



STATE  
PLANNING  
COMMISSION

# BACKGROUND PAPER ON PEOPLE AND NEIGHBOURHOODS

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## PART 1: OUR POPULATION IS CHANGING

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South Australia's population has changed a lot in its short history. Almost 100 years ago, roughly half of all South Australians were aged under 25 years, and almost everyone (98 per cent) was born in Australia or had migrated from the United Kingdom<sup>1</sup>. Our population was also spread equally across the metropolitan and non-metropolitan parts of our large state. By 2019, the population profile of South Australia has changed markedly. The great majority of us live in the Greater Adelaide capital city<sup>2</sup> area, our population is older, and we have a much more diverse ancestry. This trajectory of population change will almost certainly continue into the future and it will have important implications for the way that we live, work, and plan for our land use and spaces. The following key population trends have particularly important implications for the creation of the new Planning and Design Code:

### **1.1 South Australia's population is growing (steadily) and is increasingly concentrated in Adelaide**

There are just over 1.7 million people living in South Australia - the smallest population of any Australian mainland state. We are growing steadily at less than 1 per cent each year. Between now and 2041, South Australia's population is projected to grow to around 2 million people with most of this growth occurring in the Greater Adelaide area<sup>3</sup>.

More than any other Australian state, our population is concentrated within the Greater Adelaide capital city region – currently just over 77 per cent of South Australia's population live in this area. Although this pattern of capital city dominance in South Australia is long established, it also appears to be slowly increasing, rising from 73 per cent in 2006<sup>4</sup>. Figure 1 highlights population growth and decline for towns and major urban centres across South Australia. It clearly shows a pattern of recent population increases across the Greater Adelaide area and in regional centres such as Mount Gambier and Murray Bridge, and small population declines in many inland towns and the northern parts of the state, such as Port Augusta, Ceduna and Whyalla.

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<sup>1</sup> ABS, 1921 Census of Population and Housing

<sup>2</sup> ABS, 2016, Census of Population and Housing. Metropolitan area is defined as the Greater Adelaide Capital City Area, the geographical area used by the Australian Bureau of Statistics to represent the functional or socio-economic extent of the Adelaide capital city.

<sup>3</sup> South Australian government population projections 2016-41  
[https://www.saplanningportal.sa.gov.au/data\\_and\\_research/population#future\\_population](https://www.saplanningportal.sa.gov.au/data_and_research/population#future_population)

<sup>4</sup> ABS 2006 Census of Population and Housing

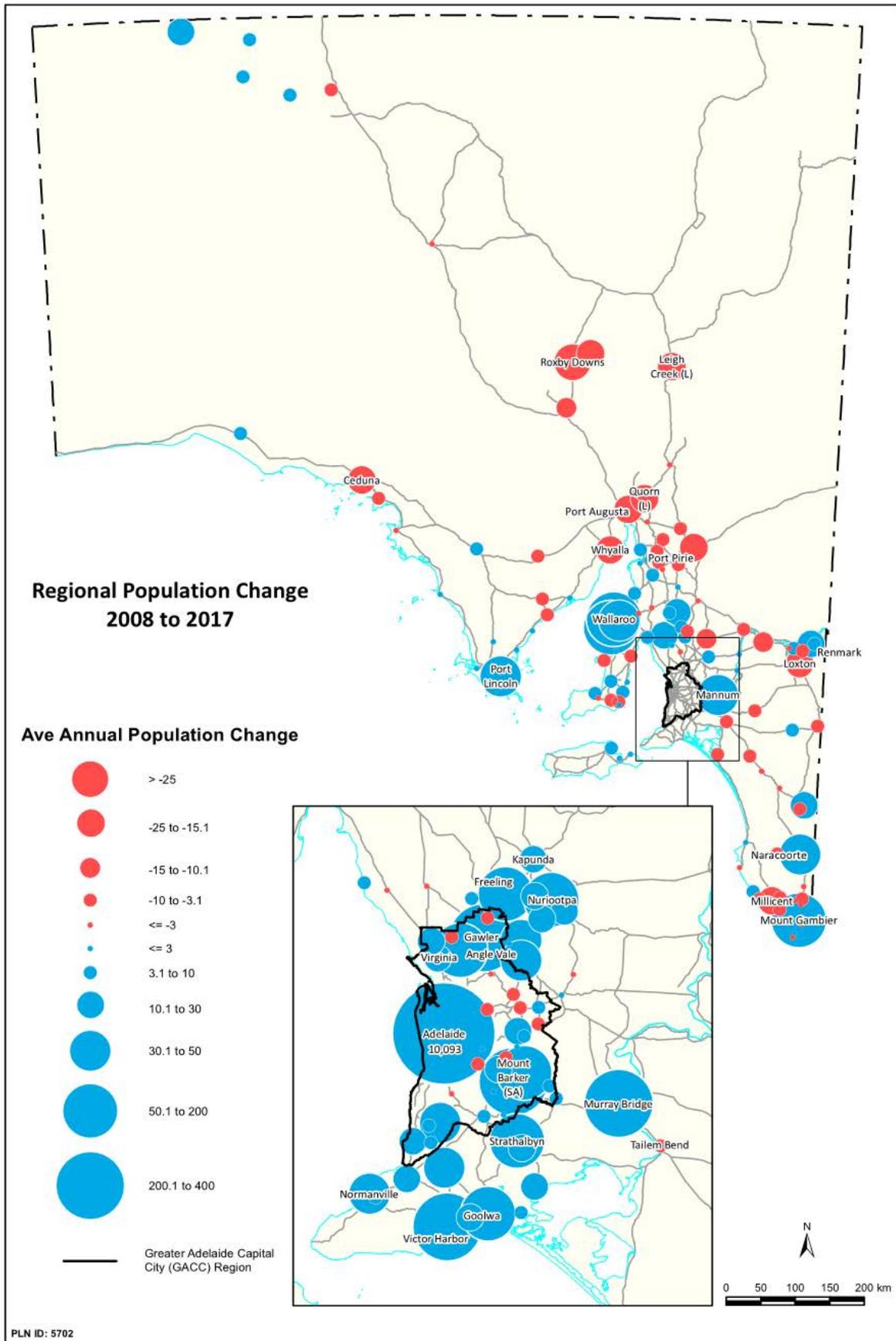
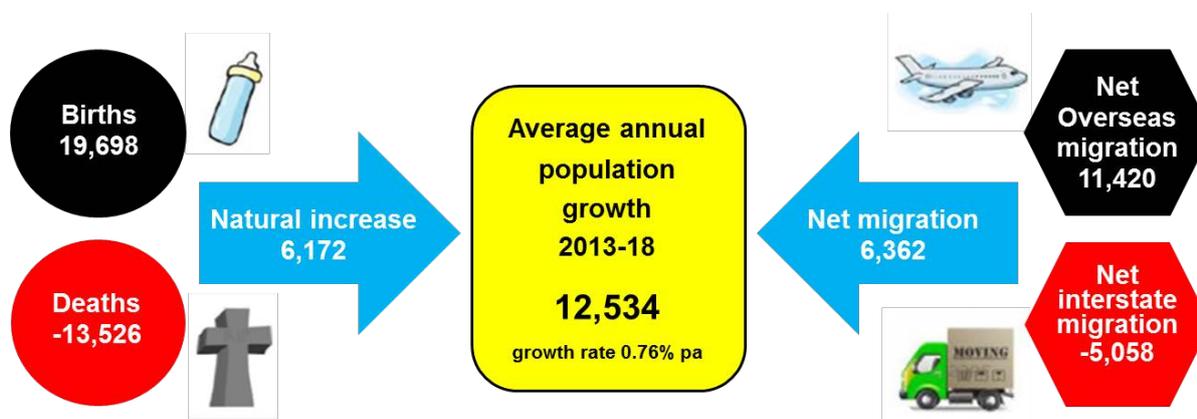


Figure 1: Average annual population change – towns and urban centres 2008-2017

## 1.2 Overseas migrants are the largest component of population growth

Over the past five years, South Australia's population increased by around 12,500 people each year. On average, this is comprised of, 6,000 more births than deaths, the loss of 5,000 people who leave to move interstate, and the net arrival of around 11,500 overseas migrants (refer Figure 2).



**Figure 2:** Average annual population growth in South Australia 2013-2018

Overseas migration is the most substantial source of population growth for South Australia. Since the year 2000, almost 175,000 new South Australians have migrated from overseas. Our migration profile is strikingly diverse. In the last year, we welcomed new migrants from 95 countries<sup>5</sup>. Although almost half of these recently arrived migrants came from China and India, a sizeable number also arrived from Nepal, the Philippines, Vietnam and the United Kingdom.

Natural increase (the number of births minus the number of deaths) contributes a slightly smaller, though important proportion of South Australia's population increase each year. Our fertility rate is low compared to other Australian states, and has been decreasing over recent years.

*Interstate migration* captures the movement of people within Australia - for work, lifestyle, family, or other reasons. This type of movement results in the loss of about 5,000 South Australians (net) to other parts of Australia each year.

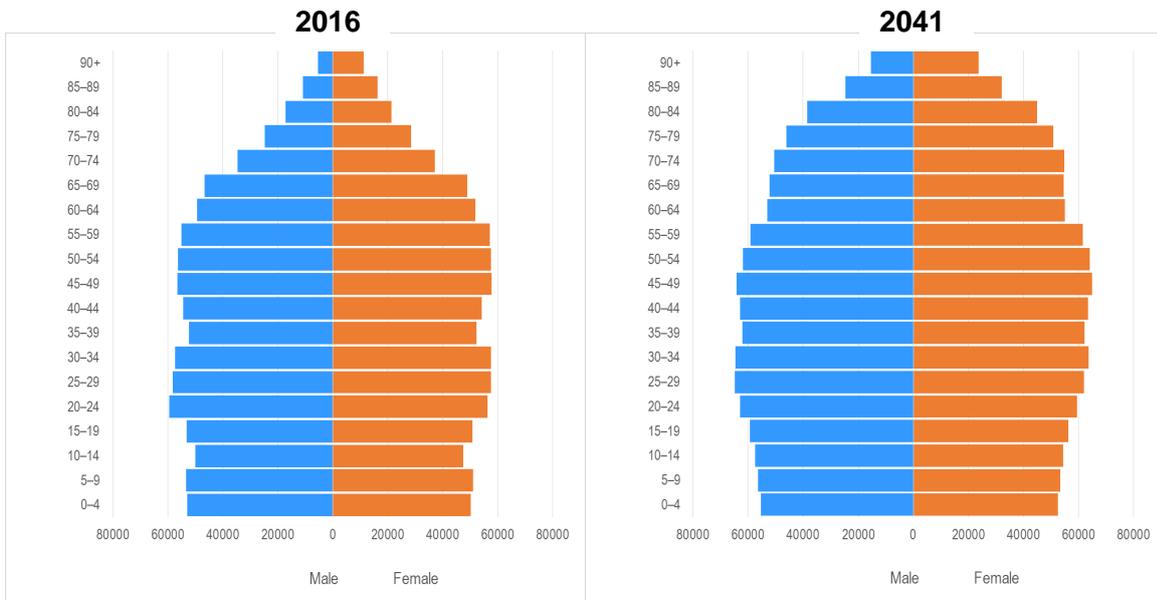
## 1.3 Our older population is growing

With a mean population age of almost 41 years<sup>6</sup>, South Australia has a national reputation as 'the ageing state'. Importantly though, our current population is not dominantly old. At the last Census of Population and Housing, just under 18 per cent of South Australians were aged 65 years and over. This can be contrasted with a dominance of working age South Australians 20-64 (58 per cent). Almost one quarter of South Australians are children and young people (aged under 20) (Figure 3).

Looking to the future though, the proportion of the South Australians aged over 65 years is projected to grow more quickly than any other age group. This ageing of our population is being driven by the ongoing processes of the large post-war 'baby boomer' cohort reaching retirement age, and life expectancy increases.

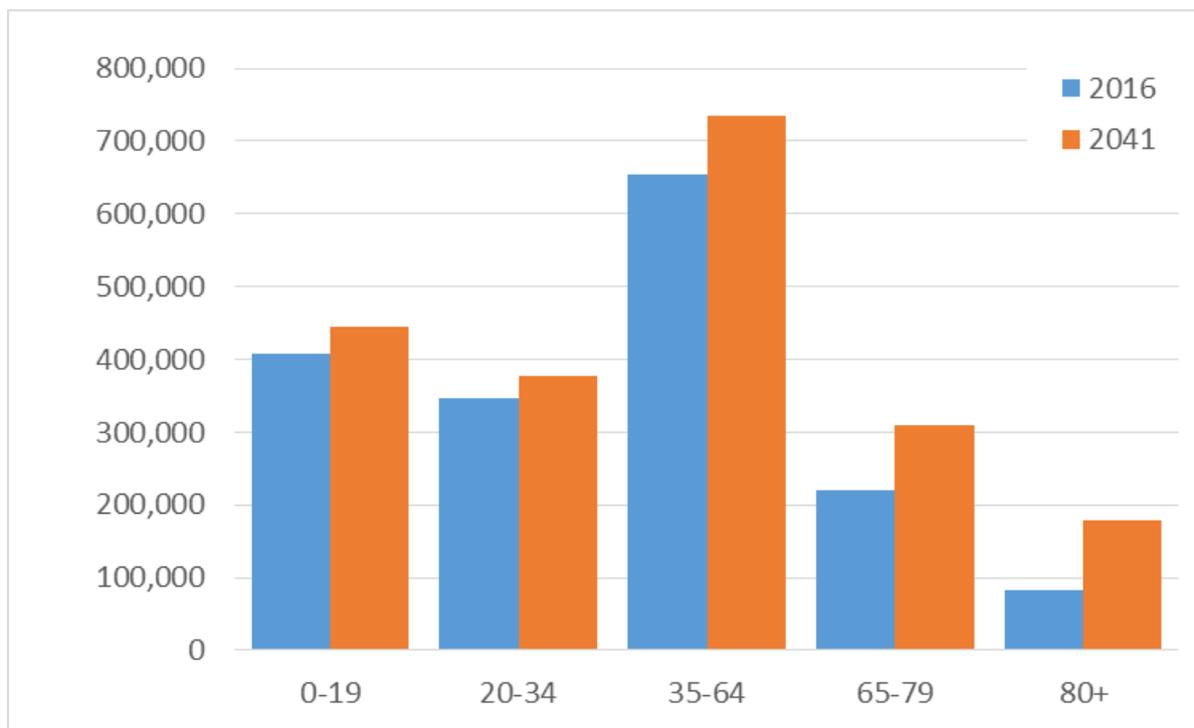
<sup>5</sup> ABS, 2019, Migration, Australia, 2016-17, cat no 3142.0

<sup>6</sup> ABS, cat no 3101.0



**Figure 3:** Current (2016) and Projected Age Structure (2041) – South Australia <sup>7</sup>

The State’s population will age significantly over the projection period 2016-41 (Figure 4), with the number of ‘active retirees’ (65-79 years) projected to increase by 40% from 220,000 in 2016 to 309,000 by 2041. This group is large and will impact on employment and housing markets in the coming years. More importantly, over the same period the ‘older population’ (80+ years) is projected to increase by 117% to nearly 180,000 by 2041. This group will have a significant impact on services, most notably medical, transport and housing.



**Figure 4:** Current and projected population by life stage groups – South Australia<sup>8</sup>

<sup>7</sup> Data Source: South Australian government population projections – June 2019

<sup>8</sup> Data source: DPTI population projections – June 2019

Population ageing is occurring fastest in the non-metropolitan parts of the state, largely via the process of selective migration. In a long-established trend, many younger people from non-metropolitan South Australia move to metropolitan Adelaide for education and employment. At the same time, a sizeable number of older people are making sea (and tree) changes to coastal or inland regional towns, such as those surrounding Victor Harbor, Murray Bridge or the Barossa Valley. By 2030, 29 per cent of South Australia's non-metropolitan population will be aged 65 years and over.

#### **1.4 Our workforce is changing**

South Australia's unemployment rate has remained relatively steady this century, at just over 6 per cent. Among people who are employed in the state, the ratio between full-time and part-time employment has been steadily shifting over recent years towards more part-time employment. Also notable in our changing workforce profile is a sustained increase in the proportion of South Australians who are not in the labour force. In 2019, South Australia has an almost equal number of adults working full time as not in the labour force<sup>9</sup>.

One of the most significant changes to our structure of employment this century has been the ongoing feminisation of the labour force. In 2000, for example, 47 per cent of South Australian women were employed, and this proportion has gradually increased over time to more than 55 per cent in 2019. Importantly though, the great majority of the increase in female employment in the state has been part-time; in fact, more women work part time than full time in South Australia<sup>10</sup>. Alongside this change in the characteristics of female employment, males are also increasingly likely to have part-time employment.

#### **1.5 Almost a quarter of South Australians have some form of disability**

Many South Australian households contain people with, or caring for, someone with a disability<sup>11</sup>. While many older people have a disability, the majority of people with a disability in South Australia are actually aged under 65 years (58 per cent). Among the estimated 382,700 South Australians with a disability, there are many levels of disability limitation, and each has important implications for the state's housing and service requirements. It is estimated, for example, that there are just over 120,000 people living in South Australia with a 'profound or severe core activity limitation', meaning that they require help with the core activities of daily living<sup>12</sup>, and hence are likely to need housing that supports their particular needs. The proportion of persons in South Australia with profound or severe activity limitations is likely to rise as the population ages.

#### **1.6 Our households are changing**

Almost 70 per cent of South Australian households are classified as 'family households' comprised dominantly of couples (with and without children), as well as a smaller number of lone parent households. Currently, 28 per cent of South Australian households contain just one person<sup>13</sup>, and this proportion is predicted to rise relatively rapidly over the next decade. The likelihood of living alone increases with age, but far from all lone person households are

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<sup>9</sup> Civilian population aged 15 years and over. Data source: ABS, 2019, cat no. 6202.0 Labour Force, Australia.

<sup>10</sup> ABS, 2019, cat no. 6202.0 Labour Force, Australia.

<sup>11</sup> ABS, 2017, Disability, Ageing and Carers, Australia, Cat no 4430.0

<sup>12</sup> As defined in ABS, 2017, Disability, Ageing and Carers, Australia, Cat no 4430.0

<sup>13</sup> ABS, 2016 Census of Population and Housing

older. In fact, the majority (58 per cent) of all of South Australians who live alone are aged less than 65 years<sup>14</sup>.

Following a national trend, young South Australians are living in the parental home for longer. Between the last two Censuses of Population and Housing, there was a notable rise in the number of children aged between 20 and 40 years living with their parents<sup>15</sup>. This trend is tentatively regarded by some as 'pent up demand' for housing – a symptom of young people delaying their own household formation –because of the unaffordability of the housing market and the need to pay down their education costs<sup>16</sup>.

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<sup>14</sup> Ibid

<sup>15</sup> Data Source: Census of Population and Housing, 2016, TableBuilder

<sup>16</sup> Rowley, S., Leishman, C., Baker, E., Bentley, R. and Lester, L. (2017) Modelling housing need in Australia to 2025, AHURI Final Report 287, Australian Housing and Urban Research Institute, Melbourne, <http://www.ahuri.edu.au/research/final-reports/287>, doi: 10.18408/ahuri-8106901.

## PART 2: OUR HOUSING AND NEIGHBOURHOODS ARE ALSO CHANGING

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South Australia's population has clearly changed a lot in past decades, and it is predicted to change even more into the future. Our relatively slow rate of population growth, compared to other Australian cities, means that we have the ability to plan well for these changes, adapt the housing that we build, and design for the neighbourhoods we want. In setting out the priorities for our new planning system, the population changes documented so far in this discussion paper suggest a growing need to provide for new and more diverse housing and neighbourhoods. But population change is only part of the equation. The housing and neighbourhoods we live in have also undergone significant change in recent years. Our housing stock, for example, has become much more diverse and the 'sprawl' of development seen in previous decades has, to a large extent, been gradually replaced by higher density land division closer to the centre of the metropolitan area. Over the same period, housing affordability has become a pressing national issue and our ability to provide affordable housing options (for both home ownership and rental) in South Australia has become a leading concern for governments. The housing choices and neighbourhood preferences of South Australian's have also changed markedly. Many of us are choosing to live in dwellings with smaller back yards, that are closer to work or areas with lifestyle value. This section briefly describes some of the major changes.

### 2.1 Our housing stock is changing and becoming more dense

South Australia has traditionally had a housing stock dominated by detached houses; currently more than three quarters of our housing stock is comprised of this dwelling type (Figure 5).



**Figure 5:** Detached housing in metropolitan Adelaide

The dominance of separate dwellings is gradually weakening. In the last decade the proportion of separate houses in our South Australian stock decreased by around 3 per cent, replaced by a corresponding growth in the stock of semi-detached dwellings<sup>17</sup>. A continued downward trend is evident in the most recent dwelling approvals data<sup>18</sup>, with approvals for new separate houses in 2017/18 decreasing to 67 per cent. Additional density is also being achieved by a gradual move to the development of double storey housing. As an example, over the ten years to the 2016 Census the proportion of two or more storey semi-detached dwellings in South Australia more than doubled<sup>19</sup>. Somewhat surprisingly, this increasing residential density appears to be occurring in parallel with a slight increase in dwelling floor space in South Australia. The average floor area of new houses and townhouses in South Australia in 2017-18 was 199m<sup>2</sup> and 154 m<sup>2</sup> respectively<sup>20</sup>.

Increased housing density is also being driven by consolidation in existing development areas. In a recently published discussion paper, DPTI<sup>21</sup> found that 70 per cent of new housing development in 2017 was within established urban areas and the demand for fringe development land has decreased (DPTI, 2018)<sup>22</sup>.

## 2.2 Land supply is unevenly distributed

In addition to a gradual move away from detached, single storey dwellings, new stock is increasingly being built on smaller allotments, especially in the metropolitan area. Far from the quarter acre block (just over 1000m<sup>2</sup>) of our parents and grandparents, the average residential allotment in South Australia is currently 707m<sup>2</sup>, but the median size of new allotments approved in 2017/18 was 361m<sup>2</sup>. This is part of a long-term trend towards smaller block sizes, reducing from an average of 534m<sup>2</sup> less than 20 years ago<sup>23</sup>, for example.

New allotments can be created by 'greenfield' land division or by re-subdividing existing residential land. Previously undeveloped land on the urban fringe, often called greenfield land, in metropolitan Adelaide is unevenly distributed, with substantial supplies in Northern Adelaide, and comparatively little in Eastern and Western Adelaide<sup>24</sup> (the coast and the Hills presenting natural barriers to widespread outward growth). These land supply differences are tempered by very different dwelling yields in different parts of metropolitan and non-metropolitan South Australia. As an example, compared to the state average rate of 11.1 lots per hectare across all proposed land developments in 2017, 24.5 lots per hectare were proposed in the recent developments of Lightsview and Marion.

New land supply also arises through adaptation of the existing housing stock –through demolitions and re-subdivisions. As Figure 6 shows, demolition activity is largely occurring in the inner suburbs within 10 kilometres of the CBD, with comparatively few demolitions occurring in the middle and outer suburbs. Four main areas of demolition activity are concentrated in the inner northwest, north, west, and southwest. Compared to demolitions, the spatial distribution of re-subdivision is quite different. Not only does it represent a smaller

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<sup>17</sup> Data source: ABS, 2018, TableBuilder dwelling structure by location.

<sup>18</sup> DPTI, 2018, Planning Research and Analysis Unit, Residential Land Supply and Development Trends Discussion Paper (unpublished)

<sup>19</sup> ABS, 2006 and 2016, Censuses of Population and Housing.

<sup>20</sup> ABS, 2019, 8752.0 - Building Activity, Australia

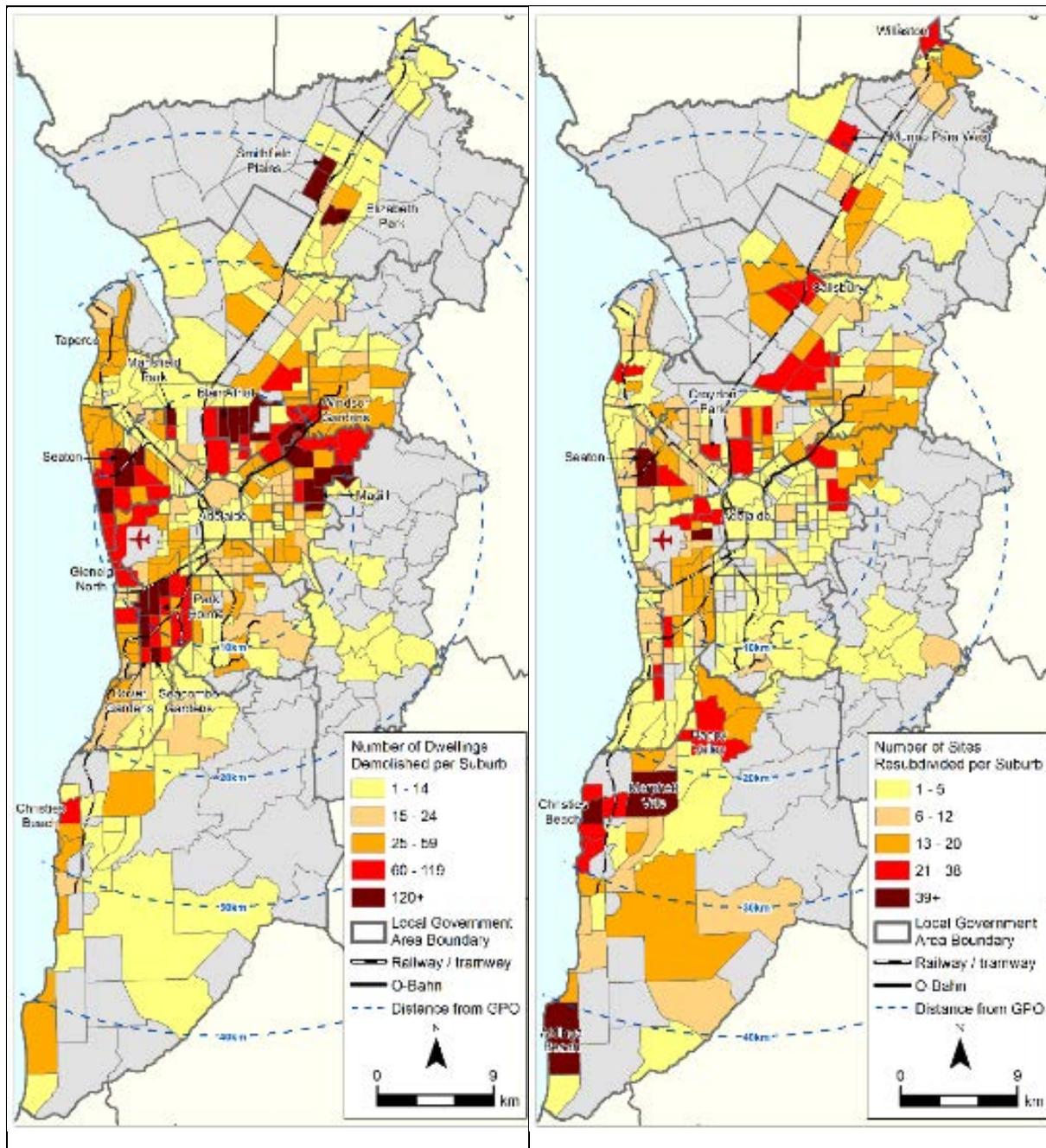
<sup>21</sup> DPTI, 2018, Planning Research and Analysis Unit, Residential Land Supply and Development Trends Discussion Paper (unpublished)

<sup>22</sup> DPTI, 2018, Planning Research and Analysis Unit, Residential Land Supply and Development Trends Discussion Paper (unpublished)

<sup>23</sup> DPTI 2019 median allotment size special data extract.

<sup>24</sup> Department of Planning, Transport and Infrastructure (2018) Residential land supply and development trends, discussion paper for the South Australian Planning Commission

number of sites, but it is also occurring much more evenly across the metropolitan area, throughout the inner, middle and outer parts.



**Figure 6:** Metropolitan Adelaide demolitions and re-subdivisions by suburb, 2008-2014<sup>25</sup>

Recent analysis by DPTI identified a potential land supply equivalent to 63,500 dwellings from greenfield development opportunities. A further 53,500 dwellings were identified as stemming from major infill development opportunities, mainly concentrated in the metropolitan area and its growth corridors. The large size of this land supply potential for almost 120,000 new dwellings within the existing footprint of the metropolitan area is notable, when we consider

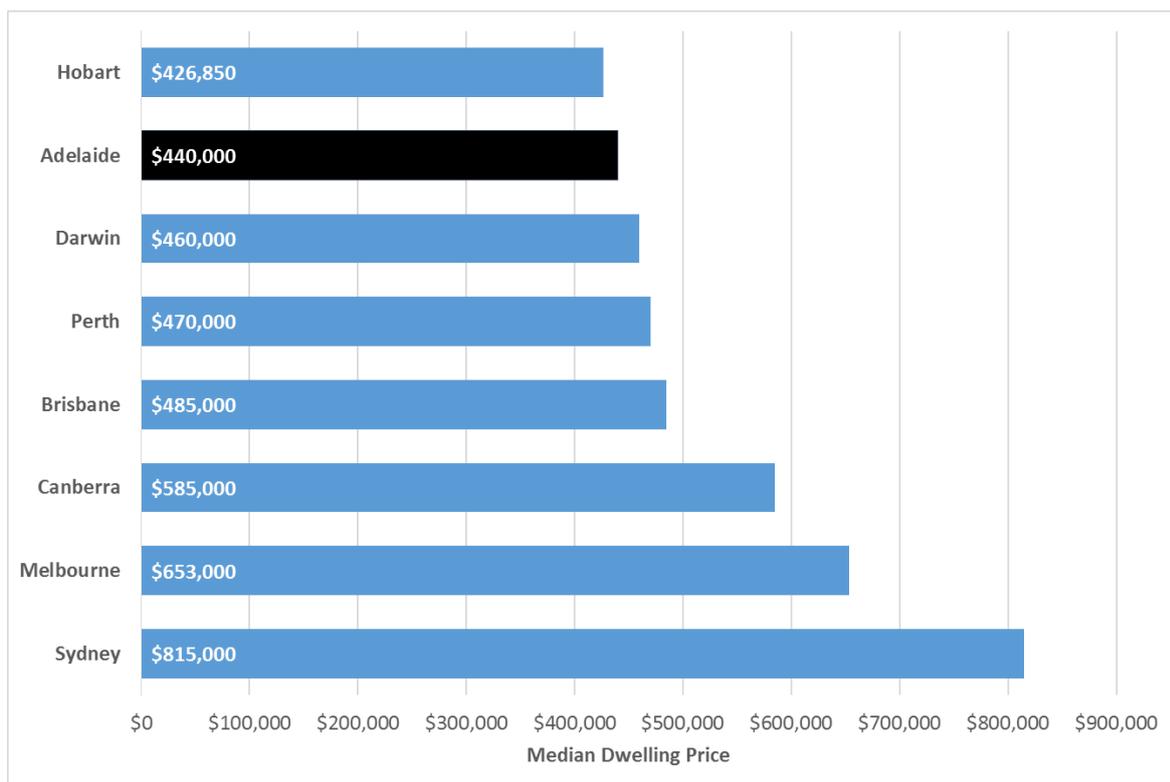
<sup>25</sup> Source: Department of Planning, Transport and Infrastructure (2018) Residential land supply and development trends, discussion paper for the South Australian Planning Commission

that 4,596 completions occurred between 2013 and 2017<sup>26</sup>. Current analysis<sup>27</sup> also suggests that there is adequate supply of both broadhectare and infill opportunities in regional South Australia.

### 2.3 Housing affordability is increasingly important for South Australians

South Australia is widely referred to in the popular press as the nation’s most affordable place to live. This reputation is, on simple measures, supported by robust national statistics. These statistics<sup>28</sup> have, for almost a decade, highlighted South Australia as the mainland state with the lowest mean housing costs per week for both renters and mortgage holders.

Figure 7 summarises median dwelling prices across Australia’s capital cities, highlighting a relatively low median price in Adelaide. However, though absolute housing costs are important, it is *relative* housing costs (i.e. the cost of housing as a proportion of household income) that best reflect affordability. This is particularly necessary to acknowledge in the South Australian context because although housing costs in the state are low compared to other states, wages and household incomes are also low compared to other states. When relative housing costs are taken into account, housing affordability in South Australia is, on average, similar to housing affordability in other Australian states<sup>29</sup>. The Australian Bureau of Statistics estimates for example that 17 per cent of South Australians have housing costs that are regarded as unaffordable (more than 30 per cent of gross household income) – an affordability level equivalent to both the Victorian and Australian averages.



**Figure 7: Median dwelling price in Australian Capital Cities, 2018**

<sup>26</sup> this comes from Chris’ section of the phase 1 report, reference and the numbers need to be checked – check with Chris

<sup>27</sup> Government of South Australia, 2018, Residential broadhectare land supply report, [https://www.saplanningportal.sa.gov.au/\\_\\_data/assets/pdf\\_file/0011/450677/Broadhectare\\_Report\\_2017.pdf](https://www.saplanningportal.sa.gov.au/__data/assets/pdf_file/0011/450677/Broadhectare_Report_2017.pdf)

<sup>28</sup> ABS 2017, cat no 4130.0

<sup>29</sup> ABS 2017, cat no 4130.0

Housing affordability in South Australia is also highly tenure dependent. On average, South Australian households expend 13 per cent of gross household income for housing costs, but renters (both social and private) pay on average 21 per cent of their household income. This is substantially higher than the average proportion paid by home purchasers (16 per cent) and outright homeowners (4 per cent).

In lockstep with national figures, both rents and mortgages have risen in South Australia over the last two decades, and the proportion of the South Australian population with housing costs that are regarded as unaffordable has been gradually increasing<sup>30</sup>.

## **2.4 Climate change is an increasing concern**

It is widely accepted that South Australia's future prosperity and liveability will depend on how effectively we address, and respond to, the impacts of climate change. South Australia is vulnerable to changes in ambient temperature, rainfall, extreme weather events, sea level rise and associated storm surges, which are all likely to increase in regularity and severity with the changing global climate. Awareness of our vulnerability to climate change has heightened in recent years with heatwaves, floods, bushfires, drought, erosion, storms and dust events: all attributed to the early effects of climate change. In response, governments – as well as individual South Australians – are increasing concerned with reducing greenhouse gas emissions, ameliorating the existing effects of climate change, and minimising the potential impact of future climate related hazards. Our housing and neighbourhoods are strongly implicated in both the production, as well as the potential mitigation of effects.

The construction, maintenance and energy consumption of housing is a significant source of greenhouse gas emissions. Energy use alone in residential buildings accounts for 13 per cent of total carbon dioxide (CO<sup>2</sup>) emissions from all sources in Australia<sup>31</sup>. This is important in the context of the trend of increasing dwelling size in South Australia because larger houses require more resources for both construction and operation. The climate change impact of the construction of new housing therefore presents important planning and design challenges.

The consolidation of housing, people and infrastructure into urban areas presents additional challenges. For example, temperature extremes are often maximised in built up urban areas, where historical building patterns and a concentration of dark road surfaces create heat island effects. In addition, the ground in urban areas tends to be covered by roads, buildings and other infrastructure, meaning that natural storm water run-off is prevented. The tree canopy and open space, which act to reduce temperatures and filter pollutants, are also often reduced to allow for development.

## **2.5 What housing and neighbourhoods do South Australians want?**

South Australians want many, often different, things from their housing and neighbourhoods. To some extent people's preferences are embodied in our existing housing and neighbourhoods as they represent the choices people have historically made. This is however only one part of the story; the form and characteristics our existing housing and neighbourhoods evolved not just through our preferences, but also in response to constraints (such as economic ones), as well as limitations in the type of housing (and its design) offered by developers and the construction industry.

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<sup>30</sup> ABS 2001, 2006, 2011, 2016 Censuses of Population and Housing and ABS 2017, cat no 4130.0

<sup>31</sup> National Inventory by Economic Sector 2017, Commonwealth of Australia 2019

In order to plan for the housing and neighbourhoods that South Australians want, we must also take into consideration the way our population is changing. Our tendency towards smaller households, an increasing proportion of South Australians who are older, an increasing number of lone person households and households containing adult children, and the growing diversity of our population through migration all represent substantial adjustments to the housing and neighbourhoods required in South Australia. They suggest, for instance, increased demand for smaller and more diverse dwelling types.

Australians have a long tradition of wanting detached housing, often with three bedrooms and a yard. This tradition persists for many<sup>32</sup>, but preferences are slowly changing. The demographic shift to smaller households alongside affordability pressures and locational trade-offs, appear to be driving demand for other housing types, such as apartments and townhouses. Interestingly, across a number of studies, even though people are increasingly choosing to live in alternate dwelling types, the evidence suggests that they retain a preference for having plenty of interior space.

Housing costs are the main expenditure item for many Australian households, so housing that is affordable to buy, rent and live in is a key consideration across our community. Housing affordability is a well-established driver of decision-making when people move house, both directly (wanting to choose something they can afford), as well as indirectly (for example trading off an accessible location for reduced private outdoor space).

Research undertaken in South Australia and beyond suggests that people prefer neighbourhoods with good accessibility. People want access to high quality local transport, as well as being able to get to family, work and shops easily. There is strong anecdotal evidence of a preference among younger South Australians for inner-city neighbourhoods that are closer to work, walkable and cycle-friendly, as well as connected to public transport routes.

Access to employment opportunities is an important neighbourhood consideration across all ages of the workforce. The location of employment within South Australia has been changing over recent decades, and becoming increasingly focussed in the urban area. More than three quarters of South Australia's employed persons work in the Adelaide metropolitan area. Although some households may choose to live in non-metropolitan areas and commute to work, this apparent shift the location of employment in the state is another potentially powerful driver of demand for housing in the metropolitan area.

Studies suggest that most households want some private open space but large residential blocks of 900m<sup>2</sup> are no longer as widely viewed as desirable<sup>33</sup> (though families with children still generally express preference for more backyard space). Many South Australians believe that their residential block is currently too large, and anticipate that their yard will become too large for them to maintain as they age. These findings<sup>34</sup> are reinforced by the recent Australian Housing Condition Survey<sup>35</sup>, which found that 98 per cent of South Australian households considered their outdoor space to be adequate. As private open space gradually decreases, access to quality public open space is likely to increase in importance.

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<sup>32</sup> Kelly, J.F., Weidmann, B., and Walsh, M., 2011, *The Housing We'd Choose*, Grattan Institute, Melbourne.

<sup>33</sup> Kellett J (2011) *The Australian Quarter Acre Block: the death of a dream?*, *Town Planning Review*, 82(3), pp263-284.

<sup>34</sup> Kellett J (2011) *The Australian Quarter Acre Block: the death of a dream?*, *Town Planning Review*, 82(3), pp263-284.

<sup>35</sup> Baker, E., Daniel, L., Bentley, R., Pawson, H., Stone, W., Rajagopalan, P., Hulse, K., Beer, A., London, K., Zillante, & Randolph, B. (2018), *The Australian Housing Conditions: Technical Report*, The University of Adelaide – Healthy Cities Research, Adelaide, South Australia

Alongside the apparent shift in preferences towards smaller backyards, the increased density of smaller residential blocks may also drive neighbourhood concern. When neighbourhoods become more dense, people can more concerned about privacy, the potential for overlooking of existing housing and noise. Residents may also be cautious of loss of neighbourhood character and amenity, particularly as it applies to tranquillity, road safety and visual appearance. For example, parking congestion, loss of views and the impact on neighbourhood character from new buildings using markedly different materials and forms of construction. Thought, concerns such as these from existing residents may be weighed against the satisfaction of incoming residents who are prepared to pay for new dwellings at higher densities in these same neighbourhoods.

The preferences discussed here are suggested by previous work that asked people in South Australia and beyond about their housing preferences, but we need to know more about what South Australians want from their housing and their neighbourhoods – now and importantly, in the future. The current process of planning reform seeks to do just that. As part of that process, this paper seeks to identify major trends and challenges, and propose some priorities for the planning system response. We are keen to know more about South Australian’s evolving housing preferences and the trade-offs they are likely to make in the future.

## PART 3: PRIORITIES AND CHALLENGES FOR THE NEW PLANNING SYSTEM?

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Governments, planners, developers and the building industry are, in many ways, already responding to some of the trends and changes described in this paper. Our new-build housing stock, for example, is gradually becoming more diverse, we are experimenting with affordable housing and new tenure options, and pursuing new approaches to retirement living across metropolitan and non-metropolitan areas of the state. The new planning system aims to better unify and guide our response to the challenges facing South Australia in a way that aligns to the strategic directions of State Planning Policies<sup>36</sup>.

Broadly, the changes and challenges highlighted in this paper require the land use planning system to encourage and promote:

- An appropriate balance of mixed use and residential land uses across the state;
- Housing diversity and affordability;
- High quality design of our buildings and places; and
- A balance of protection for existing and new heritage and character.

The ageing of the South Australian population presents particular challenges. At the most simple level we need to provide a diversity of housing options that enable people to downsize or adapt their dwelling as they age or experience disability over time. In the broader public realm, there is a parallel need to make our spaces and places (e.g. car parking, housing, public space) more age friendly and accessible. The relatively large (and growing) number of people living with disabilities in South Australia provides additional impetus for the new planning system to encourage the development of more diverse housing options. This suggests that Universal Design Principles should be increasingly embedded into all development.

Although many older people express a desire to age in place or remain in their local community, this is sometimes limited by the availability of appropriate housing in established areas. In responding to this, the new planning system might pursue alternative housing options for older people, such as granny flat developments, dual occupancy, or ‘fonzie’ style flats created over garages.

Housing affordability among the older population is an additional consideration. Following wider national trends, a growing number of South Australians will never access outright homeownership; as a result, a substantial proportion of our older population will enter retirement as renters without the ‘nest egg’ of a housing asset. This is a key emerging consideration for the housing options provided to older South Australians and further reinforces the need for planning responses that enable a diversity of affordable housing choices and tenures.

Over and above the ageing of our population, the demographic trend towards smaller and often lone person, households in the state provides additional need for the planning system to

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<sup>36</sup> Such as the State Planning Policies for South Australia, Government of South Australia, 2019, [https://www.sapanningportal.sa.gov.au/\\_\\_data/assets/pdf\\_file/0005/552884/State\\_Planning\\_Policies\\_for\\_South\\_Australia\\_-\\_23\\_May\\_2019.pdf](https://www.sapanningportal.sa.gov.au/__data/assets/pdf_file/0005/552884/State_Planning_Policies_for_South_Australia_-_23_May_2019.pdf)

provide for smaller dwellings, preferably in locations well served by public transport and other services required for a more affordable overall cost of living.

The planning system must also respond to the needs of a growing and culturally varied migrant population with quite different housing and neighbourhood preferences. This increasingly substantial sector of our population may require large houses with multiple bedrooms, granny flats or subsidiary dwellings on the same block, or even completely new housing forms. Migrant groups may, for example, seek housing with communal facilities, such as shared multi-family cooking areas. For some people within our migrant population, multi-generation households are an expectation, and different housing solutions may be required to accommodate not just a traditional nuclear family, but an extended family of three (or even four) generations.

Overall, to meet the changing needs of our population the new planning system must provide for a range of housing types and sizes across the state, across developments, and within neighbourhoods. This might be achieved by offering a range of lot sizes and promoting a variety of building forms and tenures, especially low-rise medium density housing. Some practitioners and commentators refer to the lack of low-rise medium density housing in our cities as the “missing middle” – between detached dwellings and high-density, high-rise – of housing diversity. The recent public discussion around solutions to the missing middle provides some potentially valuable land use planning responses, such as the split housing described in the Case Study below.

#### **CASE STUDY: Opportunities for Adelaide’s ‘Missing Middle’**

***By Damien Madigan, Lecturer in Architecture, University of South Australia***

Adelaide’s suburban development pattern is something of an anomaly when compared with other Australian cities, in that it has developed in a linear fashion from north to south as opposed to radially. Cities like Sydney and Melbourne present an intact inner ring of desirable character housing stock around their CBDs and a vast 20km-wide middle ring of suburbs that are well connected by public transport but are of mixed quality and desirability, and due for renovation. These suburbs can therefore be targeted strategically for new medium density infill housing, leaving the inner ring of older suburbs intact.

One housing strategy is the ‘Missing Middle’ an identified policy gap of low-rise medium density housing options including dual occupancies, terrace houses, multi-dwelling houses and manor houses. Such offerings straddle the gap between low density single dwellings at one end of the housing spectrum and high density apartments at the other.

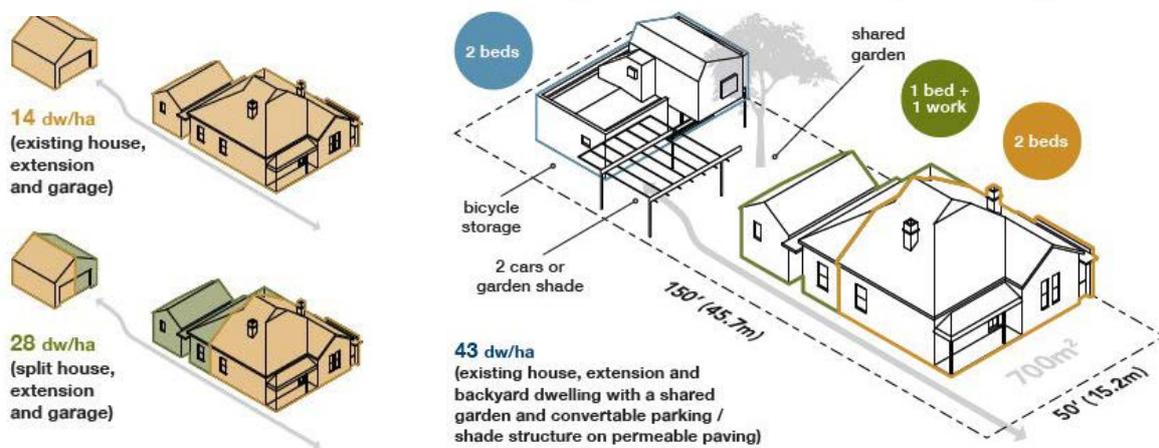
Being constricted west by the Gulf St Vincent and east by the Mount Lofty Ranges, much of our well-connected housing stock has traditionally come in the form of villas and cottages from the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. Rarely left unaltered or extended, they continue to adapt to new ways of living.

More recently, as outlined earlier in this paper, our metropolitan areas have experienced a significant rise in minor infill development, with a high concentration of demolition activity within 10 kilometres of the CBD and spreading out to the north-east and south within Tea Tree Gully, Campbelltown, Salisbury, Marion and Onkaparinga Local Government Areas. This pattern is largely being driven by planning policy, dwelling age, site value and market demand to live close to shops, services and public transport in established areas. Of those demolitions, 91% were detached dwellings, 90% had a Value Ratio (Capital Value / Site Value) between 1 and 1.5 and 88% were built prior to 1969.

In view of this, the Greater Adelaide region is primed to benefit from an all-encompassing approach to the provision of missing middle housing – one that both helps to address our shifting housing needs while easing concerns over the rise in minor infill by ensuring new development is designed and sited in a way that complements and enhances the existing neighbourhoods in which it is built.

For example, in our established character areas, it might be possible to sensitively alter and extend some of our early housing in a familiar manner, to create a **uniquely Adelaidean** form of missing middle housing.

On its own, an extended villa sitting on what can be considered a typical Adelaide allotment of 700m<sup>2</sup> represents a density of 14 dwellings/hectare (dw/ha). Split into two smaller dwellings, this increases to 28 dw/ha. The addition of a third small backyard dwelling, sitting within the height of the original house, creates an alternative medium density scenario of 43 dw/ha (see figures below).



Beyond increasing dwelling numbers, such a strategy increases dwelling diversity, offering a mix of 2 bedroom layouts and the potential for work-from-home arrangements. A high-quality shared garden increases amenity, while the mass and positioning of buildings reflects Adelaide’s existing low scale suburban development patterns.

Additionally, in those areas experiencing high minor infill development activity, an opportunity exists to place a strong focus on providing diverse housing options that are universally designed, affordable, support ‘ageing in place’ and reflect the changing needs of our community (see figure below). To this end, we need to explore new models of housing outside of our traditional preference for detached dwellings on large allotments that can offer affordable, well designed and well-located options for our shifting demographics and household types.



Housing affordability is highlighted in this paper as an overarching challenge. In both rental and home ownership, affordability affects quality of life, locational decisions and household formation; the provision of affordable housing is also regarded as an important strategy to retain educated, young working people in the state. But, how can our land use planning system assist us in improving housing affordability in South Australia? To some extent the increased housing diversity and smaller block sizes discussed above will, in many cases, provide affordability dividends. In addition, existing and new planning-based incentives such as density bonuses, car parking allowances, zoning, and the 15 per cent affordable housing policy may be applied or extended. Importantly, housing affordability needs to be achieved for both rented and owned tenures because, for South Australians, affordability problems are most pronounced in the (growing) rental sector. There is therefore a need for the new planning system to incentivise affordable rental in the state, whether that be for private, social or public renters.

### **Should transport be considered as a component of housing affordability?**

Transport costs contribute a substantial part of each household's weekly expenditure, and for many income groups, transport is the second highest household expenditure item after housing (representing approximately 15-20 per cent of total). People living around the fringes of the metropolitan area tend to travel much greater distances to work<sup>1</sup>. While direct housing costs may be more affordable in urban fringe areas, the inclusion of transport costs in our understanding of affordability would result in housing in middle and inner metropolitan areas being considered more affordable for many. DPTI modelling suggests that the total 20-year transport cost per household (factoring in interest payments for people living in the outer metropolitan areas compared to those living in inner and middle rim suburbs) in metropolitan Adelaide could be up to \$200,000 lower over 20 years.

This paper has highlighted an overall population shift towards the metropolitan area and its fringes. While overseas migration is contributing to the relative growth of the metropolitan Adelaide population, growth is also being driven by younger people moving from non-metropolitan areas for work or study. At the same time, partially as a consequence of the loss of younger people from our non-metropolitan areas and partially as a result of retirement migration away from the metropolitan area, populations in non-metropolitan parts of our state

are ageing. These population distribution changes have significant implications for land use planning, especially in non-metropolitan parts of the state. They suggest a pressing need for our regional towns and centres (especially sea change and tree change hotspots) to provide for the housing and service needs of a growing ageing population.

At the more local level our land use planning system can be used to promote neighbourhoods and places that are more dense, walkable, healthy and accessible. Increased density is intended to support greater vitality, more people on the street, more opportunities for local cafes, restaurants, shops and other facilities. If managed well with careful design, the results can be positive. Providing facilities closer to where people live can stimulate active travel and reduce car trips, which is good for both the environment and people's health.

Increasing urban infill and a transformation of many residential neighbourhoods into more vibrant mixed-use precincts – which in turn stimulates interaction between residents, encourages more active forms of transport in the interests of public health, and links better to public transport – are all policy and design intentions that will continue going forward. To date, it appears that master-planned major infill development has been relatively successful in achieving these aims but small-scale progressive, minor infill within existing suburbs has been less so. The new Code must address the transformation of existing neighbourhoods by minor infill. In particular, it needs to promote the incorporation of more mixed land use and vitality into densifying neighbourhoods.

The prioritisation of high quality design in the new planning system is important to achieving increased density of our neighbourhoods while also making them places that people *want* to live and work in. The new planning system will need to encourage the delivery of well designed, homes places and spaces across metropolitan Adelaide, as well as in regional cities and towns. As well as signposting good design, the new Code needs to address sources of dissatisfaction. In reviewing the residential preferences of South Australians, this paper has highlighted a series of potential concerns common to residents in densifying areas, in particular, on-street car parking, privacy, local amenity, risks to heritage and character, and retention (or even expansion) of the existing tree canopy. In anticipating these concerns, the Code needs to provide clear guidance and have the retention or improvement of amenity as a fundamental aim.

With increased densification, the role and value of public open space becomes more important. As South Australian allotment sizes and backyards shrink, and an increasing proportion of us live in attached dwellings and apartments, greater emphasis needs to be placed on the provision of quality public open spaces that can support a diverse range of activities. The new planning system needs to encourage the development and retention of open spaces that permit activity and recreation, can be multi-functional and shared by many members of the community, have natural and green spaces, and are safe.

As we transition to the new Code, the importance of heritage and character will continue to be recognised. Our new planning system will need to protect areas of special character, and continue to provide for the management or conservation of land, building, heritage places and areas. Existing heritage designation means that change in some areas is limited in the interests of protecting the valued physical attributes or identity. Other areas do not enjoy such heritage protection but may be regarded by residents as having a special character that may limit the amount and type of changes desirable. The Code needs to consider how to reconcile the conflicts that can arise from pressures for change, and the desire to retain the existing environment.

Overarchingly, this paper has highlighted the increasing concern for climate change within the state. We are faced with the challenge of providing housing and neighbourhoods that neither contribute to, nor are vulnerable to, the effects of climate change. In responding to these challenges, the new planning system should prioritise strategies such as energy efficient building design and water sensitive urban design. At the neighbourhood level, we need to strive for a balance between a more compact urban form to reduce vehicle use and encourage active and public transportation, and increasing green space to mitigate to urban heat island effects. In encouraging quality public open space, the new planning system should privilege open spaces and vegetation that help to cool the built environment, filter pollutants, and enhance the function of natural water systems.

### 3.1 Next steps

South Australia's people and neighbourhoods have changed a lot. Less than 100 years ago we were a state where the majority of our population was young, and 98 per cent of people were born here, or came from the United Kingdom. We have grown, urbanised, and become wonderfully diverse. As we plan for the future and an evolving and vibrant community, it is widely recognised that we need a new planning system to regulate land and what we construct upon it. For this, we need to build on the information contained in this paper, consider the trends and challenges identified, make our processes simpler, and encourage development that aligns with community expectations, and our shared vision for South Australia. We therefore end this section with a series of questions that will hopefully guide our thinking.

- What kinds of housing and neighbourhoods do South Australians really want, now and in future?
- How can we make places, places that people want to live in?
- How can we make our neighbourhoods more walkable and healthy?
- How can our transport system be developed to assist our land use planning goals?
- What infrastructure and services do we need to encourage in non-metropolitan parts of the state?
- How can the new planning system encourage our young, educated workforce to stay in South Australia, or return to South Australia?
- How do we create new affordable housing options (for both renters and home owners)? Options that allow young people to leave the family home and create new households, and options that allow older renters a high quality of life.
- How can good design be used to promote liveability and affordability?
- What kinds of public open spaces do we want, and how can they be used to promote healthy living and cool our places.
- How can we preserve our important heritage, enhance existing character, and build new character that should be protected into the future?
- How can climate change adaption and resilience be incorporated throughout the new planning system?
- How can the planning system be simplified so that it provides clear guidance and allows wider community participation?