22 February 2019

Department of Transport, Planning & Infrastructure
PO Box 1815
ADELAIDE SA 5001

via email:

Dear Sir/Madam

Following a recent and welcome meeting between the State Planning Commissioner Members and Business SA, I am writing in response to your Productive Economy Discussion Paper.

Business SA recognises that South Australia’s planning system is a key foundation piece for economic growth, and we actively participated in the reference group for the Planning Reform Expert Panel, including making two submissions.

The discussion paper comprehensively canvasses key sectors driving South Australia’s economy, particularly those that have contributed significantly over time. In terms of how the planning system can facilitate economic growth, while being efficient is recognised as being important, at no point in the discussion paper is a ‘low-cost’ planning system mentioned. This needs to form a key part of the Government’s planning policy, particularly given South Australia is otherwise a high cost jurisdiction for doing business across a range of metrics, particularly electricity and water costs. Reducing costs was also a fundamental driver of these planning reforms, and savings through structures such as e-planning, joint planning boards and the like should all assist to lower costs to industry, in turn enabling economic growth in the productive economy.

Business SA has long raised the need for the State Government to have a more sophisticated approach to the protection of prime agricultural land. Firstly, Business SA has a broad membership base of approximately 3,200 businesses including farmers and miners and we appreciate the strong contribution both sectors have made to the state’s economy over the past 180 years, particularly our export orientated economy. While we firmly believe that in the main, farming and mining should be able to co-exist, we also acknowledge that at times mining may be inappropriate in certain areas. Indirectly, the Barossa Valley and McLaren Vale Character Preservation Acts are examples of the planning system already acting to limit inappropriate development.

Business SA also recognises that agricultural land can vary significantly in its productivity for a range of factors from soil types, reliability of rainfall and access to water to name a few. Around 2013, PIRSA conducted scientific analysis to determine primary production priority areas (PPPAs) across South Australia. Subsequently, in Business SA’s 2014 and 2018 pre-election Charters, we recommended the State Government implement its own designated PPPAs across the State’s development plans to provide more certainty as to what land actually had strong long-term agricultural value, as opposed to land that was merely situated in a primary production zone.
The previous State Government’s urban growth boundary legislated in 2016 was predicated on the basis of introducing Environment and Food Production Areas (EFPAs) across large swathes of land to the north, east and south of Adelaide, which reflected PPPAs but without entirely adopting the scientific approach taken by PIRSA. Notwithstanding, Business SA accepts that EFPAs were also introduced to limit urban sprawl and mitigate against infrastructure inefficiencies, another driver for the previous Government’s blanket approach to protecting agricultural land.

While the discussion paper makes several references to supporting growth in food production, for example, sub-theme 1A, it does not discuss how in practice the Government will seek to practically achieve that aim across the entire state, acknowledging EFPAs only relate to areas adjoining the Adelaide urban growth boundary. The discussion paper’s perspectives are also quite Adelaide centric, for example only making references to protecting key viticultural and horticultural lands and iconic landscapes adjoining the metropolitan urban growth boundary.

Notwithstanding, Business SA does not support blanket restrictions on developing agricultural land, particularly as it impacts progress on important mining proposals which can deliver significant economic returns to the state, including jobs. For this reason, we opposed the State Government’s decision to implement a blanket ban on hydraulic fracturing (fracking) throughout the state’s South East.

There will always need to be a balance between satisfying the interests of competing industries in the economy and using evidence-based logic to protect prime agricultural land is the optimum way to ensure blanket approaches to planning matters do not unnecessarily diminish the prospects of major mining projects.

The tourism section of the discussion paper highlights the importance of this sector to South Australia but would benefit from discussion as to how the planning system might work to facilitate further growth, for example through any required rezonings to enable cycling path infrastructure, including between key tourist regions. In Business SA’s 2018 Charter, we raised the need for the State Government to pursue a more active program of developing cycling infrastructure to facilitate tourism, and we encourage you to consider any planning related aspects of such development in your planning policy.

Business SA does not support the reference to subsidies as a lever to support the productive economy. We do not oppose direct assistance to businesses in the case of market failures related to government policy interventions, but recent growth in grants and loans has extended well beyond what is in the best long-term interests of all South Australian taxpayers, including businesses. Business SA has welcomed the new State Government’s approach to limiting grants and direct business incentives, and this should be appropriately reflected in any State Planning Commission policy document.

Should you require any further information or have questions, please contact Andrew McKenna, Senior Policy Adviser, on [email] or [email].

Yours sincerely,

Anthony Penney
Executive Director, Industry and Government Engagement