Draft State Planning Policies for South Australia
Submission
Contents

1. Background: Who we are and the importance of the building and construction industry to South Australia’s economy .................................................................................................................. 3
2. What isn’t in the State Planning Policies that should be .................................................................................................................. 4
3. Concerns with the existing State Planning Policies .................................................................................................................. 6
4. Conclusion .................................................................................................................................................................................. 8
1. **Background: Who we are and the importance of the building and construction industry to South Australia’s economy**

   Established in 1884 as the peak body representing South Australia’s building and construction industry, Master Builders SA is committed to building a highly productive industry and a prosperous South Australian community and economy.

   The building and construction industry undertakes about $16 billion of work every year, contributing more than $1 for every $7 of economic activity within the State. Indirectly, more than one-quarter of South Australia’s wealth is produced by the building and construction industry.

   In the year to February 2018, there were 65,100 people directly employed in the construction industry across all sectors, including residential, commercial, civil engineering, land development and building and completion services. This represents 7.8 per cent of the total workforce. Indirectly, the industry supports tens of thousands more South Australian jobs.

   Master Builders SA is proud of the industry it represents, the jobs it creates, the 11,000 homes it built and extended for families last year, the outstanding health, education and sporting facilities it has constructed, and the offices it has built for South Australian businesses.

   South Australia’s building and construction industry is focused on the development and transfer of skills into a life-long career. It is consistently among the leading sectors when it comes to training and apprentices and last year provided new apprentice places for more young workers than the Northern Territory, ACT and Tasmania combined. Unfortunately, our industry has been part of the disturbing decline in the number of apprenticeships in South Australia over the past five years. Apprentice in-training numbers have declined from 15,132 in 2011/12 to 9,791 in 2017, the lowest number since 1999.
2. What isn't in the State Planning Policies that should be

South Australia must be bold and position itself globally as a great place to do business, delivering jobs, prosperity and a fantastic lifestyle. Master Builders SA believes there are a number of key issues that have been overlooked.

POPULATION GROWTH

“Part 2: Our Population” does not establish a position on population growth. If South Australia is to be a vibrant place to live and work in the future, Master Builders SA strongly believes there needs to be a commitment to growth. The State Government has previously committed to working towards South Australia having a population of two million people by 2027, a position we support.

Current trends are unsustainable. Sluggish population growth is a barrier to increased spending, employment and economic growth, and recently cut our level of political representation in the Federal Parliament. With the reduction from 11 to 10, South Australia will have the lowest number of seats in the House of Representatives since 1954. These trends risk creating a decline in South Australia’s national influence and living standards.

Jobs growth in South Australia continues to lag well behind the national average. Population growth will help address this imbalance by increasing demand, allowing our state to attract and retain professionals willing to invest in their careers and businesses. The end result will be a stronger and healthier economy with growing export opportunities for a new generation of young entrepreneurs proud to call South Australia home.

Master Builders SA believes the attitude and the language needs to be more positive. The policy focus should be on actively delivering population growth and delivering the most appropriate infrastructure and residential accommodation requirements to go with that growth.

ECONOMIC GROWTH

The format of South Australia’s planning system will have a massive impact on our economic growth, which continues to lag behind the rest of the nation.

In their current format the SPPs are a missed opportunity as they fail to outline a well-defined economic strategy for the state. For example, although food production, energy and mining are covered, there is no mention of defence which is an absolutely critical industry for our future. The SPPs should focus on identifying key industries and how they will influence where and how people live and work.

HOUSING AFFORDABILITY

There is no mention of housing affordability in the SPPs. Planning reforms must not adversely affect affordability for South Australians, and they must promote a diverse range of housing options. Master Builders SA supports consumer choice. Whilst we welcome the current boom in apartment construction, not everybody wants to live in an apartment. Many South Australians, particularly families who do not work in the CBD, would prefer to live in a house in the suburbs with a backyard for their kids to play in.
Building homes drives the state economy, creates jobs, stimulates other industries and helps create better communities. South Australia’s net migration figures tell a deeply alarming story. In 2016, the state suffered a net loss of almost 6000 people. In the year to 31 March 2018, South Australia’s net interstate migration was -5.7 per cent. Often these people are our best and brightest, and the most likely to invest in South Australia and buy a home. South Australia has the highest median age in mainland Australia, and our ageing population will put increased strain on the budget, especially in health. A decline in our economy and lifestyle compared to other states in inevitable unless we give South Australians reasons to stay, and others to come.

More affordable housing will slow the drain of South Australians moving interstate and assist in creating a more vibrant community that will not face an excessive burden due to the ageing population. The warning signs that already exist must be addressed by the SPPs. For example, building approvals for private sector houses have declined for nine consecutive months according to ABS statistics. Planning reforms must value consumer choice and protect jobs in the industry. If too much weight is given to “State Planning Policy 5: Climate Change” for example, the building industry will greatly suffer as a result.

INFRASTRUCTURE SA

The recently established body Infrastructure SA, which we strongly support, will develop a 20-year State Infrastructure Strategy using analysis from public sector agencies and infrastructure providers. Given that the SPPs will be the key policies informing major infrastructure decisions, it makes sense that they have the same 20 year forecast horizon and that the link with Infrastructure SA is clearly stated in them.

LAND SUPPLY

Master Builders SA believes the 10-year land supply forecast contained in policy 3 on page 22 is too short. As noted above, Infrastructure SA will develop a 20-year State Infrastructure Strategy. Major decisions regarding infrastructure must be made based on clear understanding of growth areas. Therefore, the land supply forecast should be 20 years so it is aligned with Infrastructure SA.
3. Concerns with the existing State Planning Policies

The SPPs do not provide clear direction. SPPs should be concise, consistent and unambiguous. The reason for each policy should be clearly articulated at the start, and with clear goals in mind. The policies should contain more targets (such as the population growth target articulated earlier in this submission), numbers and maps. Targets must be able to be practically measured.

As they stand the SPPs are unclear. For example, under “Part 4: Our Targets” (page 16), one is to ‘Increase housing choice by 25% to meet changing household needs in Greater Adelaide by 2045’. What exactly does that mean, and how will it be measured?

In their current form many of the policies are long-winded and contradict others. Whilst it is true that the SPPs acknowledge this, which policies will take precedence over others is unknown and that is deeply concerning. If the finals SPPs do contradict each other there must be a clear way of addressing conflicts if there is to be any public confidence. We reiterate that the value of our industry to jobs and the economy must not be underestimated.

For example, under “Part 4: Our Targets” (page 16):

1. 85% of all new housing in metropolitan Adelaide will be built in established areas by 2045
2. 90% of all new housing in Outer Greater Adelaide will be built in the established townships and designated urban development areas
3. 85% of all new housing in regional South Australia will be built within townships and defined settlements

Point one clearly contradicts the previously highlighted target to increase housing choice by 25% to meet changing household needs in Greater Adelaide by 2045. Furthermore, there is no definition of “metropolitan Adelaide” or “Outer Greater Adelaide”, so how can they be measured? By demonstrating a clear bias towards infill development, consumer choice is also at risk. Master Builders SA strongly believes that there must be the right mix between infill and greenfields development and that targets of this nature are akin to social engineering.

ENVIRONMENT AND FOOD PRODUCTION AREAS AND CHARACTER PRESERVATION AREAS

The Environment and Food Production Areas and Character Preservation Areas combined occupy approximately 90% of the Greater Adelaide Planning Region, with a combined area of around 1 million hectares. Flexibility should be incorporated into the policies to enable the strategic development of land within the Environment and Food Production Areas. There is a risk that the present policies (and legislative restrictions) will prevent major developments of economic significance to the State from proceeding outside of metropolitan Adelaide simply because they involve a component of residential development. Major developments that are identified by the Minister as being of economic significance to the State should be capable of being facilitated in strategic locations within the Environment and Food Production Areas. It is important for example that people can live near their place of work or education and that significant tourism developments (such as golf courses and marinas) are not unintentionally caught out by overly restrictive policies.
THE IMPACT OF STATE PLANNING POLICY 5: CLIMATE CHANGE ON AFFORDABILITY

Master Builders SA is deeply concerned that these policies will dangerously drive up the cost of builds, hurting affordability. For example, policy 3 on page 31:

*Ensure the development of climate-smart buildings that reduce our demand for water and energy and mitigate the impacts of rising temperatures by encouraging water sensitive urban design, green infrastructure, urban greening and tree canopy enhancement.*

We believe insufficient consideration has been given to the cost implications of these policies, particularly given that there is no focus on housing affordability in the SPPs. We also question whether “the best available climate science” is being taken into account given information on the Bureau of Meteorology website does not show evidence there has been an increased frequency of extreme events or a significant increase in average temperatures, reduced average rainfall and rises in sea level.
4. Conclusion

Master Builders SA believes planning reforms should be written in a way that deliver consistent, faster and more approvals. The building and construction industry is crucial to South Australia’s economy and the state being a vibrant place where people want to live and work.

The current SPPs do not adequately respect this vital contribution and the absence of anything on housing affordability is deeply concerning.

As they are written the SPPs create risk for our industry. Without increased detail, they will be open to broad interpretation that could lead to confusing outcomes.

Master Builders SA is willing and ready to work closely with the Government to improve the existing SPPs. Certainly, we believe there needs to be a clear focus on economic growth, population growth and housing affordability.