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Contact Officer: Caroline Chapman (Direct No. [redacted])

Project Lead, Productive Economy Discussion Paper
Department of Planning, Transport and Infrastructure
GPO Box 1815
Adelaide SA 5001

BY EMAIL: DPTI.PlanningEngagement@sa.gov.au

Dear Project Lead

Productive Economy Discussion Paper – City of Holdfast Bay Submission

Thank you for the opportunity to provide comments on the Productive Economy Discussion Paper.

Council staff consider the Discussion Paper is based on sound principles, in that it acknowledges key trends and influences that affect our competitive advantages. Some emerging trends in the City of Holdfast Bay reflect those identified in the Discussion Paper, and the following comments refer to those and other concerns:

Regional Plan and local needs
The planning system’s strategic framework has the Planning and Design Code being guided by the Regional Plans’ long-term vision for a region or area and include provisions promoting the ongoing strength of key industries, the protection of major infrastructure. A small area such as Holdfast Bay can get immersed by the broader objectives of a single Regional Plan. It is important that the Regional Plan recognises locational characteristics. Some of the overarching guiding principles to drive a broader economy may not suit the economic strategy of a smaller locality.

Importance of interface
The planning system needs to support changes in how impacts are managed in cost effective ways that minimise the need for traditional solutions such as the separation of uses. This can be achieved through mixed use zones instead. However industries evolve
and the safeguard of an interface is a reliable management tool for separating conflicting uses.

Non-standard business types
Supporting and growing key industries such as cellar door outlets and micro-breweries is supported, as these are not traditional licensed premises and should be extracted from complying with single standards (i.e. those applicable to hotels and clubs).

Tourism
Continued growth of the state’s tourism industry is dependent on the provision of infrastructure such as accommodation. It is acknowledged that the planning system needs to have the flexibility to offer a range of options without the regulatory processes.

Currently Holdfast Bay has around 60 Airbnb rental properties offering 150 rooms. These are believed to
• increase economic activity
• generate less energy, water, and waste than hotel-stays but increases impacts on sewerage, rubbish
• lower cost, people may choose to go on trips that they otherwise would not have taken or to stay longer at a destination
• be space that already exists, but is being underutilised
The current downsides include:
• Local hotel stays generate revenue that many communities can’t currently capture through home-share apps like Airbnb
• Residents have argued that Airbnb has had a negative effect on their local neighbourhoods, with complaints of increased noise, disorderly behaviour, rubbish and parking congestion
• Properties being used as Airbnb rentals, rather than making them available as long-term rentals, further exacerbating the housing affordability crisis
• Hoteliers invest heavily in assets – property, licences, rates, insurances - have criticised the fact that suppliers on these platforms are not being held to the same regulatory standards as those in traditional accommodation, who are required to hold certain licences and certificates in order to operate. There are also concerns that those suppliers are not paying the appropriate level of taxation, or complying with local laws.

Discussion
• How do we capture revenue from the new economy sharing businesses? - Require owners to pay a registration fee before they are allowed to rent their property on a short-term basis?
• Adjust zoning rules to limit the ability of people to rent their homes on a short-term basis?
• Regulations – must specify amenities or safety features owners must provide – how to enforce regulation? What regulations are relevant to incentivizing long term over short term rentals or to encourage the renter to better manage their short term tenant behaviour?

Activity Centres
In the pursuit of a poly-centric urban structure and deregulation of traditional hierarchical retail policies, it is important that the economic energy is not sapped from existing catchments (e.g. Jetty Road Glenelg) to the point where they are detrimental to the community.
Support policy flexibility that enables an increased diversity of retail activities to support emerging formats and flexibility.

The adaptive reuse of buildings, per se, is supported as a means to extend the economic life of heritage buildings and reduce the cost of structural modifications. However, it is important that in developing planning policy that promotes a diversity of uses in a zone and promotes more adaptable building design, that the concessions and alternative performance provisions where standard policy requirements cannot be met are not so expansive as to compromise the architecture of important buildings and create other allowances that result in interface conflicts, reduced building fire standards, and fewer car parking opportunities.

Does adaptive re-use have some application to streets as streets may become less about vehicles and more about open space and community?

Coordinating Infrastructure
The need for the timely, coordinated provision of infrastructure and services in line with staged growth plans and planning policies is imperative.

It is important that the new planning system provides greater certainty around the allocation of responsibilities for the financing and delivery of infrastructure. The sequencing of facilities and services needs to be a forerunner or commensurate with new development, based on an actual-needs analysis (eg. to avoid the underservicing of developments such as Minda and Jetty Road Glenelg).

Offsets schemes
Infrastructure Schemes (used to ensure that infrastructure is delivered when and where it is needed) are supported but there needs to be some caution around the application of Offset Schemes (off-site provision of infrastructure). There needs to be a clear understanding that the Offset Scheme will be used to upgrade infrastructure in the immediate locality, and not lost to a broader regional scheme.

Clustering – innovation, industrial precincts, circular and eco economy
Collaboration and clustering by developing 'industrial ecology precincts' where businesses that can share resources or transfer waste from one business as product for another's are co-located, is supported in theory. However, there needs to be an understanding of the fragility of such a model should one or more 'collaborators' cease to operate. It is important that a small industrial precinct such as Somerton Park is immune to this finely balanced model. Planning rules need to be able to respond to diverse uses and activities that benefit from co-location, and ensure there is adequate land in specified locations to enable expansion.

Infrastructure and sharing economy
Provision to acknowledge and accommodate policies for e-Commerce and the 'sharing economy' is an important part of a modern planning system. However, it is imperative that the infrastructure is in-place (or at least planned) to support such activities prior to inviting innovative industries through zone changes.

Home based activities and amenity impacts
Broadening the scope for Home Based Activities as a means to enable residential premises to accommodate economic activities, is supported, particularly where the activity is low intensity. However, it is important that the concessions do not extend to
activities that would interfere with the residential character of a locality (e.g. require parking of trucks on the land, high turnover of visiting clients, and generate multiple daily deliveries/dispatches).

In addition to the above comments relevant to activity already occurring in the City of Holdfast Bay, are the following comments on broader metropolitan and state-wide matters:

Future land supply
Metro plans need to maintain a consistent and transparent approach to land supply – structured housing and employment lands release directions clearly related to infill and regeneration policies and the protection of Food Production and Character Areas will better direct new housing and employment to locations that align with services and infrastructure provision. This will probably require simpler and easier approaches to land division/redevelopment over multiple titles, ensuring greenfields land division meets a minimum gross residential density to support services and infrastructure, and probably a return to sequencing of new land development to ensure timely infrastructure delivery.

Industrial land supply
The supply of land is limited and must be constrained to protect agricultural and water catchment land to the north and south of Adelaide – the discussion should be aimed at strategic supply of land through flexibility of use of land - this requires the separation of sensitive from other uses. Holding a supply of industrial land (lower cost) is important to provide for a range of non-residential uses, and uses yet to be invented. It also provides low cost land rental options for startups and innovators as well as arts and creatives.

Employment and mobile workforce
Greater mobility of employment is not just about being able to travel more easily to alternative employment. The costs of relocating (not related to the planning system) are an impediment to a mobile labour force eg stamp duty on property transactions.

Agribusiness and value adding
How are we making changes to adapt to climate change and its expected effects on food production and seafood harvesting?

Climate change predictions would suggest the need to protect the most arable land for agriculture given predictions of change suggest less rainfall and more extreme events in the south eastern parts of the continent. The ability to store rainfall and produce crops and products that are more resilient be more resilient in drying conditions.

Importance of public open space
Reference to ‘unlocking investment in the Festival Plaza’ and other locations on Parklands appears to relate to ‘unlocking’ the preservation of Parklands (for beneficial public uses and open space) and increasingly ‘locking’ them up in more commercial arrangements which pose a risk to maintaining the many values and benefits of having parklands surrounding the city, particularly when increasing residential density is necessary to conserve greenfields land and best use infrastructure and services.

Adequate sizes and quantities of open spaces and reserves need to be protected (and increased where the ratio is low or population and dwelling growth is anticipated). Offsets schemes should also not allow open space to be provided away from the development area.
Linking people, goods and services
Better public transport connections between concentrations of employment may improve public transport travel times but still need to improve connector service timetables and cross suburban routes and frequencies.

Guiding Principles for Retail – the success of centres rests on healthy competition and investment in the retail sector – raises questions about how the policy can protect from monopoly land ownership in designated centre zones, what is a ‘productive settlement pattern’, and how is a hierarchy maintained when a smaller centre seeks to expand? The polycentric nature of centres supports linked networks of government services regardless of changes to the retail model.

A polycentric centres structure also needs transport connecting the centres more than just radially through the centre (CBD). Mobility on demand services may provide alternatives that address cross suburban connectivity.

Emphasis on a single industry sector
Defence manufacturing may or may not be a long term proposition for SA as contracts may be distributed around the nation and the nature of defence assets may be changing eg submarines built over a 15 year program vs underwater drones supplied in 3 years. But land needs to be able to be accessible to facilitate future requirements. Clusters in Adelaide are the result of long term planning and in many cases anchored by public institutions.

Land economics and clustering precincts
The role of land economics – prices, ownership and supply and demand, highest and best use etc are important to the development of any precinct as monopoly ownership can stifle as well as foster cooperative and collaborative models. How do you protect large parcels and land around anchor institutions from pressures of ‘residential highest and best use’?

Please contact me on [redacted] should you wish to discuss the submission further.

Yours faithfully

Caroline Chapman
Strategic Planner