

OUR VISION



**BUILDING A STRONGER
SOUTH AUSTRALIA**



OUR VISION IS THAT SOUTH AUSTRALIA IS GLOBALLY COMPETITIVE, VIBRANT AND CONNECTED

- We focus our efforts on building on South Australia's strengths – advanced manufacturing and defence, mining and resources, premium food and wine, tourism, liveability and a unique environment.
- Adelaide is recognised as one of the world's most liveable cities and a great place to live and work – with strong and cohesive communities, successful industries and a growing services sector.
- In a fiercely competitive global economy, boosting and continually improving Adelaide's liveability is a critical economic strategy for South Australia's long term prosperity.
- Adelaide's liveability is built on a more compact city with a high quality transport system, healthy and safe communities and a strong commitment to environmental sustainability.

2.1 OUR VISION FOR SOUTH AUSTRALIA – BUILDING ON OUR STRENGTHS

History and geography have bestowed many advantages on South Australia. The state's early days of European settlement saw the rapid development of mining and productive agricultural lands – two economic strengths that continue to this day. Adelaide grew rapidly following the Second World War, largely on the back of strong growth in manufacturing industries under conditions that favoured domestic enterprises. In recent decades the services sector has grown strongly, in line with the global growth of knowledge-intensive industries such as design and engineering, finance, law, information and communications technologies, health and education.

There is now fierce competition in the global economy for highly mobile companies, direct investment, tourism, major events and skilled labour. Over the last two decades, the engine of global economic growth has shifted from Europe, North America and Japan to include rapidly developing nations in Asia such as China and India. These global economic forces are reshaping our state and, as a small economy, South Australia feels the impacts of these forces more than most.

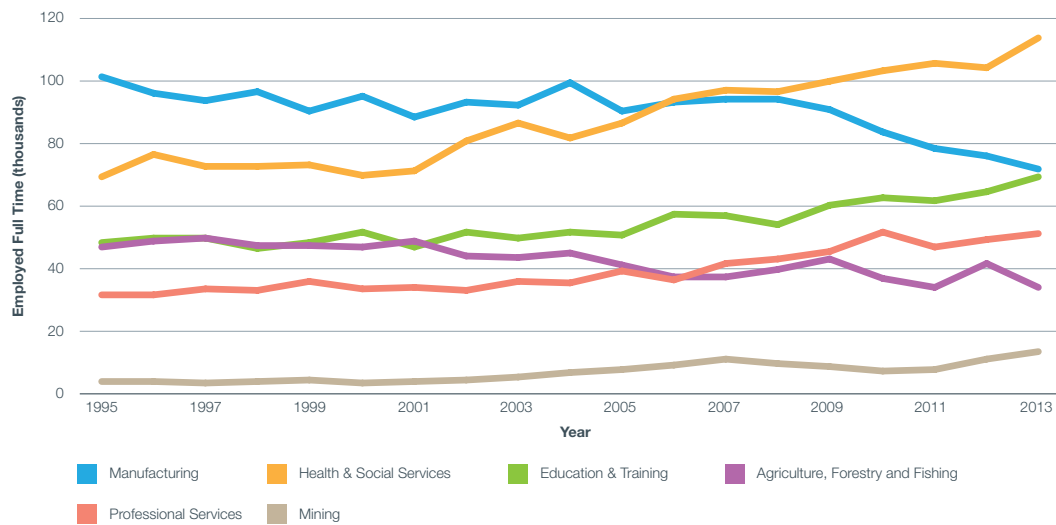
The economy of South Australia continues to evolve, and we must make the most of our existing economic, social and environmental strengths, while being open and flexible so we can quickly respond to new opportunities. This means that South Australia needs to focus on its areas of competitive advantage including premium food and wine, defence industries and mining, and its ability to offer the promise of strong, healthy and safe communities to prospective migrants through high liveability levels acknowledged worldwide.

Manufacturing has become a smaller share of income generated for the state, but the sector has become increasingly hi-tech. The growth of Asia has increased demand for mineral and energy resources and, as a result, these sectors are becoming a more important part of South Australia's economy – seen in the expansion of exploration and a four-fold increase in the number of mines operating in the state over the last decade. The rise of the middle class in Asia is opening up opportunities for premium food and wine exports. The urbanisation of China has also created demand for engineering, design and architectural services – creating opportunities for professional services firms based largely in central Adelaide.

Increased growth in Asia also presents challenges. Rapidly industrialising nations with lower wages increase competitive pressure on our traded goods sectors, particularly our manufacturing industries. However, rather than resisting or seeking protection from these global forces, South Australia should embrace them and maintain an outward orientation.

Figure 2-1 shows the growth in jobs in services, education and health as against the decline in manufacturing employment over the past 18 years.

Figure 2-1 Changes in employment by type of industry in South Australia, 1995-2013



Source: ABS Labour Force Survey

Our 'big three' globally competitive industries

In addition to building a more outward-looking economy, South Australia's *Economic Statement 2013* envisages three productive and globally competitive industries at the heart of a more prosperous future for the state.

Advanced manufacturing and defence

Manufacturing in South Australia has suffered from the high Australian dollar affecting export markets and trade exposed sectors. The need to adapt to such an environment is pressing and the future success of South Australian manufacturing lies in its ability to transform itself to supplying higher value solutions in new industry sectors – competing on the basis of value rather than cost.

The vision for manufacturing in our state is that South Australia has a diverse and growing manufacturing industry, underpinned by a design-led advanced manufacturing culture that has created new products and services which have captured significant international market share. South Australia will also consolidate its position as the 'defence state', winning significant future contracts.

Mining and resources

Our mining and resources sectors have seen rapid growth over the past ten years. The rapid increase in exploration activity is transitioning into production as more mines commence operations – and more are planned. Given the significant growth in the contribution from the mining sector to the economy, and the promise of strong future growth, it is imperative that strategies are pursued to maintain the growth in minerals and energy production.

The vision for the mineral and energy resources sector in our state is that South Australia's abundant resources have been unlocked by new technologies, with South Australia becoming known as a world centre of mining excellence. Furthermore, the potential growth in onshore and offshore energy basins will revolutionise Australia's energy future. To ensure the benefits of the mining boom flow through to all South Australians, the Economic Statement's vision includes a Future Fund derived from revenues from mining and energy extraction. This fund will maximise the benefits of the strong growth in mining across the economy and ensure that the wealth from extraction activities is shared with future generations.

Premium food and wine from our clean environment

Agricultural commodities, aquaculture and wine comprise a significant proportion of South Australia's exports, but our food and wine products are under pressure from low labour cost countries and a changing Australian dollar. However, the rise in demand for food and wine presents an opportunity to leverage South Australia's reputation as a producer of 'clean and green' food and wine products, as well as move an increasing proportion of our agricultural commodities up the value chain by engaging in value-adding activities.

The vision for the agricultural sector in our state is that South Australia is renowned as a producer of food and wine from its clean water, clean air and clean soil, and that our food and wine are labelled and recognised as South Australian around the world. We also aim to substantially boost exports to Asia of our food and wine in both volume and value.

The state's grain industry will clearly play a major role in meeting this aim with 85 per cent of the grain currently produced in South Australia being exported to south-east Asia, China, Japan and the Middle East. Grain production is one of South Australia's most prominent export industries, generating up to \$4.3 billion in revenue in 2012/13 from commodity and processed products, comparing with the wine (\$1.9 billion) and seafood (\$400 million) industries*.

* Government of South Australia (2013) Premium Food and Wine from our Clean Environment, Primary Industries and Regions South Australia.

Tourism

Whilst not included in the 'big three', tourism is already a very significant industry in South Australia, with visitors drawn by our unique outback environment, our stunning coastline and wilderness regions, and our Indigenous and European heritage. The industry is worth over \$5 billion to the state's economy, directly employs more than 33,000 people and indirectly supports tens of thousands more. To maintain and grow South Australia's appeal as a key destination in any Australian holiday experience, we must continue to develop the quality and breadth of our tourism product and to nurture and protect our environment. The South Australian Tourism Commission works closely with major tourism operators and peak regional bodies to achieve this, helping to establish experiences as diverse as shark-cage diving off Port Lincoln, balloon flights over the Flinders Ranges, the Ghan train trip from Adelaide to Darwin and the chance to get up close to view Kangaroo Island's seals.

As these examples illustrate, much of the direct benefit of a growing tourism industry is experienced in South Australia's diverse regions. This is equally true of other industries: our key regional industries include primary production, mining and mineral resources and tourism, with some regions also having significant fishing and aquaculture, viticulture, forestry and alternative energy generation industries. Our regions generate a significant proportion of the state's wealth – contributing \$15.3 billion or 17 per cent of Gross State Product in 2011/12 – and will play a vital part in the future of all these industries in the coming decades.

Our way of life

South Australians enjoy an enviable lifestyle. We have an affordable cost of living, high quality schools and world class universities, as well as safe, well maintained uncongested and unpolluted suburbs and towns. These attributes have seen Adelaide continue to be rated as one of the most liveable cities in the world and the state continues to attract people from interstate and overseas.

South Australia will continue to have a wide range of affordable homes and be recognised as a great place to raise healthy, thriving children. Families will have access to a children's centre in their local area, and homes and neighbourhoods will be designed to conserve energy and water to help reduce living costs. Our neighbourhoods and towns will be safe and welcoming, enabling people to live active and healthy lives and feel part of the community.

Our vision for South Australia is to continue to enhance this way of life by finding ways to increase our involvement in active pursuits and social participation, improve people's access to jobs and services and improve the day-to-day safety of our communities.

Our unique environment

South Australia's unique environment and spectacular natural attractions from the vast outback areas to the delicate natural environment of Kangaroo Island or the Coorong are rich in biodiversity. This contributes strongly to our reputation for tourism and as a producer of premium food and wine from clean water, clean air and clean soil. South Australia is recognised globally for its premium food, beverages and culinary-tourism. The food industry holds a competitive edge in both domestic and export markets through innovation and a strong reputation for being clean and safe.

Our vision is to have South Australia continue to be known for these advantages and to effectively protect and manage these assets for the benefit of present and future generations.

South Australia will reap benefits and rewards from its great strengths in advanced manufacturing and defence, mining and resources, premium food and wine, tourism, liveability, and a unique environment.

2.2 OUR VISION FOR GREATER ADELAIDE – CREATING A VIBRANT CITY

The Greater Adelaide area – where 82 per cent of South Australians live and which contributes 83 per cent of Gross State Product – is vital to our state's future. South Australia's capital city, Adelaide is the state's administrative centre, its main international gateway, the nerve centre of the State's health and higher education hubs and the first port of call for most visitors. It is the focus for the state's growing services sector and its knowledge intensive industries. Nevertheless, it is buffeted by the same global pressures and challenges as the rest of the state and is open to the same opportunities presented by globalisation.

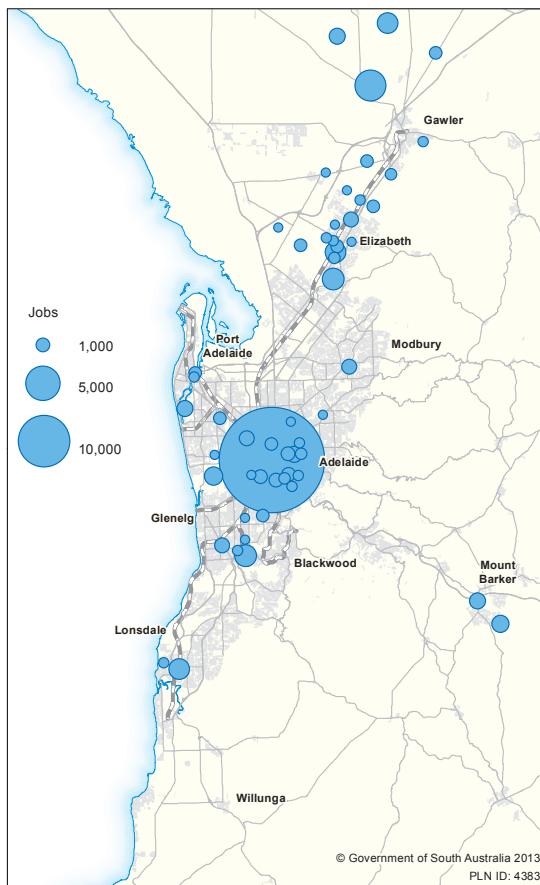
While Adelaide residents enjoy a high quality of life and the city is consistently rated as one of the world's most liveable cities, people's increasing desire to move around means that we face tough competition from other places in keeping our young people and attracting highly skilled migrants. As a consequence, Adelaide – and South Australia – suffers from negative net interstate migration. Many of our most talented and skilled young people leave the state, heading interstate or overseas to pursue a range of employment and lifestyle opportunities.

To build the strong communities we want and to be economically successful into the future, Adelaide must be a beacon of opportunity not only to South Australians seeking career paths and job opportunities, but to expatriates and migrants considering moving to Australia. The city must show that it can offer more lifestyle and career choices, and support an advanced and diverse economy that is sustainable and supports healthy and safe communities. To achieve this, our vision is to create a vibrant and lively city that is the cultural, economic and social centre of the state and a place where more people want to live, work, invest and spend time.

Adelaide's liveability itself is built upon healthy and safe communities and a strong commitment to environmental sustainability. The very wellbeing of our communities is embedded within the notion of liveability. The vibrancy, employment opportunities and rich cultural life we associate with liveability both contribute to and result from the confidence and security we feel when our community is strong. This means having cohesive local communities with an active street life that enables walking and cycling and boosts personal safety through passive surveillance; maintaining high quality public transport services and addressing transport disadvantage, as well as reducing road congestion; and protecting and improving our parks and open spaces. It means having easy access to services such as health and education as well as jobs. It means creating a Greater Adelaide that is active, lively and inviting, 24 hours a day. It also means creating a city that is sustainable by building prosperity without damaging the long-term health of the environment.

Our vision includes the bio-medical, sporting and entertainment precincts on the Riverbank within the CBD becoming a thriving part of the city, with new food and entertainment venues lining the riverfront; for the city to become a huge integrated campus for university life, as students walk, cycle or take the tram around the inner city; and for the increased vibrancy and physical revitalisation to have attracted a new wave of knowledge-intensive, innovative and creative businesses, bringing with them the young professionals who want to live and work in the city.

Figure 2-2 Employment growth in Greater Adelaide (2011 – 2036)



Source: SGS analysis of Government of South Australian Population and Employment projections, 2010

As with the rest of the state, Adelaide must also focus on its comparative advantages by growing its successful industries and further investing in its liveability and quality of life. In many ways, Adelaide's industrial strengths mirror those of South Australia as a whole. Greater Adelaide is home to world class wineries and other agricultural industries, and to manufacturing and defence industries. While mining activities are less common, our mining services industry is based in Adelaide. This means that the state-wide focus on developing three productive and globally competitive industries – premium food and wine, mineral and energy resources, and advanced manufacturing and defence – applies to Adelaide as well.

Adelaide is South Australia's services and knowledge-intensive industries hub. In recent years, knowledge intensive services have become more prominent, with an increasingly skilled labour force helping to access local and international markets. These intensive services also offer our traditional industries (such as mining, manufacturing and agriculture) a competitive advantage by providing design, technical marketing and financial services.

These types of services tend to cluster within inner Adelaide, with firms and jobs drawn to this location by agglomeration economies (the benefits gained from firms clustering together). These benefits come about in a variety of ways, with knowledge exchange (businesses learning from each other) and job matching (finding the best match between skilled workers and jobs) being two of the most important. As a result, our vision is to focus on supporting jobs growth across Greater Adelaide and particularly where most jobs are envisaged to occur in the CBD and inner suburbs, as well as major regional activity centres.

Supporting jobs growth means embracing a more compact and accessible urban form. Adelaide residents are already making these choices – with more people seeking to live in or nearby the central city. We can support these choices and facilitate mixed-use medium density development through transport and land use planning. This will be critical for making Adelaide a more vibrant city with a growing services sector and remaining resilient to the impacts of changing global economic forces.

Our vision is to increase the connectivity of central Adelaide through greater densification of dwellings and employment in inner Adelaide and in close proximity to key centres across Greater Adelaide, and by prioritising transport improvements in the inner areas to bring people closer together.

Adelaide will be recognised as one of the world's most liveable cities and a great place to live, work and invest.

How we travel around the city

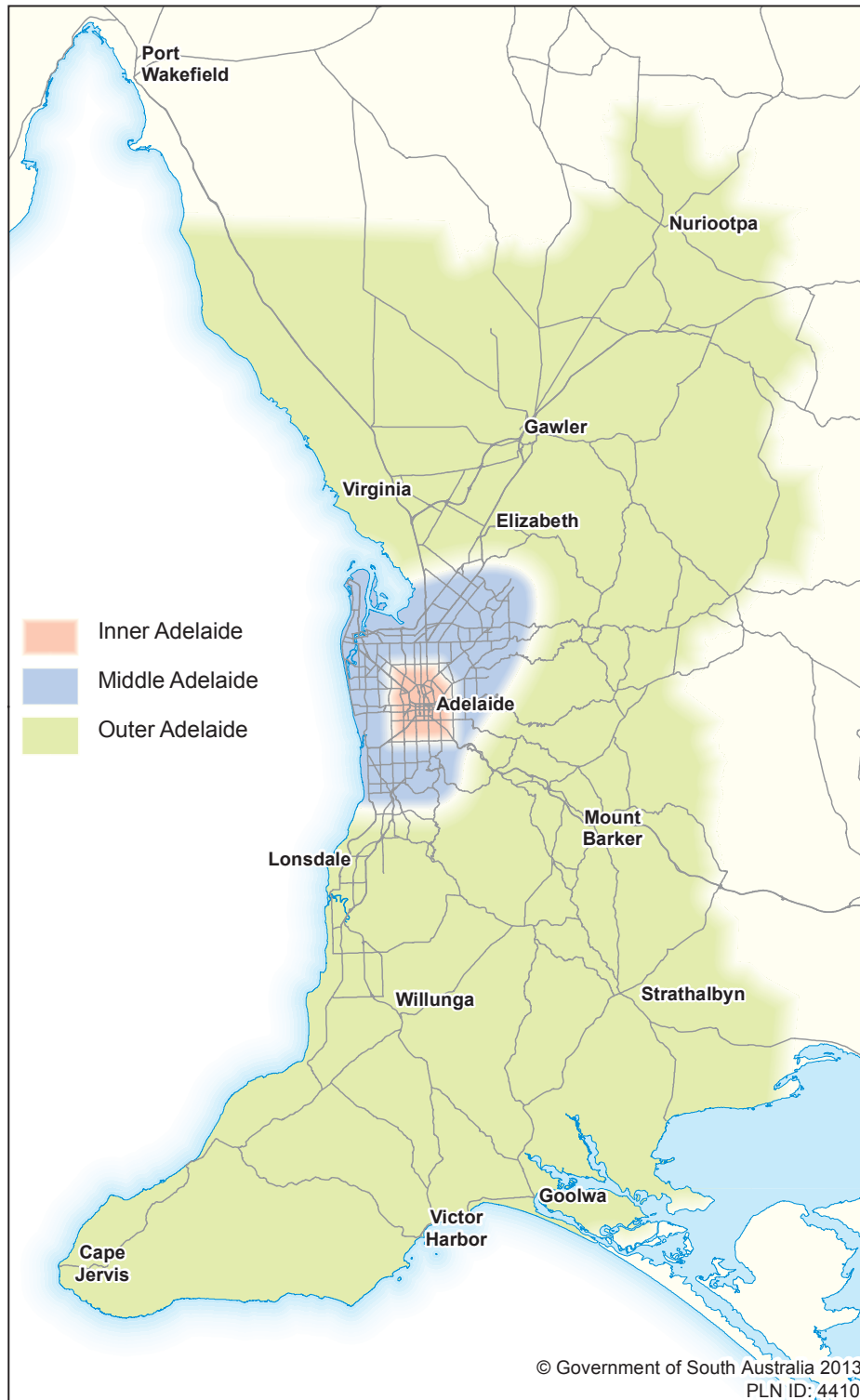
Adelaide's geography and history means that the city's travel needs and patterns are defined loosely by three concentric areas that spread out from the CBD and extend along an elongated north-south corridor. These travel needs and patterns are driven by distinctly different land use patterns and the relative proximity to employment and services in these areas. Similarly to other cities, these areas can also be defined by their distance from the central city. In the case of Adelaide, travel patterns within the CBD and inner Adelaide are similar within approximately five kilometres of the city centre, whilst travel patterns then change for middle Adelaide, an area broadly between five kilometres and 15 kilometres of the central city. Travel patterns outside 15 kilometres of the central city become increasingly dispersed as population density reduces and employment is more widely distributed.

- **The CBD and inner Adelaide** – Adelaide's CBD and inner suburbs are where a large portion of Greater Adelaide's jobs growth has occurred in the last 10 years and where further higher density development is most likely to occur, as shown by recent market investment. The journeys people make in these areas tend to be shorter and more frequent, with large numbers of commuters needing to travel into and around the CBD for work each day. More people walk and cycle in these inner areas than in other parts of the city.
- **Middle Adelaide** – Residents of Adelaide's middle areas enjoy good local amenities in attractive, well-established suburbs with relatively easy access to the CBD. Over the past decade, middle Adelaide has gained the largest amount of population growth. Further, but less rapid, growth is likely to occur, supported by higher density housing and subdivided blocks in and around activity centres. Public transport trips in middle Adelaide are longer and more dispersed, with the bus network having a major role. Car trips are also more dispersed as housing, services and jobs are located further apart than in the inner suburbs.
- **Outer Adelaide** – Growth in Adelaide's outer metropolitan suburbs has been driven largely by people choosing to live in new suburbs and housing estates with larger blocks and more open space. Outer Adelaide has had slower population growth than middle Adelaide over the last 10 years and future growth is expected to mostly occur in new growth areas such as Playford Projects. Transport options in many of these areas can be more limited than in middle and inner Adelaide and residents typically rely more heavily on cars to travel to work and access services. The costs of providing transport infrastructure in low density areas are high. Trips in these areas are typically longer, with public transport journeys currently focused on travel to major centres, inner Adelaide and the CBD. The bus network is important in reaching more dispersed residential and employment areas, and the train network is well-used for trips into the central city. A considerable proportion of car travel is widely distributed, as greater distances need to be travelled to access jobs and services.

Outer Adelaide also includes areas that are more rural in nature, extending to Cape Jervis and Victor Harbor in the south, the Adelaide Hills and Mount Barker to the east and the northern Adelaide Plains and Barossa Valley to the north. These areas attract residents and retirees seeking lifestyle changes while still enjoying the benefits offered by living relatively close to a major city. Most travel is by car, with some local and longer trips being taken by bus. Many towns and districts in this part of the region are also major tourist destinations, creating challenges in balancing growing tourism traffic with the travel needs of local residents, businesses and communities.

Reflecting Adelaide's development, the largest volume of total transport movements is in a north-south direction. Public transport is currently focused on moving large numbers of people to and from the Adelaide city centre, whilst travel by car for private, business or freight purposes is more dispersed and also goes across town.

Figure 2-3 Inner, middle and outer Adelaide



ACTIVE TRAVEL'S CONTRIBUTION TO THE LIVEABILITY OF GREATER ADELAIDE

Adelaide has long been recognised as one of the world's most liveable cities. It consistently ranks highly on a range of liveability indices, particularly for its high quality of life, low cost of living, affordable housing, low crime rate, ease of movement and vibrant cultural life.

Cycling and walking play a significant role in enhancing liveability by:

- increasing the vibrancy and attractiveness of places
- enabling greater levels of social interaction
- improving public health and community wellbeing outcomes
- supporting leisure and cultural activities
- attracting investment and growth.

Initiatives to improve the connectivity of cycling and walking networks with places offering a broad range of employment, services, retail, leisure and entertainment opportunities will not only build on Adelaide's liveability advantages, they will generate significant environmental, social and economic benefits. These directions are consistent with the vision and priorities of the *State Public Health Plan* entitled *South Australia: A Better Place to Live, Promoting and Protecting our Community's Health and Wellbeing*.¹

Accessing places by active travel modes will also enhance the attractiveness, walkability and vibrancy of these places, providing further impetus for investment and development that meets the living, working and leisure needs of an increasingly diverse urban population.



¹ <http://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/about+us/legislation/public+health+act/state+public+health+plan>

BUILDING ON THE 30-YEAR PLAN FOR GREATER ADELAIDE

The 30-Year Plan for Greater Adelaide released in 2010 envisages a more compact city, with more housing provided within the existing urban footprint. Significant housing construction clustered around transit nodes is anticipated as part of a long term strategy to achieve a 70/30 split of infill housing as opposed to greenfield development (increasing from 50/50 at the time the 30-Year Plan was released). The 30-Year Plan's focus on transit nodes aims to create centres of high and medium density mixed use development with housing located close to a range of employment, retail, entertainment and other services. Access to these services and facilities would be by public transport, walking or cycling, reducing the need to drive. The 30-Year Plan envisages that transit nodes will provide high levels of amenity during the day and vibrant night time economies.

The 30-Year Plan – and the planning work that preceded it – has been a catalyst for change, with evidence now emerging that progress towards a more compact city is occurring at a much more rapid pace than originally anticipated.

The direction of land use and development has changed since the development of the 30-Year Plan and that means that the focus of our transport and land use planning has to change as well. More people now want to live in or near the CBD or Adelaide's inner suburbs, prompting responses from the development industry and government. The 2012 Capital City Development Plan Amendment provides for an additional 60,000 residents in the CBD, reflecting this trend towards inner city living.

In recent years, population growth has been strongest in Adelaide's middle and outer suburbs, while jobs growth has been strongest in the inner urban and middle suburbs, as shown in Figure 2-4.

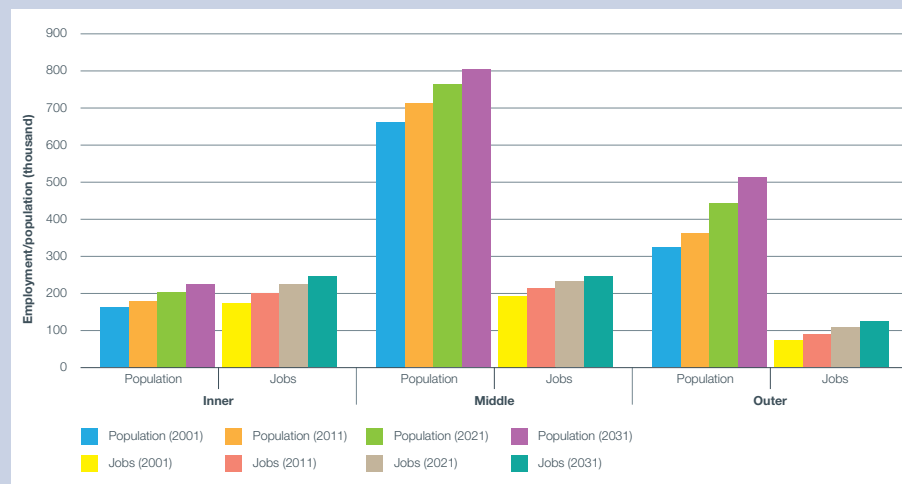
This imbalance has major implications for our transport system: more people needing to travel further to work places greater pressure on our public transport and road networks. The 30-Year Plan's focus on transit nodes aims to address this imbalance by promoting a significant shift in the pattern of suburban growth in Adelaide. But – as the projected growth in Figure 2-4 shows – we could do better.

In aiming for a more compact city, it is clear that we will achieve better results by going with the emerging market trend and supporting and facilitating people moving to the CBD and inner Adelaide.

From a transport perspective, this means we can make highly efficient investments in public transport to move larger numbers of people shorter distances to their jobs in the central city. Improving connectivity can also provide productivity benefits; research commissioned by the Council of Australian Governments found that the 'same job' in central Adelaide would be nine per cent more productive than one on the city fringes. At the same time, we need to continue to encourage development around strategic activity centres and precincts with good public transport connections and opportunities for active travel, thereby limiting the expansion of the city's footprint.

Aligning with an updated 30-Year Plan means we will reach our ultimate goal of a more compact, well-connected and highly liveable city much more quickly.

Figure 2-4 Employment and population in Adelaide by inner, middle and outer



Source: SGS analysis of Australian Bureau of Statistics and Government of South Australian Population and Employment projections, 2010