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Department of **Planning**

INDUSTRIAL LANDS

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Department of Planning

Urban Development Institute of Australia
WESTERN AUSTRALIA

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Presentation Overview

- Industrial Lands – why are they so important?
- Perth's Industrial Land market
- What State Government is doing about it
- How we are going to deliver it

Industrial Lands

- **Key employment provider / generator**
  - ✓offer employment opportunities for residents of all skill and education levels
  - ✓create and support jobs in multiple other business sectors
- **Supports and drives economic growth**
  - ✓Inextricably linked to many non-industrial sectors – meaning a high level of interdependence between sectors

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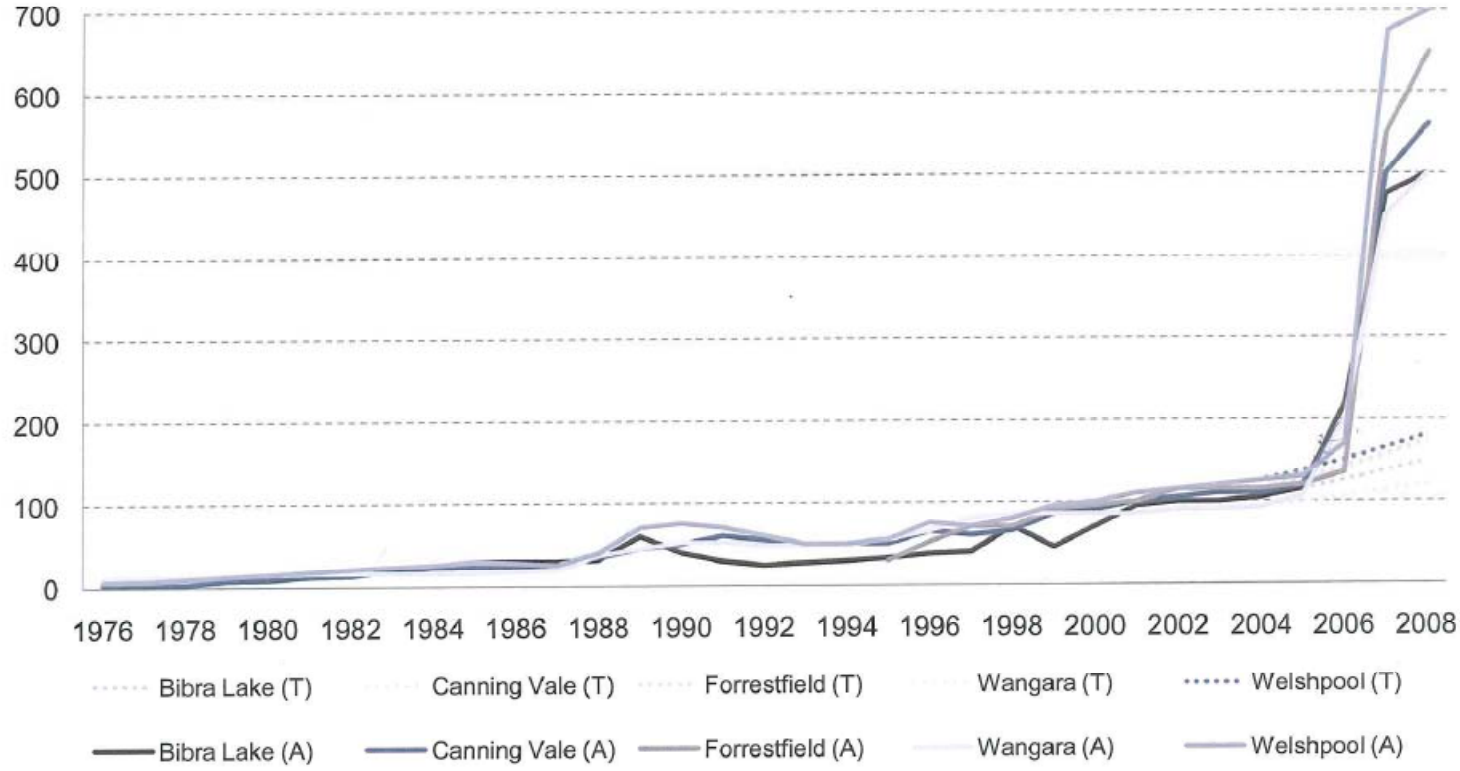
Perth's Industrial Land Market

Land Price for 2,000sqm Blocks[1]
$/sqm



1. Source: Landgate Value Watch 2008 – Industrial Land

Why the crisis?

- Constrained market supply
- Shortfall of development ready industrial land
- Affordability of land was stagnating the market
- Lack of viability for new businesses to enter market because of high property and labour prices
- Limited variety of lot sizes and suitable locations

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State Government's response

Industrial Land Strategy

Industrial Land Needs Study

- INDUSTRIAL LAND DEMAND NEEDS
- DEMAND FORECASTING MODEL

Industrial Land Capacity Assessment Study

- LIST OF POTENTIAL FUTURE INDUSTRIAL SITES
- IDENTIFICATION OF POTENTIAL FUTURE INDUSTRIAL SITES

Industrial Land Development Research Study

- GLOBAL ECONOMIC TRENDS AND IMPLICATIONS FOR WA
- KEY INDUSTRIES : CURRENT AND FUTURE REQUIREMENTS
- RESPONSES TO DELIVER APPROPRIATE INDUSTRIAL LAND

Industrial Land Strategy : Perth and Peel 2010

- PLANNING ANAYLSIS
  - Demand
  - Supply
- FUTURE POSSIBLE SITES
  - Short
  - Medium
  - Long
- KEY ACTIONS AND RECOMMENDATIONS
- IMPLEMENTATION PLAN

State Government Initiatives

- Directions 2031 and beyond: metropolitan planning beyond the horizon
- Growth Management Strategies
- State Planning Policy 4.2 : Activity Centres for Perth and Peel
- Planning Reform Bill

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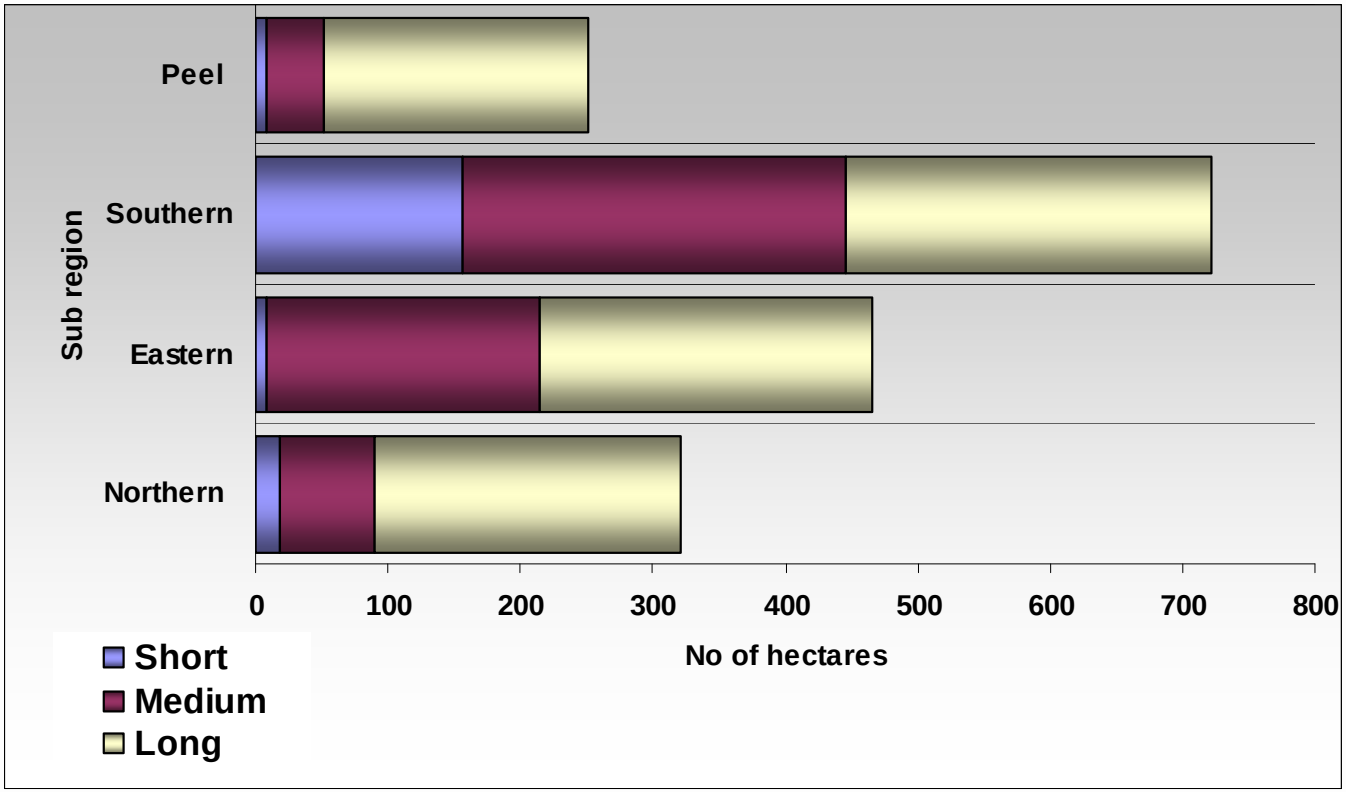
Forecast Demand

Forecast demand by 2031 is 4726ha



1758ha will come from our existing markets

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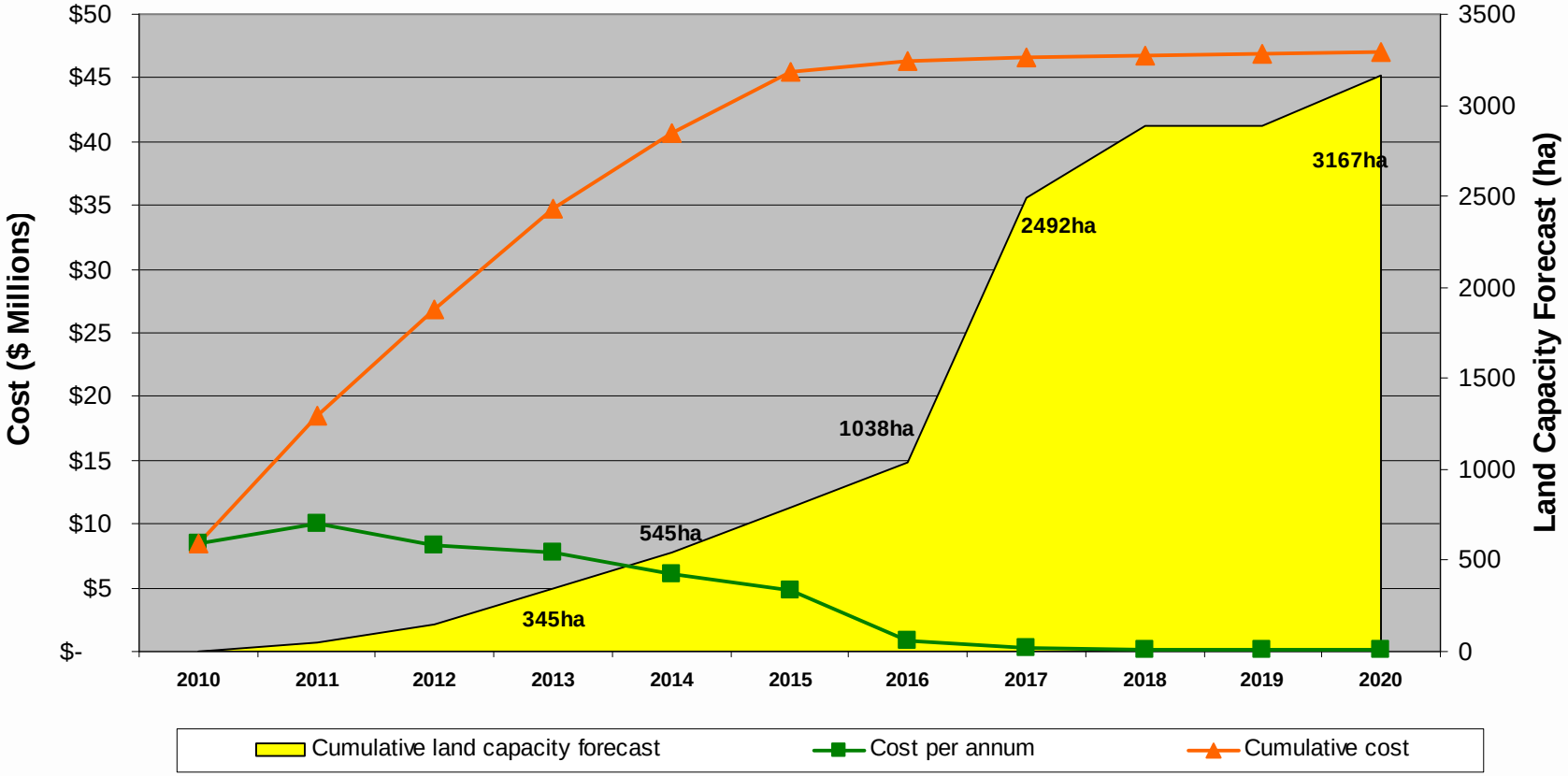
Implementation Plan

Total implementation cost over 10 years = $63m

First 6 years critical = $47m



Implementation Plan: Identified key short to medium term sites

Pinjar South

Bullsbrook South

Whiteman/ Malaga North*

Hazelmere

Forrestfield

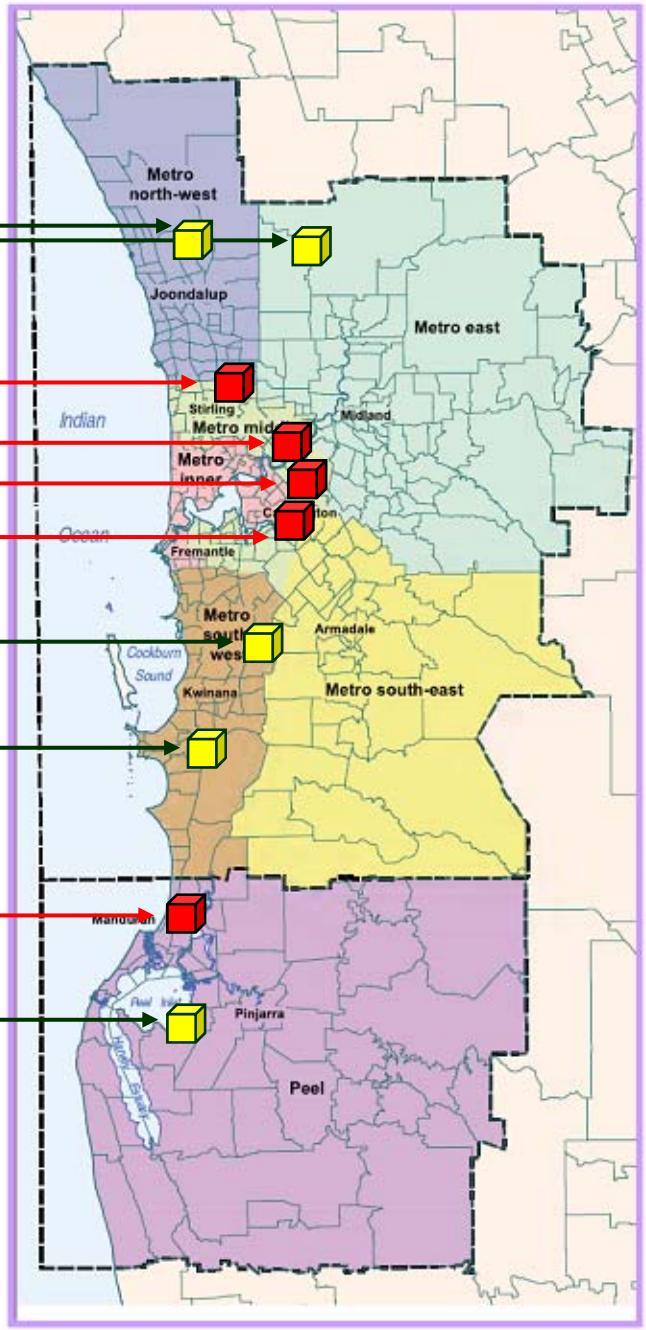
Maddington-Kenwick

South Forrestdale

North-East Baldivis

Nambeelup

Greenlands Road



Short Term Industrial Sites (0 – 5 years)

Medium Term Industrial Sites (6 – 10+ years)

**Whiteman and Malaga North sites combined in the Implementation Assessment for cost efficiencies.*

Total Costs

- 10 year plan with **first 6 years critical to achieve supply targets.**
- Total cost for rezoning and implementation of the 11 Priority Sites estimated at **$47m over critical 6 yr period** (delivering 3167ha of land)
- Cost for **trunk (off-site) infrastructure** to activate short term sites is estimated at **$98m within first 5 years**.
- Recommend Government allow 50% cost recovery for trunk infrastructure investment.

Actions

- **Additional funding and resources needed.**
- **Detailed Project Plan required for each site.**
- **Activation of Service Agencies critical - ICC to direct.**
- **Implement Project Management framework.**
- **Commence planning & technical studies early 2011 to achieve target milestones.**
  - Trunk infrastructure planning
  - Environmental approvals
  - Water management / monitoring
  - Rezoning

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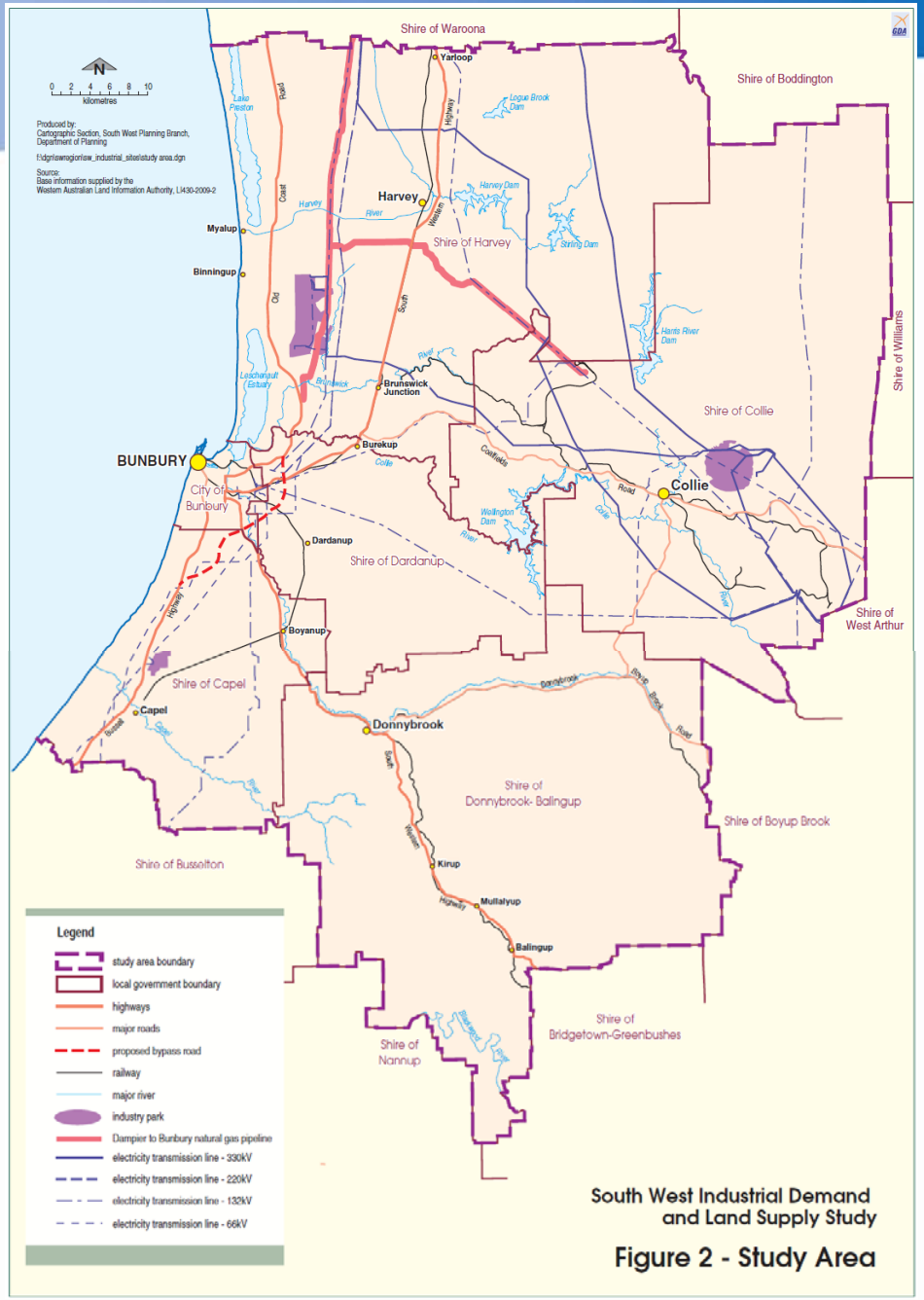
South West Region Industrial Land Strategy



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Perth and Peel ILS : Timeline

Milestone	**Date**
Final draft ILS released for Peer Review (Internal only)	20 September - 22 October 2010
Finalised Implementation Plan	Early October 2010
Final editing of ILS	October-November 2010
Final ILS endorsement via ICC and WAPC	December 2010
Cabinet Submission, Final ILS and Implementation Plan to Cabinet	Early 2011
Release of final ILS	First quarter 2011

Conclusion

- The Government is committed to strategic planning for industrial land
- Public-private sector collaboration in industrial development will be a new feature of our future
- We want to be in a position to take advantage of our economic opportunities
- Planning for industrial land is a priority