Industry Zone contains development controls aimed to support small-scale service and light industries where people live and work on the same site. Within this zone, industrial activity must be associated with a dwelling which means that (as noted in the ILS) the Zone is not particularly effective in encouraging quality employment outcomes.

Beyond its Industry zones, Charles Sturt’s Development Plan also includes a Mixed Use Zone, with its own set of precincts and Policy Areas. The underlying objective of this zone is that it accommodates a mix of low impact commercial, community, light industrial, medium



density residential, office and small-scale shop land uses. High traffic generating and higher impact uses such as crash repairers and manufacturing should generally be restricted.

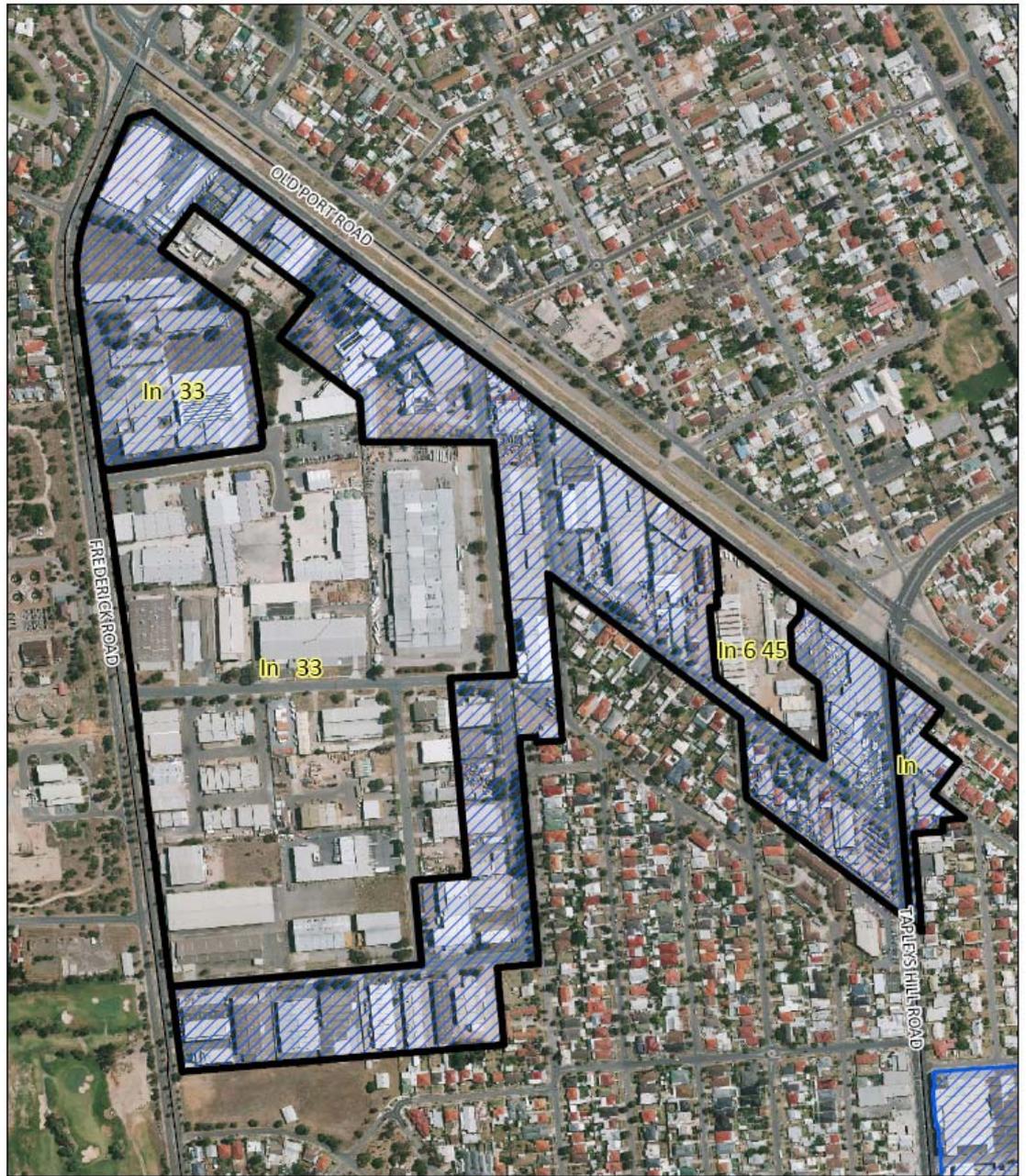
Of note for present purposes is the inclusion of certain industrial activities in the Zone, which means that new employment activities, including those of an industrial nature, may choose to locate in the Mixed Use Zone, rather than an Industry Zone. Indeed, it might be seen as a more favourable location for some businesses owing to the range of activities and services permitted in comparison to an Industry Zone, possibly including Bulky Goods in selected areas.

The Mixed Use Zone is, in some ways, a hybrid of the Industry and Centre Zones, with residential uses also included, subject to certain provisions – including no encroachment on existing industry.

Finally, while the Charles Sturt Development Plan does not contain a Commercial Zone, the State Planning Policy Library does contain a Commercial Zone module, which may have application in appropriate locations in Charles Sturt. Envisaged land uses within this zone include offices, consulting rooms, light industry, bulky goods outlets, service trade premises, stores (up to 250sqm in floor area) and warehouses. As such, it is similar to the Mixed Use Zone, in that less intensive industrial activities are appropriate. A principal difference between the Mixed Use Zone and the Commercial Zone is the exclusion of residential development from the latter.

Overall, there is a clear need for a well thought out and integrated review and re-application of the Industry, Commercial and Mixed Use Zone policies in Charles Sturt, possibly through the application of a revised and more nuanced Mixed Use zoning, or through the application of new zoning modules, as discussed below. This would be a transparent approach to better reflect current land use, and would also enable Council to better hold the line on “single sector” zoning in areas where mixing uses is not desirable.

FIGURE 5 – ROYAL PARK PRECINCT OVERVIEW



Legend

- Industrial Zones Areas
- Industry Interface
- Council Boundary

Precinct 33 - Royal Park Precinct
 Precinct 45 - Old Port Road
 Policy 6 - Bulky Goods



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FIGURE 6: HENDON PRECINCT – ZONING OVERVIEW



Legend

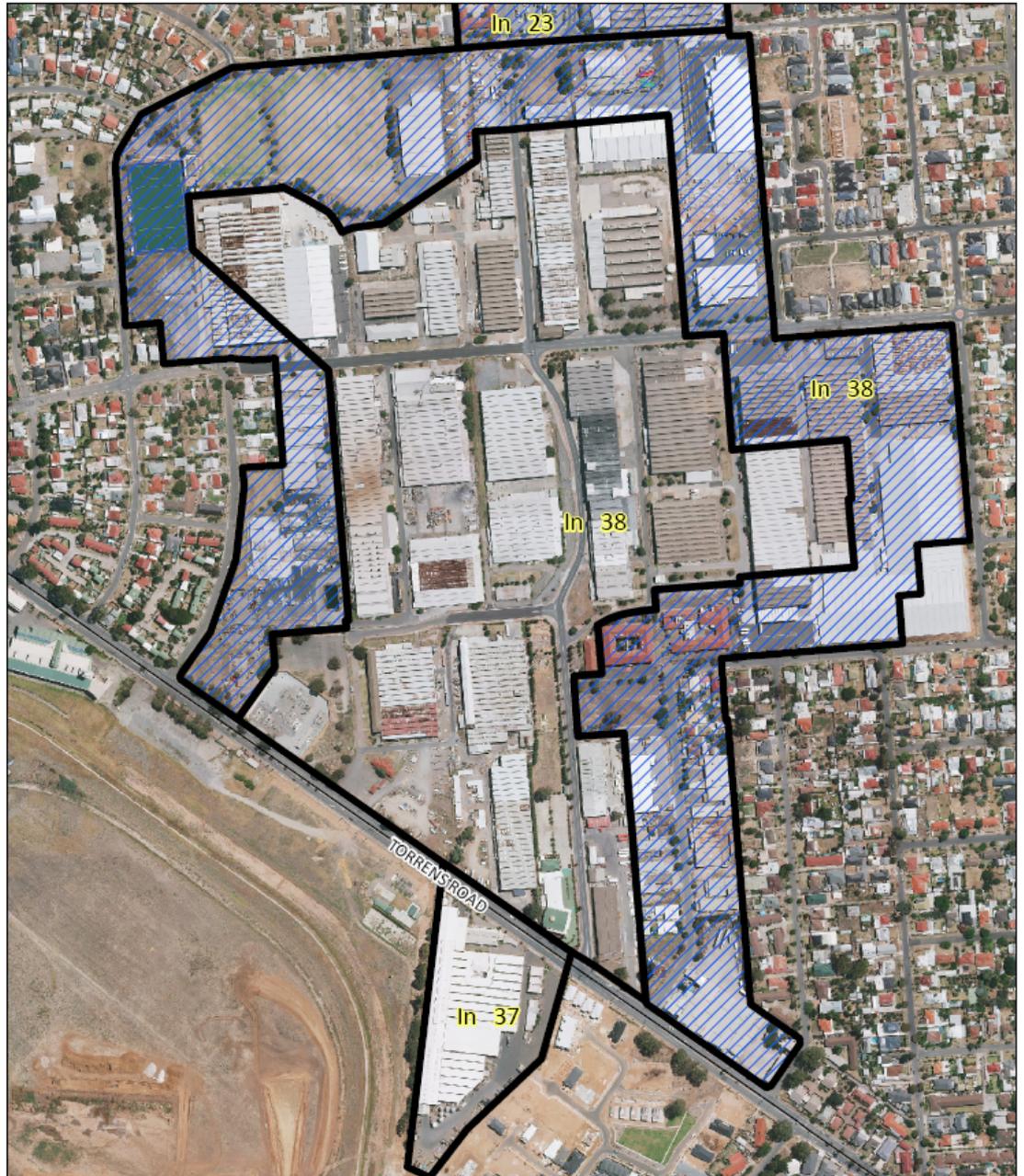
-  Industrial Zones Areas
-  Industry Interface
-  Council Boundary

Precinct 22 - Albert Park Precinct
 Precinct 28 - Hendon Precinct



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FIGURE 7: WOODVILLE NORTH PRECINCT – ZONING OVERVIEW



Legend

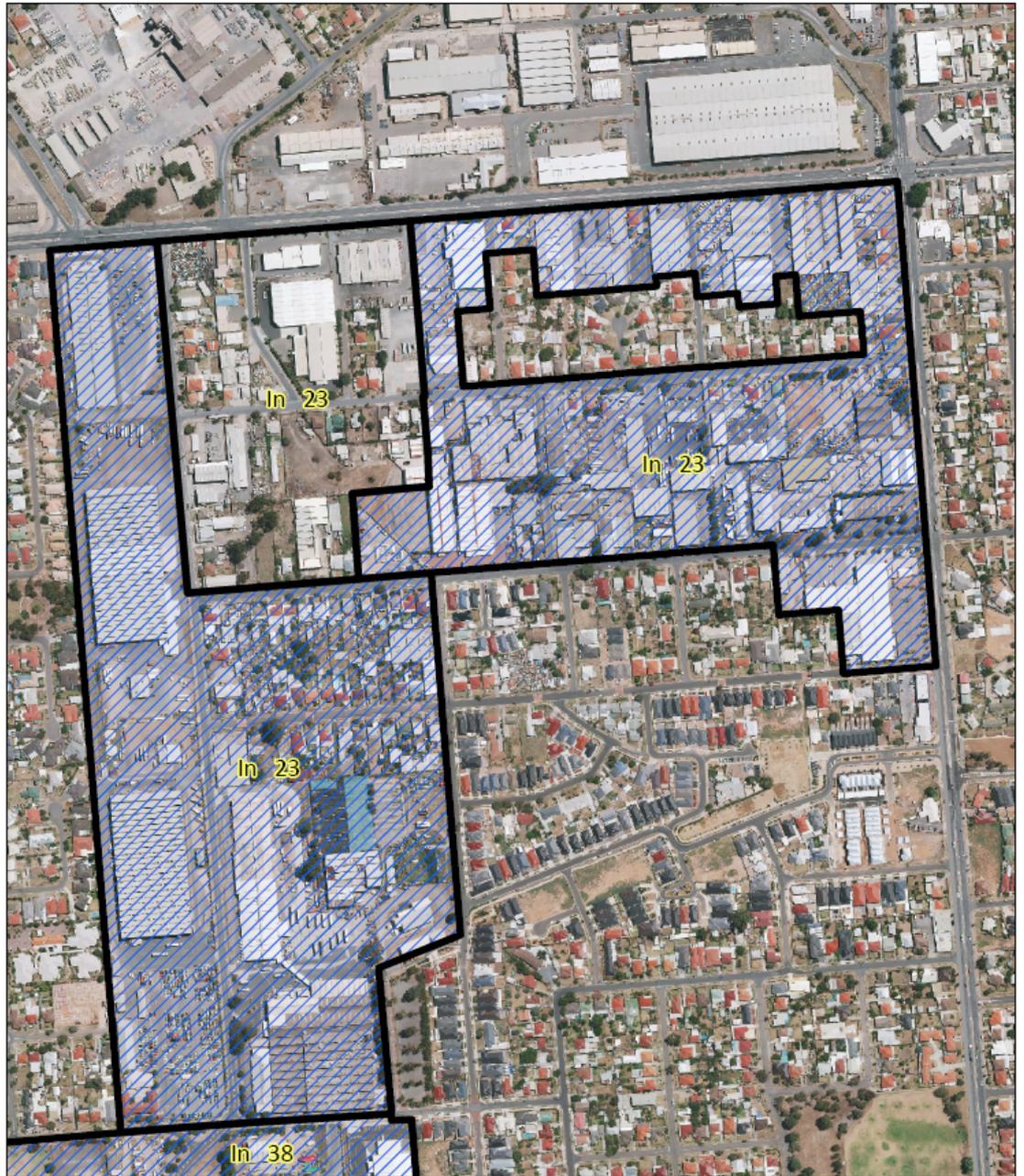
-  Industrial Zones Areas
-  Industry Interface
-  Council Boundary

Precinct 38 - Woodville North Precinct
 Precinct 37 - Woodville Precinct



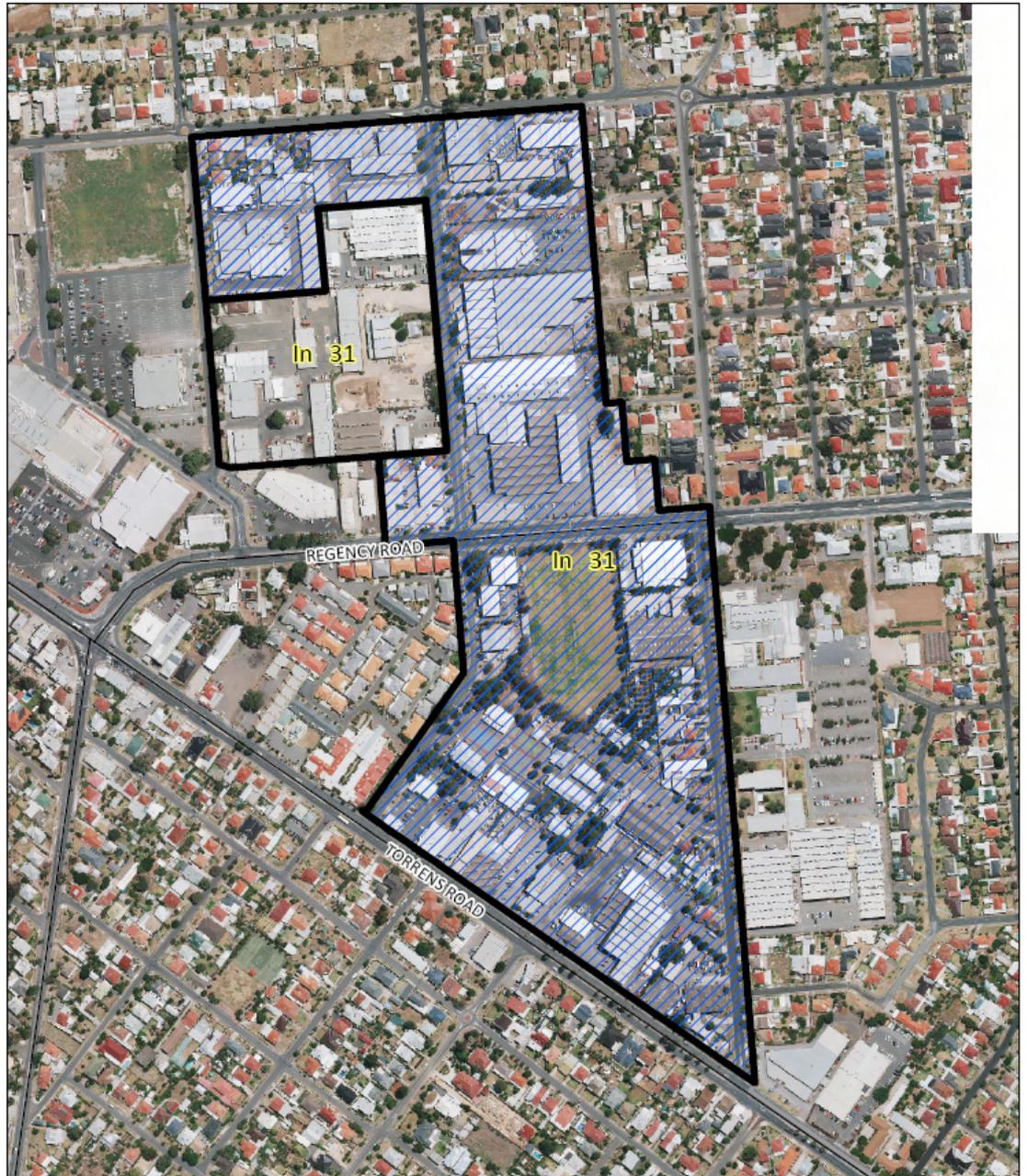
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FIGURE 8: ATHOL PARK PRECINCT – ZONING OVERVIEW



Legend	Precinct 23 - Athol Park Precinct		
Industrial Zones Areas			
Industry Interface			
Council Boundary			
<p>DISCLAIMER While care and effort has been taken in the presentation of this data the City of Charles Sturt accepts no liability for any reliance placed on the validity and accuracy of data in this publication.</p>			

FIGURE 9: ARNDALE PRECINCT – ZONING OVERVIEW



Legend

-  Industrial Zones Areas
-  Industry Interface
-  Council Boundary

Precinct 31 - Kilkenny Precinct



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FIGURE 10: WEST CROYDON/KILKENNY PRECINCT – ZONING OVERVIEW

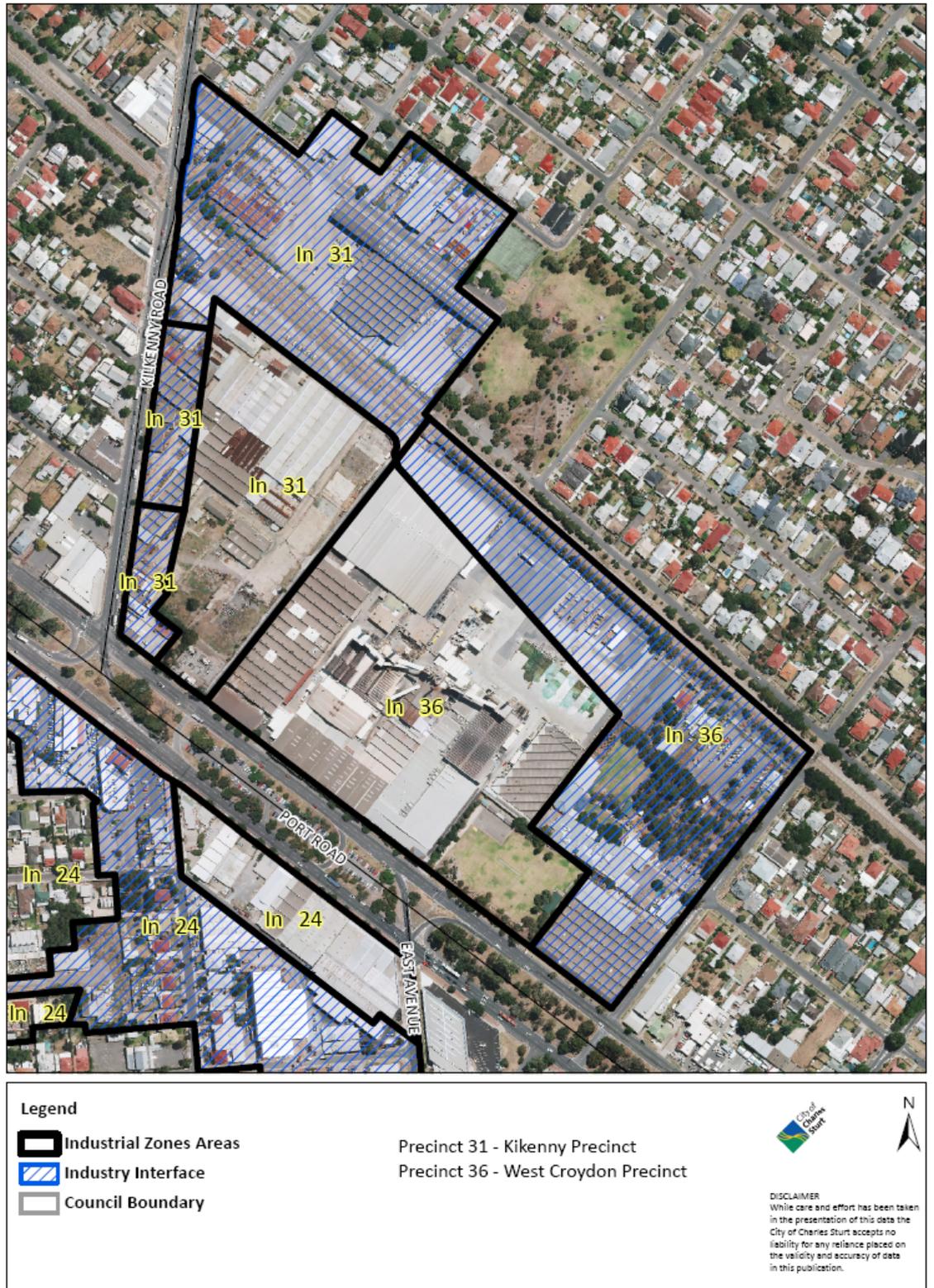
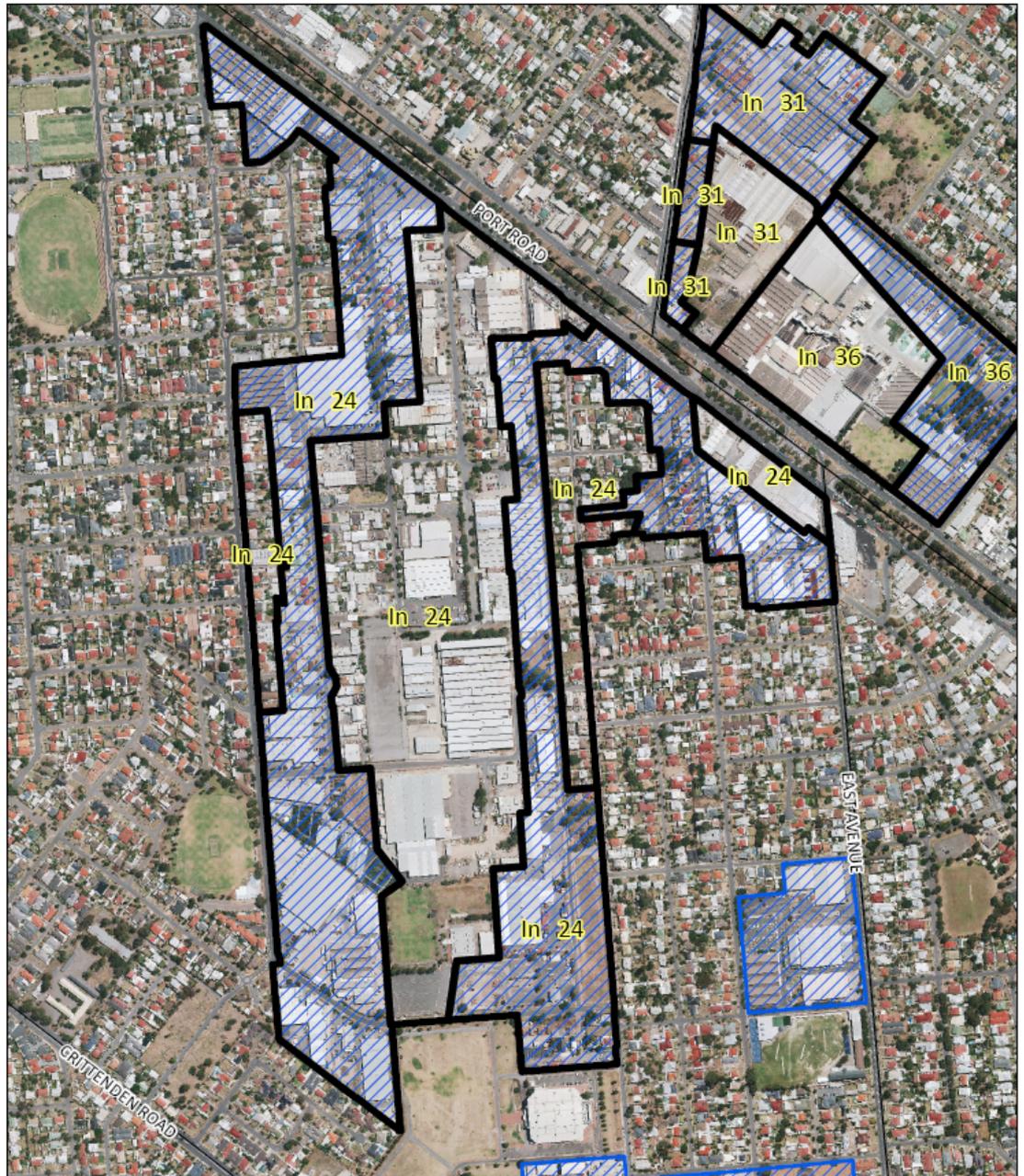


FIGURE 11: BEVERLEY PRECINCT – ZONING OVERVIEW



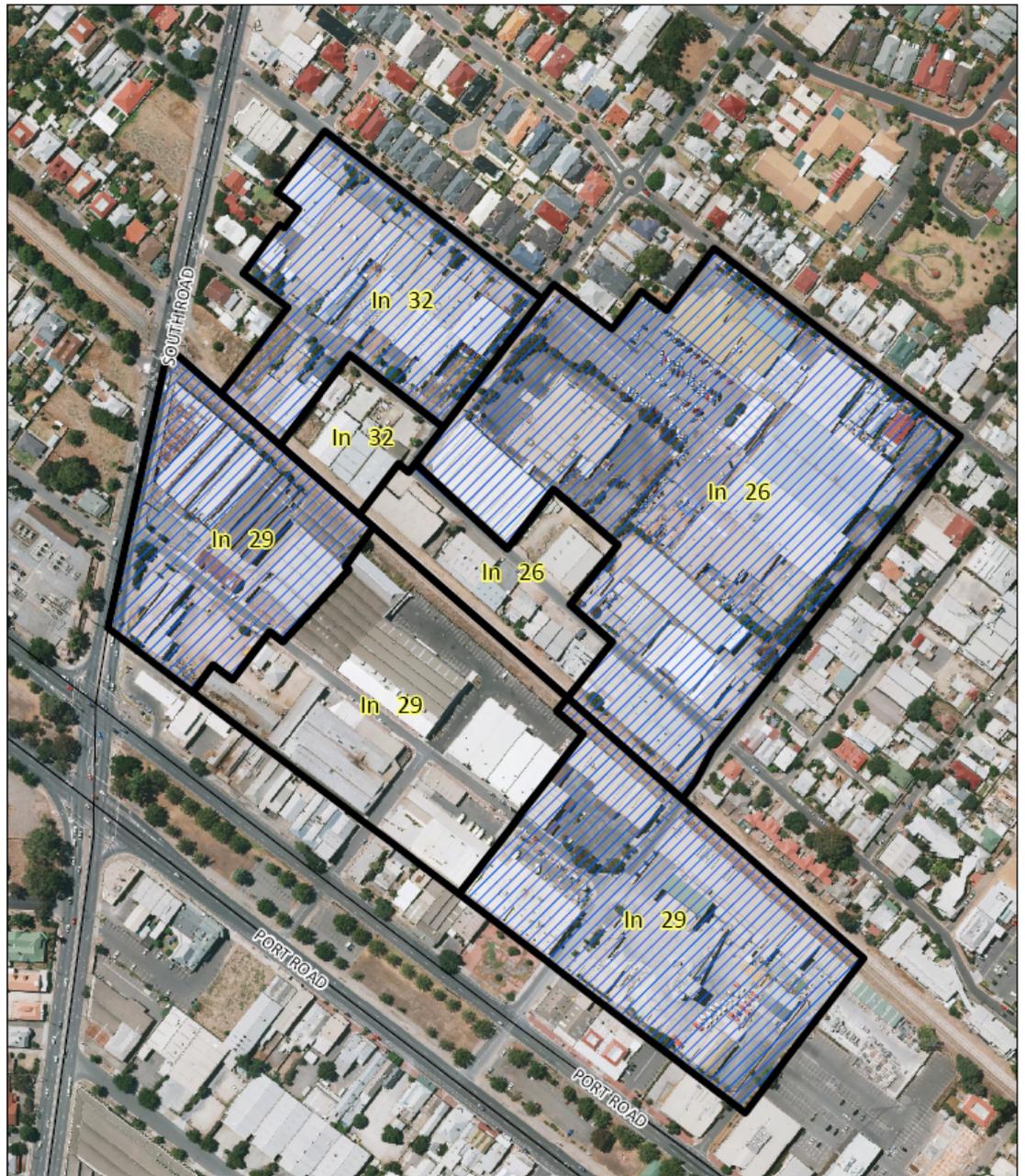
- Legend**
- Industrial Zones Areas
 - Industry Interface
 - Council Boundary

Precinct 24 - Beverley/Findon Precinct



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FIGURE 12: PORT ROAD/SOUTH ROAD CORNER PRECINCT – ZONING OVERVIEW



Legend

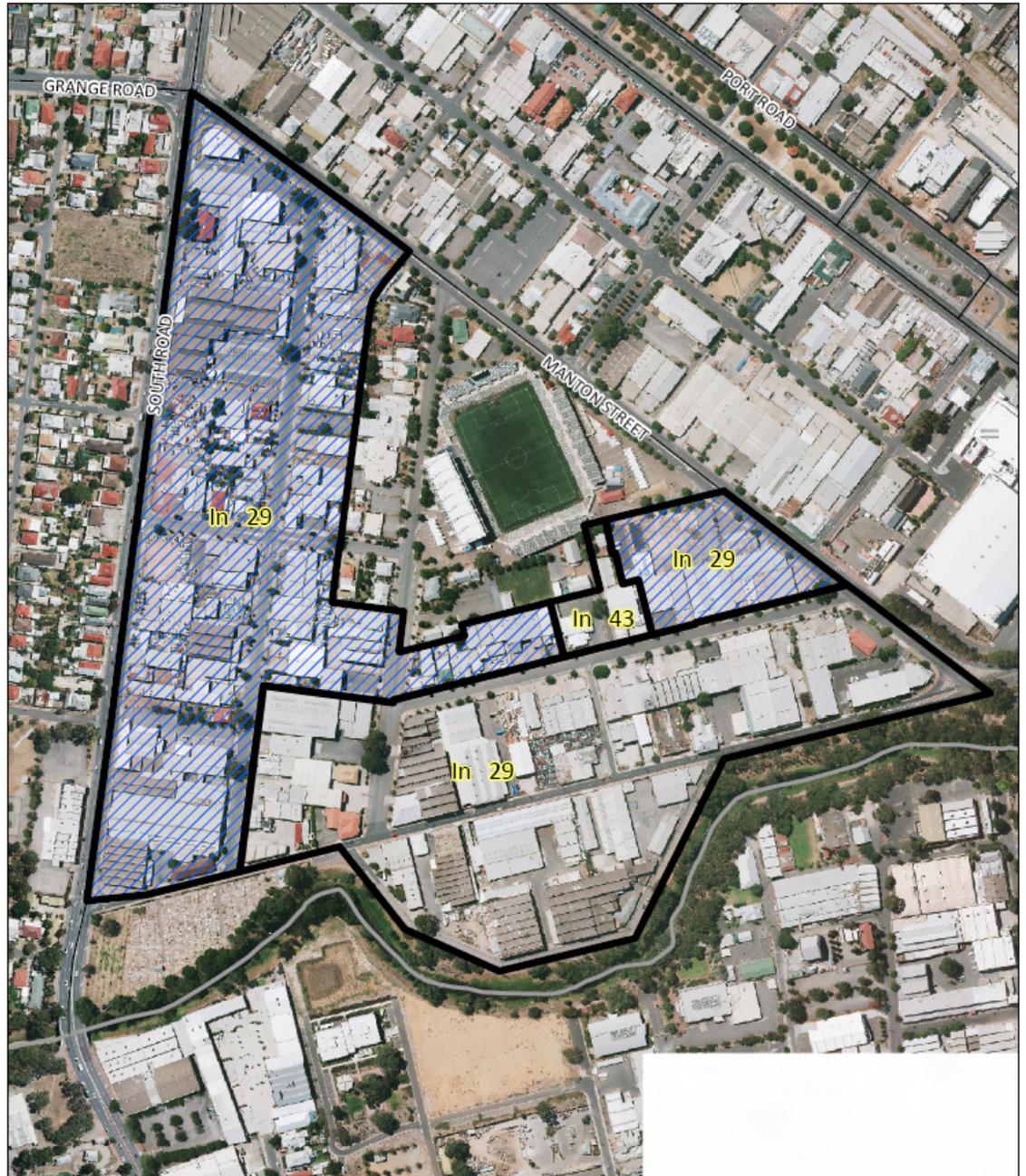
-  Industrial Zones Areas
-  Industry Interface
-  Council Boundary

Precinct 26 - Brompton Precinct
 Precinct 29 - Hindmarsh Precinct
 Precinct 32 - Ridleyton Precinct



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FIGURE 13: HINDMARSH PRECINCT – ZONING OVERVIEW



Legend

- Industrial Zones Areas
- Industry Interface
- Council Boundary

Precinct 29 - Hindmarsh Precinct
 Precinct 43 - Chapel Street Precinct



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2.5.2 PLANNING FOR THE FUTURE

Central to the matters under review in this report is a clear understanding of different types of industrial and commercial activity, how the mix of these uses is changing and how this might be reflected in the relevant land use and policy definitions that ultimately flow through to development assessment.

Definitions of “industry” have traditionally focussed on uses such as general industry, light industry, motor repair station, public service depot, road transport terminal and warehouse. As summarized in definitions from the Development Act and Regulations included at Appendix 4, industry is described as the carrying on of a trade or business involved in the making, altering, assembling or getting of “any article ship or vessel” or the associated materials.

However, the very nature of industry is changing and, as it does so, this traditional approach has begun to have unintended and/or undesirable consequences²⁸.

More particularly, industrial development is diversifying to include more specialized, innovative and knowledge based products which are tailored to the individual needs of markets and consumers. Often, smaller, more specialised industries which produce components for or service larger industrial operations are establishing in proximity to industries in order to provide more efficient and timely services. This diversification of industrial uses in similar locations means that industry categories are “blurred” and tightly defined land use zonings are no longer necessarily appropriate.

The 2008 ILS also found that there are a number of commercial land uses which find themselves locating within Industry zones, but are not core industrial activities and, as a rule, are generally excluded from the provisions of Industry zones.

A key driver for the location of these uses appears not to be the underlying industrial zoning but, most commonly, the main road frontage and associated high volumes of passing traffic and potential customers. Such land uses include bulky goods outlets, retail showrooms and service trade premises. The broad focus in this group is on selling to the public and, in a policy sense, these uses are generally included in Commercial and Centre zones, where there is a higher diversity of commercial land uses.

Their appearance in Industry zones represents a mixing of land uses, driven by commercial forces. It is likely that an apparent shift towards more flexible land use policy settings will result in the continued development of these types of land uses in what may previously have been industrial areas.

So, while employment has traditionally been planned and provided for through the zoning of lands for a variety of different and particular purposes (e.g. Industry Zones, Commercial Zones, Activity Centres), the State Government has more recently adopted the language of “employment lands” to encompass all land used for job purposes.

²⁸ For example, a major logistics enterprise which recently sought to relocate to a new site in Charles Sturt could not achieve the required office ratio under current zoning and so has gone elsewhere. For want of a contemporary planning policy, Charles Sturt lost a significant employment opportunity.



The 30 Year Plan defines employment lands as “concentrated areas where people are employed on a full or part time basis in a wide range of employment industry categories”, including:-

- agriculture & mining
- construction
- communication
- finance & property
- cultural and personal services
- education, health and community services
- retailing, including cafes and restaurants
- electricity
- wholesaling
- government services
- manufacturing
- accommodation

The language of ‘employment lands’ has emerged in response to both the changing nature of urban economies and, more particularly, the change and diversification occurring in traditional industrial areas.

Among other things, this has led to the drafting of the ‘Urban Employment Zone’ module referred to in discussion with DPLG²⁹. As described therein, its focus is on providing a more flexible, adaptive and integrated approach to planning policy than has occurred in the past.

It is envisaged that this zone could accommodate a range of industrial activities in Charles Sturt, as well as offices and limited retail to support occupiers in the zone (and so as to not undermine the centres hierarchy). In this way, the Zone has a similar intent of both existing Mixed Use and Industry Zones. Bulky Goods retailing could be permitted in appropriate locations in the zone, such as along main roads.

As such, and notwithstanding that it may not suit all situations, the Urban Employment Zone planning policies might provide the Development Plan framework to support employment revitalization in Charles Sturt’s industrial lands, including some PIAs. This matter is discussed further in Section 6.3.

2.5.3 EMPLOYMENT REVITALIZATION POLICY PRINCIPLES

Before considering the specifics of Development Plan policy renewal in the PIAs, it is useful to review the guiding principles that lie behind the proposed new approach, as summarized below.

Planning for Changing Needs

Whereas industrial lands were traditionally segregated from other activities, there is a growing expectation that employment lands also provide access to services and facilities for modern workers – including schools, childcare facilities, local shops, cafes/restaurants and gym facilities.

Planning for these emerging requirements has implications for planning policy. As industrial activities become less intensive in terms of noise and emissions, and begin to involve larger office components, facilities and services to support employees may not be incompatible with surrounding land uses. As such, planning policy needs to be sufficiently flexible to allow

²⁹ As per notes in Section 2.3.



appropriate development to support employers and employees, provided that interface issues are appropriately managed and the existing centres hierarchy is not undermined.

This will necessitate not only a review of the Industry zone, but also of other “like” zones and, more specifically, an integrated approach across all of the City’s principal non-residential zones.

Environmental Drivers

As the nature of industry changes, and in response to broader environmental challenges and Government policy and initiatives, support for environmentally sustainable industrial development is increasing.

Sustainable industrial development balances the need for economic activity and ongoing production with the need to secure long term viability through the conservation of non-renewable resources and the efficient use of renewable resources. Emerging activities fostering innovation in this sector include the development of pollution monitoring devices, low carbon and water efficiency devices, waste palletisation techniques, new insulation materials and components to support renewable energy.

At the same time, many businesses are choosing to reduce their own environmental impact. As such, Development Plan policy should support the use of Environmentally Sustainable Development technologies, such as on-site energy generation and water collection and reuse.

Land Use Planning

Planning Policy provides the framework that guides the use of land and nature of development in all areas. It is therefore important that planning policy and processes are simple, easily understood and provide the necessary flexibility to support emerging industrial trends and investment that will bring employment revitalization and new jobs to the PIAs.

At the same time, planning policy needs to carefully manage the interface between different land uses and ensure that residential areas adjoining employment lands are not unreasonably affected by new development, and that existing activities can continue to occur.

Of note, many new industrial employment activities will have a lesser impact on their surrounds in terms of noise and air pollution than has historically been the case with such enterprises. These activities may be more compatible with adjacent residential areas in traditional ‘interface’ areas.

As discussed at Section 2.5.2, the Urban Employment Zone module will provide a simpler, clearer and more flexible planning policy framework and its adoption, as appropriate, in lieu of the Industry zone warrants close consideration. As previously noted, its purpose is to promote jobs growth across a range of sectors, while its focus is on flexibility, adaptability and an integrated approach, providing a much more contemporary policy setting.

Access, Movement and Connectivity

New firms will be encouraged to invest in PIAs that are easy to access and move around, and are well connected with existing employment nodes.



As such, there is a need to ensure that individual PIAs are:-

- well connected to freight routes, both at their periphery and within; and
- easily accessed by public transport, which may require upgrade of connections between stations/bus stops and PIAs (by, for example, providing new pedestrian crossings).

Reinforcing a grid movement pattern by, where needed, opening up closed roads, will support traffic movement and facilitate pedestrian access to open space, service industries and local shops. There is also a need to recognize and establish functional links between industrial precincts and other areas, such as the retail and community facilities, existing research concentrations and open space areas.

Infrastructure Provision

While access to ports, freight movement networks and energy supplies has always been important to industry, new forms of industry will increasingly require high quality ICT infrastructure. Lobbying for the early roll-out of the NBN to Charles Sturt's PIAs will encourage the establishment of new knowledge based industries.

Public Realm

The quality of the public realm – ie the spaces and connections between buildings in any area – will have a strong bearing on the extent of employment revitalization in the PIAs.

Employment lands increasingly require a quality physical environment to support 'knowledge workers' in higher technology industries, who are attracted to jobs in part by the lifestyle and environmental opportunities that the job location offers. This requires the consideration of the public realm as part of the palette of renewal and revitalization, in step with economic development, structure planning and planning policy development processes.

While each site is different, investment is commonly required for:-

- streetscape and footpath improvements;
- tree plantings;
- new and improved open spaces;
- establishment of links between employment areas and open space, community facilities, local shops, public transport and other employment nodes; and
- the creation of a distinct identity.



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3 ECONOMIC REVIEW

This section of the report reviews the economic context for focusing on, firstly, employment creation via effective development in the industrial precincts of Charles Sturt and, secondly, on the characteristics of the precinct in which there should be initial emphasis.

The core objective is to ensure that employment opportunities exist for local residents. In turn, the jobs they are filling will generate wealth and broader benefits for the region. Importantly, this employment must be sustainable into the longer term, and deliver higher rather than lower incomes.

3.1 REVIEW OF PREVIOUS ANALYSIS

There are a number of recent reports which provide context for the economic issues facing the region. The major findings of these reports are as follows.

A Quantitative Assessment of the Economy of Charles Sturt and Economic Models of Engagement and Delivery – AustralAsia Economics 2010

As previously noted in Section 2.2.2, the so-called Blandy Report is the most recent of the relevant reports prepared for Council into the matters immediately at hand. Early on, it includes a vision statement for the Charles Sturt region, as follows:-

The economy is diversified and no longer dominated by manufacturing. A key manufacturing activity is manufacturing and assembly for the Future Submarines project at Osborne. Most economic sectors are doing extremely well. The biggest employment sector is health, centred around a flourishing Queen Elizabeth Hospital health precinct. Back office financial services and professional, scientific and technical services are expanding rapidly in the City Fringe areas of Bowden and Hindmarsh. The wholesale, retail, transport and hospitality sectors are burgeoning.

The most notable feature of Charles Sturt's renaissance is the blossoming of small businesses across all sectors. Sixty per cent of all new jobs are being created in businesses employing fewer than 20 people – many in businesses employing fewer than 5!

Beyond submarine related manufacturing, this vision statement, and indeed the Blandy Report as a whole, does not include a direct role for the City's industrial precincts, and nor is the role of industrial land in economic development particularly emphasized. However the vision does include an outlook with implications for the role of the industrial land precincts in the Council.

The report suggests that, linked to the 30 Year Plan, there will be an “expected” shift within the region from a situation of population and employment stagnation to a situation of population growth. The Plan concludes that “*Over the next 30 years, population will increase by about 45,000 and employment by about 23,000*”.



As regards employment, the report notes that jobs growth is possibly in a range of 9,000 – 25,000, **depending on the degree of success of Charles Sturt’s economic development strategy** (emphasis added). That is, it concludes that the employment (and associated benefits) will only occur with the right policy and planning approaches in the region.

An increase of 9,000 jobs (ie the lower end) is likely to occur simply in response to the growth in local population – and will be jobs in local retailing, personal services and hospitality. To achieve the higher levels of job growth there will need to be economic development that focuses on products and services supplying markets outside the region itself, including intrastate, interstate and overseas exports.

The major findings of the Blandy Report include (as inter-related conclusions) that:-

- major economic diversification will be required for the development strategy to be successful and to achieve the higher level of employment. It suggests that this diversification will be towards smaller scale production units and services and away from large scale industry, and that this will better suit the pattern of residents’ skills;
- a major skills upgrade will be required of Charles Sturt’s workforce, continuing the trend observed over the past 20 years and matching a continuing upgrade in the skills of Charles Sturt’s residents; and
- major improvements in the quality of housing and residential amenity will be required to attract and retain the professional and skilled population that will be the main reason why businesses will locate and expand in Charles Sturt rather than elsewhere.

On this basis, the economic development strategy proposed for Charles Sturt includes:-

- a hybrid Salisbury-Prospect strategy built on the skills and industrial diversity of Charles Sturt’s residents and access to fast high-capacity, broadband, leveraged by newly-created advisory and collaborative arrangements with local businesses, State and Commonwealth Governments, and neighbouring Councils;
- a focus on supporting competitive, high quality, small businesses which, it is suggested, will be the source of 50-60 per cent of all new jobs. This will be achieved, it concludes, by reducing the costs of doing business in Charles Sturt through access to high-capacity, broadband, the provision of on-line government services for businesses, the provision of on-line training in how to run a small business and so on;
- helping existing businesses located in Charles Sturt to secure contracts to manufacture and/or assemble parts of the Air Warfare Destroyer and Future Submarines contracts in particular, in collaboration with the State Government and the City of Port Adelaide Enfield;
- in conjunction with a Western Alliance of Councils, creating a significant health precinct around and together with the Queen Elizabeth Hospital to service the rapidly growing population of the Western suburbs; and
- continuing to support the evolution of Bowden and Hindmarsh as a high tech, research & development, professional services and back office precinct, interacting closely with the Thebarton research precinct and the City of Adelaide.



The Blandy Report further suggests that there will need to be alliances between the City of Charles Sturt, Commonwealth, State and other local governments, the private sector and the community sector to engage with and deliver an economic development strategy along the lines of the successful strategy of the City of Salisbury.

To this end, the report recommends that a Western Alliance of Councils (including the City of Adelaide), should be created to develop and coordinate a strategy for the economic development of the West of Greater Adelaide, to lead the economic development of the West and to negotiate effectively with the Commonwealth and State Governments

In summary, the core conclusions that can be drawn from the Blandy Report – in the context of identifying the role of industrial precincts – are that employment growth will be focused on SMEs, with opportunities linked to both underlying population growth and to the core existing strengths of the region (defence, the QEH and the R&D precinct in Thebarton).

However, to achieve higher levels of employment growth, that growth will need to be wide ranging (ie across a wide range of industries) and will need to be supported by a package of appropriate soft and hard infrastructure which improves competitiveness. Soft infrastructure includes both skills development and training, and networking and clustering (horizontal and vertical), while hard infrastructure includes effective access and communications options (especially broadband) and high quality environments.

The implications for effective industrial precinct renewal include that:-

- precincts need to allow for diversified industry with varying needs and, specifically, for SMEs as a significant tenant or occupying group;
- in order to maintain industry competitiveness, precincts need to effectively accommodate the needs of industry and SMEs, including effective supporting infrastructure (such as broadband). It is noted that the cost of the land is an important part of overall competitiveness but, as will be discussed further below, this cost is in the context of the other qualities of the land – including relative location; and
- precincts need to interact effectively with residential and other land uses.

Colliers International Consulting Services Industrial Land Study Report - 2008

This report, prepared for Council by CICS in 2008 (and addressed in some detail in Section 2.2.2) was a review of the importance of the then current industrially zoned land precincts in Charles Sturt in terms of their role in economic and demographic development. It concluded (inter-alia) that:-

- it is important to maintain a platform of industry in the region, in the context of export growth and sustainable activity; and
- the demand for residential land supply, particularly in the context of urban infill, will however put pressure on existing industrial land.

The study noted that improved economic contribution from the industrial precincts was dependent not just on appropriate judgment and investment in the land area, but would require additional strategies and policies. Many of the recommendations of this report are consistent with the broader views of the Blandy Report.



Hudson Howells: Industrial Land - An Economic Analysis of Alternative Uses

This study, prepared for the Department of Trade & Economic Development in June 2006, considered the issue of competing uses for industrial land, noting that zoning land for industrial use in areas where there is also a high demand for residential land creates an opportunity cost issue, with value in use generally being greater for higher density residential use than for industrial land.

It reported that the underlying value of industrial land can be demonstrated as being jointly influenced (in the Adelaide case) by both proximity to the CBD and access to major transport nodes. The influence of the proximity to the CBD (a major finding of the broad literature) suggests that the opportunity cost argument is dominant – in that underlying land value is influenced by the highest value use possible, while access to transport provides cost and logistical benefits to industry. Intensification of industry is identified as a way to create higher value use in the existing zoning paradigm.

The study involved a survey of current manufacturing firms in Adelaide – which were asked to rank their most important location decision factors in terms of their existing locations. The responses, in priority order, were:-

- access to staff and labour;
- proximity to customers;
- access to requisite electricity distribution capacity;
- access to high speed broadband; and
- proximity to suppliers.

Respondents were then asked if they intended to relocate and, if so, the most important location factors in terms of relocation choice. In priority order, the most frequent responses were:-

- access to high speed broadband;
- proximity to customers;
- access to electricity distribution capacity;
- access to staff and labour; and
- proximity to suppliers.

As shown, the same factors were considered relevant in both the location and relocation decision, although broadband rose to the top of the list in the relocation responses. However, the core drivers are a combination of demand factors (access to customers) and supply factors (underlying infrastructure including energy and communications, supplier access and skills and labour).



Greater Adelaide Economy and Employment, SFS Economics and Planning, August 2008

This report was prepared for Planning SA (as it was then known) as a background paper to the 30 Year Plan. It notes that “there are a number of operational trends influencing the nature of demand” including:-

- a shift towards smaller batch production, as client customization requirements come to the fore in an era when mass production is increasingly being undertaken offshore;
- a greater emphasis on “higher order activities” (e.g. Research and Development), as well as the incorporation of a combination of other ancillary functions on industrial sites, including sales and marketing;
- an increasing shift to 24 hour / 7 days a week operations and the widespread adoption of just-in-time production techniques.³⁰

The report includes a ‘Figure 2’, which is from the Industrial Land Strategy and summarizes the requirements around different types of land uses of industrial land. It concludes that the higher value land uses require:

- small to medium sites;
- generally flat land;
- small to medium buffers re other land use;
- access to supply chain/labour/customers;
- freight access; and
- provision of utility and Information & Communications Technology (ICT) services.

The report also concludes that “Industrial land demand will be driven by economic output, growth in the Transport & Storage and Wholesaling sectors and, to a lesser extent, Manufacturing. A relationship between industrial employment and industrial land demand is no longer evident”³¹.

While noting that there is demand for around 75 hectares of industrial land per annum and that the Industrial Land strategy (2007) indicates that “there are approximately 511 hectares of vacant land available for development and a further 794 hectares of constrained land”, they conclude that “the overall mismatch between 2006-36 industrial land demand and vacant stock is significant for Metropolitan Adelaide (an immediate undersupply of between 1,220 ha and 1,990 ha overall, and this assumes constrained stock can be effectively utilized)”.

However it is relevant in the context of this present study to note that, in the conclusion, there is no discernable emphasis on industrial land supply in the Western area of Adelaide and, where it is considered, it is primarily in the Port Adelaide areas, rather than Charles Sturt.

³⁰ At page 43.

³¹ At page 66.



Further, it concludes that “Significant industrial land redevelopment opportunities are likely to arise in Adelaide’s inner north, west, south and eastern areas, as manufacturing industries continue to decline in terms of employment. These opportunities are likely to be taken up by retail, office and/or residential uses if appropriate facilitation occurs. Only rarely will they be taken up by other true “industry” users and, where they do, they are likely to include a significant change in the ratio of office to industry jobs on site.”³²

3.2 CURRENT ECONOMIC SETTINGS

Over the decade 1996-2006, and as shown at Table 5 overleaf, Charles Sturt has seen:-

- slow growth in regional employment, with an annual average change in aggregate employment of slightly less than 1% – although this is higher than population growth, which has averaged around 0.2% per year;
- overall growth in regional employment of 9%, from 34,400 to 37,500;
- a continued decline in manufacturing employment in the area – which is overall 19% lower in 2006 than in 1996. This decline has been focused in the heavier manufacturing areas of metals and machinery; and
- an offsetting increase in transport & storage and in services (particularly public administration, entertainment & recreation and personal services).

Again, this data confirms the information of the Blandy Report – although Blandy extended the aggregate and industry data to 2009, using modelled results.

Since the previous Industrial Land Study, and even the Blandy Report, there is finally some further acceptance that Australia is faced with a two speed economy. Under current policy, the high probability is for an outlook of continued high interest rates and, more importantly, a high value Australian dollar against the US dollar. Some (more controversial) forecasters are suggesting that the Australian dollar will go even higher, and it does not currently look like it will drop to the levels of the 1990’s and 2000’s – although whether this is so much the Australian dollar being strong or the US dollar being weak is debatable, with the reality being that it is likely a bit of both.

With a continuation of high commodity prices and with a high interest rate approach keeping the exchange rate up, the increase will however be more pronounced against the US dollar than other currencies.

³² Ibid



Table 5: Employment by Industry Sector in Charles Sturt – 1996, 2001 & 2006

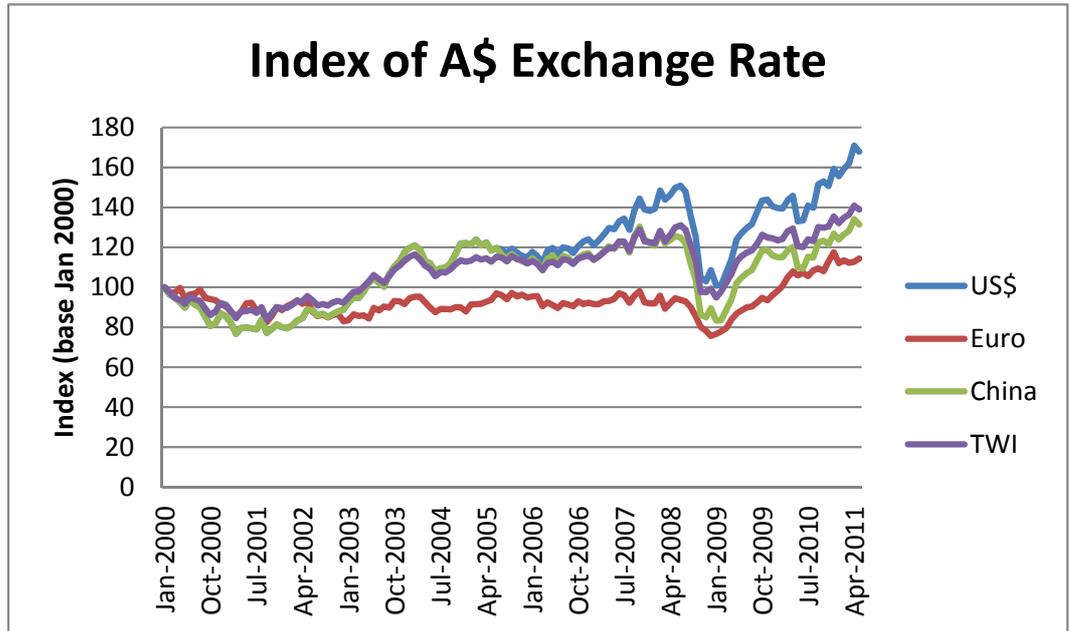
	1996	2001	2006	% Change 96-06	% Change 01-06
Agriculture	102	83	104	2%	25%
Forestry and Fishing	41	48	25	-39%	-48%
Mining	29	29	75	159%	159%
Food and beverage manufacturing	728	569	795	-9%	40%
Wood and paper manufacturing	1,205	1,253	1,175	-2%	-6%
Machinery and Equipment	4,481	4,308	3,290	-27%	-24%
Metals, metal products	923	758	608	-34%	-20%
Non-metallic minerals	559	580	517	-8%	-11%
Other manufacturing	2,342	2,792	1,936	-17%	-31%
Electricity Gas Water	248	181	201	-19%	11%
Wholesale trade	3,699	2,896	2,513	-32%	-13%
Retail Trade	5,151	6,061	4,917	-5%	-19%
Construction	1,966	2,069	2,738	39%	32%
Transport and storage	678	1,158	1,524	125%	32%
Communication	622	620	341	-45%	-45%
Finance and business services	2,746	3,225	3,184	15%	-1%
Public administration and defence	560	628	1,225	119%	95%
Education	1,248	1,834	2,361	89%	29%
Other Community Services	4,569	5,077	5,434	19%	7%
Entertainment, recreation, personal services	2,503	3,531	4,532	81%	28%
Total	34,400	37,700	37,495	9%	-0.5%

Source: ABS 1996, 2001 and 2006 Census Journey to Work – excludes Unspecified

As Figure 14 overleaf indicates, this has already been the case to some extent, with the increase against the Euro, the Chinese RMB and the Trade Weighted Index (TWI) being about half that of the US dollar. Indeed, the value against the Chinese RMB and the TWI is only slightly greater than it was in the mid 2000's (but still somewhat higher than the early 2000's).



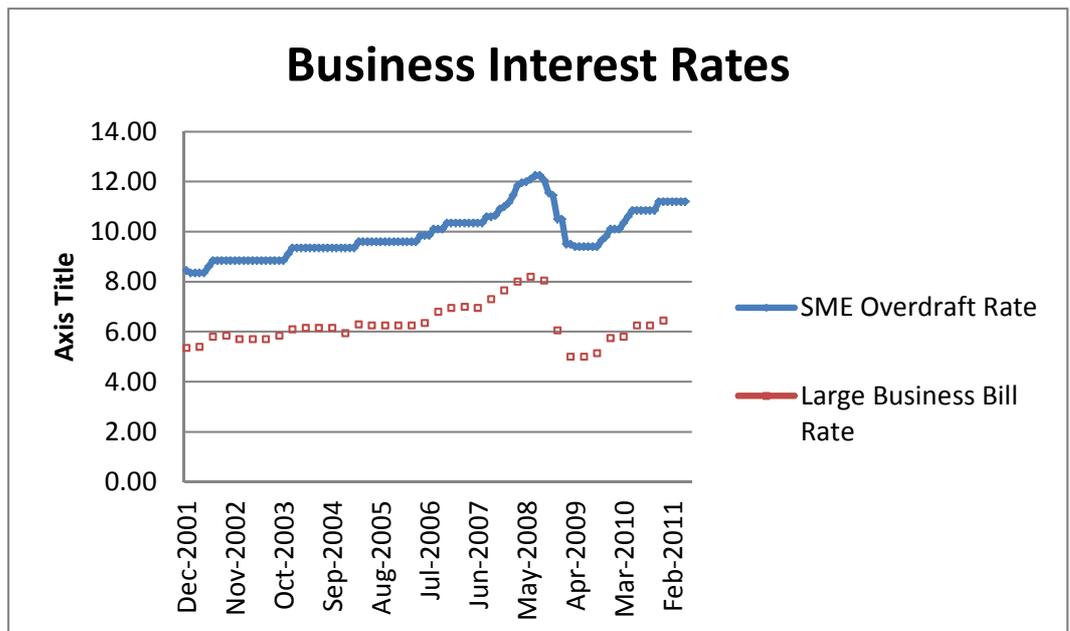
Figure 14:
Index of A\$
Exchange Rate



Source: RBA Web-Site Statistics Table F11 and F15

However, it is clear that the competitiveness of Australian manufacturing will be constrained by the value of the dollar – and the capacity to invest will be constrained by interest rates and the availability of finance. As shown at Figure 15, small business borrowing rates are higher than they have been over the whole decade, other than a short period caused by the credit squeeze at the height of the GFC.

Figure 15:
Small Business
Borrowing Rates



Source: RBA Web-Site Statistics Table 5



Industry development opportunities will therefore depend heavily on maintaining competitiveness despite the interest rates and exchange rate pressure. To this end, it will be critical to ensure that business plans are well formulated, that there is both good access to communication networks (including broadband and transport options) and a skilled labour force to compete in the high end value area of manufacturing.

A focus on maximizing opportunities from defence projects is one of the recommendations in the Blandy Report. The focus by the Commonwealth Government on bringing the budget back into surplus brings into some question whether these opportunities will be at some risk in the short and long term. It is therefore critical that industry development opportunities provided by the larger defence projects are identified and optimized.

Similarly the Blandy Report suggests opportunities for health related services to be built around the Queen Elizabeth Hospital. It is accepted that health related services (and products) are likely to be a growth area but, given both the implications of State Government investment in the new RAH and the very nature of the health sector, identifying opportunities in this context is likely to need a more broadly spread approach than a close focus on the area around the Queen Elizabeth.

Lastly, it is noted that the Blandy Report does not really discuss opportunities associated with the SA mining prospects. The SA Government's Major Developments SA Directory 2010 indicates that the value of total development projects nearing approval is close to \$80 billion. Minerals and energy resources project make up \$36 billion, of which over half is in the Olympic Dam expansion. The directory identifies some 60 mining and energy projects additional to Olympic Dam, with a value of over \$270 million each in prospect, which would create to the order of 50,000 person years of employment over their project lives.

It could therefore be recommended that some attention be given to identifying opportunities centred on the servicing of SA mining projects from the Charles Sturt area, and linking off that to a national and international focus. The immediate location of the Charles Sturt region, with its ready access to air, rail and road transport services to northern South Australia, should provide some advantages in this respect.

3.3 IMPLICATIONS FOR PRIORITY PRECINCT PLANNING

In broad terms the macro level advantages of the Western Region of metropolitan Adelaide can be considered to be:-

- easy access to all transport options – for product producers only (although airport access may be important for service industries and professional activities);
- good transport linkages to the higher growth areas of industry – including both defence in northern Adelaide and mining development in northern SA;
- potential for high quality residential development via urban regeneration, proximity to beachside suburbs and lifestyle opportunities; and
- relatively easy access to labour supply and skills from the western and northern suburbs.



In terms of the macro disadvantages of the region, these primarily relate to the disadvantages of SA in general for accessing national and international markets – and in large part they are slightly less for the region. For the industrial areas more specifically, the major disadvantages include:-

- that many services/specialties are located in CBD; and
- difficulty in attracting labour and skilled workers from eastern and southern suburbs

With respect to precinct planning, this review reaches a number of significant conclusions, which can be summarized as follows.

Firstly, the major growth for the region is predicted to be in small business. Planning for the precincts themselves therefore needs to acknowledge that small businesses generally lack resources and experience in business planning and development, and the importance that this be recognized in any industry development policy.

Focusing on small business presents some risks from a “landlord” and social outcomes context. Small business suffers from high failure/bankruptcy rates, even in a normal situation, and current economic conditions probably mean that the likelihood of such outcomes will be intensified over the next few years.

Predicting and delivering the sorts of infrastructure that is going to be important will also be a critical factor to be decided in the precinct planning focus. Transport needs are influenced by the nature of the product, as will be the importance of access to locally skilled labour. However there is some constancy in terms of infrastructure demands into the future – with access to broadband looming high, as will the quality of surroundings (to attract appropriate workforce) and interaction with the local community.

3.4 EMPLOYMENT FORECASTS BY PRECINCT

Table 6 overleaf shows employment levels by broad industry category by Journey to Work (JTW) Zone in the Charles Sturt region for 1996, 2001 and 2006. The Journey to Work zones are as defined in the MASTEM model as operated by the SA Department of Transport, Energy and Infrastructure (DTEI).

The number base is slightly different than Table 5 above, but it tells very much the same story – manufacturing employment has experienced significant decline, although this has been somewhat offset by employment growth in other industry sectors. It shows the strongest growth over the last ten years has been in the “entertainment” sector – which includes the hospitality sector (including restaurants and accommodation). Education has also been relatively strong, as has general services (including public administration).

As an indication of the general future for the area, Table 6 also includes indicative “projections” for the year 2021 (ie in 10 years time) if growth rates of the 10 years 1996-2006 are continued. The basis for the modeling is relatively simple – with the annual growth rate assumed to be the minimum of either the average growth rate of the period 1996-2006 or, where this produces an apparently non believable outcome³³, 50% greater than the average annual growth rate expected for the population over the next 15 years as per the 30 Year Plan³⁴.

³³ For some zones, with a small employment base in 1996 in a given industry sector, growth rates are mathematically high, Therefore growth is constrained to be a maximum 50% above the population growth rate.

³⁴ The underlying premise being that, as a general rule, employment is a function of (and is ultimately constrained by) the rate of population growth.

Table 6: Charles Sturt Employment Levels by Category – 1st 1996 to 2021

Region	JTW Zone	Ind Land (ha)	Services			Manufacturing			Tech/ Trade			Transport/Distribn			Retail			Education			Entertainment			Other			Total		
			1996	2006	2021	1996	2006	2021	1996	2006	2021	1996	2006	2021	1996	2006	2021	1996	2006	2021	1996	2006	2021	1996	2006	2021	1996	2006	2021
Charles Sturt (C) - Inner East	36	25.3	666	524	366	644	305	99	346	398	491	676	609	521	290	221	147	20	125	226	332	384	478	33	9	1	3007	2575	2328
Charles Sturt (C) - Inner East	37	0.1	91	62	35	6	12	22	13	21	38	31	15	5	17	15	12	10	29	52	10	13	19	3	0	0	181	167	184
Charles Sturt (C) - North-East	38	29.1	122	294	531	1594	1543	1470	90	120	185	71	203	366	40	26	14	6	29	52	43	195	352	9	26	47	1975	2436	3016
Charles Sturt (C) - North-East	39	10.5	237	412	744	698	424	201	277	134	45	154	135	111	124	69	29	37	39	42	93	193	348	9	6	3	1629	1412	1523
Charles Sturt (C) - North-East	40	5.0	88	186	336	102	154	278	22	55	99	181	158	129	67	117	211	18	19	21	27	45	81	6	3	1	511	737	1156
Charles Sturt (C) - North-East	41	0	77	83	93	78	80	83	23	27	34	46	48	51	148	111	72	101	98	94	27	60	108	3	4	6	503	511	542
Charles Sturt (C) - Coastal	105	0	114	153	238	27	25	22	34	51	92	37	97	175	73	109	197	16	28	51	113	149	226	8	9	11	422	621	1011
Charles Sturt (C) - Coastal	106	0	530	426	307	55	49	41	65	85	127	43	32	21	125	84	46	231	371	670	244	278	338	0	13	26	1293	1338	1576
Charles Sturt (C) - Coastal	107	0	234	347	626	25	15	7	47	67	114	18	29	52	80	50	25	54	79	140	74	118	213	0	0	0	532	705	1177
Charles Sturt (C) - Coastal	108	0	134	193	334	19	20	22	10	56	101	44	19	5	722	1029	1751	3	13	23	349	645	1164	0	0	0	1281	1975	3400
Charles Sturt (C) - Coastal	109	0	213	203	189	8	28	51	54	69	100	50	36	22	397	155	38	11	33	60	153	283	511	4	8	14	890	815	984
Charles Sturt (C) - Coastal	110	0	160	83	31	6	6	6	34	29	23	21	5	1	40	73	132	55	58	63	84	61	38	0	6	12	400	321	305
Charles Sturt (C) - Coastal	111	0	79	118	213	17	15	12	5	26	47	0	15	30	28	3	0	19	38	69	36	27	18	3	4	6	187	246	395
Charles Sturt (C) - Coastal	112	43.5	103	179	323	726	663	579	185	179	170	204	214	230	147	120	89	97	73	48	55	170	307	18	8	2	1535	1606	1747
Charles Sturt (C) - Coastal	113	11.2	241	223	198	126	169	263	59	59	59	78	49	24	122	91	59	102	170	307	193	238	326	3	3	3	924	1002	1239
Charles Sturt (C) - Inner East	114	1.0	241	296	403	80	106	162	90	191	345	195	143	90	396	442	521	144	158	182	185	210	254	3	3	3	1334	1549	1959
Charles Sturt (C) - Inner East	115	0.0	194	294	531	54	54	54	59	86	151	58	49	38	76	55	34	83	74	62	41	80	144	7	12	22	572	704	1036
Charles Sturt (C) - Inner West	116	20.4	247	310	436	81	93	114	418	218	82	643	376	168	57	101	182	31	82	148	86	65	43	0	13	26	1563	1258	1200
Charles Sturt (C) - Inner West	117	0.0	94	160	289	14	13	12	54	38	22	17	18	20	304	292	275	17	15	12	31	100	180	6	6	6	537	642	816
Charles Sturt (C) - Inner West	118	50.7	128	128	128	379	360	333	147	50	10	84	139	251	61	103	186	5	6	8	73	83	101	0	0	0	877	869	1016
Charles Sturt (C) - Inner West	119	17.9	35	68	123	317	88	13	10	63	114	260	114	33	87	107	146	23	141	254	16	65	117	3	20	36	751	666	836
Charles Sturt (C) - Inner East	120	1.9	112	244	440	25	102	184	12	70	126	8	58	105	19	87	157	6	22	40	17	69	125	0	0	0	199	652	1177
Charles Sturt (C) - Inner East	121	1.5	1898	2245	2888	26	21	15	11	45	81	9	37	67	37	35	32	26	96	173	27	78	141	4	3	2	2038	2560	3399
Charles Sturt (C) - Inner East	122	85.5	220	302	486	1337	1236	1099	186	254	405	406	452	531	188	94	33	54	29	11	91	189	341	21	36	65	2503	2592	2971
Charles Sturt (C) - Inner East	123	0.0	63	126	227	49	60	81	81	110	174	96	89	79	104	69	37	14	38	69	31	58	105	0	3	6	438	553	779
Charles Sturt (C) - Inner East	124	17.0	38	88	159	247	279	335	117	173	311	267	230	184	257	268	285	16	33	60	37	149	269	0	16	32	979	1236	1635
Charles Sturt (C) - North-East	125	25.8	1304	918	542	1079	309	47	106	91	72	187	61	11	300	56	5	184	181	177	188	91	31	5	3	1	3353	1710	886
Charles Sturt (C) - North-East	126	4.5	25	81	146	76	129	233	21	90	162	46	75	135	127	112	93	6	9	16	20	99	179	0	0	0	321	595	964
Charles Sturt (C) - North-East	127	11.4	69	92	142	10	20	36	9	27	49	11	16	28	39	35	30	56	115	208	31	61	110	0	0	0	225	366	602
Charles Sturt (C) - North-East	128	59.0	123	81	43	448	444	438	223	90	23	230	245	269	48	51	56	12	0	0	22	65	117	26	3	0	1132	979	947
Charles Sturt (C) - North-East	129	83.8	130	129	128	1186	878	559	37	18	6	95	115	153	52	28	11	3	0	0	33	46	76	0	4	8	1536	1218	941
Charles Sturt (C) - North-East	130	0.0	211	165	114	47	23	8	25	59	106	40	6	0	65	43	23	24	47	85	16	54	97	0	0	0	428	397	434
Charles Sturt (C) - North-East	131	9.4	210	177	136	289	181	90	42	59	98	66	41	20	378	320	248	17	34	60	49	123	222	0	2	4	1051	935	879
Charles Sturt (C) - North-East	132	12.8	113	139	190	181	238	359	28	27	26	37	17	5	36	6	0	31	96	173	58	71	96	6	0	0	490	594	849
Charles Sturt (C) - North-East	347	27.1	210	177	136	289	181	90	42	59	98	66	41	20	378	320	248	17	34	60	49	123	222	0	2	4	1051	935	879
Total		554.7	8753	9705	12249	10345	8323	7416	2982	3194	4189	4475	3986	3952	5429	4896	5423	1549	2411	3714	2934	4738	7496	180	224	349	36647	37477	44788

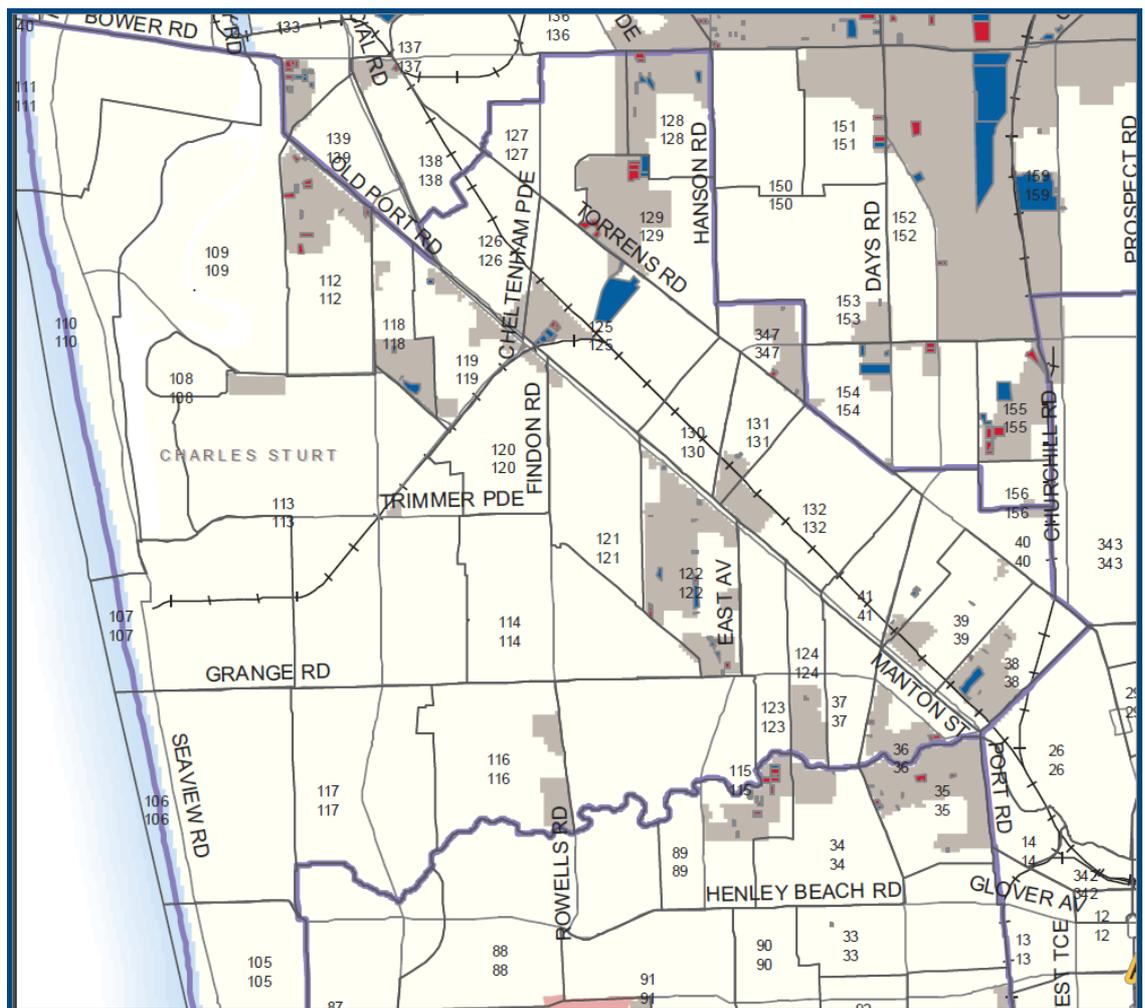
Source: ABS 1996 and 2006 Census Journey to Work, and projections



This latter assumption limits growth in some precincts in categories such as services and hospitality – by tying it back to regional population growth

This modeling, under these simple assumptions, confirms the Blandy findings that, left to itself, without appropriate planning, policy and infrastructure interventions – a continuation of history would see employment in the region grow by around 7,500 – with most of that growth being in general services and hospitality (much of which is beachside related). Figure 16 provides an indication of where the JTW zones fit within the Charles Sturt area and by comparison with other maps in this report how they overlay with the Industrial land precincts.

FIGURE 16:
City of Charles Sturt – Journey to Work Zones



Source: Barry Burgan

Overlaying the zones with the precinct maps, Table 7 overleaf indicates the employment characteristics by zone and as they inter-relate to the precincts. Within this table, the aggregate figure for manufacturing, technical & trade services and transport & distribution is used as a proxy for industrial employment.

As shown, modeling points to absolute declines in both manufacturing and industry employment over the forecast period, with very few precincts looking at increases in job numbers over this time frame. As also shown, the total employment is expected to increase over this period, but the increase is less than 800, or about 5% and is achieved in just a few zones.



Across the precincts, a continuation of historical trends into the future will see, at best, a stable employment outcome and mostly employment declines in the industrial sectors.

ABS Region for Charles Sturt	JTW Zone	Precinct	Employment					
			Manufacturing		Manufact'ing Tech & Transport		Total	
			2006	2021 (f)	2006	2021 (f)	2006	2021 (f)
Inner West	118	Royal Park	360	333	549	594	869	1016
Coastal	112	Hendon	663	579	1056	979	1606	1747
North-East	129	Woodville North	878	559	1011	719	1218	941
North-East	128	Athol Park	444	438	779	730	979	947
North-East	347	Arndale	181	90	281	208	935	879
North-East	131 & 132	West Croydon/Kilkenny	419	449	563	598	1529	1728
Inner East	122	Beverley	1236	1099	1942	2035	2592	2971
North-East	39 & 40	Port Road/South Road	578	479	1060	863	2149	2679
Inner East	36	Hindmarsh	305	99	1312	1111	2575	2328
Total			5064	4125	8553	7836	14452	15236

Table 8 then details jobs per Ha for manufacturing, industry and total employment, both as at the last census and as forecast for 2021.

Precinct	Area (Ha)	Manufacturing		Industry		Total	
		2006	2021	2006	2021	2006	2021
Royal Park	50.6	7.1	6.6	10.8	11.7	17.1	20.1
Hendon	30.1	22.0	19.0	35.1	32.5	53.3	58.0
Woodville North	67.5	13.0	8.3	15.0	10.7	18.0	13.9
Athol Park	58.8	7.5	7.4	13.2	12.4	16.6	16.1
Arndale	27.0	6.7	3.3	10.4	7.7	34.6	32.5
West Croydon/Kilkenny	23.4	17.9	22.2	24.1	25.5	65.3	73.8
Beverley	76.0	16.3	14.5	25.5	26.7	34.1	39.1
Port Rd/South Rd	14.6	39.6	32.8	72.6	59.1	147.2	183.5
Hindmarsh	25.2	12.1	3.9	52.1	44.1	102.2	92.4
Totals/Averages	373.2	13.6	11.1	22.9	21.0	38.7	40.8

As shown:-

- current industry jobs per Ha range from –
 - 15 or less in Royal Park , Woodville North, Athol Park and Arndale;
 - 20 to 40 in Hendon, West Croydon/Kilkenny and Beverley; to
 - over 50 in Hindmarsh and a peak of 72 in Port Road/South Road; and

- the number of jobs per Ha is forecast to decline for both manufacturing and industry, most especially in Woodville North, Arndale, Port Rd/South Rd and Hindmarsh.

Table 9 then details percentage shifts and underlying ratios by employment category.

Precinct	Employment Change 2006 - 2021			Employment Ratios			
	Manufact	Industry	Total	Manufact'ing to Industry		Industry to Total	
				2006	2021	2006	2021
Royal Park	-7.50%	8.20%	16.92%	65.57%	56.06%	63.18%	58.46%
Hendon	-12.67%	-7.29%	8.78%	62.78%	59.14%	65.75%	56.04%
Woodville North	-36.33%	-28.88%	-22.74%	86.84%	77.75%	83.00%	76.41%
Athol Park	-1.35%	-6.29%	-3.27%	57.00%	60.00%	79.57%	77.09%
Arndale	-50.28%	-25.98%	-5.99%	64.41%	43.27%	30.05%	23.66%
West Croydon/Kilkenny	7.16%	6.22%	13.02%	74.42%	75.08%	36.82%	34.61%
Beverley	-11.08%	4.79%	14.62%	63.65%	54.00%	74.92%	68.50%
Port Rd/South Rd	-17.13%	-18.58%	24.66%	54.53%	55.50%	49.33%	32.21%
Hindmarsh	-67.54%	-15.32%	-9.59%	23.25%	8.91%	50.95%	47.72%
	-18.54%	-8.37%	5.42%	59.21%	52.63%	59.18%	51.44%

As shown:-

- manufacturing employment is expected to decline by almost 19%, including falls of 35% to 67% in Woodville North, Arndale and Hindmarsh;
- industry employment is expected to decline by 8.4%, with the most significant falls (of 15% to 25%) being in Woodville North, Arndale, Port Road/South Road and Hindmarsh;
- manufacturing represents a varying percentage of total industrial employment, currently averaging 59%, but ranging from 23% in Hindmarsh to 86% in Woodville North;
- manufacturing jobs represent more than 55% of industry jobs in all precincts but Hindmarsh;
- industrial employment as a percentage of total employment, currently averages 59%, ranging from 30% in Arndale to +/- 80% in Woodville North and Athol Park;
- industry jobs represent less than 50% of all jobs at Arndale, West Croydon/Kilkenny and Port Road/South Rd; and
- by 2021, manufacturing jobs as a percentage of industry jobs are expected to have declined from 59% to 53%, and industry jobs as a percentage of total jobs from 59% to 51%.

This analysis suggests that the overall outlook for industry employment is not especially encouraging, highlighting the need for action to redress the situation.

To this end, the brief calls for the identification of a Sustainable Employment Ratio which, it is suggested, might derive from the preceding analysis and which, it is further suggested, might better constitute a multi-point benchmarking exercise than a single point.



Given the changing nature of industry and the long term decline of manufacturing, the focus could be on industry jobs more generally than on manufacturing specifically – although high value manufacturing certainly needs to be part of this. The two indicators available, focusing on this broader industry perspective, are jobs per Ha and industry employment as a percentage of total employment – noting that both are derived from the Census and so are only updated every five years.

Be that as it may:-

- the first challenge is to arrest the forecast decline in industry jobs over the next decade – or, in other words, to hold the line on current employment levels in the industry sector; and
- the second challenge is to catalyze improved industry employment outcomes, first by bolstering those precincts which have a relatively strong base, and then by turning to the lower rated precincts where there is significant employment upside if the economic and urban planning settings can be appropriately re-aligned.

To this end, the immediate targets might be to:-

- stabilize industry jobs per Ha at the current figure of 23, and then aim to push upwards towards 25; and
- sustain industry jobs as a percentage of total jobs at close to and then beyond the current figure of just under 60%.

Lastly, a core question in the policy mix arising from this analysis, is what benefits focusing on one precinct as a target for redevelopment and revitalization will bring in response to the costs involved. As noted above, the employment density in the various precincts is highly variable and renewal of different areas will bring different results.

By way of example, Beverley is one of the larger precincts in terms of both its size and its existing employment base. It contains an area of just over 76 hectares and, in 2006, had some 1,940 jobs in the areas of manufacturing, technical trade and transport, at a rate of 25 jobs per Ha.

Given the trajectory of employment in the region in the last 10 years, it might be questioned whether current levels will be sustainable into the future. However, based on the evidence from international studies, the revitalization of the precinct – with an emphasis on higher value activity – could well be expected to increase the employment levels by anywhere from 20-100%³⁵. If, indicatively, there was a 50% increase in employment outcomes in Beverley, increasing the ratio of Industry jobs per Ha to just under 40, this would create of the order of 1,000 jobs directly, and up to 500 further jobs indirectly. On this basis, wage and salary incomes of the order of \$90 million, and an impact on gross regional product of the order of \$150 million per annum might be expected.

When multiplied across the whole of Charles Sturt, these figures point to the clear benefits that are to be had by the community from focusing on and applying resources to economic and employment revitalization and renewal.

³⁵ See for example Arup Economics and Planning, July 2001, Employment Densities: Report for English Partnerships and the Regional Development Agencies, or Employment ratios: Shellharbour City Council Sep-09 Attachment 2 Shellharbour LGA Employment Land Forecasts - Demand / Supply Analyses.



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4 THE STUDY AREA

The Study Area comprises the nine Prime Industrial Areas, as described below, firstly in their broader “whole of Council” setting and then individually³⁶. The setting of the individual PIAs is as shown at Figures 17 – 21 overleaf, which are drawn from the concluding section of the ILS, with the PIAs shaded in red.

The broader settings include:-

- demographics, utilizing 2006 Census data, including profiles on age, household income and employment by industry sector. These profiles reveal a high level picture of the surrounding population and provide both social and economic context to the review; and
- infrastructure provision, including high level opportunities and constraints.

The more localized settings include:-

- aggregate land area in each precinct;
- the relative density of occupancy, as measured by the number of rating assessments in each precinct;
- ownership patterns by lot size, with a focus on identifying the degree of disaggregation of land (or otherwise), in order to reveal something of the prospectivity for either renewal and/or intensification of existing industrial uses;
- Land Use Codes, at a high level for non industrial uses and at a finer grained level for industrial uses, illustrating the actual on-ground situation as against the current zoning; and
- average levels of capital value across each precinct, as against previously identified benchmarks.

Analysis of these localized settings is based on data which has been drawn from Council’s own databases.

Some GIS mapping has been undertaken at, firstly, a whole of Council level for demographic and labour force data, and to illustrate the provision of infrastructure and, secondly, at a precinct level for land use codes, ownership and value patterns. The whole of Council maps are included within this section, while the precinct level maps are included in the relevant Appendices, as detailed in Section 4.3.2 below.

³⁶ Some of this material is drawn from the Industrial Land Study.

Figure 17:

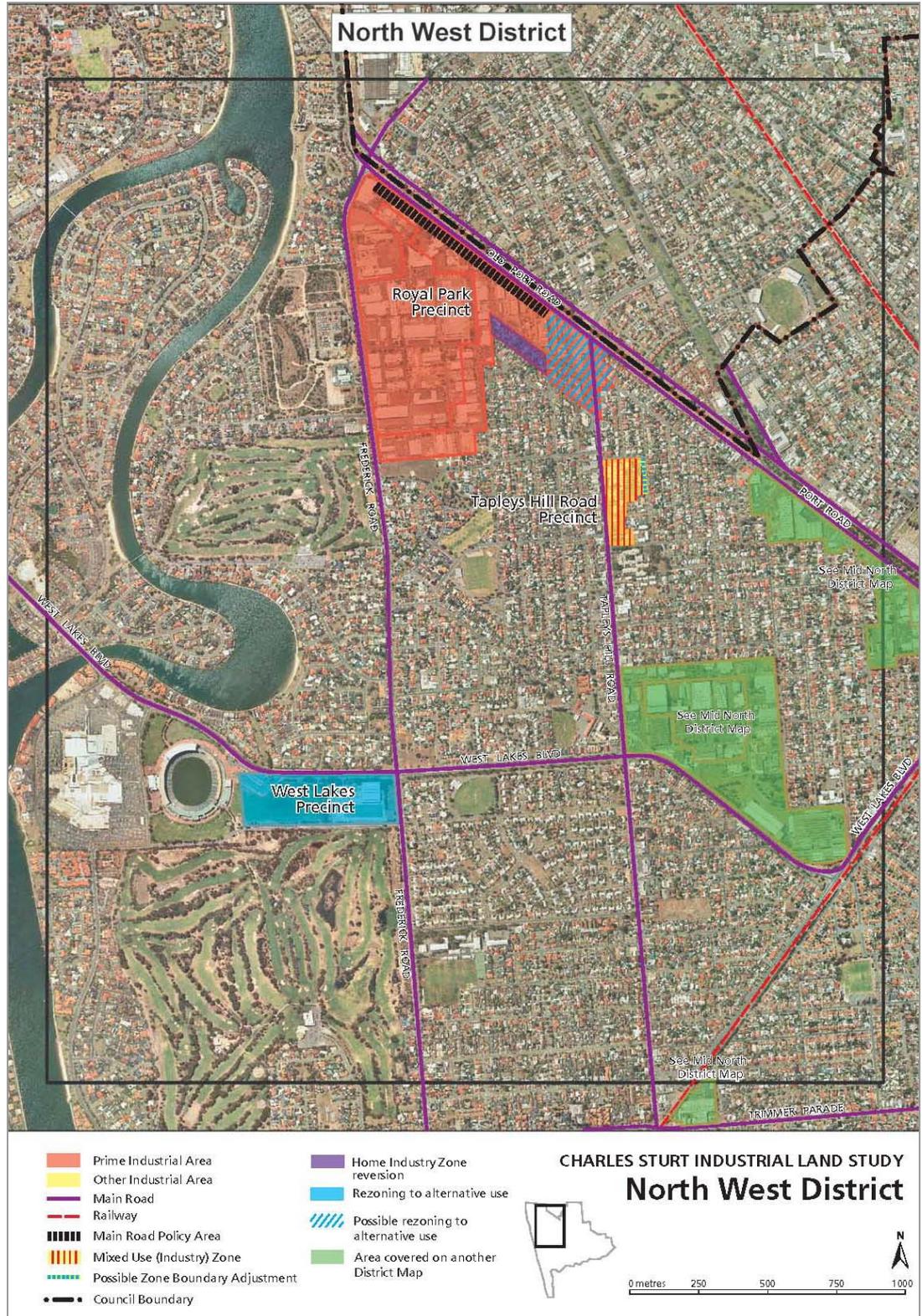


Figure 19:

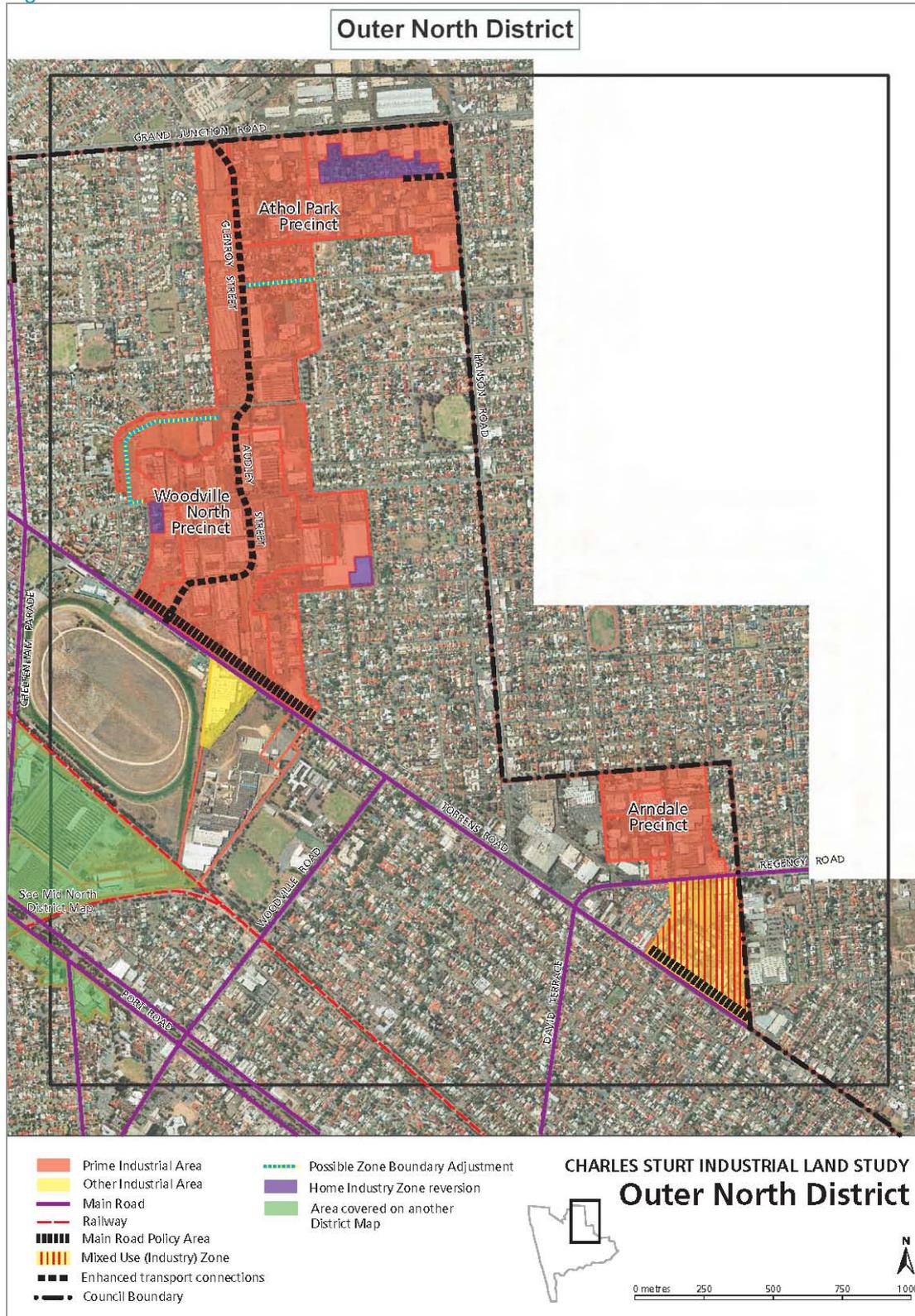


Figure 20:

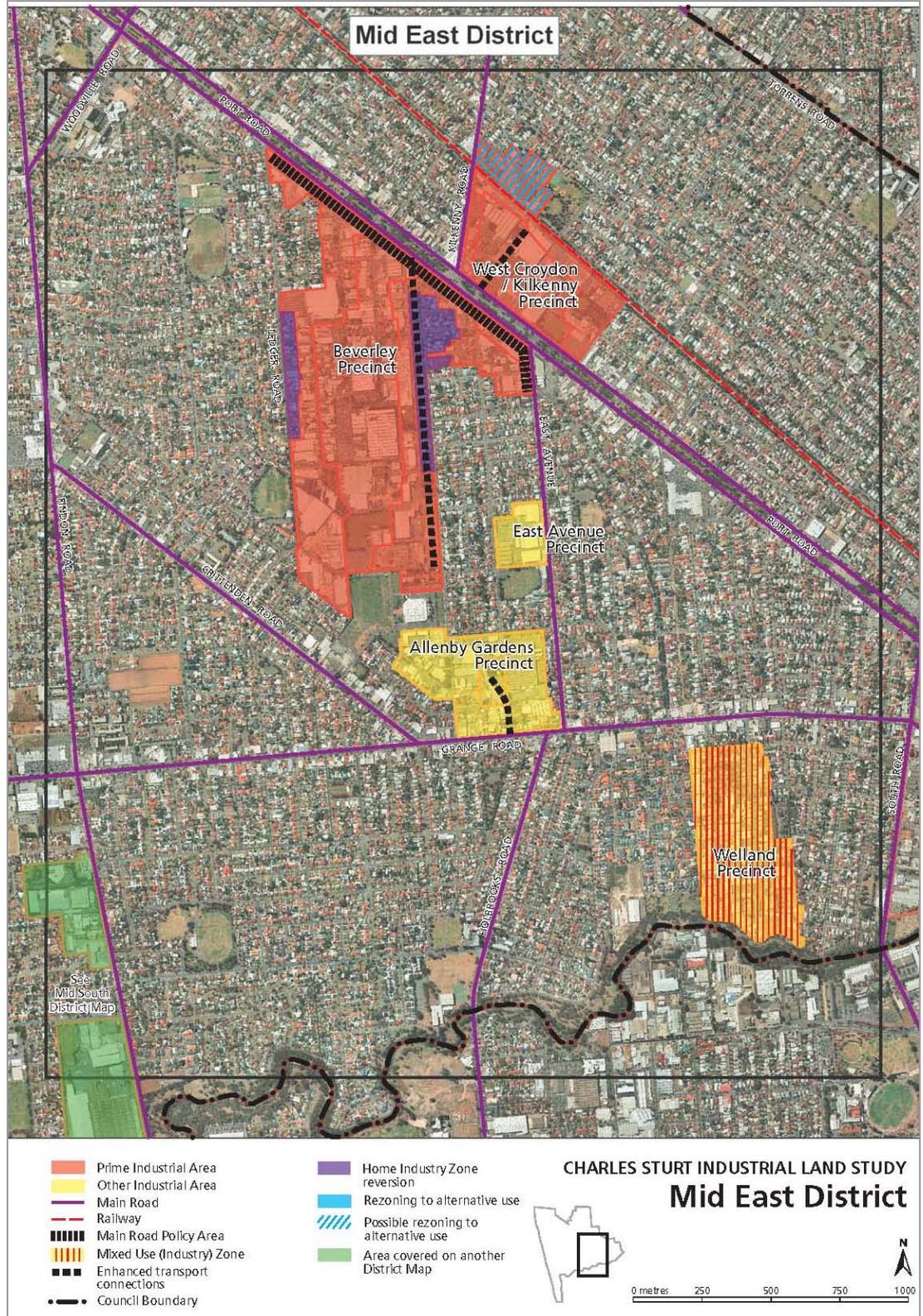


Figure 21:





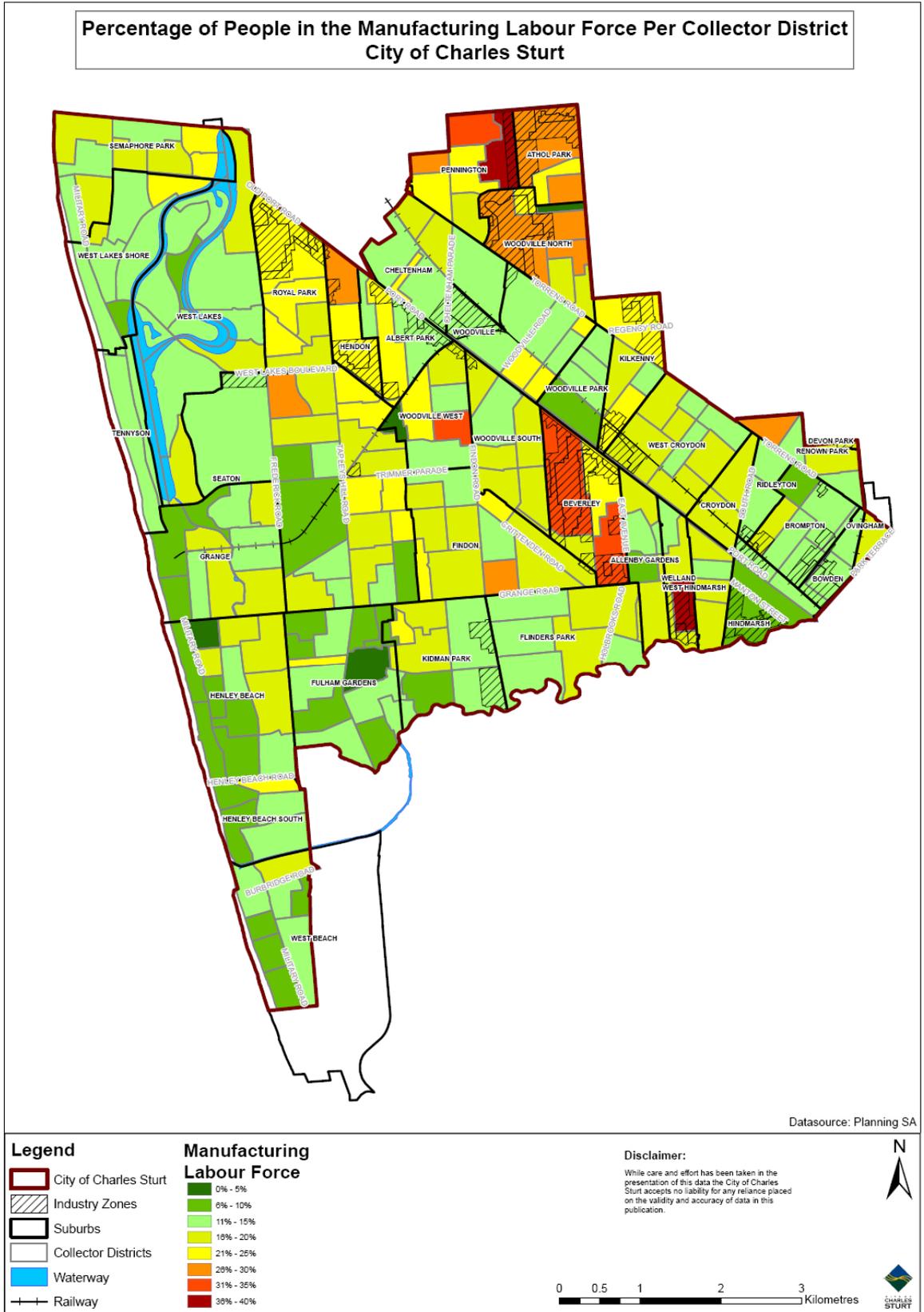
4.1 DEMOGRAPHICS

Data from the 2006 Census provides a picture of the resident population in each part of the City of Charles Sturt. Whole of Council mapping, shown at Figures 22-25, illustrates that:-

- there is an apparent gradation in average age, with older average ages in the north-western part of the Council area and conversely, most other industrial precincts being located in relatively youthful areas;
- there are higher concentrations of people in the manufacturing labour force north of Torrens Road and south of Port Road. In particular, there are higher concentrations in and around the industrial precincts of Athol Park/Woodville North, Beverley and Hindmarsh. In the western and southern parts of the Council area, concentrations are generally low (below 20%);
- there are lower and more dispersed concentrations of transport & storage labour, which do not appear to have any particular locational relationship to any particular industrial precincts; and
- there are concentrations of medium to high average weekly household incomes west of Frederick/Tapleys Hill Road and along the southern edge of the Council area, with a band of medium-level income households between Port and Torrens Roads. Generally, industrial precincts are situated in areas of low household incomes.

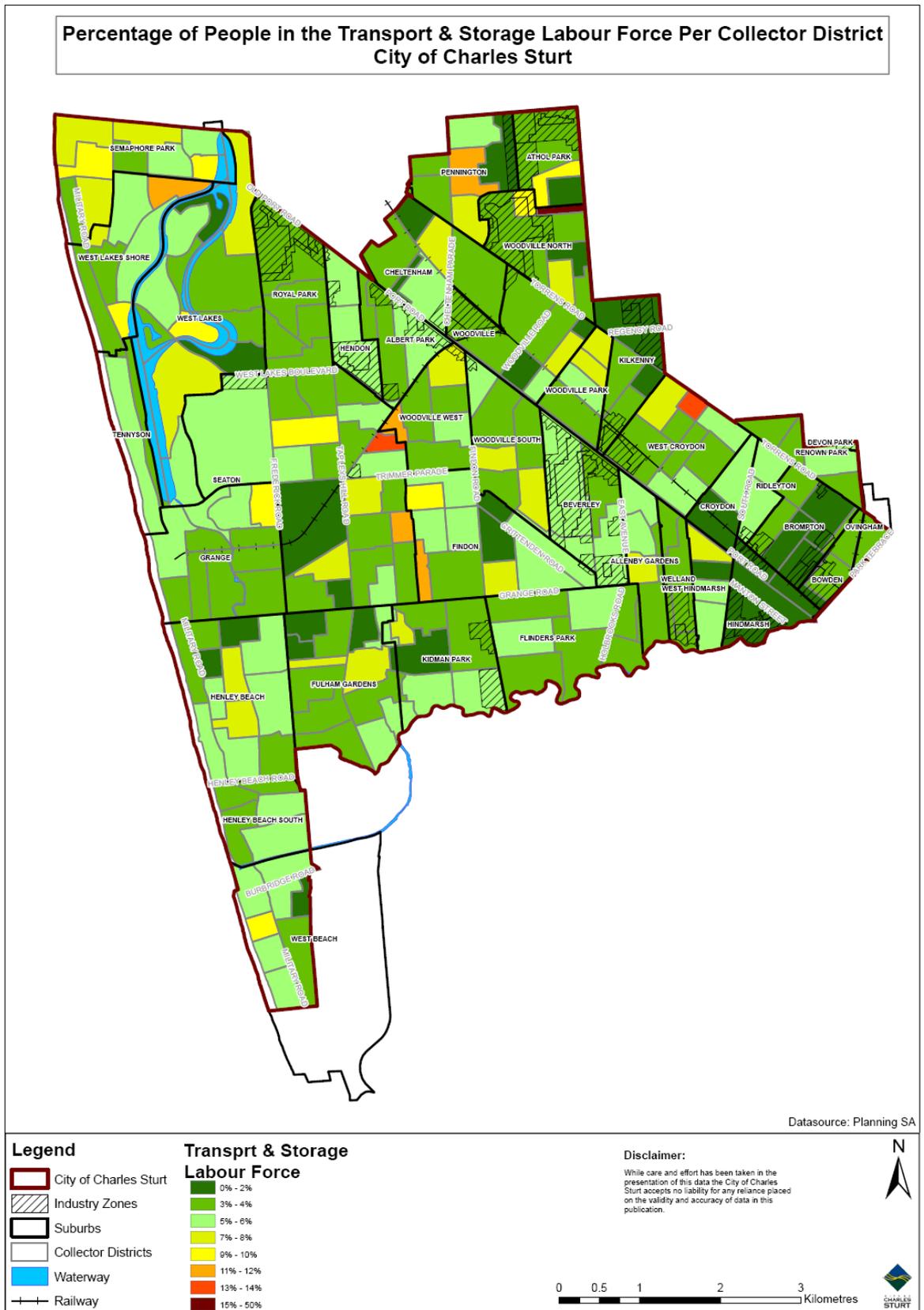
Figure 23:

**Percentage of People in the Manufacturing Labour Force Per Collector District
City of Charles Sturt**



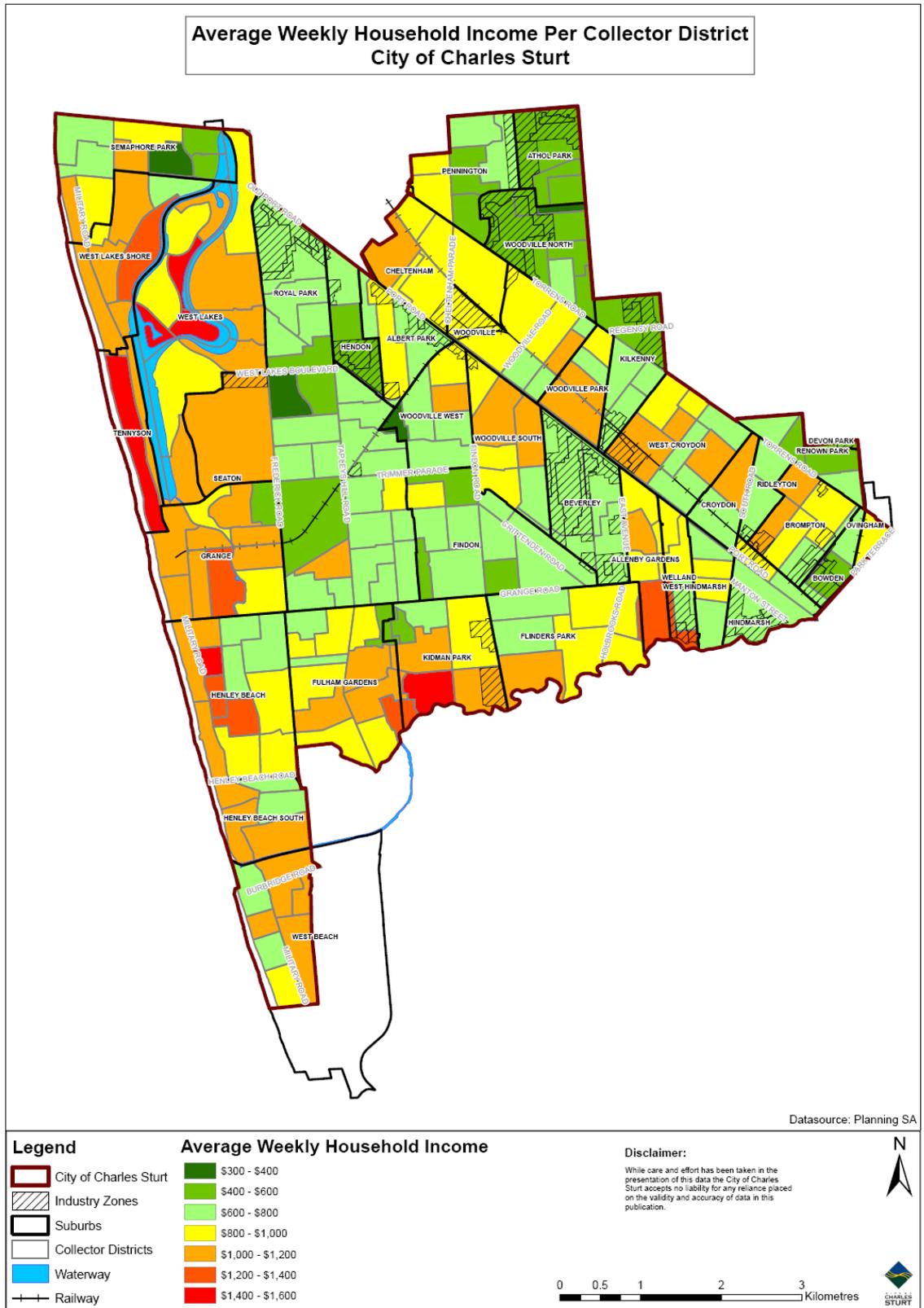
Source: City of Charles Sturt

Figure 24:-



Source: City of Charles Sturt

Figure 25:-



Source: City of Charles Sturt

4.2 INFRASTRUCTURE

Regional infrastructure is illustrated at Figure 26 overleaf.

As to **transport infrastructure**, all precincts are located on or bisected by arterial or sub-arterial roads, and have access to B-Double trunk routes.

However, access to a B-double trunk route does not, under current regulations, give access to properties situated with precincts fronting those routes.

This situation has been under review, as there have been several circumstances where a B-double designation could be argued for and would add value to a precinct. To this end new designations are being established in varying degree at Royal Park (Wilson, Symonds & Brandwood Streets), Woodville North (portion of Burwood Ave), Beverley (Pope Street & Woodland Cres) and Hendon (Phillips Crescent). Against this, the existing B-double designation and function of Athol Street at Athol Park is under review – notably as regards the possible discontinuation of access to Hanson Road which, in turn, will require that appropriate alternative access arrangements be made.

It is worth noting that B-double access may actually become less of an issue in some precincts over time as the intensification of land use pushes B-double scale developments out to lower value locations.

At the next level down, the focus is on the local area traffic network, where the PIAs present a variety of conditions. While areas such as Royal Park are well served by local roads, these tend to be the exception to the rule. At Woodville North and Beverley, functionality and/or legibility are frequently sub-optimal, as is the condition of Athol Street.

Only minor changes in local traffic management plans are currently in train, including the aforementioned changes at Athol Park and the elongation of Pope Street (to now end in cul-de-sac at the same depth as Howard Road) and other minor changes at Beverley. The possible provision of a new southern access point for Woodville North remains under review.

Further review of transport infrastructure issues, and of opportunities for improvement of the local area network, will be required as part of any strategy to improve the functionality of Charles Sturt's industrial precincts.

As to rail, the Study Area has no rail freight connections, but includes both the Port Adelaide and Grange passenger rail lines. The principal effect of these lines over the next 10-20 years will be increasing pressure for higher intensity and often non-industrial uses adjacent to them. The PIAs situated on a rail corridor are Port Road/South Road, West Croydon/Kilkenny and Hendon.

As to **electrical infrastructure**, Hudson Howell's survey of Local Business (see Sec. 3.1) indicated that access to required power capacity is an essential element of the location decision-making process.



Figure 26:



Source: City of Charles Sturt



Discussion with ETSA suggests that it is difficult to provide a truly satisfactory answer to the question of power availability. The simple answer is that, being an integral part of the inner metropolitan area (and subject to any system wide constraints), power is available at the required capacity for those who want it. The rider to this is that there may be a cost – including an augmentation charge³⁷ – which is levied on individual applicants and neither the need for nor the quantum of such payment can or will be advised until the particular requirement has been assessed.

Further, the result can be unpredictable – noting a cited example of an enterprise which chose to locate in the inner north-west partly because the augmentation charges were less than at Edinburgh Parks.

Electrical capacity is therefore available, if individual enterprises are willing and able to meet the cost, should there be one.

As to **digital infrastructure**, broadband connectivity is becoming and will continue to become an increasingly important consideration over time.

Connectivity will improve as the NBN is rolled out across the country, although this is a project with a considerable lead time. In this regard, it is noted that, on the back of its Digital Economy Strategy, Prospect was chosen as one of the inaugural roll-out sites for NBN. Further, because NBN intends to now roll-out the network by extending these inaugural sites outwards, Charles Sturt is effectively towards the front of the queue – and could potentially push its way further forward by embracing the digital economy and actively pursuing early connection. As it was put during consultation for this report, this approach can yield results and “the early adapters will get the benefits”.

However, areas such as Charles Sturt cannot afford to (and do not need to) sit idly by awaiting its arrival. In the near term, most of the City has broadband access via ADSL2³⁸, which delivers download speeds that vary according to distance from the nearest relevant exchange.

Current download speeds to the PIAs³⁹ are as shown at Table 10.

Precinct	Exchange	Distance (metres)	Max Speed (Mbps)
Cnr Port Rd/South Rd	Croydon	480	22.6
Arndale	Woodville	950	17.0
Hindmarsh	Croydon	1,200	15.0
Beverley	Woodville	1,300	14.0
Woodville North	Woodville	1,400	13.0
West Croydon	Woodville	1,650	11.6
Royal Park	Pt Adelaide	1,800	9.6
Hendon	Woodville	2,500	6.0
Athol Park	Pt Adelaide	3,500	2.0

³⁷ These costs relate to the cost of “connection” & “extension” assets, plus “augmentation” costs. Augmentation costs are calculated as per the relevant Electricity Code and are based on a customer’s increase in maximum demand in kVA, at a current rate of \$144 per kVA

³⁸ ADSL becomes ADSL2 when the download speed exceeds 1.5 Megabits per second.

³⁹ To a notional central point in each precinct.



As shown, double digit download speeds are currently available to most PIAs, although there are capacity constraints to some areas. Attention clearly needs to be paid to those precincts at the tail end of this list.

Beyond connectivity though, and as discussed later, the other important enablers of a digital economy are capability and content. The latter is developing rapidly. The former is an essential pre-condition to leveraging the benefits and needs to be addressed now.

This points to a need for **educational infrastructure**, in which regard Charles Sturt, and indeed the Western Region as a whole, is arguably light on⁴⁰. There is a TAFE College at Kilkenny (Arndale), but its future is under review and it is already 40% vacant⁴¹ – leaving the Pt Adelaide and Regency TAFE Colleges as the remaining facilities in the region.

Of note in this context, the Western Region submission to the SIP identifies the need for a Trade Training Centre as a “matter of priority”.

There was neither any evidence nor any mention by anyone of direct linkages with the Universities during the course of preparing this report, although the University of Adelaide has a presence in Thebarton. This appears as a gap worth investigating.

Lastly, the list of **regional facilities** within the Study Area includes:-

- Adelaide Entertainment Centre;
- Powerhouse Stadium;
- Hindmarsh Stadium;
- Queen Elizabeth Hospital;
- Charles Sturt Civic Centre; and
- Arndale Shopping Centre.

Situated around its perimeter are the Adelaide CBD, Port Adelaide Regional Centre, West Lakes Mall, West Lakes Stadium and five golf courses. Importantly from an industrial perspective, Charles Sturt is also proximate to both Adelaide Airport and the Port of Adelaide.

4.3 THE PRIME INDUSTRIAL AREAS

Before proceeding with a more detailed review, it is considered useful to describe the essential character and status of each of the PIAs.

4.3.1 DESCRIPTION

A quite detailed review of the individual precincts⁴² is included at Appendix 5. To look at them in brief summary however:-

- **Royal Park**, which fronts Old Port Road, is the closest that Charles Sturt has to a purpose built industrial precinct, although the Old Port Road frontage has developed a largely non-industrial character, especially at its eastern end, which needs to be recognized in planning policy;

⁴⁰ Noting though a high level of accessibility to the Adelaide CBD for much of the district.

⁴¹ Printing and graphic arts has been shifted to Tea Tree Gully TAFE. The remaining programmes are in light automotive (possibly to relocate to Regency TAFE), children’s services and literacy.

⁴² Drawn from the ILS



- the **Hendon** precinct, on Tapleys Hill Road is tightly defined, well located and appears both well suited to industrial use and to have significant renewal potential, although there is potential for change to residential use at the southern end;
- **Woodville North**, which fronts Torrens Road, represents a very sizeable industrial precinct which includes a number of significant enterprises, but also large areas of old factory space which are ripe for industrial renewal; and
 - the pending redevelopment of the former Cheltenham Racecourse and the former Sheridan site at its southern end will change the nature of the interface along its Torrens Road frontage and will lead to opportunity for the introduction of new uses;
- **Athol Park**, which fronts Grand Junction Road (and abuts Woodville North), is a very well located precinct with the potential to undergo a period of significant change as a consequence of Hanson Road's new role as a Port River Expressway connector at its northern end, but:-
 - the existing Home Industry Policy Area appears to be an impediment to the efficient operation and development of the precinct and should be removed; and
 - access and interface issues are prevalent across the precinct and substantive change is needed on both fronts in some areas, including improvements to the existing road network;
- the **Arndale** precinct is small, but abuts Arndale Shopping Centre, which gives it enduring commercial and industrial prospectivity – although the southern portion of the precinct is largely lost to industrial use and appears to warrant a new planning policy approach, particularly in light of the possible departure of TAFE.
- **West Croydon/Kilkenny**, on Port Road, is home to the 01 Glass Factory, one of the city's largest manufacturing operations, which must be protected for now. There is opportunity for both significant renewal and intensification on the John Shearer site and high density residential development north of the rail line, subject to resolution of interface issues;
- **Beverley**, also on Port Road, and opposite West Croydon/Kilkenny, is one of the city's larger industrial precincts and is severely constrained by access and interface issues, but presents opportunities for large scale renewal following the departure of Electrolux, including enhancement of the road network and a renewed policy approach generally;
 - transport infrastructure is a major issue in this precinct and needs to be improved as a matter of urgency – as does its overall presentation;
 - adjacent is Allenby Gardens, which is a small industrial node in transition mode following the relocation of its largest occupier (Coles Myer) and its bisection by the Holbrooks Road connector corridor; and
 - Allenby Gardens also warrants review of its underlying policy settings, possibly with a view to a less industrially focused outcome – although an economist may argue (as does this review) for retention of its underlying employment capacity, and its inclusion in an integrated "West Central" industrial cluster⁴³;
- the **Port Road/South Road** precinct is a complex mosaic of uses – some of which at first appear incongruent with a near city location – and will be heavily affected by the eventual

⁴³ Comprising Beverley, Allenby Gardens and West Croydon/Kilkenny



renewal of South Road, but it is nonetheless a vibrant and well buffered industrial and employment node which currently needs to be protected from more encroachment; and

- **Hindmarsh**, at the eastern end of Port Road, remains highly prospective as an inner city industrial area. It is ripe for further renewal, particularly along its western flank and also along the River Torrens, where -
 - circumstances are changing with the development of the Bio-Science precinct in Thebarton on the opposite bank – pointing to initiatives such as a new footbridge across the river; and
 - there is opportunity for more of a mixed use approach along the northern flank and for a more integrated policy approach out to Port Road.

4.3.2 CONFIGURATION

Various data sets, including precinct size, ownership patterns, Capital Value assessments and Land Use Codes, have been mapped and analyzed to paint a picture of the current on-ground situation in each of the PIAs. Each aspect is considered in turn below.

With reference to land area and the number of rating assessments⁴⁴, the configuration of individual PIAs is as detailed at Table 12.

Prime Precincts	Land		Assessments			Average Assessment Size (sqm)
	Area (Ha)	%	No.	%	Per Hectare	
Royal Park	50.6	9.4	225	8.0	4.4	2,250
Hendon	30.1	5.6	64	2.3	2.1	4,700
Woodville North	67.5	12.5	143	5.1	2.1	4,720
Athol Park	58.8	10.9	261	9.3	4.4	2,250
Arndale	27.0	5.0	90	3.2	3.3	3,000
West Croydon/Kilkenny	23.4	4.3	66	2.3	2.8	3,550
Beverley	76.0	14.1	479	17.1	6.3	1,590
Port Rd/South Rd	14.6	2.7	123	4.4	8.4	1,190
Hindmarsh	25.2	4.7	242	8.6	9.6	1,040
Sub-Totals	373.2	69.2	1693	60.4	4.5	2,204
Non-Prime Precincts	166.1	30.8	1,110	39.6	6.7	1,500
TOTALS	539.3	100.0	2,803	100.0	5.2	1,925

Source: City of Charles Sturt; CICS

⁴⁴ An “assessment” is a rateable assessment which, as defined by the Local Government Act (Section 148), may be against any separate or aggregate ownership or occupancy. In practice, probably 90% of assessments are against separate ownerships. The implication is that, on account of multi-occupancy sites, there are more occupancies than assessments.



As shown:-

- PIAs cover 373Ha of land and comprise 69.2% of the city's industrial land and 60.4% of the city's industrial assessments;
- the average assessment size of the PIA's is 2,200sqm, compared to 1,500sqm for the balance;
- average assessment sizes range from less than 1,200sqm in Hindmarsh and Port Rd/South Rd, to almost 5,000sqm in Hendon and Woodville North;
- Woodville North and Athol Park, which are contiguous, together cover 126.3Ha, or 23.4.9% of stock and 404, or 14.4% of assessments (at an average size of 3,125sqm);
- the next most significant precinct is Beverley, with 14.1% of land area and 17.1% of assessments (at an average of 1,590 sqm); and
- assessments per Ha range from more than 8 in Hindmarsh and Port Road/South Road to just over 2 in Hendon and Woodville North.

As against the non-Prime Areas, the PIA's have a larger average assessment size and a lower number of assessments per Ha.

Ownership Patterns

Land ownership patterns are as illustrated in the maps at Appendix 6 and as summarized at Table 13 overleaf.

As shown:-

- there is generally a reasonable spread of lot sizes across most precincts;
- 25% of all land (or 77Ha) is held in parcels of less than 4,000sqm;
- 41% (or 127Ha) is held in parcels of 16,000sqm metres or greater, with the great bulk of this being in parcels of 20,000sqm or greater;
- Hindmarsh has the highest percentage of parcels less than 4,000sqm (66%), followed by Beverley (35%) and Port Road/South Road (34%), with Croydon/Kilkenny, Woodville North and Hendon all trailing the field at less than 15%; and
- West Croydon/Kilkenny (87%) and Woodville North (74%) have the highest percentage of holdings greater than 16,000sqm, while neither Hindmarsh nor Port Road/South Road have any holdings of this size.

Capital Values

Capital values per sqm of site area⁴⁵ have been plotted for each assessment in each precinct, as per the maps at Appendix 7.

⁴⁵ As per current Valuer General's assessments, and notwithstanding concerns with the accuracy of the data.

Table 13:		Study Area Configuration by Size Category (sqm)							
Precinct	< 2000	2000 - 3999	4000 - 7999	8000 - 11999	12000 - 15999	16000 - 19999	> 20000	Totals	
Royal Park	58,340	40,781	101,847	84,408	58,746	0	60,503	404,625	
Hendon	6,418	29,958	45,918	47,526	58,069	0	79,180	267,069	
Woodville North	17,765	32,079	15,611	34,702	51,928	49,833	380,907	582,824	
Athol Park	86,998	44,800	89,464	58,337	43,734	0	185,506	508,840	
Arndale	25,802	27,593	70,893	39,938	0	0	87,228	251,455	
West Croydon / Kilkenny	10,621	0	13,445	0	0	0	164,001	188,067	
Beverley	175,596	56,718	49,787	70,166	12,193	49,638	218,871	632,969	
Port Rd/South Rd Corner	25,261	12,415	7,690	65,253	0	0	0	110,620	
Hindmarsh	67,842	53,495	24,612	37,231	0	0	0	183,180	
Totals	474,644	297,840	419,268	437,560	224,669	99,470	1,176,197	3,129,649	
		Percentage of Total Area by Size Category							
Precinct	< 2000	2000 - 3999	4000 - 7999	8000 - 11999	12000 - 15999	16000 - 19999	> 20000	Totals	
Royal Park	14.42%	10.08%	25.17%	20.86%	14.52%	0.00%	14.95%	100.00%	
Hendon	2.40%	11.22%	17.19%	17.80%	21.74%	0.00%	29.65%	100.00%	
Woodville North	3.05%	5.50%	2.68%	5.95%	8.91%	8.55%	65.36%	100.00%	
Athol Park	17.10%	8.80%	17.58%	11.46%	8.59%	0.00%	36.46%	100.00%	
Arndale	10.26%	10.97%	28.19%	15.88%	0.00%	0.00%	34.69%	100.00%	
West Croydon / Kilkenny	5.65%	0.00%	7.15%	0.00%	0.00%	0.00%	87.20%	100.00%	
Beverley	27.74%	8.96%	7.87%	11.09%	1.93%	7.84%	34.58%	100.00%	
Port Rd/South Rd Corner	22.84%	11.22%	6.95%	58.99%	0.00%	0.00%	0.00%	100.00%	
Hindmarsh	37.04%	29.20%	13.44%	20.32%	0.00%	0.00%	0.00%	100.00%	
Totals	15.17%	9.52%	13.40%	13.98%	7.18%	3.18%	37.58%		

Source: Charles Sturt, CICS



As shown in these maps:-

- significant percentages of individual PIAs are valued at less than \$200 per sqm, including virtually all of Hendon and Woodville North, and large swatches of Royal Park, Athol Park, Beverley (at its southern end), West Croydon/Kilkenny and parts of Port Road/South Road; and
- the higher valued precincts, although rarely peaking above \$1,000 per sqm, are Hindmarsh, parts of Port Road/South Road, Beverley (at its northern end) and parts of Royal Park and Athol Park.

Overall, these levels of value fall well short of the value benchmarks established in Section 2.4.

Land Use

Land Use Code mapping for each precinct is included at Appendix 8⁴⁶. The underlying data is summarized at Table 14 overleaf.

It reveals that:-

- the predominant non-residential land uses are financial personal and professional services⁴⁷, metal fabrication, construction & repairs and retailing;
- there is remarkably little wholesaling, for which there is no apparent explanation;
- the greatest concentrations of manufacturing are at Woodville North, Beverley, West Croydon/Kilkenny and Port Road/South Road corner; and
- the lowest concentrations of manufacturing are at Hindmarsh.

The maps also show significant penetration of non-industry uses, including at Arndale (south) and Beverley and, to a lesser extent, on Tapleys Hill Road at Hendon, Grand Junction Road at Athol Park and South Road at Hindmarsh.

Even more specifically, there is noted to be a significant degree of residential use in Athol Park (35%), Beverley (36%) and (to a lesser degree) Hindmarsh (12%).

The Study Area is also noted to have several regional interfaces, where it abuts another Council area, including:-

- residential interfaces at Royal Park (to Queenstown), Athol Park (to Mansfield Park) and Arndale (to Woodville Gardens); and
- industrial interfaces at Athol Park (to Ottoway and Wingfield) and at Hindmarsh (to Thebarton).

⁴⁶ The Land Use Code data is as recorded by the State Valuation Office. Its degree of accuracy is not absolute, but it does provide a reasonably indicative overview of the situation.

⁴⁷ This category comprises a very wide range of services, including finance, insurance & real estate (Code 22); food & drink, hairdressers, clothing & shoe repairs, funeral services and Libraries (Code 23); dancing schools, travel bureaus, betting services and gymnasiums (Code 24); advertising, business management, employment agencies and cleaning services (Code 25); and equipment rental, car & truck rentals, towing services and refrigerated services (Code 27)

Table 14: Primary Land Use Codes, by Percentage of Assessments

Land Use	Land Use Code	Precinct									TOTAL %
		Royal Park %	Hendon %	Woodville Nth %	Athol Park %	Arndale %	West Croydon/ Kilkenny %	Beverley %	Cnr Port Rd/ South Rd %	Hindmarsh %	
Residential	1	5	0	9	35	23	6	36	4	12	20
Wholesale	20	7	3	2	7	3	2	2	1	9	4
Retail	21	11	6	0	5	5	2	3	3	16	6
Financial Personal Professional	22-27	41	46	8	15	27	23	16	38	24	23
Construction & Repairs	28-29	11	8	2	9	11	5	6	10	13	8
Metal Fabrication	38	13	5	58	9	8	15	18	20	5	16
Vacant Land	4	1	14	3	3	5	24	3	3	3	4
Utilities	6	1	3	3	2	0	8	1	2	8	3
Other	Various	10	15	15	15	8	15	15	19	10	16
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: City of Charles Sturt, VGO, CICS



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5 PRIORITY PRECINCT SELECTION

5.1 METHODOLOGY

The brief for this study requires that one “Priority Precinct” be selected from the Prime Industrial Areas for more detailed review, assessment and planning. An approach to employment revitalization is then to be prepared for this Precinct, which is to be capable of subsequent replication in other PIA’s.

This section addresses the selection of that Priority Precinct, beginning with the question of how to go about it.

Two possible approaches were considered. One was a highly structured empirical approach, whereby each precinct was scored on a graduated scale against a series of criteria, with the highest scoring precinct emerging as the “winner”.

The other was to take an “on balance” approach, whereby the relative worthiness of each precinct was considered in the context of its innate ability and/or latent potential to provide employment upside in as short a timeframe as possible.

In considering these alternatives, it was quickly revealed that:-

- a number of the criteria are qualitative rather than quantitative;
- there is no right or wrong selection – simply a need to make a reasonable choice, particularly as the implementation plan for the chosen precinct is intended to be rolled out in other areas in due course; and
- even without detailed empirical analysis, some precincts are clearly more prospective than others.

On review, a hybrid methodology was adopted, whereby the empirical criteria were considered, but as part of a “pros and cons” discussion of each precinct, ahead of an “on balance” selection of that precinct which makes the best case.

From this starting point, a range of criteria and considerations were identified as being relevant and informative, including:-

- the size of the precinct as against the total area of the PIA’s – which reflects the magnitude of the potential opportunity presented by renewal;
- the average size of assessments and the number of assessments per Ha – which reflect the existing density of industrial development and, more particularly, the capacity to accommodate SMEs in the near term;
- underlying levels of capital value (per sqm) and capital value : site value ratios – which, together, reflect the value of the existing development sited on Charles Sturt’s relatively expensive industrial land and the potential for uplift via new investment;
- the percentage of the precinct designated Industry – which reflects a constraint on industrial potential (via the proximity to residential development);



- the percentage of manufacturing enterprises, as measured by Land Use Code, which reflects density of manufacturing workforce and potential for future manufacturing clusters;
- transport accessibility for employment generating activities (ie road transport linkages) – which are a fundamental infrastructure requirement;
- access to high speed and capacity broadband – which is becoming an essential infrastructure requirement;
- proximity to a workforce with the requisite skill sets – which is more a regional than a local issue;
- proximity to public transport – which reflects a greater (rather than a lesser) level of accessibility for the workforce;
- its current urban character and, more particularly, the potential for improvement in the near term;
- land ownership, and whether the major owners are ready and willing to be involved in a revitalization programme; and
- constraints, and whether there are any specific constraints on individual precincts which would mitigate against revitalization in the near term.

5.2 ASSESSMENT

In his remarks on priority precinct planning in Section 3.3, Barry Burgan suggests that the Priority Precinct must:-

- accommodate a mix of larger, core businesses and smaller, riskier enterprises;
- allow good linkages to transport, electricity and broadband; and
- have capacity for “style outcomes”, such as will be required to make it an attractive employment destination for an increasingly skilled labour force.

This section considers each of the preceding criteria in turn, and which PIAs rate well in each case, before then applying the findings to the selection of the Priority Precinct.

In the first instance, the summary status for each criteria in each precinct is as show at Table 15 overleaf.

To look at each criteria in turn:-

- on total land area, the four biggest precincts – by some margin – are Woodville North, Athol Park, Beverley and Royal Park, each being between 9% and 15% of aggregate PIA area, while most other precincts are less than 5%;
- on average assessment size, Beverley, Hindmarsh and Port Road/South Road are all below 1,600sqm, Royal Park, Athol Park, Arndale and Croydon Kilkenny average between 2,000 and 3,500sqm, and Hendon and Woodville North both average 4,500sqm or greater;
- on number of assessments, Beverley is far and away the most intense, with a “head count” of 480, while Royal Park, Athol Park and Hindmarsh each have between 225 and 260 assessments, with the balance below 150 and often below 100;

Table 15:		Summary PIA Characteristics							
	Royal Park	Hendon	Woodville North	Athol Park	Arndale	West Croydon/ Kilkenny	Beverley	Port Rd/ South Rd	Hindmarsh
• Distance from CBD (kms)	10	10	9	10	8	7	7	5	3
• Total Land Area (Ha)	50.6	30.1	67.5	58.8	27.0	23.4	76.0	14.6	25.2
• Rating Assessments									
• Total No,	225	64	143	261	90	66	479	123	242
• Av. Size (sqm)	2,250	4,700	4,720	2,250	3,000	3,550	1,590	1,190	1,040
• Assessments per Ha	4.4	2.1	2.1	3.3	3.3	2.8	6.3	8.4	9.6
• Employment									
• Industry Jobs per Ha	10.8	35.0	12.1	13.2	10.4	25.4	25.5	72.6	49.9
• Industry % of Total Empl	63.2%	65.8%	83.0%	79.6%	30.0%	36.8%	74.9%	49.3%	51.0%
• Zoning									
• Interface %	48.6%	70.9%	42.5%	83.3%	83.5%	52.9%	51.5%	74.8%	54.5%
• Land Use Code									
• Primary Non-Residential Use	Financial Personal Professional (41%)	Financial Personal Professional (46%)	Metal Fabrication (58%)	Financial Personal Professional (15%)	Financial Personal Professional (15%)	Financial Personal Professional (24%)	Metal Fabrication (18%)	Financial Personal Professional (38%)	Financial Personal Professional (24%)
• Residential Use %	5%	0%	9%	35%	2%	6%	36%	4%	12%
• Road Transport Accessibility									
• arterial	Good	Good	Good	Excellent	Good	Excellent	Excellent	Excellent	Excellent
• local	Good	Good	Average	Average	Average	Average	Poor	Fair	Good
• Electrical Capacity	Available	Available	Available	Available	Available	Available	Available	Available	Available
• Broadband Connectivity (Mbps)	9.6	6.0	13.0	2.0	17.0	11.6	14.0	22.6	15.0
• Within 800m of a rail station	No	Yes	No	No	No	Yes	Yes	Yes	Yes
• Urban Character	Good	Good	Fair	Poor	Average	Fair	Fair	Fair	Average
• Proximate New Housing	West Lakes	West Lakes/ Woodville West	Cheltenham/ St Clair	Cheltenham	Cheltenham/ St Clair	Bowden/ Kilkenny/ St Clair	Bowden/ Kilkenny/ St Clair	Bowden/ Kilkenny	Bowden/ Kilkenny/CBD
• Significant Renewal Constraints	None	None	Ownership Patterns	Interface Issues	None	Change of Use Pressures	Interface Issues	Change of Use Pressures	None

- on assessments per Ha, Beverley, Port Road/South Road and Hindmarsh are between 6.3 and 9.6, while the balance are generally between 2 and 4;
- on employment profile –
 - the number of industry jobs per Ha is lowest (and needs complete rebuilding) in Royal Park, Woodville North, Athol Park and Arndale, and is markedly higher in the locations close to the CBD; and
 - the percentage of industry jobs to total jobs is generally between 50% and 80% but is lower in Arndale, West Croydon/Kilkenny and Port Rd/South Rd;
- on the percentage of Industry Zones designated “Interface”, only Royal Park and Woodville North are less than 50% while Athol Park and Arndale are over 80%;
- on land use code, Financial Personal & Professional Services are the predominant codes in all but Woodville North and Beverley, where it is Metal Fabrication.
- on freight route accessibility, all PIAs have –
 - B-double access at their perimeter, although arrangements within precincts are often not so straightforward;
 - frontage to one or more DTEI controlled arterial roads; and
 - ready and proximate access to major arterial routes, including Port Road, South Road and/or Hanson Road;
- on local area transport, Beverley and Port Road/South Road are clearly below par;
- on electrical supply capacity, all precincts can only be ranked equally, except to say that, on individual assessment, some users may face higher augmentation costs in some locations , than in others;
- on broadband access, the immediate concern is with the quality of the existing internet connectivity – because full roll-out of the NBN is some time off – in which regard some PIAs, such as Arndale, Hindmarsh and Beverley, are significantly better connected than others, such as Athol Park and Hendon;
- on urban character, only Royal Park and Hendon currently have anything close to a reasonably presentable condition, with most other precincts rating no better than fair;
- on proximity to public transport, the best serviced precincts are those along the Port Road/Port rail corridor, being Beverley, Croydon/Kilkenny, Port Road/South Road and Hindmarsh, together with Hendon on the Grange spur. Of the other precincts, Arndale benefits from its proximity to Arndale Shopping Centre, while the rest have bus services along their arterial road frontages; and
- on proximity to new housing, plans for large scale renewal and infill means that most PIAs are (or will be) adjacent and/or proximate to some level of urban renewal and, therefore, to contemporary housing options.

As to significant constraints –

- Croydon/Kilkenny and Port Road/South Road sit right on the rail corridor and will likely come under future review for higher value and higher intensity use(s);

- there are significant residential interface issues to be addressed at Athol Park and Beverley; and
- Woodville North in particular (but also Hendon) is currently held in very large ownerships (often with correspondingly large premises), which would need some breaking down if (they) were to accommodate large numbers of SMEs.

On balance, it is considered that:-

- Arndale, Croydon/Kilkenny and Port Road/South Road do not provide the scale required to achieve the desired revitalization outcomes – each being less than 5% of total PIA area and none having the same critical mass of existing enterprises to build on as the other PIAs;
- conversely, relative to other precincts and notwithstanding either its considerable aggregate size or the substantial upside on offer, Woodville North requires a significant degree of disaggregation and redevelopment before it will be able to accommodate growth sector enterprises or SMEs and so be a part of the employment revitalization solution;
- Royal Park is prospective on account of its scale and intensity of activity and development, but is currently presented and functions reasonably well as an industrial precinct and arguably provides less revitalization upside than some other precincts;
- Hindmarsh rates well as a revitalization prospect, but currently has its own momentum and drivers on account of its high intensity of existing enterprise, its proximity to the Thebarton Bio-Science Precinct, its near city location, the recent arrival of the tram and the pending development of Bowden Village – such that there are other precincts in arguably greater need of immediate attention;
- Hendon has reasonable scale, proximity to both the Grange rail line and the beachside suburbs' workforce, moderate intensity of existing enterprise and the second largest average assessment size of all PIAs;
- Athol Park is a large precinct with a lower level density of enterprise, an average assessment size close the mean, excellent (and recently much improved) arterial road transport access but problematic local access, an often poor urban character and a set of Development Plan policy settings that need review; and
- Beverley has scale, both as to its size and as to the number of existing enterprises, has a relatively high density of development, is on Port Road, close to the rail line and central to the Council area, is highly accessible both for transport and workforce but has potential upside for local access, has a relatively poor urban character with great potential for improvement and is midway between Bowden Village and St Clair/Woodville West, where residential infill and renewal is either underway or pending.

As revealed, Beverley, Athol Park and Hendon are considered to be the three precincts with the greatest near term potential for employment revitalization, with Woodville North, Royal Park and the near city precincts coming along behind.

On further balance, it is considered that Beverley is the most prospective of these and warrants the designation of Priority Precinct.

It is also suggested that because they either abut or are extremely proximate to Beverley, the West Croydon/Kilkenny (a PIA), Allenby Gardens and East Terrace precincts might be incorporated into

the Priority Precinct, thus creating an enlarged “West Central” precinct. This expanded precinct would cover a total of 120Ha, comprising 659 assessments at an average size of 1,820sqm and an average density of 5.5 assessments per Ha.

Notwithstanding this however, and for present purposes, the immediate focus in the remainder of this report is on Beverley.

6 PRIORITY PRECINCT PLANNING

6.1 EMPLOYMENT REVITALIZATION FRAMEWORK

This brief is about employment revitalization, with focus on Charles Stuart’s industrial heartland – and, more specifically from this point on, Beverley. The resultant report is being prepared by a team which includes an economist, but otherwise has its core skills in property and planning.

However, it needs to be recognized at the outset that this report is ultimately about economic development and, in this context, economic activity in Beverley is only one part of a much larger economic mosaic. Indeed, much of this report’s perspective is regional in the first instance, before devolving to the local (Charles Sturt) level and the very local (Beverley) level.

The notion of this larger mosaic, and the role of industry within it, is given clear expression by the Blandy Report which, among other things:-

- envisages the health sector – a non-industrial activity – as a major regional employer, centred on the Queen Elizabeth Hospital; and
- is largely silent on the specific capacities and opportunities offered by Charles Sturt’s industrial lands – opportunities in defence being the notable exception.

Indeed (and as referenced in Section 3.1), the vision for Charles Sturt’s economic future as expressed in the Blandy Report is for a diversified economy “no longer dominated by manufacturing ... a key manufacturing activity [being] for the ... submarines project [with] Professional, scientific & technical services expanding rapidly ... [and] wholesale, retail, transport and hospitality are burgeoning” while, most notably, small business is “blossoming across all sectors”.

In other words, the long term trend of declining manufacturing is expected to roll on and, while it will not be supplanted entirely, it will likely become a higher value activity on the back of the increase in scientific and technical skills and services. Alongside this, small scale warehousing and distribution will abound, as will trade services – both on the back of a growing population.

Blandy notes however that, at the same time, the changes brought on by the 30 Year Plan will shift local land economics in a way which will tend to continue to push larger users out of (and /or discourage larger users from entering) the local market and will thereby foster the intensification of land use – even if, as per the HELSP analysis, it takes 5-10 years for the real pressures to begin to emerge in some precincts.

In order to accommodate his vision, Blandy suggests that Charles Sturt needs to facilitate:-

- the entry of SMEs into its area;
- the intensification of industrial land use in an appropriately flexible manner;
- job creation in growth sectors so as to reduce commuting out; and
- infrastructure projects which support these outcomes.

Blandy further opines that Charles Sturt needs:-

- economic diversification which, it is suggested, it will get if it puts its mind to the task;

- a major skills upgrade, which will require external (ie federal and state) assistance; and
- improved residential amenity, which is coming via projects such as Bowden Village, Cheltenham/St Clair and Woodville West.

Blandy's proposed strategies include:-

- using its skills base and growing broadband literacy in a collaborative way to diversify and to leverage growth;
- a focus on high quality small business;
- facilitating contracts with the Defence sector (to which we would add mining and low-carbon products and services);
- using the Western Alliance to leverage the Queen Elizabeth Hospital health precinct; and
- facilitating growth in high technology research and development in the inner west.

Charles Sturt's industrial lands therefore need to find their place in this new economy. While a good percentage of future activity will be driven by the rising tide of population, real wealth generation will be driven by exporters from Charles Sturt and, therefore, by innovators and entrepreneurs.

Picking up where Blandy (and the ILS) leave off, this report proceeds from a largely economic direction towards a framework which firstly recognizes and responds to the economic imperatives identified (by Blandy and now, via this report, Burgan) and then seeks to identify consequent initiatives in the areas of economic and infrastructure development, renewal of planning policy and public realm projects, all aimed at facilitating desired economic and employment outcomes.

It also recognizes the various layers of Government and industry, and the requirement to work within this larger governance framework. Local Government is the "third tier" and needs to both align its efforts with higher level strategies and programmes, and to work within its own thresholds. In this regard, regionalization arguably strengthens local governments' hand and its effectiveness.

Thus a higher level framework is established. Below this sits the more localized end of the renewal spectrum, where the issues are more about on-ground support for local enterprise, the ability of the planning system to deliver required development outcomes, the immediate functionality of the locality viz a viz factors such as transport and broadband linkages and the on-ground working environment.

The immediate purpose is to develop a range of actions aimed at employment revitalization. It follows from the foregoing that those actions fall under two broad headings – economic development and urban planning, each of which is considered in turn below. Each will run to its own programme, concurrent with the other. Some actions will be able to be implemented unilaterally, while some will require the co-operation of others.

Lastly, it is noted that economic development and employment revitalization are, by their very nature, long haul tasks requiring long term commitment, albeit that they can be catalyzed and underpinned by specific shorter term projects.

6.2 ECONOMIC DEVELOPMENT INITIATIVES

Economic development has traditionally been the province of federal and state governments, given its generally macro nature and the traditional “closer to the ground” role(s) of local government. Even now, not all Councils have an economic development strategy – although there are often references to prosperity and well-being in their strategic plans – and nor do they generally have significant resources dedicated to economic roles.

However, economic development is emerging as a sphere within which Councils at large can and should be conscious and play their appropriate part. To this end, Councils such as Salisbury, Prospect and Onkaparinga have published economic development strategies and/or have dedicated resources working on a variety of programmes.

Via this report, and those that precede it, economic development is a strategic direction and activity which the City of Charles Sturt is now facing and considering. The question is “how to proceed?” In the first instance, it is instructive to look at the activities of other Councils, which include:-

- in Prospect, a focus on the digital economy and on enabling its population to become skilled practitioners and participants in the digital world, together with a strong element of (business) community engagement;
- in Salisbury, a strong focus on the workforce and on research and development via strong linkages with UniSA and to industry; and
- in Onkaparinga, a strongly regional approach via formal alliances with all tiers of government and a focus on the digital economy and on workforce development;

In Port Adelaide Enfield, Council owns but does not collect rent for the premises occupied by the NWBDC, while West Torrens (along with Charles Sturt) supports the Inner West Business Enterprise Centre.

Each of these approaches goes (or would go) some way towards achieving the needs of Charles Sturt which, it is proposed, should adopt a hybrid approach to economic development, incorporating bits of each, as appropriate.

As previously noted, the strategies which this report puts forward are (and need to be expressed as) part of a larger mosaic – which, in turn, will be built around the matters addressed in the Blandy Report. To repeat what Blandy himself says⁴⁸, “*beyond underlying State growth, growth in Charles Sturt will be dependent on the degree of success of its economic development strategies*”.

Before anything else therefore, proceeding in the manner proposed will require that Council develop and adopt a more formal economic development strategy than has been the case in recent years.

The objective will be the realization of the Blandy Report’s vision (or some close variant), while the strategy to achieve it will address the totality of Charles Sturt’s economic future, including the proposed health precinct, the digital economy, diversification and modernization of industry, support for SMEs and so forth.

⁴⁸ At page 17.

Employment revitalization in its industrial lands could then be seen as one objective of a wider policy framework, the strategies underpinning which would facilitate outcomes across a range of sectors and areas. At the highest level, and concordant with the Blandy Report⁴⁹ the strategies applying to this current study might include:-

- working actively in alliance with regional partners on matters of common interest and concern;
- facilitating ongoing knowledge dissemination and industry introductions within the local business sector;
- fostering the good health of local businesses; and
- encouraging and facilitating innovation and entrepreneurship.

While the first of these is a regional initiative by its very nature, each of the latter strategies might be applied at either a regional level or at a local level.

Working in alliance with regional partners allows for a stronger voice on issues and for leverage in programme delivery, which might be appropriate in areas such as:-

- regional infrastructure planning, lobbying and programming;
- workforce development, including trade skills⁵⁰ and the general level of digital literacy in the local population;
- connectivity to and dialogue with key industry sectors and companies – such as, given the apparent imminence of development at Olympic Dam, BHP Billiton;
- access to research and development, which will presumably require a tie in with a University – such as at the University of Adelaide via its Thebarton campus, or else via new alliance with Flinders University or UniSA; and
- an enabler of innovation, including catalyzation⁵⁰ of ideas and opportunities of and management support for SMEs.

In a practical sense, the actual areas of activity would be determined by “the Alliance” itself – and while Charles Sturt could simply address each of these matters at a local level, there often seems to be greater potential in addressing them at the regional level. In the process of determining its own role, Council should therefore carefully consider the value and practical ramifications of adopting this approach wherever appropriate.

This would then leave it to either deliver the local content of regional programmes, or to supplement regional programmes with its own local content – ‘local’ because it would work close to the ground, often using a case management approach (thus mirroring the work of DTED with its selected clientele of larger growth enterprises).

The specific tasks for Council which emanate from this overview and discussion are therefore to:-

- develop an over-arching economic development strategy to provide an agreed framework and set of actions which address the whole range of issues in Charles Sturt, including employment revitalization in its industrial lands; and, notwithstanding

⁴⁹ At page 53, Blandy also refers specifically to a Health Precinct adjacent the QEH and the evolution of Hindmarsh (and Bowden) as a high tech, research & development and professional services precinct.

⁵⁰ As a matter of priority, according to the Western Region’s submission to the SIP.

- move immediately to strengthen and, as appropriate, formalize what is currently a periodic collaboration between the Western Region Councils, with a particular focus on economic matters including infrastructure, workforce development and research linkages;
- initiate an ongoing dialogue with local industry, including via an industry leaders' group, regarding opportunities for enterprise;
- deliver (or, more correctly, facilitate the delivery of) an on-ground SME business management support service to foster innovation and entrepreneurship; and
- in the short term, case manage the priority precinct so as to facilitate the delivery of initiatives identified by this report. Case management would entail working with owners and occupiers across Beverley, identifying and addressing issues of concern, tackling urban blight and identifying opportunities to make connections – in other words, it would provide a short, sharp dose of close attention after so many years of there being so little.

Overall, this approach has both “top down” and “bottom up” elements, in that it sets a strategic course, it seeks strength in numbers and knowledge dissemination, and it also works directly with the small end of enterprise to foster growth and jobs creation at the coal face.

Rather than seek to develop “innovation precincts”, which found almost universal dis-favour during consultation for this project, it leans more towards what might be called “entrepreneurial precincts”, where:-

- it matters more that an enterprise is active in a growth sector than which particular sector it is in;
- small businesses are less likely to fail for want of basic management skills;
- small business owners and operators are aware of the wants and needs of bigger industries, and of the opportunities they present; and
- broader issues of transport and telecommunications infrastructure, workforce skills and the like are being actively addressed by a regional body with “voice”.

In support of this approach, and as previously alluded to, one of the specific opportunities identified by this report is the opening of a new Business Enterprise Centre (BEC) to support businesses operating (or looking to operate) in the Priority Precinct (and beyond). This BEC would require premises from which to operate and to develop a sustainable operation, and may require ongoing support – which might best be delivered in a regional context and may simply entail an “outreach” extension of an existing BEC.

The BEC service delivery model has been proven many times over, although the ongoing viability of individual BECs can be subject to shifts in programme funding from higher up the chain, and they also rely on the energy and skill of those charged with their operation. In this regard, it is noted that the Sate Government is currently withdrawing some support for BECs (among other economic initiatives). It is suggested that this leaves a gap which needs to be filled and that this is an area where local government and local industry may need to provide leadership – and possibly contribute to funding⁵¹.

⁵¹ The CEO's Group of the Local Government Association has just commissioned a study on these matters.

In many respects, entrepreneurship, the creation of new business and the growth of existing businesses is a numbers game. If no-one wants to have a go because they either weren't aware of the opportunity, or for want of simple managerial support and learning, then there will be a low rate of new enterprise and a low rate of job creation.

If even a quarter of businesses which would have failed did not do so because they had access to the help they needed to cross a sustainability threshold, or to guide them past the horns of a short term dilemma, then they will be stronger for the experience (and, in the case of averted failures, may even revert to a growth path). At the least, there will not have been any employment slippage as a consequence of the associated job losses. Alternatively, if, for every 100 businesses successfully inspired into existence over the next 10 years, even a small percentage went on to become significant enterprises and employers as a result of early support received, then everyone would be better off.

In the language of the SA Strategic Plan, Charles Sturt would have grown prosperity by fostering creativity and innovation.

The alternative is not to provide such grass roots support to the local business community and to wonder at what might have been.

Lastly, on the subject of voice, Charles Sturt will also need to announce to the world what it is up to on the employment revitalization (and economic development) front. Its target audience(s) needs to be aware that they are a target audience and that there are messages to be heard – and/or that help is at hand, if needed.

To this end, it will be necessary to develop a communications strategy which presents a consistent and persistent set of messages aimed at enabling and enlivening the local business and industry sectors. Likewise, the renewal of key precincts might be kicked along by the announcement and delivery of early initiatives, be it the activities of the Western Alliance, the establishment of a new Business Enterprise Centre, a capital works programme or any other activities which warrant a "news bulletin". The objective will be to deliver a loud, clear and positive message – that Charles Sturt is open for business and alert to the wants, needs and opportunities of and for local enterprise.

It follows from all of the foregoing that, given the range of activities identified, consideration will have to be given to the need to engage and apply sufficient and adequate resources to the task of overseeing and implementing this plan, including for the overall economic development role and associated initiatives and, in the short term – say 12 to 24 months – for a precinct case manager.

6.3 URBAN DEVELOPMENT INITIATIVES

The planning system has an important role to play in encouraging employment revitalization. Planning policy needs to support the broad range of land uses and activities envisaged for the PIAs, as well as meet the wants and needs of employers and employees. These needs extend to both function and form – that is, the land uses and activities that take place in particular areas and the quality of the individual buildings and broader public realm.

Moreover, it is important that planning policy anticipates changes in employment land uses, and provides a framework that supports future industrial and employment-generating activities in advance of need. In this regard, the 30 Year Plan, the about to be released North West Corridor

Structure Plan and DTED's current work on a Vulnerability Index will provide a very solid foundation from which to consider these matters.

As previously identified (at Section 2.5.2), this will require consideration of a change from current policy settings. In developing a supportive planning framework, infrastructure needs and environmental settings will also need to be attended to. Each of these matters is considered in principle in Section 2.5.3.

The immediate issue at hand however is revitalization of Beverley itself.

In progressing the changes needed to support the revitalization of Beverley, and in developing an overall concept plan, it is necessary to understand the existing opportunities and constraints.

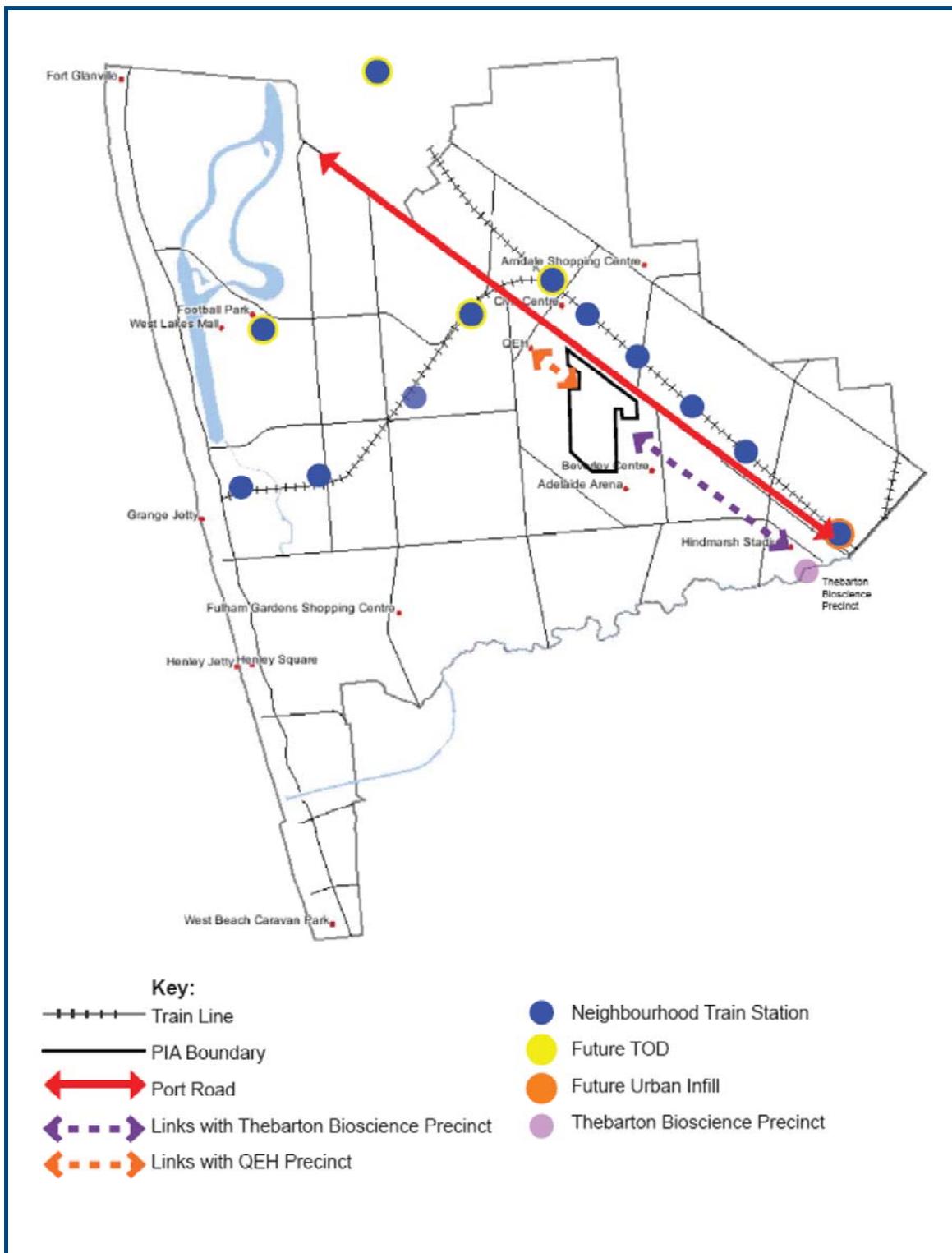
Opportunities and Assets are illustrated at Figures 27 and 28 overleaf. Figure 27 illustrates regional opportunities, while Figure 28 illustrates local opportunities. Overall, these include:-

- proximity to –
 - the CBD
 - the QEH
 - the Thebarton Bio-Sciences precinct ;
 - Adelaide Airport; and
 - proposed TODs at Bowden and Woodville;
- the Port Road frontage, which provides:-
 - ready access to the City and Port Adelaide;
 - an existing mixed commercial precinct, possible with bulky goods potential;
- the relatively high availability of small allotment sizes, mostly in the north;
- some very large allotments, particularly at the southern end;
- proximity to the north-west train line and Kilkenny Train Station (pointing to a need to improve pedestrian access across Port Road);
- proximity to the Kilkenny Primary School;
- key open space areas (both locally and in the region, such as Woodville Oval);
- various sites under Council and State Government ownership; and
- long term plans for the Holbrooks Road connector.

As illustrated at Figure 29 overleaf, constraints include:

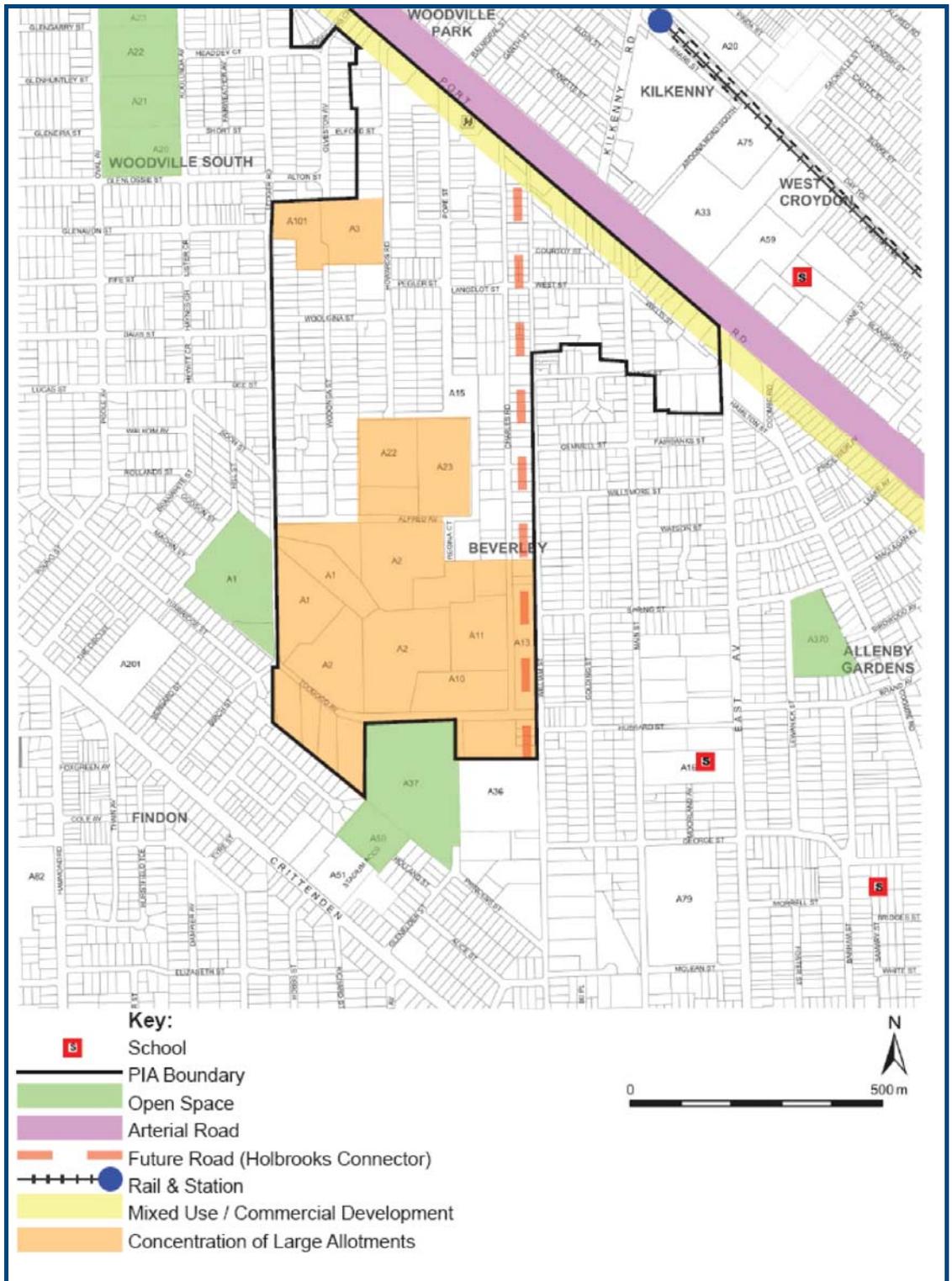
- an overall a lack of identity,
- a lack of visibility from Port Road;
- access constraints, including key narrow intersections (notably at William and both Alfred and Toogood, and at Main and West) and areas that are difficult to access (including much of the southern end of the precinct);
- areas with particularly low levels of urban amenity;

Figure 27: Beverley Regional Opportunities and Assets



Source: URPS

Figure 28: Beverley IPA Local Opportunities & Assets



Source: URPS

- concentrations of small allotment sizes in some areas; and
- significant residential interfaces.

In response to these opportunities and constraints, Figure 30 overleaf provides an Indicative Concept Plan for the Beverley PIA, identifying envisaged future land uses, including both possible external access arrangements, pedestrian links and links with other facilities in the broader locality.

At the outset though, the key issue is transport infrastructure, wherein Beverley is sadly lacking. There are two issues, viz entry into the precinct itself in the first place and, then, accessibility within the precinct.

Two approaches have been identified for the former, as illustrated in Figure 30.

The shorter term solution would be to extend Pope Street to Alfred Street, supplemented by a new connection to the currently isolated southern section of the precinct, whether from Alfred Street (via Regina Court) or from Crittenden Road (with entry via the current access point to the BASA Stadium).

The alternative, and arguably better, approach is to build a first stage of the Holbrooks Road connector, comprising a single carriageway from Port Road to Toogood Avenue (possibly supplemented by an improved link to Allenby Gardens), with several westerly “drives” then connecting into the heart of the precinct. This approach would also remove the constraining one way road system that is currently William and Charles Streets. It would however require the co-operation of DTEI, which owns the land, and would come at a considerable cost⁵².

The opportunity to extend Pope Street may be present in the near term via the pending acquisition of the Electrolux site by Australand, opening up the possibility of a connection to Alfred Street – notwithstanding current understandings⁵³. This would be an excellent outcome and, given the current transitional status of the site, should be immediately pursued by Council.

More detailed investigation of these options is required, but external access arrangements at Beverley are fundamentally broken and need to be fixed.

The second issue is internal access, which needs a quantum leap in legibility and usability. In this regard however, the works required will depend on which external access solution is chosen.

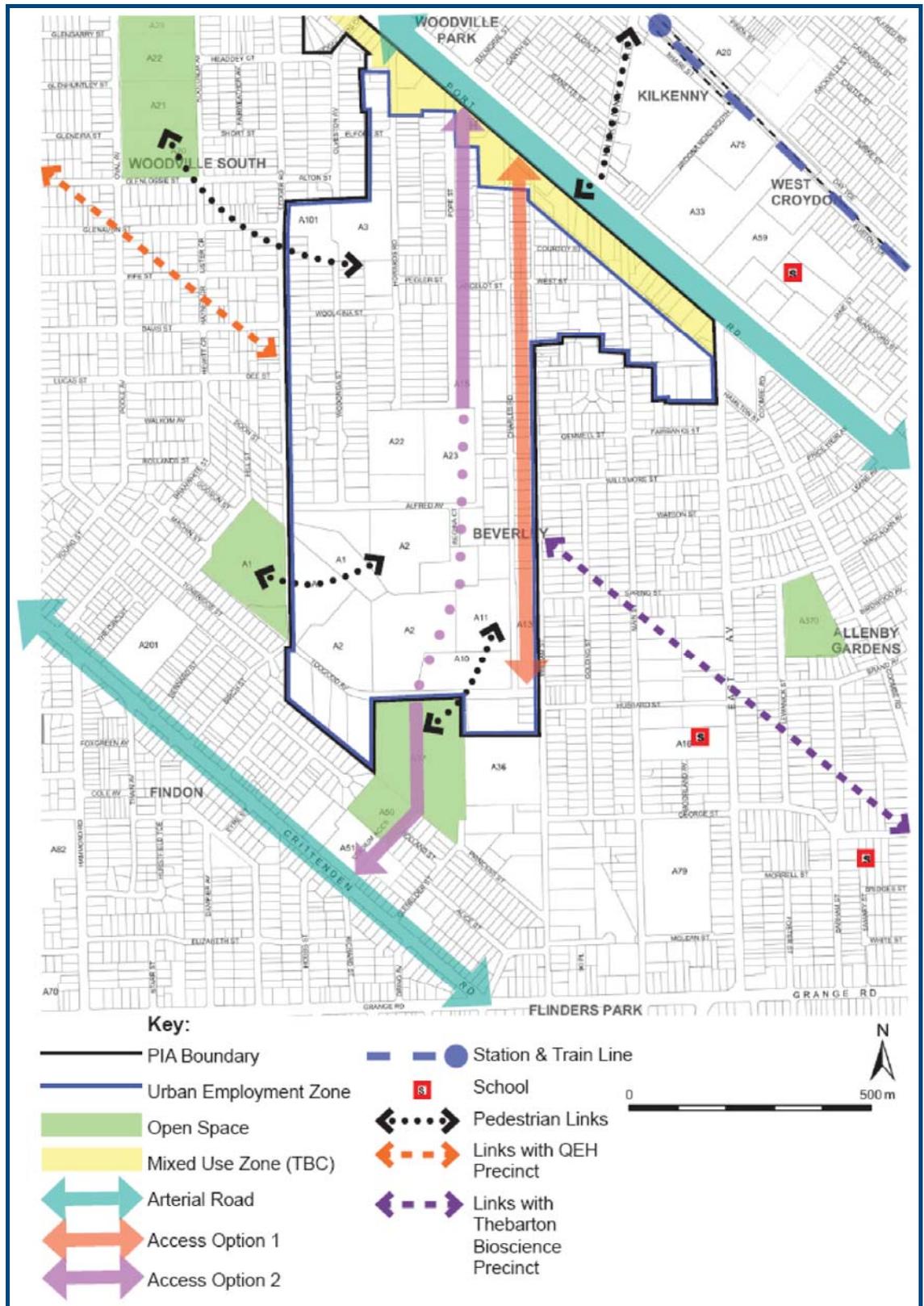
Beyond this, the specific actions arising from this analysis and the resultant concept plan fall under three headings, being:-

- modernization of the Development Plan;
- infrastructure works associated with the underlying concept plan; and
- improvements to the public realm.

⁵² Estimated to be in the order of \$10mill to \$15mill.

⁵³ Australand is presently seeking development approval for a new 25,000sqm warehouse (for Electrolux) on the southern portion of this land, and for an associated land division – with Pope Street shown as a cul-de-sac.

Figure 30: Beverley Indicative Concept Plan



Source: URPS

As to the **Development Plan**, it is proposed that Council:-

- replace the existing Industry Zone planning policy with an Urban Employment Zone module to provide flexibility regarding allowable land uses, especially the incorporation of offices and limited shops and other services to support employees. Given their proximity and the congruence of issues pertaining to each, this Development Plan Amendment (DPA) might possibly be extended to incorporate West Croydon/Kilkenny, Allenby Gardens and East Terrace. It is expected that the existing Interface Area layer in the Development Plan would remain, noting that many employment activities in the Zone are appropriate in such an area;
- prepare a new Desired Character Statement for the precinct in light of this Employment Revitalization Plan and the new planning policy; and
- prepare a Concept Plan for the precinct for insertion into the Development Plan that:
 - provides a new land use and policy structure;
 - identifies key movement patterns through the precinct (as discussed below); and
 - identifies key pedestrian links, such as between the precinct and both the Kilkenny Railway Station and key areas of open space; and
- monitor work currently being undertaken on the Vulnerability Index by DTED for its relevance to and potential for application in Charles Sturt – and work being undertaken by the CEO's Group of the LGA into business support programmes.

It is also proposed that Council consider rezoning the Port Road frontage to either Mixed Use or Commercial, to better recognize existing development and to provide flexibility for future development that requires arterial road frontage. Doing so would provide a policy framework that would facilitate commercial (or possibly bulky goods) development outcomes along the corridor in an area which will always attract different sorts of development and investment to Beverley due to its main road frontage.

As to **infrastructure upgrades** and with reference to the preceding discussion, the first item to be addressed will be the selection of a preferred external transport access solution, from which will flow a preferred internal access solution. Given the dire need for improvement and the immediate opportunity associated with the renewal of the Electrolux site, this is a matter of the highest priority.

The other great infrastructure requirement – broadband – is more of a Council wide issue than just Beverley and is addressed in Section 7.5. The issue for Council is how to convince NBN to extend its proposed roll-out in a westerly direction, from Prospect across Charles Sturt, sooner rather than later.

The opportunity also exists to facilitate the provision of some shared facilities – such as a common user container receipt and break-out facility, so that businesses which receive only periodic container shipments do not have to provide the significant space otherwise required on site for such activity.

As to **public realm upgrades**, the first requirement will be for a masterplan which links private land Development Plan matters, such as land use, building form and allotment patterns, with investment

goals for the Council in terms of public realm upgrades. This plan will address gateway(s), streetscapes, walking trails, residential interfaces and the like, as well as reflecting the new Desired Character Statement in the Development Plan to provide a 'word picture' of the desired future character formed by private development. From this plan will flow a series of capital projects for subsequent delivery.

As to pedestrian infrastructure, improved connectivity with Kilkenny Railway Station will be required, again supporting the notion that it should be planned in concert with the West Croydon/Kilkenny PIA, as part of an enlarged West Central employment precinct.

7 AN EMPLOYMENT REVITALIZATION PLAN

An employment revitalization plan will entail:-

- articulating the purpose, which is to deliver the strategy and the outcomes described in this report;
- identifying the list of tasks to be attended to;
- establishing the resources – human, financial & otherwise – required to undertake these tasks; and
- setting a programme and, as part of that process, identifying programme priorities for the delivery of the plan.

This section addresses each of these, albeit at a high level pending the further investigations that will be required to scope the individual actions identified.

7.1 STRATEGY

The objective at hand is the revitalization of Beverley, a task which needs to be set in the context of the vision proposed by the Blandy Report (or a close variant thereto), as fine-tuned for present purposes by this report.

To this end, the strategy proposed is to:-

- set the task of revitalization in its broader economic context;
- use regional leverage to address higher order economic initiatives;
- supplement regional efforts with local industry programmes, including a high level of engagement with local industry;
- recognize and support the rising tide of SMEs, including through on-ground mentoring and support;
- facilitate economic renewal and modernization of Beverley through renewal and modernization of the Development Plan;
- address infrastructure shortcomings so as to remove bottlenecks to success; and
- improve the local environment so as to make Beverley more attractive to contemporary enterprise and its increasingly knowledge based workforce.

As previously described, the two “streams” of this strategy are economic development and urban planning.

7.2 TASKS

The specific tasks required to deliver this strategy are as described below.

Economic Development

The economic development tasks are to:-

- establish an economic development strategy for the City of Charles Sturt – one objective of which should be the revitalization of employment in its industrial lands;
- strengthen, and formalize as appropriate, the Western Alliance of Councils – Charles Sturt, Port Adelaide Enfield and West Torrens – for the purposes of acting collectively on matters of common economic interest;
- address the workforce skills gap, which will require a regional approach;
- establish a Business Enterprise Centre in Beverley, using an agreed delivery model;
- actively lobby to have the NBN extended into Charles Sturt at the earliest date, supported by a push for a surge in digital literacy;
- develop programmes for:-
 - promoting awareness of Council’s activities and objectives;
 - creating and nurturing linkages between industry and Council, beginning with an industry leaders’ forum (as per the Prospect model);
 - promoting both Charles Sturt generally and Beverley specifically as a place to do new business – including articulation of the “business case” for Beverley; and
 - the short term case management of the Beverley precinct.

Urban Development

The urban development tasks are to:-

- prepare a Development Plan Amendment for Beverley – which might be extended to cover West Croydon/Kilkenny, Allenby Gardens and East Terrace – based on the Urban Employment Zone module, so as to provide greater land use planning flexibility and to underpin future employment and investment;
- identify and actively work to facilitate new and preferred industrial transport connections to the whole of Beverley – noting the need for improved access to both the northern and the southern end of the precinct (and to Allenby Gardens just beyond); and
- identify required improvements to the public realm, including the address to and entry from Port Road, pedestrian linkages to Kilkenny Railway Station and other local facilities.

7.3 RESOURCING

An appropriate commitment of resources will be required to deliver this plan, including the resources necessary to:-

- develop and implement an economic development strategy, exclusive of the individual implementation plans it contains, which will require :-
 - a suitably qualified person to do the work of both preparing the strategy and of managing its implementation; and

- an appropriate budget for that person to work with;
- provide a “Western Alliance Secretariat”, to ensure integration, co-ordination and continuing progress of Council’s efforts towards whatever programme the Alliance sets for itself;
- establishing a BEC, possibly including the provision of premises (either via a capital purchase or a recurrent rental commitment) and/or recurrent funding support;
- deliver an “industry programme”, including funding for initiatives such as industry events and knowledge dissemination forums, and the development of an industry leaders’ forum;
- undertake a DPA for Beverley (and its industrial surrounds);
- deliver associated infrastructure projects, notably around transport infrastructure, but also potentially around broadband infrastructure;
- undertake masterplanning for Beverley (with a focus on public realm upgrades), and to implement the masterplan: and
- develop a communications strategy to promote the economic development programme, the renewal of Beverley and the services on offer by Council.

The exact quantum of funds required to deliver these initiatives, and how they are to be funded, remains to be determined – and is beyond the scope of this brief.

However, a range of funding sources is likely to be called upon, including:-

- Council’s own operating budget, especially for items such as the preparation of a DPA and some of the local area traffic management issues;
- new allocations from Council’s operating budget, for initiatives such as developing and implementing an economic development strategy – possibly supported by an appropriately structured separate rate;
- Council’s capital works budget, subject to prioritization of individual projects and competing bids; and
- Federal and State funding, as available for specific initiatives and programmes.

While a range of initiatives and resourcing requirements are identified, few are so significant in their own right as to give Council serious pause for thought, especially given the quantum of economic upside identified in this report (at Section 3.4).

The most expensive item will likely be transport infrastructure, where a new solution is required and where either approach identified will entail substantial capital expenditure. Below this might be the cost of premises to house a BEC, although this will depend on the delivery model and on the degree of regionalization in its delivery.

7.4 PROGRAMMING

Programming can be considered in two tranches – an economic development programme and an urban development programme.

Both should commence immediately and run concurrently.

The economic development programme should commence with the development of an economic development strategy – which, in turn, will generate its own programme – and with the further establishment of a Western Alliance and support for same.

The development of an industry programme and, in particular, the establishment of an industry leaders' programme (on account of both its catalytic effect and the early direction that it will provide) should also be an early priority – and need not be an expensive exercise in the first instance.

Workforce skills development is also identified (by Council itself through its SIP submission) as an early priority).

On the urban development front:-

- a DPA for Beverley and its immediate industrial environs could be commissioned immediately;
- as part of this programme, structure planning would include an early focus on local area traffic management and, more specifically, on how best to optimize long term accessibility in the short term; and
- masterplanning should follow immediately behind, with a view to implementing the first on-ground improvements in subsequent budgets.

On this basis, 2011/12 would be a time for planning and strategizing the revitalization framework, while on-ground delivery of priority projects would begin in 2012/13.

7.5 OTHER PRECINCTS AND MATTERS

Although this report ultimately focuses in on Beverley, there are a number of other precincts which should either not be forgotten in the process and/or where short term issues can and should be addressed regardless of initiatives being undertaken in Beverley.

To begin with, the priority precinct selection process identified that, sitting close behind Beverley, the Athol Park and Hendon precincts warrant some early attention of their own.

Athol Park has immediate issues pertaining to local area traffic management, particularly regarding B-double access inside the precinct in light of the possible closure of the Hanson Road/Athol Street connection and the possible need for the signalization of the Glenroy Street/Grand Junction Road intersection. This matter should be addressed in the near term.

Still on the infrastructure front, an urgent upgrade of broadband connectivity is also required.

Lastly, the current zoning configuration in Athol Park is also arguably redundant, particularly as regards the Home Industry Policy Area⁵⁴, and needs urgent review. This could happen concurrently with a change of zoning in Beverley.

Similarly, Hendon warrants an early review of its zoning on account of its proximity to the Grange rail line and, in light of directions apparently being set by the North West Corridor Structure Plan, it may warrant a similar land use and planning policy approach as has been proposed for Beverley. Like Athol Park, it too needs an upgrade of broadband connectivity.

⁵⁴ One of the side effects of this zone is that it unnecessarily constrains much of Athol Park with an Industry Interface designation.

Beyond these “top 3” precincts, other emergent issues and opportunities include:-

- future Development Plan settings at Woodville North, where the largely redundant development along the Torrens Road frontage will soon interface with the (residential) redevelopment of the former Cheltenham Racecourse and where pressure for alternate uses should be anticipated;
- the future of the existing Home Industry zone designations in Royal Park, Woodville North and Athol Park, which could be expunged from the Development Plan as soon as is reasonably practical. This is especially so at Athol Park, where (a surely unintended) consequence of the zone is that the surrounding prime industrial land is caught in the Interface net;
- beyond the specific needs of Athol Park and Hendon, investigating how to encourage the early rollout of the NBN in Charles Sturt;
- promoting and identifying opportunities arising from the Waterproofing the West Scheme, and the significant non-potable water supply that it will make available within Charles Sturt; and
- the investigation of opportunities to build a high technology precinct at Hindmarsh, leveraging off the existing Bio-Science precinct and the University of Adelaide facilities in Thebarton – possibly beginning with a new footbridge over the River Torrens to provide immediate pedestrian connectivity.

7.6 CONCLUSIONS AND RECOMMENDATIONS

This report focuses on employment revitalization through an industrial lens. It concludes that:-

- a broadly based approach to employment revitalization is required, of a nature which may initially derive from a desire to focus on one Priority Precinct, but which will ultimately be framed by Charles Sturt’s broader economic renewal strategies and will have benefits for all industrial precincts and for all other sectors of the economy;
- any one of several precincts could have been selected as the Priority Precinct and would benefit from a period of early and close attention;
- within this context and as the chosen Priority Precinct, Beverley presents a range of opportunities for renewal – including to its economic base, its transport infrastructure, its Development Plan settings and its sense of place – all of which should be addressed as a matter of priority; and
- beyond Beverley, there are a number of initiatives which would improve the functionality and employment generating capacity of the other PIAs, especially in Athol Park, Hendon, Woodville North and Hindmarsh, and which warrant early consideration.

It is recommended that the City of Charles Sturt proceed accordingly.



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