3 December 2018

Ms Sally Smith  
General Manager, Planning and Development  
Department of Planning, Transport and  
Infrastructure  
PO Box 1815  
ADELAIDE SA 5001

Dear Sally

**Natural Resources and Environment Policy Discussion Paper**

The Housing Industry Association (HIA) appreciates the opportunity to provide feedback on the Natural Resources and Environment Policy Discussion Paper and congratulates the Department on the work undertaken so far to provide a more efficient planning system.

The Discussion Paper highlights that South Australia is vulnerable to change in temperature, extreme weather events, sea level rises and associated storm surges. The proposed new planning system seeks to mitigate the risks through promoting climate appropriate development, energy efficiency, green infrastructure (GI), Water Sensitive Urban Design (WSUD) water and biodiversity security.

HIA is concerned that the implications in relation to cost of development and housing affordability have not been adequately addressed in the paper particularly with reference to the key targets in the 30 Year Plan for Greater Adelaide (2017 update).

The 30 Year Plan and the Discussion Paper appear to contain diametrically opposed objectives with the plan for 85% of all new housing to be in established areas in metropolitan Adelaide and calls for a 20% increase in tree canopy. WSUD and onsite retention of storm water also falls into the same category where the proposal to deal with the issue at the micro (individual home owners) level is at odds with the push towards urban increased density of development.

It is likely that any new requirement to facilitate increasing the green canopy by planting trees adjacent to buildings, particularly residential houses and the consequential effect on the concrete footings, will have a significant effect on the building costs. Likewise, onsite storm water detention and deep soil soakage, potentially managed by larger rainwater tanks, permeable paving etc. will add further costs borne, often, by those who can least afford it (families and First Home Buyers).

HIA refers to the Minister’s Specification – SA78AA September 2003 - On-site Retention of Storm Water, which limits the implementation of onsite storm water retention due to the highly reactive clay soils across most of metropolitan area and questions the validity of the WSUD requirements within the planning reform, particularly when aimed at individual home sites.
HIA recommends that any legislation or guidelines with respect to WSUD be deleted (or limit the application to master planned reserves and not associated with individual allotments) until the research on home footing design and performance has been undertaken. Also that achieving the 20% increase in green canopy should be by use of master planned reserves and public land (not associated with individual allotments) noting that trees planted on road reserves (footpath and verges) may still have an impact on footing design and built cost.

More broadly, the 30 Year Plan of 85% infill to 15% greenfields development targets should be deleted with the objective to provide development in line with industry and consumer demand.

HIA maintains that one of the over-arching principals of the planning reform process should be that any new initiatives should not come at the cost of a negative impact on housing affordability. To ensure that this achieved a cost benefits analysis should be undertaken as a priority to identify the impact of any new requirements on residential building and land supply.

Yours sincerely

HOUSING INDUSTRY ASSOCIATION LIMITED

Stephen Knight
EXECUTIVE DIRECTOR
South Australia
HIA is the leading industry association in the Australian residential building sector, supporting the businesses and interests of over 43,000 builders, contractors, manufacturers, suppliers, building professionals and business partners.

HIA members include businesses of all sizes, ranging from individuals working as independent contractors and home based small businesses, to large publicly listed companies. 85% of all new home building work in Australia is performed by HIA members.

EXECUTIVE SUMMARY

HIA supports planning reform as a means of ensuring planning systems remain modern and have the capability to appropriately respond to the on-going range of contemporary matters. Attached is HIA Policy – Planning Reform.

It is submitted that a balanced approach is of upmost importance when considering and implementing planning reform as this enables the broad range of objectives from the government, community and industry be taken into account, also of equal importance, is to ensure that when planning reform is being undertaken, a reasonable level of planning certainty is maintained as this enables businesses to proceed with confidence and with confidence comes a greater preparedness to invest, commit and innovate.

Notwithstanding HIA’s support for planning reform, for a number of reasons, we are also mindful that planning reform has the potential to be disruptive for industry; if the process is protracted or information provided as part of the consultation is ambiguous or the process appears to be undertaken such that there is a foregone conclusion as to what the reforms will deliver. It is government’s responsibility to appropriately and effectively manage planning reform and gain faith and trust from industry so as to enable industry to continue delivering high quality built form.

Residential construction industry practitioners have a firm understanding of the range of business variables that must be attended to regularly, however there is also a very reasonable expectation that individuals and businesses should be able to proceed with confidence and rely on statutory processes that have been well considered and appropriately implemented so as to be reasonable in how they can be applied and provide certainty as to how matters will be processed. HIA does not support statutory processes whereas, if a performance measure or a condition on a permit cannot be satisfied the default position is payment of a levy, or similar. Performance measures etc. must be reasonable and only arrived at following robust cost benefit analysis and or regulatory impact assessments that have been undertaken and rigorously reviewed by effected stakeholders. Should performance measures and or conditions on permit not be able to be satisfied, this must be a clear indicator to government to investigate the systemic reason and not, as mentioned above, rely on payment of a levy to satisfy a requirement? As with many levies, levies applied in this manner negatively contribute to housing affordability as the cost of these expenses reflect in the purchase price and are incurred by the first purchaser and carried through the life of the mortgage.
NATURAL RESOURCES AND ENVIRONMENT POLICY DISCUSSION PAPER

One of the most pertinent sections of this Discussion Paper is that which explores: What role does planning play?

The themes of lead by example and offsets are dominant as the Discussion Paper goes on to discuss the question. Whilst it is acknowledged this is a Discussion Paper, HIA consider it important that any other iterations of the paper must provide greater emphasis on explaining and justifying what the role of planning may look like from government’s perspective in terms of implementation and operation as it is highly likely the expectations of government, industry and community in terms of what role planning may play may be vastly different.

HIA consider the Discussion Paper would have greatly benefitted from a more detailed discussion regarding its interdependency with the The 30-year Plan for Greater Adelaide, 2017 update particularly in the context of Target 1 - Containing our urban footprint and protecting our resources, and Target 1.1

85% of all new housing in metropolitan Adelaide will be built in established urban areas by 2045

Industry needs to be provided with certainty that planning policy and planning regulation is consistent, reasonable and achievable in terms of design and construction, with no impact on housing affordability. This is particularly relevant when considering proposed WSUD and canopy tree requirements. If these requirements are not achievable in design and construction, as it will be in many instance as lot sizes are becoming smaller to accommodate the 85/15 target, then it is vitally important industry be informed sooner rather than later what alternative means government is considering to deem these requirements are satisfied. You will note in HIA’s answering of specific Discussion Questions we recommend that particular types and scale of development be exempt from WSUD and canopy tree requirements.

Language throughout the Discussion Paper suggests that a large majority of the natural resource and environment initiatives are the responsibility and to be delivered by the private sector. Terms such as urban green cover and urban vegetation are used throughout the Discussion Paper when referring to Biodiversity (Theme 3), however the language changes in Discussion Question (page 32) to backyard biodiversity. HIA considers it is important for Government to explain to what degree they will also be taking on the responsibility for urban green cover and urban vegetation. Such as providing this in public parks and spaces, as it is considered unreasonable if industry was expected to shoulder most of this whilst aiming to fulfil other competing planning policy, such as the 85/15 target.
DISCUSSION QUESTIONS

Sustainable and Livable Urban Environments

Q1 Should existing Water Sensitive Urban Design (WSUD) and GI also apply to regional areas and for all development scales and types?

A1 Water Sensitive Urban Design and deep soil zone planting of large trees is not reasonably practicable on the majority of small lot housing projects as outlined in the DPTI Ministers Specification SA 78AA. Such opportunities must therefore be delegated to large scale “masterplan” developments such as residential subdivisions, commercial and industrial projects.

Water Sensitive Urban projects in public areas, supporting additional green infrastructure, rain gardens and swales have previously been funded through the NRM levy, but could also be supported by Stamp Duty reductions on those sites being applied to WSUD opportunities.

Q2 What role should the planning system play regarding preservation of sunlight to solar panels from adjacent development?

A2 NO! Increased densities targets of 85% & 95% and the planting of large trees in small residential allotments (20% increase targets) will place pressure on solar access. Maintaining consistent height thresholds is more appropriate.

Q3 Should the Code introduce incentives for developments that can incorporate passive solar design (siting techniques, green infrastructure and WSUD?)

A3 YES as outlined in Q1.

Q4 How can planning policy contribute to reduced carbon emissions from the built environment?

A4 Carbon emissions are created by burning of oil, coal & gas as well as deforestation. Include solar generation panels and outside entertainment areas with ceiling fans in residential developments within the 6 Star calculation – resulting in ALL new residential buildings having solar panels etc. (The majority of all new building).

The South Australian Strategic Plan targets of 85% & 90% increased residential development has already resulted in an increase of hard stand surface areas, roads, paving & roof coverings, whilst reducing the amount of green cover, (as reported by 17 of 19 Councils 2013 - 2016) and a lost opportunity to regenerate aquifers. If this trend continues, State & Local Government agencies will need to regenerate their local parks and wildlife corridors to slow down the declining biodiversity and review their policies around “reducing” their tree lined streets, green medium strips and public open spaces.

Q5 How can we plan for current waste removal practices and technologies and provide flexibility for innovative future solutions?

A5 State Government must immediately use the existing waste levy funds for the development of technology to create uses for the recycled materials currently collected. As the DPTI Discussion Paper highlights, South Australia already has the highest per capita recycling rate - 80% in Australia.
WATER SECURITY AND QUALITY

Q6 Should dams be assessed as development in the planning system?
A6 NO WAY! Our farmers are already struggling to survive and dams on private property already have water meters and restrictions applied. We should be encouraging the development of more dams on private land.

Q7 Should we instead use the 1958 flood data as an indicator of risk in the future?
A7 NO! The River Murray water system now has locks to prevent flooding and the river struggles to get enough water to survive now. Reduce red tape - don't increase.

Q8 Should sheds be made an exemption from the requirement to refer notice under the River Murray Act 2003?
A8 YES! Up to a maximum of 12m x 6m x 3m in height.

BIODIVERSITY

Q9 Can the Code protect biodiversity in areas not identified as native vegetation and in modified landscapes with biodiversity values?
A9 A more effective solution would be the reduction of bureaucratic red tape on the controls relating to native vegetation on private property that discourages protection of the biodiversity. Alternatively, encourage and reward private land holders, and review State and Local Government policies.

Q10 Can Planning Policy assess the cumulative impact of development on biodiversity?
A10 It should, but the Code must have a “conflict” with increased densities that destroy biodiversity. Or are we just referring to outside the inner metro area?

Q11 Can Planning Policy play a role in protecting and encouraging backyard biodiversity?
A11 Planning policy around increased density levels will and is already destroying backyard biodiversity.

Q12 Do we need a policy to protect and encourage development of roadside vegetation?
A12 Roadside vegetation is controlled by State and Local Government agencies. There are numerous options for both metropolitan and regional situations.

COASTAL ENVIRONMENTS

Q13 What level of development (including accommodation) is appropriate for a Coastal Conservation Zone?
A13 Conservation is for the enjoyment of the community. Existing accommodation areas within protection zones need to be managed rather than being able to be left as rundown shanty areas. Proposed new accommodation areas should be subject to an Environmental Impact Statement.
Q14 Does current planning policy adequately address the risk of new development from climate change impacts (coastal retreat, sea level rise and storm surges, etc.) for at-risk coastal settlements?

A14 Yes.

NATURAL HAZARDS

Q15 How can we better integrate Council-owned flood data with the new Code and achieve consistency?

A15 DPTI should instigate their own state-wide flood data for consistency.

Q16 What climate change projections should be used? What time-frame and emissions scenarios?

A16 No comment.

Q17 Should flood risk categories be based on physical (depth and velocity) and function and isolation risk factors?

A17 No comment.

ENVIRONMENT PROTECTION AND PUBLIC HEALTH

Q18 Should cumulative noise impact assessments be undertaken as part of the development assessment process?

A18 Yes for Class 2 and above residential developments when located on transport corridors.

Q19 How can policy effectively address the interface between land uses in zones promoting mixed land uses? For example, a coffee roaster adjacent residential development in an urban corridor.

A19 All mixed uses must be compatible with each other, i.e.; if the coffee roaster is for their own use in an onsite coffee/café then it’s OK, but not if they are roasting for other outlets NO.