A Productive Economy for South Australia

Regional Development Barossa Gawler light Adelaide Plains Inc (RDA BGLAP) is established as a commitment of the Australian, South Australian and local governments to integrated regional development in South Australia. RDA members are predominantly industry leaders with a clear focus on regional futures.

Preliminary Comment: The Discussion paper sets out current themes in place based economic development and the relationship with Spatial Planning. Many of these themes are reflected in current projects and initiatives of RDA BGLAP. A well-designed planning system which provides for the future is essential in this region which has outstanding growth: between 2004 and 2018 the region has experienced in excess of 30% population growth compared with South Australian overall growth of 13%. Current proposals will facilitate a further 100% increase in population. Getting the design led planning framework, not just for land-use but for all infrastructure and facilities to deliver productive communities with vibrant economies is essential to the future well-being and economic sustainability of all South Australia.

Whilst there is much to agree with in the discussion paper, the emphasis away from bricks and mortar zoning based economic development to the fastest growth industries which are creative, agile and mobile could be stronger. The region has a growing services economy, including services related to its globally relevant wine cluster and associated industries. Education is a growth industry with South Australia’s veterinary and animal sciences research and education based at Roseworthy Campus and the opportunity to build on existing infrastructure and residents for an outstanding Agricultural Technologies Research Development and Commercialisation Centre there too. Employment lands remain important but setting aside commercial and industrial land is not a comprehensive strategy for a productive economy. Strategic co-location and value adding in situ facilitate future business and must be embraced in any new planning system. The attention to Innovation Precincts on page 45 of the Discussion paper should be expanded as a key focus of the new planning system along with a commitment to value adding on agricultural properties where primary production remains the dominant use of the land.

In short, RDA BGLAP’s submission is that a well-designed blueprint for adaptive use is this region’s vision for land use planning. This will support and provide more granular information for the planning system than the current 30 year plan which is a high level strategy for Adelaide, not this region specifically. The BGLAP regional land use framework should be supported by a separate suite of policies that sit within the planning system, developed by this region, for this region as a blueprint sustainable economic growth in this region.

Response to discussion issues and questions:

1.1 Primary Industries (as Agri-Innovation Precincts)

The Desired Requirement in the new Code identified on pages 48 – 49 of the Discussion Paper are generally supported by RDA BGLAP, especially Supporting Key Export Sectors and Promoting
Innovation Themes. We submit, however, that the value capture/value adding to primary production is not sufficiently highlighted as a desired requirement. In the proposed responses to Key themes on page 52 of the Paper, Sub theme 1A addressing Primary Industries and value adding in food production does not address permitted activities on agricultural area. We acknowledge that this is an area for careful consideration and should relate to those activities that encourage and support agricultural entrepreneurship rather than development by the back door. We submit that appropriate and desirable outcomes can be achieved and should be addressed in this response, perhaps in sub-theme 1E. Whilst tourism is mentioned in several sub-themes, tourism is a very broad theme – or should be – and requires some clarification beyond accommodation.

Co-location of agricultural and associated activities (eg sorting/washing/packing) is required for productive and profitable industries and should be facilitated through the design of the system. Particularly in vegetable growing, efficiencies and timeliness of paddock to market determine profitability or not.

One further issue is the development of a winery on viticultural land for integration. This currently has barriers that suppress growth. Waste treatment aside, the planning requirements should be revisited along with incidental impacts – eg valuer general’s reclassification of the whole vineyard which increases rates and land taxes exponentially and is an inhibitor to value adding and jobs creation.

Discussion Questions

Buffers: RDA BGLAP supports a shared responsibility approach to buffers incorporating notions of reasonableness and a recognition by residents that they are moving into a farming area and accommodate farming practices, including transport movements. Conversely, farmers have a responsibility to operate according to accepted industry standards and not create unreasonable nuisance. A 40-metre buffer is likely to be a minimum requirement, and in most cases insufficient to address incompatible activities on either side of the buffer. The nature of the activity on each side of the buffer is likely to determine what this should be.

1.2 Tourism:

With a strong agricultural base in this region, facilitating consumer engagement and value capture through agri-tourism is an important opportunity, for the region and South Australia. This includes accommodating more “mixed use” activity on agricultural land by the landholder where primary production remains the dominant use of the land.

Discussion question – Signage policies:

Despite the increased use of satellite navigation, directional signage is important for visitors to help them find their way safely and to help them spend money. A more enabling approach to signage is supported. Advertising on signage can be distracting and difficult to manage from an aesthetics and regional branding perspective. However, QR a code to a central tourism website could be appropriate. Individual businesses may sponsor signs leading to their business, but these should none the less be themed and cohesive, including in rural areas.

1.3 Mining and Exploration.
Mining sits with some difficulty with tourism, can create significant heavy vehicle traffic and can create nuisance in dust and noise. New technologies and new methods of mining are often less intrusive and less environmentally disruptive.

Discussion Question – protected area:

The peri-urban perimeter is such a small area that maybe it could be protective of agricultural and tourism uses, (as in the character preservation legislation) and even in the appropriate areas, residential and all but the rarest, high value and minimalist extraction methods mining. Required buffers for mining need to be well understood and proposed residential development considered for potential nuisance.

2.1 Centres, Retail and Mixed-Use activities

The challenge posed by the convenience of online retailing is to influence retail development to deliver a retail destination, with themes, and deliver flexible mixed-use spaces, supported by safe, shaded environments where people want to be. Demand for these spaces can change quickly so a broader category which facilitates commercial / retail/ educational/ café/bar for example would encourage higher occupancy and greater economic contribution. Parking and cycle access are also relevant but not dominate the landscape. Flexibility of activity and use is even more important in regional areas – this would also facilitate co-located operations – a hairdresser with a café and retail element, for example, which improves services, reduces business overheads and creates vibrancy. As Social Commerce – or the influence of social media on retail increases, retail “vibe” becomes more influential.

Discussion Questions: Residential development within retail centres...

There are extensive examples of mixing retail and residential - both traditionally (for example, Paris) and in a contemporary context – Victoria Point, Queensland; Henley Beach South Australia. The focus would seem to be mixed use, rather than retail in with residential. The mix provides for contemporary, quick access living and activation of spaces for additional security for both uses. Residents don’t often value street front (noisy and less privacy) both of which retail businesses do value. Accordingly, if represents and efficient allocation of resources. Not all retail will be relevant to residential centres so the policy will require some nuancing.

As demonstrated by the Westfield sell off and much written about (including by McKinsey in [https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-future-of-the-shopping-mall]) the mall does not hold the same importance for retail that it once did and consumers are more attracted to “pop in pop out” smaller centres than the places that can swallow you for days as you search for the exit. In rural areas, the mall has a devastating impact on town centres which are the heart of communities (along with the sporting ovals). Accordingly, small, integrated, retail can deliver better community outcomes. The integration of residential is also relevant to rural main streets, particularly for older residents who no longer drive and younger people who seek to socialise without the need to drive. Moreover it encourages later trading and opening hours for food service and cafes, which is a boost for the economy.

Other considerations for retail are to provide for micro-warehousing and spaces (can be green or open spaces for regulated pop up retail) – a sensitive topic, but more and more a popular a method to test the market.
2.2 Employment Lands

Employment lands should no longer be thought of as simply industrial land. As noted in the Discussion Paper, there is a need to provide flexible policy that enables diversity of industry and commercial activities. From home-based business to manufacturing, smaller facilities with less intrusive businesses house a lot of employment today and will do so into the future.

In rural areas, flexible policy and adaptive reuse are critical. Often a proposed business seeks premises and there are many vacant, but the rigid zoning requirements are a barrier to productive use of the property. Education outreach, mixed use properties and adaptive reuse of heritage building will facilitate better economic opportunities. Co-location, co-working and shared parking requirements can improve accessibility of a site to a new business and improve the businesses chances of success.

Critical to this discussion, however, is the planning for logistics centres, distribution routes and movement of people and goods. These considerations will determine success of other policies.

Discussion Questions: A more flexible approach?

A flexible approach is imperative. Genus, Impact and Design focus should deliver a more productive use of assets. With this, “renewal” programs may no longer be necessary as precincts evolve according to community and industry uses and disused and redundant facilities are a thing of the past. Height and setbacks will be determined by good design considering context and purpose.

2.3 Home Based Businesses

If more provision is made for co-working spaces and collaborative use facilities then home-based businesses may be a transitional, time limited concept as many home-based businesses want to migrate from the home but lack the resources for the capital investment required. This puts a constraint on growth and scalability. The time limited business could applied to sharing economy businesses such as air BNB with the result that they were only available for paid use for an identified percentage of the year, with a 3 strikes nuisance rule, for example. (see 4.2 below)

Discussion question: How will changes to work practices impact?

Greater self-employment in micro businesses seems likely as people who can’t find a job create one. Hence, flexibility in HBB policy is required to seed these businesses but could realistically be time limited without further permissions.

The other side of this is to embrace concepts of shared work places and spaces, shared facilities and places for home businesses (and everyone in the community) to meet, connect and exchange ideas. Again, the Genus impact and design of a business will determine its suitability for residential co-location.

The young job seeker looks for flexibility, meaning and purpose as well as income and connected, active and socialised precincts that contribute to meeting those needs and keeping young workers in regional areas. Small bars policy, live music policies, gatherings and flexible licensing regimes all play their part. Digital enablement is also a basic requirement.

3.1: Renewable Energy.

Renewable energy is being taken up by growing numbers of businesses of all sizes as an increasingly viable option for profitable businesses. As part of the energy mix that seems permanent, sun energy capture should be accommodated to support business. Wind, so far, is more of a commercial product but small turbines are likely to be a supplementary option for many businesses into the future.
Companies such as Jacobs Creek celebrate their Solar array as an important element of their business sustainability plan and business based renewables generally have high acceptance in this community. More substantial solar installations and broadband towers and connections are commercial utilities. Genus, impact and design focus is required. Commercial solar sites may be relevant in industry parks, but maybe not in a main street. So, a flexible approach with local input into fit for purpose locations above a certain size. Wind turbines are place sensitive for best wind capture and so zones may be established for appropriate wind installations. Micro turbines would seem to have minimal broader impact and so should, perhaps, not require permissions. Placement of production energy like hydrogen and biofuels will need to be accommodated and not too far from the energy user they are providing with power. Some capacity for the planning system to grow with these uses will support more productive outcomes for longer. Public spaces can be reimagined with opportunities to capture and use renewable energy and water. Prototypes are already operating: http://opencityprojects.com/solar-power-public-space/.

3.2 Adaptive Reuse

Adaptive Reuse in rural areas is an important economic activator. Main street heritage building and rustic on farm buildings alike offer new experiences to consumers and tourists and reuse existing valuable infrastructure. A facilitative approach with the genus impact and design framing, applied with skill, will inform the framework. Interesting on-farm buildings have enormous potential for agri-tourism and if tied to the principle that agri-tourism must be subsidiary to and complement the dominant use of the property for primary production, then there should be little impact on viability of agriculture. Potential for abuse of the provisions will be a concern but a periodic review of the dominance of primary production as the primary property use may be feasible.

Discussion Question: Unused farm houses separately titled.

This is a different question from that related to the comments above. As a blanket permission this might have uncertain outcomes. The removal of a blanket prohibition with some clear guidelines may support active use. A long-term leasehold tenement, whilst still a technical subdivision but not an alienation of title, might have more sustainable outcomes.

3.3 Infrastructure

Infrastructure has evolved in its nature and footprint and, in a sense, infrastructure is a very broad category. Utilities infrastructure, including any other than major generation plants for energy and telecommunications have a requirement to be conveniently located near uses or, in the case of wireless communications, where they are effective. Accordingly, the overarching future focussed design of a district will determine where that infrastructure might be sited today – we can only guess about tomorrow. Size and nuisance value matter, so guidelines which address that rather than a category of “infrastructure” might be more workable. Infrastructure is fundamental to economic activity and investment and is integral to the design and land use planning for an adaptive blueprint for the future.

Discussion Question: How to ensure planning to support new and innovative infrastructure?
We cannot be confident we know what future infrastructure will look like other than it is likely to be smaller in size, more digitally enabled, and more varied than the infrastructure of today. For water and waste, reuse will be an imperative. Waste repurposing and recycling generally will be a high priority that may have to be more locally addressed as regions decline the waste of another.

4.1 Collaboration and Clustering

These are place based themes that absolutely must be strongly informed by local knowledge and insights. The Barossa is home to one of Australia’s most highly performing industry clusters – wine – with an emerging Food Cluster on the Northern Adelaide Plains. The essentials of an Equine Cluster are also evident. To maintain and grow its global positioning, the production cluster needs to evolve to an innovation cluster through cross-sector collaborations and closer interactions with design and research. As reported in SGS Economics paper on Innovation Precincts:

> Many OECD organisations for cities have struggled to revive manufacturing rendered vulnerable by competition from lower wage countries and automation generally. Integration of advanced science, design and brokerage has been critical in those instances where these industries have managed to hold on and prosper despite these difficult ambient circumstances.

That paper goes on to identify 8 critical factors for successful innovation precincts:

- **Highly accessible location is important for attracting workers. Businesses will not locate in precincts if they cannot attract workers to that location. Accessibility is also important for business to business connections.**
- **Credible and reputable anchor enterprises or institutions that are present, relevant to and engaged with industry. These can include hospitals, universities, research centres or large corporations. It is important they operate in industries relevant to the precinct to promote engagement.**
- **Critical mass of related enterprises to promote activity and vibrancy which will assist in creating an amenable environment.**
- **Vibrant, amenable and walkable physical environment often through mixed-use and dense development.**
- **Well-connected digital environment to attract technology firms and enable highly efficient global communications.**
- **Open and democratic operating environments that promote a mindset for collaboration. Collaboration will not occur spontaneously; it is a long-curated process.**
- **Shared or collaborative spaces that facilitate collaboration such as conference facilities and meeting rooms to facilitate formal interactions.**

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• **Flexible design that promotes scalability and continual evolution as firms expand or shrink.**

**Governance arrangements that nurture the precinct’s vision and its long-term economic development objectives.**

In developing planning policy for innovation precincts, these are important considerations. Flexible and adaptive, connected and multi-use.

Discussion Questions: Q Are planning policies adequate to support the aims of innovation districts? – apparently not.

Q. How to ensure residential does not monopolise in mixed use areas...

Principles of proportionality – percentage maxima? Fit for purpose infrastructure? Partnering? The former Land Management Corporation represented a feasible method of influenced development according to designated design principles – a where a statutory body is a partner in the development and then privatises that interest once the development is concluded - operates to influence the development in a way that micro-managing through detailed drafting cannot. Empowered local planning boards that are invested in the land use planning framework (because it is ground up) – will assist to manage the realisation of these precincts.

**4.2 E-commerce and the Sharing Economy**

E-commerce is particularly relevant to the retailing considerations, and the identified need for warehousing and logistics centres, including micro warehousing. These facilities should be part of the vision for the mixed-use centres and be cognizant of freight routes – though this is less important for micro-warehousing. Existing bulky good centres could provide an option for warehousing… and co-location with services like post offices and dispatch centres.

Discussion Questions: - Can we plan for the sharing economy? And the impacts of e-commerce?

The Sharing economy as it has evolved raises a multiplicity of issues around risk, impact on full “fee paying” businesses, transience of operators and employment conditions. As a vehicle for activating underutilised assets it offers bonus productive capacity to the economy. Again, genus, impact and design can nuance the approach to sharing platforms.... Offer a temporary facilitation for “testing the market” businesses or peak demand. Perhaps employing other regulatory levers to limit the percentage or proportion of time accommodation or vehicles can be dedicated to revenue generating activity and requiring insurance to cover uses might rein in the potential imbalance created, particularly in the accommodation market and to a lesser extent n the food and beverage market and others.

Some of the impacts of e-commerce include the need to repurpose buildings from single retail to shared retail and services, to “experience retail”, to accommodate parcel distribution in communities and merge the services/retail categorisation for premises. Trends are clear, the future is not. Adaptive infrastructure, buildings, places and spaces facilitate future relevance.