Property Council of Australia ABN 13 00847 4422
A Level 4, 91 King William Street, Adelaide SA 5000
T +61 8 8236 0900
E info@propertycouncil.com.au
W propertycouncil.com.au
@propertycouncil

20 March 2024

The Hon. Stephen Mullighan MP
Treasurer of South Australia
GPO Box 2264
Adelaide SA 5001

By email: Treasurer.DTF@sa.gov.au

Property Council – South Australian 25-26 Pre-Budget Submission

Dear Treasurer,

Thank you for the opportunity to provide input into the South Australian Government's 2025-26 Budget.

The Property Council of Australia's members lead the sector with the largest direct economic footprint in the nation – producing $232.7 billion towards GDP, employing 1.4 million Australians and generating $178 billion in employee incomes. Property and shaping the future of our cities is central to our national prosperity and touches the lives of every Australian.

The Property Council's 2,300 member companies are the nation's major investors, owners, managers and creators of properties and places that matter: homes, retirement villages, shopping centres, offices, industrial areas, education, research and health precincts, tourism and hospitality venues, and more. They shape our cities, create our communities and build the homes that Australians need.

Our submission identifies opportunities for the state government to reform and fund tax, planning and land use, public transport, road and infrastructure policy to increase housing, office, industrial and employment, commercial and other asset classes that make up the built environment our economy depends on.

Please contact me if you would like to discuss this submission in greater detail.

Bruce Djite
SA Executive Director, Property Council

Tax

Background

Land tax in South Australia was substantially reformed in 2020. Part of the reforms looked at land tax rates and thresholds in South Australia, in an effort to ensure that increases in the land tax burden following the reforms (in particular due to newly introduced aggregation principles) were offset.

Amended rates and thresholds were arrived at following modelling prepared by the Department of Treasury and Finance (which was reviewed by PWC) in 2019. The amendments included fixed increases to thresholds between FY21 and FY23 with indexation of thresholds in subsequent years.

PWC's review of the modelling contained a major limitation. The review did not contemplate changes to site values (being the value on which land tax is calculated). This is critical, as the recently completed statewide "Revaluation Initiative" carried out by the Valuer-General has resulted in substantial site value increases across all asset classes. This fundamentally undermines the strength of the modelling and the desire to offset the increased land tax burdens as a result of the 2020 reforms.

South Australia's maximum land tax rate of 2.4 per cent is rendered nationally uncompetitive due to the relatively low $2,738,000 threshold at which it applies. This threshold is the lowest among the major jurisdictions of NSW, QLD, VIC and WA (QLD and WA have top thresholds of $10m and $11m, respectively). This results in South Australia having the second highest effective land tax rate in the country, behind only Victoria (which had a temporary land tax surcharge introduced in 2024).

A nationally uncompetitive land tax system is not beneficial for South Australia.

In Victoria there has been severe backlash from the property industry following the recent land tax reforms. This has included investors withdrawing capital, reduction in property value growth, decreases to rental stock, reduced investor activity and investment in other jurisdictions.

Additionally, South Australia also has some of the lowest net face rents across office and industrial markets Australia-wide. Combined with a high effective land tax rate, this diminishes the investment attractiveness of the state and makes it risker to hold and reinvest in property as income does not offset the tax burden competitively.

Office is a relevant case in point. Given the relatively low top threshold and net face rents in South Australia, this makes the case for investment in property like Office CBD harder than anywhere in the country. Colliers Q3 2024 Data Snapshot report details this in numbers. For both prime and second grade office stock Adelaide net face rents measured in dollars per square meter per annum. If rents are low and the effective land tax burden is high compared to other jurisdictions then the current top land tax threshold prevents greater investment in property, like office, that underpins economic activity.

Prime Grade	Net Face Rents ($/sqm p.m.)
Sydney CBD	$1,208
Melbourne CBD	$784
Brisbane CBD	$851
Adelaide CBD	$462
Perth CBD	$707
Canberra	$473
Secondary Grade	**Net Face Rents ($/sqm p.m.)**
Sydney CBD	$873
Melbourne CBD	$553
Brisbane CBD	$622
Adelaide CBD	$338
Perth CBD	$468
Canberra	$354

Economic impact

Changes to land tax and the calculation of land tax impacts the construction and development sectors in several ways.

Firstly, if the entity subject to land tax is unable to pass some or all the tax burden on to end users (for instance tenants, which is often the case in South Australia due to the broad application of the *Retail and Commercial Leases Act* 1995), this may directly lead to a reduction in the quality of built assets.

This is because the tax burden must be accommodated through reduced profits or a reduction to variable expenditure such as asset maintenance, refurbishment, and building services.

Where there is pressure to maintain profits on assets, land tax is more likely to crowd out variable expenditure, while profits are protected. This situation is most likely to prevail in situations where:

- asset owners have a short-term investment horizon; and
- where there is little incentive to maintain asset quality because strong underlying demand leaves tenants with few alternate options.

A reduction in expenditure on the maintenance and upgrading of building assets, and on building services, reduces the quality of experience for tenants and customers. This can translate to:

- for CBD offices, a reduced incentive for workers to travel to work, lower expenditures in CBD retail and hospitality businesses, and less activated public spaces; and
- for retail and hospitality precincts, reduced customer traffic, lower employment and reduced business viability as shoppers shift expenditures online.

Secondly, uncertainty in the way land tax is administered is having detrimental impacts. Where existing or prospective asset owners are unclear on future tax obligations, they perceive a risk. This perception influences future investment decisions.

Entities seeking to justify investment in a new or improved asset will typically undertake feasibility assessment. In these types of assessments, increased risk is reflected in higher discount or hurdle rates.

Through application of higher hurdle rates, perceived risk leads to future cash flows being more heavily discounted. Building assets need to therefore 'work harder' to achieve feasibility, with the risk that marginal projects will become unfeasible.

Failure to foster an investment environment that supports the development of these marginal projects can have significant and wide-ranging impact on the community, city-shaping and on the broader economy.

At a time when office workers have never been more sensitive to workplace amenity, any disincentive to investment in the quality of the city's office stock should be addressed. Failure to do so ultimately makes it harder for South Australia to attract and sustain economic activity. High quality office stock also brings more workers into the city, supporting more vibrant public spaces, and boosting expenditure in other CBD retail and hospitality businesses.

Some 60 per cent of Adelaide's office stock is over 30 years old, and while there are investors in the market who have repositioned stock such as 100 King William St, 30 Pirie St and 45 Pirie St these opportunities are not always feasible. The Property Council's Office Market Report quantifies office vacancy rates. Currently we have the second highest vacancy rate in Australia at 16.4 per cent, behind Victoria (18 per cent). The current Australian CBD vacancy rate is currently 13.7 per cent. Reinvestment in this sector is required to provide the physical space businesses and government agencies demand for modern office accommodation.

Likewise, investment in the renewal of retail centres is critical as consumer preferences and expectations evolve. As online retailing takes an increasing share of total expenditures, the need to foster investment in physical centres has arguably never been greater.

South Australia is currently experiencing pressing issues on the property front, including:

- the housing crisis
- the shortage of high-quality commercial space and ageing CBD buildings
- attracting investment into the state
- revitalising the CBD

The Property Council is aware that these are challenges the government is seeking solutions to. In consultation with our members, we have formed the view that there are various types of projects that would assist with the above areas, including:

- office/commercial building refurbishments
- build-to-rent developments
- new office/commercial developments
- residential apartment developments

Improving Land Tax Administration

A significant issue with the present land tax regime is the timely processing and issuing of land tax Notices of Assessment by RevenueSA. Since the introduction of the new land tax regime in the 2020/21 financial year, property investors have experienced significant delays in receiving their Notices of Assessment, with such delays spanning multiple financial years. This issue is a result of:

- More complex legislation, requiring further analysis by RevenueSA prior to the issuing of Notices of Assessment.

- Significantly less automation within RevenueSA's system. That is, under the previous land tax regime, the data transfer from Land Services SA each 30 June provided sufficient information for the automated raising of land tax exemptions and ensuring land was assessed correctly and to the appropriate owner. However, the new land tax regime requires significant system manual override (RevenueSA intervention) to ensure the correct taxation outcome under the legislation.

- A system that has not been properly written (programmed) to administer the new land tax regime (due to the complexity mentioned). Specifically, there are defects within the system that prevent the issue of Notices of Assessment in certain circumstances, requiring manual workarounds.

- RevenueSA not having sufficient resources (or the resources with adequate legislative interpretation and understanding) to implement the manual system overrides in a timely manner.

Importantly, these issues are not temporary transitional issues (from the previous land tax regime to the new) that will "smooth" over time. Specifically, any minor update of the Lands Title's Office (such as an update in mailing address or from maiden name to married name) will cause an update (refresh) of RevenueSA's data and unravel any manual system overrides by RevenueSA. Incorrect Notices of Assessment will then issue and RevenueSA will have to redo the manual override work upon property investors receiving incorrect Assessments and engaging with RevenueSA.

These delays in the issue of Notices of Assessment give rise to the following implications for property investors:

- Uncertainty as to their ongoing and upcoming land tax liabilities.

- Cash flow management issues. Property investors are unsure of:

    - When they will receive a Notice of Assessment

    - What the liability will be

    - How many financial years of arrears will be included in the liability

    - Whether they will receive instalment options for payment.

- Infringements upon a property investor's right to object against a property's land use code.

- Infringements upon a property investor's right to object against a property's site value.

- Infringements upon a property investor's right/ability to pass on the land tax to their tenant.

- Property investors must continually pay their advisor (accountant/lawyer) to review Notices of Assessment to ensure accuracy, to undertake calculations as to what the liabilities should be and to liaise with RevenueSA to correct the errors.

- Inequities between property investors due to the above.

- Loss of confidence with RevenueSA and the Government generally, which could theoretically lead to debt collection issues.

RevenueSA (and assumedly, the wider Treasury Office) is aware of some the above issues (right to object to site values, etc) and has implemented band-aid manual workarounds.

However, all the above issues can be greatly mitigated or eliminated through the introduction of a self-assessment regime. In South Australia, land tax is the only tax that does not have a self-assessment regime, with payroll tax being wholly self-assessed and stamp duty close to being wholly self-assessed. Not to mention income tax is an entirely self-assessed regime.

A land tax self-assessment regime would:

- Ensure that property investors receive timely Notices of Assessment each financial year, therefore:
    - Eliminating the delay, cashflow and uncertainty issues raised above.
    - Ensuring that property investors can pass on land tax to tenants where permitted under the law.
    - Ensuring that a property investor's rights to object to land use codes and valuations are not infringed upon by significant delays caused by RevenueSA.

- Alleviate RevenueSA's burden in having to manually override their system each financial year and issue Notices of Assessment.

- Allow RevenueSA to either cut costs on land tax assessment (which is arguably not working at present) and/or better target their resources to audit/compliance activity of the self-assessments (i.e. back-end their resources).

- Merely formalise the work that advisors are already doing on behalf of their property investors. That is, advisors are already reviewing Notices of Assessments, re-doing land tax calculations and advising RevenueSA of the errors. A self-assessment regime would therefore assist advisors in formalising their engagement with property investors. Currently, property investors are extremely disgruntled each income year having to pay advisors to fix the same errors that were contained in the prior financial year Notices of Assessment.

As part of the transition from the previous land tax regime to the new regime, a land tax portal within RevenueSA Online was created. A property investor (or advisor) was required to log into their land tax ownership portal, review the land that they legally held, and advise as to whether that land was grouped or held in trust (etc). Accordingly, an online self-assessment system was partially created upon the introduction of the new land tax regime so that property investors could make landholding disclosures.

We therefore expect that this existing system could be leveraged and expanded to provide self-assessment functionality. Once self-assessed (likely by an advisor), the property investor has certainty of their land tax liabilities until such time that RevenueSA selects their landholdings for audit.

It should be noted that Victoria and New South Wales have online land tax systems which allow property investors to update their landholding information, provide documentation, apply for exemptions etc. Although not a true self-assessment system, the information that is inputted governs the issuing of Notices of Assessment each financial year. That is, as land tax is an annual tax, the Notices of Assessment are issued at the same time each financial year but are so issued based on the information inputted by property investors into the portal.

We consider that a land tax self-assessment system is a clear solution to the issues currently being experienced and is mutually beneficial to both property investors and RevenueSA/Government.

Recommendations

Having regard to all the above, the Property Council recommends the following measures be taken to address these issues:

1. **Increase top land tax threshold** – the top land tax threshold should be increased from (the current) $2,738,000 level to at least $5m (with annual indexation of all brackets to continue). The Property Council has focussed on this threshold given that relief via an increase in this threshold will be more likely to incentivise development of office, commercial, build-to-rent and residential apartments. Targeting supply of these types of buildings will produce an economic uplift to the CBD aligning with the government's ambition to increase the CBD's population and stimulate economic activity.

2. **Land tax relief** – land tax relief should be provided to offer an incentive to proponents to undertake them. For example, there could be no land tax or significantly reduced land tax for a temporary window of time – we would recommend a period of four years as a minimum as it takes time to go through the process and commence projects, as well as the four year period synchronising with a forward estimates budget profile - to enable project proponents to not be burdened by land tax holdings costs prior to undertaking these projects and realising revenue. Such relief could be tied to specific milestones and timeframes, and targeted to specific projects (e.g., relief will only be granted if a significant commercial office refurbishment or repositioning is undertaken and completed within two years of receiving planning approval).

3. **Removal of *ad valorem* transfer fee** – the *ad valorem* transfer fee levied on all property transfers (for approximately 1% of the consideration value) should be removed. This fee is akin to stamp duty and creates a "sting in the tail" for investors, especially in circumstances where they have chosen to invest in SA on the basis that there is no stamp duty on commercial property transfers. All other major jurisdictions (with the exception of Queensland) do not have such a significant transfer fee (most other jurisdictions have a nominal transfer fee).

4. **Self-assessment of land tax –** to allow taxpayers certainty (and to enable Revenue SA to address the backlog of land tax assessments), the ability for taxpayers to self-assess land tax, similar to the way stamp duty is currently self-assessed. The necessary audit protocols should still apply.

Planning and land use

The South Australian planning system has been widely acknowledged as the best in nation, which is both laudable and simultaneously a temptation for complacency.

A high-functioning planning system with the operating bench strength matched to the state's growth imperative will indeed play a central role in economic growth. This is because the efficiency that the planning system offers the market directly impacts the rate at which development occurs.

Property Council members and the private sector more generally play a pivotal role in unlocking economic growth across Greater Adelaide. The planning system is indeed heavily relied upon to achieve the Government's medium to longer term growth targets as articulated in the draft Greater Adelaide Regional Plan (GARP).

Our members regularly experience significant delays in the processing of Code Amendments which appears to be attributable to a notable resourcing shortfall. DHUD currently charges proponents a Code Amendment assessment fee of between $35,673 to $89,182, dependant on the complexity of the Code Amendment. Some members have stated they are prepared to pay a premium in exchange for more reliable processing times of proponent led Code Amendments. Originally the Property Council understood the current fee structure was to assist in resourcing DHUD to ensure Code Amendments are more efficiently assessed and processed. Unfortunately, this has not been the reported experience of our members.

Members with interstate experience relay that South Australia should fund and explore the establishment of a concierge planning service to help navigate assessment and approval pathways. Whilst the soon to be legislated Office of the Coordinator General may deal with some of these matters, those developments that are not deemed State Significant will presumably need to navigate complex regimes without being able to call on a power to streamline the process.

On some projects industry simply requires an answer on planning consent before investing more time and money into further approvals.

Some projects require multiple approvals under separate but related statutory regimes and are delayed by the inability to deal with them concurrently. The state government should consider ways to avoid duplication of assessment and referral processes to reduce the need to obtain further approvals from agencies who have had an opportunity to be consulted on a development application, particularly where that agency has been given a power of direction.

This could be achieved by deeming the approval of the development application to include the related approval or obliging the agency or authority to issue the related approval if it has been consulted on the development application.

This could apply to approvals needed under the Local Government Act, Native Vegetation Act (or Biodiversity Act), Highways Act, Landscape SA Act as examples and potentially SA Water or other infrastructure providers.

Recommendations

The Property Council's members would support:

- Funding to enable DHUD, the soon to be legislated Office of the Coordinator General and other agencies involved in the development process to competitively recruit skilled staff across these agencies, including overall capacity.
- Investment in improving and streamlining the Planning Portal, as well as improving the Portal's useability and addressing existing shortcomings to increase the accountability of relevant authorities.
- That the existing 'Service Standards and Code Amendment Fees 2024' is updated to incorporate more transparent and accountable review and processing times for all Code Amendments including proponent lead Code Amendments.
- The State Government funding and exploring a concierge service to support streamlining of projects that require multiple approvals under separate but related statutory regimes if they fall outside the scope of power of the Coordinator General legislation.

Certainty and efficiency are key ingredients in the success of any development. The Property Council would therefore suggest that investment in these functional and procedural aspects of the South Australian planning system is indeed investment in the growth of the State.

Housing

Affordability and Accessibility

Affordable home ownership continues to be a key priority for the Property Council. With the continued escalation in the cost of delivering housing, homeownership has never been harder to facilitate for the development industry and it has never been more difficult to purchase or rent a home for aspiring homeowners and renters alike.

The challenge industry continues to experience is one of delivering supply **not** one of inadequate demand. With demand higher than ever, supply side policy is urgently required.

Recommendations

To make housing more accessible and affordable, de-risk projects and stimulate supply to improve economic and social outcomes the Property Council suggests:

- Increasing the income and asset limit thresholds and HomeStart's shared equity percentage on affordable housing product.
- Increase the income and asset limit threshold for a single household from $115,000 to $130,000 and the couple/family household income and asset limit of $150,000 to $175,000. The couple or family household income threshold should also allow for a $15,000 loading for each dependent up to a maximum of 2 ($30,000) i.e. A family household (2 adults and 2

dependents) would have an eligible income and asset threshold of $205,000. Following our research report, titled, "Beyond Reach – the key worker housing crisis in South Australia" it is clear that many families identified in this report would benefit from this recommended policy change.

- When housing outcomes are considered, the "Maximum Price Point (with 15% variance) shared equity option" threshold ($675,000) should remain and be indexed automatically every year at the same interval as the Valuer General determination of values (1 January valuation) and come into effect on 1 July each year.
- The government should also consider a higher threshold commensurate to HomeStart's increased percentage of shared equity coupled with the increase in the income and asset thresholds. This secondary ceiling (threshold) should be no more than 40% - i.e. A developer building 100 dwellings, must deliver at least 15 affordable dwellings. Despite the new, higher threshold, the developer must still deliver 9 dwellings (60%) at the $675,000 threshold and 6 dwellings (40%) would be eligible to be delivered at the new, higher threshold.
- The abolition of stamp duty for first home buyers on brand new homes should be extended to also apply to anyone (regardless of whether or not they are a first homebuyer) who qualifies to buy a home under Homestart's "Shared Equity Option."

Adopting the above recommendations would allow significantly more hard-working South Australians a foot on the property ladder and restore hope of entering the property market. It would also provide flexibility to developers to deliver better and more suitable housing outcomes. For example, at the current threshold ($675,000) a developer is forced to deliver studio apartments – not a suitable family option. This artificially forced outcome, limits the potential buyer pool and sequesters the affordable housing threshold to a rather limited number of buyers. The higher threshold would allow for larger dwellings and provide a homeownership avenue for families who are long term renters unable to save a deposit under the current circumstances where the market constantly moves further out of reach. We have not recommended what the new higher threshold should be in this submission, but the Treasurer should take into consideration the Valuer General calculated that the median Metropolitan Adelaide house price in December 2024 was $850,000.

As mentioned above, HomeStart should increase its maximum shared equity option from the current 25% to 40%. The government should also move to make HomeStart a Government Trading Enterprise, which will provide the organisation new powers to support home ownership.

The newly empowered HomeStart should be provided the capacity to use funding to pre-commit to new developments by committing to a portion of apartments or townhouses (specifically only these two housing products) off-the-plan, and then on sell those apartments/townhouses as part of the shared equity option scheme. To be clear, the Property Council is not suggesting that HomeStart buy the properties off the plan, rather that they commit to purchasing the dwellings that may remain unsold at practical completion of a project. This program should be piloted for a period of four years. This would de-risk and bring forward desperately needed development, which is currently, largely not feasible or deemed too risky by developers and/or banks. The Property Council also recommends that a geographical border, similar to a Special Economic Zone be defined, within which this policy would apply. The Property Council suggests that such a zone should be for any development, which fronts the CBD Parklands. This zone would encompass, Bowden and the MAB (Gasworks) Redevelopment, the Brewery site purchased by Renewal SA, the future Keswick Barracks site, Cedar Woods' Glenside development and unlock a number of sites on the city ring route and within the CBD.

HomeStart should also have the flexibility to offer a new Modular Home Loan product, making it easier for people to access finance for new modular homes. This is because most home loan products are currently designed to finance established homes or builds via traditional construction methods. This new loan product should include additional progress payments to support builder cashflow, and low deposits to allow greater access for eligible customers.

A new modular financing product will help deliver more homes across regional South Australia where this building method is becoming a more popular option, as access to local trades becomes significantly more limited in future years as the state embarks on major infrastructure projects.

This project should be flagged in the Budget and a pilot should commence in the first half of 2026. A pilot is suggested, as it will need refining to deliver the best policy settings for South Australia, prior to a larger rollout being undertaken.

The Property Council and the state government are in lockstep with housing as a top priority. The Property Council also, acknowledges and welcomes the government pulling demand-side levers (abolishing stamp duty for first homebuyers on new homes as an example). However, more supply-side policy is required in order to incentivise and de-risk projects, which will go a long way to supporting the delivery of new housing supply. Adopting the above recommendations would significantly increase the supply of housing and consequently take the excess steam out of the market, as housing diversity and choice materially improves. Whilst it may not halt price increases, it will ameliorate the exponential rise in house prices and support more people to enter the housing market.

We know shared equity is an important way the government can ease the burden of those trying to save for a new home, as well as making monthly mortgage repayments more affordable. The government adopting the Property Council's recommendations would be a major boost, not only supporting lower income South Australians into their own homes, but also by helping to get more apartment developments off the ground sooner.

BTR land tax exemptions

With a dearth of Build-to-Rent (BTR) developments in South Australia, the government should increase land tax concessions from 50% to 85%. Doing so, would significantly incentivise BTR investment in South Australia, as we know the state still lacks the scale that is afforded in competing interstate capital cities such as Sydney, Melbourne and Brisbane.

Increasing the land tax concession to 85% would ensure South Australia has the most competitive BTR environment. This would complement our number one ranked planning system and be a great incentive to attract capital and improve the housing supply, diversity and choice in the state. To incentivise sophisticated investors and density, this tax concession should apply for development of at least 40 dwellings. With the Western Australian government already committed to a 75% BTR land tax concession, South Australia risks becoming less competitive and compelling to BTR developers. With limited BTR development activity the government should do all that it can to attract this capital investment and economic activity, whilst simultaneously pulling another lever to address the housing crisis.

Recommendations

The Property Council recommends that:

- The government increase land tax concessions on Build-To-Rent projects from 50% to 85%.

Industrial and employment lands

Issues surrounding enabling infrastructure to support housing growth culminated in the Housing Roadmap in 2024 with implementation ongoing. Similar issues impact industrial and employment land redevelopment.

In 2024 the Property Council released a report called *"Land Locked: The economic potential of unlocking Adelaide's industrial land supply.*

The report made seven recommendations that we summarise and reiterate in this submission including.

1. **Land release targets:** Commit to the annual release of 25 hectares of serviced, development ready industrial land in Greater Adelaide.

2. **Funding to unlock industrial land:** Establish a minimum $250m fund to enable Renewal SA to fast-track industrial projects by delivering enabling infrastructure and supporting land preparation and remediation.

3. **Fast tracking:** Implement a fee structure to facilitate fast-tracked development applications and code amendments.

4. **Improve service efficiency:** Expand the remit of HIPDU (now Growth Infrastructure Coordination Unit) and resource it appropriately to create a coordination team to facilitate future water, electricity and power service planning between utility companies and the private development sector for industrial projects.

5. **Servicing flexibility:** Allow more alternative, interim strategies to servicing sites with utilities until permanent alternative methods can be established.

6. **Protect key industrial precincts:** Ensure that the Greater Adelaide Regional Plan protects key industrial precincts and plans for new ones with connectivity to housing and freight infrastructure.

7. **State Government Guidance:** Provide guidance to local government and the private sector on how to identify, assess and rezone employment precincts through the development of a real-time industrial land availability tracker.

Employment lands are a critical feature of South Australia's future.

The Greater Edinburgh Parks (GEP) is a case in point requiring the support of the South Australian Government.

GEP is strategically placed with direct access to the national highway, rail networks and port facilities, emphasising the logistics role it can play in supporting Greater Adelaide and the South Australian economy.

When fully developed, GEP has the capability to host jobs in industries such as advanced manufacturing, logistics and warehousing. The Property Council's 2024 research paper titled *"Land locked: the economic potential of unlocking Adelaide's industrial land supply,"* identified that GEP represents significant economic opportunities. Based on 55 sqm per manufacturing employee at a 50 per cent utilisation of land, if fully developed, retaining these precincts for industrial use combined would support capacity for over 100,000 jobs and GSP output of several billion dollars. Direct and indirect employees associated with the SA manufacturing sector contribute on average $149,788 to Gross State Product per annum. This includes direct on-site jobs, the jobs of supplying industries and the jobs associated with the spend of salaries and wages on consumption. For every direct job on-site in an industrial precinct contributing $149,788 to Gross State Product, there are 2.07 jobs created elsewhere in the economy.

GEP forms part of the north-western corridor, which has been earmarked for 'future employment lands' in the draft Greater Adelaide Regional Plan. The north-western corridor indicatively runs adjacent to Port Wakefield Road. Additional investment into the planning and implementation of infrastructure from the State would unlock future employment lands in GEP and within the northwestern corridor, more quickly.

There is existing market demand for land within GEP for the purposes of large-scale industrial development and there are four Code Amendments initiated at Waterloo Corner (southern portion of GEP). There is also interest in rezoning other areas of GEP.

A number of investigations are being undertaken by the proponents of these Code Amendments. However, there are key barriers that need to be resolved to realise development outcomes, including:

- The requirement for an outfall channel from the eastern side of Port Wakefield Road to the coast to drain stormwater from the GEP catchment
- The potential requirements for new access from Port Wakefield Road and Greyhound Road and upgrades to existing State transport infrastructure
- Provision of mains and sewer infrastructure

Although not required immediately, provision of the above infrastructure would enhance the development opportunities for these Code Amendments and enable further rezoning to occur in a timely manner.

The most critical element of the stormwater management network for GEP is the development of an Outfall Channel (roughly 30-40 metres wide) from the east of Port Wakefield Road to the coast. The majority of development within GEP (and some to the west of Port Wakefield Road) will need to connect into this channel to appropriately manage stormwater runoff and flooding.

The channel traverses DIT, SA Water, Defence and private land that is under a mining lease.

State Government support is sought to:

- Lead the coordination and delivery of the outfall channel, including securing land tenure.
- Contribute financially to this infrastructure

- Seek funding from the Federal Government.

Recommendations

The Property Council would recommend that:

- The State establishes a minimum $250m fund to enable Renewal SA (and the private sector) to fast-track industrial projects by delivering enabling infrastructure and supporting land preparation and remediation so that the private market can develop employment lands and bring investment and jobs into South Australia. This would support Renewal SA to be commercially viable with regards to these sites and provide an increased rate of private market opportunities that would support economic growth and complexity.
- The State Government should perform a comprehensive review of surplus and underutilised land held by all agencies that can be serviced with enabling infrastructure. Not all land held by Renewal SA is economic to remediate. This would expand the land development opportunities and provide greater transparency.
- The State Government unlock the GEP employment land opportunities by coordinating the delivery of the outfall channel and securing the needed funding.
- The State's initiative to undertake the Greater Edinburgh Parks Structure Plan – Infrastructure Investigations be supported and funded. In addition to these infrastructure investigations, the State should generally consider a fair and equitable funding arrangement for similar infrastructure, including funding from the State, Local Government and developers.
- The State Government should prioritise the delivery of Gilman in relation to remediation works requiring soil used from the T2D project.

Public and Active Transport

The Greater Adelaide Regional Plan is key to future land use planning in South Australia and sets out a vision for population growth and the required urban form to support it.

Adequate investment in water, sewerage and other enabling infrastructure has been highlighted as an issue by the Property Council to support this vision and the government's housing growth announcements. This momentum has been positive.

However, in light of this future growth, the Property Council would suggest that the government needs to ensure that adequate funding is directed towards planning for future public and active transport infrastructure that will incentivise high levels of patronage in anticipation of these growth and infill areas to support future communities.

The provision of public and active transport should be an integral part of the design of all developments. It is pleasing to see that the government recently announced the securing of rail corridors for Roseworthy, Concordia and Seaford to Aldinga.

Recommendations

A long term, funded pathway for diverse transport infrastructure provision, mitigates development risk and provides certainty to investors.

The Property Council recommends that:

- The government commits to funding the long-term alignment of public transport infrastructure with growth areas and invests in detailed growth plans.
- Regarding specific locations, the Property Council recommends a long-term public transport investment pathway for:
  - Outer Harbour
  - Aldinga to Sellicks Beach
  - Concordia and other identified growth areas in Northern Adelaide identified in the Housing Road Map
  - The Riverlea Masterplanned Community
  - Strategic growth corridors (The Parade, Prospect, Unley Road)
  - Regional growth areas such as the Fleurieu Peninsula

Roads and intersections

The Property Council would also advocate for adequate investment in road and intersection upgrades to support liveability, industrial and employment lands, freight hubs and future road capacity in growth areas.

Mount Barker is a case in point where rapid growth has increased car movements between the Hills and CBD. This necessitates investment in supporting transport and freight capacity on the Southeastern Freeway and a realistic alternative to car travel, particular with the growth anticipated in Murray Bridge. The imminent upgrading of the Verdun and Mt Barker interchanges is welcomed in reducing congestion and improving safety. Consideration should be given to the provision of a third lane between Stirling and Verdun to support increasing traffic volumes on this corridor

In anticipation of future growth in the northern suburbs and growth areas identified in the Greater Adelaide Regional Plan, an investment pathway to fund roads, rail, freight infrastructure, public and active transport options is critical. This also supports unlocking land for industrial and employments lands that are heavily dependent on efficient access.

Recommendations

The Property Council recommends that:

- With the completion of the Northern Adelaide Transport Study, funding is now needed to progress improvements within the study area to support road network upgrade requirements.

- Investment should be made in
    - Richmond road – noting that Richmond Road is likely to be upgraded as part of the North South Corridor project including the intersection with Railway Terrace and South Road
    - Heaslip road and associated upgrades to the Greater Edinburgh Parks precinct that will be required where land is being rezoned.
    - The upgrading of roads for long term B-Double access in Gilman and Northern Adelaide.

While duplication of Curtis Road is a key priority, investment is also required to:

- Upgrade Kings Road and remove the level crossing in Parafield Gardens
- Duplicate Elder Smith Road in Mawson Lakes and investigate the extension of this corridor into the future Dry Creek growth area
- Upgrade key intersections across the road network to reduce congestion and improve safety especially in places that will support population growth in strategic infill locations – for example road and intersection upgrades along Port Wakefield Road to support the Riverlea locality.