

Australia's property industry

**Creating for Generations**

20 September 2018

Mr Tim Anderson QC  
Chair, SA Planning Commission  
c/o Department of Planning, Transport and Infrastructure  
GPO Box 1815  
ADELAIDE SA 5001

Email: [DPTI.PlanningEngagement@sa.gov.au](mailto:DPTI.PlanningEngagement@sa.gov.au)

## State Planning Policies – Feedback

Dear Mr Anderson,

Thank you for the opportunity to provide a submission on the draft State Planning Policies.

Rather than conduct a line-by-line analysis (which has already been undertaken in a workshop with the Department), this submission will take a high-level look at the macro issues surrounding the State Planning Policies. Our feedback reflects our members' concerns and is also in keeping with the concerns highlighted by other industry groups who we have been in discussion with throughout the planning reform process.

In principle, the Property Council supports reforms to the state's planning system and will continue to advocate for a better system that facilitates growth in our cities and leads to better planning outcomes.

As you know, the *Planning Development and Infrastructure Act* ("the Act") creates a new policy framework. It no longer has a "planning strategy" but instead requires that state planning policies "set out the State's overarching goals or requirements for the planning system." They are (in this new policy architecture) the "headline" policies which frame the various other policy instruments. The draft policies released for consultation simply fail to do this simple but important task. They are a collection of poorly phrased ineffective sentiments and ought to be rewritten to contain clear, simple and concise statements of policy and principle as the Act anticipates.

South Australia needs a strong and clear expression of policy at this level if the reform anticipated by the Act is to be truly implemented.

The following four key areas contain important feedback and cover population growth, adaptive reuse, land supply and employment regions.

## **1. Planning for Population Growth**

There is no greater threat facing the property sector (and the state's economy) than low population growth. At a time when Victoria's population grows by more people every 27 days than South Australia grows across the entire year, we need policy-makers to fully appreciate the economic challenge ahead. While the planning system cannot, in and of itself, boost South Australia's population, it can facilitate growth in strategic areas that reflect the future needs of the State.

Responding to trends in population and the needs of population is a key pillar of the planning system. Given that the State Planning Policies (SPPs) are the foundations that will underpin our entire planning system, it is vital these policies do more to encourage, plan for and facilitate population growth.

The Property Council was pleased to see an introductory section examining population included in the latest draft of the policies; however, this topic has merely been included as background information and is not an expression of policy. Population is such a fundamental element of town planning that it must be dealt with in state planning policies and cannot merely be a section in the introduction.

Planning for population growth, demographic changes and depopulation are key tenements of the planning system. Just some of the potential trends in South Australia's population that will impact how and where we live, work and play include:

- An ageing population;
- Growth in student numbers;
- More families moving into inner-city multi-residential dwellings, etc.

The aforementioned scenarios have direct impacts on our towns and cities, which is why it is vital that each planning policy incorporates at least some elements of planning for population and demographic changes.

For example, it is vital the SPPs that explicitly set the future policies for employment and residential growth reference expected changes in population. The policies need to address the critical questions, such as:

- What are the population expectations (in number, over time and broken into key cohorts such as age, education, family size, employment capability, etc)?
- Where will they live?
- What are the housing types and supply implications for these cohorts and their likely locations?
- What about those working and living near employment or living nodes (e.g. defence hubs in the Northern Suburbs) and what impact will this have on land supply in and around these locations?
- What infrastructure (social and hard) is required, where and when?

The policies outlined in this draft document should encourage growth – every element of our planning system should promote, plan and monitor population trends while planning for a bigger Adelaide.

We need to plan for population change – be it up or down. We cannot be caught out revising growth plans in the next 10, 20 or 30 years because we failed to incorporate population growth into the SPPs when we had the chance.

## **2. Facilitating adaptive reuse**

Section 61 of the Act expressly requires policies and principles to encourage and support the adaptive reuse of buildings and places. The SPPs should facilitate creativity within the

planning system, to allow innovative adaptive reuse of buildings throughout South Australia. This is why we agree with having a dedicated policy devoted to adaptive reuse.

Currently, adaptive reuse (especially of heritage listed buildings) is both cumbersome and expensive. We need to ensure that, as technology evolves, tastes change and uses alter, the planning system remains flexible rather than restrictive or prescriptive.

Property Council members agree with point 4 on page 26 (as a matter of practical reality and the historical development of buildings) that the policy should “prioritise the adaptive reuse of buildings within the City of Adelaide and other mixed-use precincts;” however, the policy should not act as a disincentive for adaptive reuse policy settings outside of the Adelaide CBD. The policies should give flexibility to allow this in all local government areas.

Future problem solving should be encouraged in this policy section by exploring the future use of buildings, rather than reflecting only on the traditional “heritage building into commercial” type developments of the past. For example, the changing needs of our population and technology means that in the future carparks may be reused for residential development, and adaptive reuse provisions should encourage this type of ‘crystal ball’ thinking.

This section needs some clear policies and principles which set out some simple priorities, propositions and guidance on the expected issues or matters of policy conflict that arise. For instance:

- How will public infrastructure relate to or be adapted to enable adaptive reuse?
- Are there locations or thresholds where adaptation should be promoted above certain infrastructure priorities or where infrastructure planning or modification can assist?
- When does heritage conservation yield to adaptation?
- Are some uses to be preferred and promoted to change to or adapt from?
- Are there spatial differences in such principles?

None of these issues are addressed presently.

### **3. Land supply**

SPP six does not adequately outline how the planning system will prioritise or resolve location arguments in the future. If infill remains the priority of government, then how, when or in what priority will all of the existing infrastructure be augmented to cope? More needs to be stated about how these policies will actually underpin land supply in South Australia. Developers need certainty to invest in the long-term future of our state, but nothing in this section outlines a strategic and long-term land release that could allow them to plan for the communities of the future.

Likewise, there is no clear strategic vision, linked to and underpinned by necessary infrastructure policies that enable any urban regeneration or infill on a strategic basis. The small micro infill development of the inner and western suburbs will creep along without infrastructure augmentation under these policies while major developers undertaking larger master planned developments or more substantial high-rise developments in the inner-city will bear the principal cost of providing or augmenting infrastructure. If this is in fact a policy, then it ought to be expressly stated. However, if a more equitable and transparent approach is to be adopted, then clear policies are required.

It is appropriate that a long-term range for land supply (20 to 30 years) is committed to in these policies by the government to allow investment in residential development, employment and all the associated infrastructure. This is consistent with the 20-year horizon for infrastructure SA and with fundamental planning. If there are debates to be had

surrounding land supply on corridors, then it is appropriate to have them up front to inform this document which in turn guides the development of the Code.

This is the policy where industry, the community and government can talk about what we want and how we can deliver the housing needs of the future. For example, aged care and retirement living development is a huge growth sector and a housing product that is growing in popularity driven by the silver tsunami of the "boomer" cohort in our demographics. But how do we plan for this to ensure good design outcomes and sustainable communities?

Regional density and questions around what can and cannot be supported outside of the city and metropolitan areas must also be touched on.

These policies should unlock opportunities to use innovative housing in all residential zones, rather than lock land away for certain uses. The policy should also be careful not to restrict housing options outside of zones – like 'live-work' units in industrial areas. Policies should allow and encourage unexpected housing options in different zones.

Rather than attempting to predict the houses of the future, these policies should seek to set the bottom standard and then encourage diversity of housing everywhere. The priority is to increase in diversity and increase in supply.

### **Employment SPP 9**

This policy should be flexible and open to new opportunities for employment and economic growth. That said, the State clearly has particular strengths. Our opportunities for economic growth and employment development clearly exist in education, defence, energy, tourism, agriculture and ag-tech, health and medical, mining and professional and information services. At the very least, state planning policies ought to clearly and expressly promote and prioritise these fields as areas in which employment and economic growth will be expressly promoted and facilitated. Far more detailed policy is required to provide that express support and promotion of those industry sectors.

### **Economic Significance of the Property Sector**

Please see below statistics about the importance of property to the South Australian economy:

- Property is South Australia's largest private sector employer and biggest industry
- It accounts for 10.8% of the state's economic activity (or \$10.5 billion)
- It builds prosperity by paying \$4 billion in wages and salaries – one in five people draw their wage directly or indirectly from property
- One million South Australians have a stake in property through their super funds
- Property is the largest single industry contributor paying 58.6% of state taxes, local government rates, fees and charges

If you have any questions in relation to this submission, please don't hesitate to contact my office on 8236 0900.

I would also be happy to appear before you to discuss these proposals in detail if you so desire.

Yours sincerely



Daniel Gannon | SA Executive Director

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