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## **SOUTH AUSTRALIA STATE PLANNING COMMISSION PRODUCTIVE ECONOMY POLICY DISCUSSION PAPER – NOVEMBER 2018**

The Australian Industry Group (Ai Group) welcomes the opportunity to provide feedback to the State Planning Commission's Productive Economy Policy Discussion Paper, November 2018.

We also commend the State Government for seeking to harness opportunities for planning policy improvements as the State moves towards a new planning system and the creation of the Planning and Design Code. The building of a more efficient, responsive and effective land use planning and development system will be vital in shaping the productivity of our businesses, the livability of our communities and the quality of our built environment.

A range of leading practice reforms will be critical to the process of creating a successful new planning system. These include:

- ) **Providing certainty to industry.** A lack of certainty in the assessment process has the potential to substantially reduce investor confidence and divert investment away from SA. It is critical to ensure clear and consistent application of land use and development policies with industry regularly informed on the status of its policies and strategies;
- ) **Informing communities early in the planning process** about the type of development that could be allowed;
- ) **Planning and development processes are streamlined** to reduce delays and uncertainty in zoning, assessments and planning approvals. Statutory time frames on approvals should also be considered to help ensure greater certainty for industry with respect to development times and costs;

- ) **Ensure transparency and accountability in planning** to improve business confidence in the planning and decision-making processes;
- ) **All strategic phases of the planning process, not only the development assessment phase be subject to time frames** that are monitored and reported with the objective of driving best practice outcomes;
- ) **A consistent approach across councils** in the requirements for development approvals and in the engagement of communities in key planning decisions.
- ) **Integrate and rationalize approvals for all projects** by creating an approvals committee with the authority to issue all relevant approvals.

There is also significant potential for improvement around levels of advice to industry and consultation processes. We recommend that consideration be given to the establishment of a dedicated office for assisting industry through the planning process, focusing on the environmental and other planning conditions, as well as assisting in effectively meeting any community and stakeholder consultation requirements.

The planning system should also be underpinned by supportive mechanisms that assist the progression of major developments (particularly projects likely to be contentious such as waste facilities and wind farms) to more certain outcomes. This would help to limit the impact of opposition groups or legislative loopholes that may obstruct developments at the final stage of a lengthy approvals process. Of further importance, is the need for the planning system to facilitate timely decision-making and ensure that consideration of project variations is proportionate to the significance of the change.

Project planning should also transcend the short-term political agenda with the Government needing to play a key role in facilitating the early engagement of industry and the community in shaping the future direction of investment. This will enable the early identification of opportunities, risks and issues on individual projects with proposals reflecting the needs of businesses and the people of South Australia.

The Discussion Paper has correctly drawn attention to the **key challenges associated with land use planning and ensuring a ready supply of appropriately placed employment lands**. High quality economic infrastructure and housing combined with appropriately-placed suitable employment lands and efficient planning processes are key enablers for industry growth, jobs creation and the attraction of business investment to South Australia. We believe that this will require the clear and consistent application of land use and development policies with industry and the community regularly informed on the status of its policies and strategies. This will help in providing all stakeholders with greater certainty, including the necessary certainty for industry to support its investment decisions.

Also, of importance will be the need for:

- ) **an appropriate balance between industrial and residential interests**, and planning policies which are sufficiently flexible to provide protection and predictability for existing land users that require planning protection. This is particularly important in areas where housing is within proximity to industry and can potentially pose a threat to the continued viability of industry.
- ) **Introducing more flexible land use zones to accommodate new industrial land uses in non-residential zones** such as green industries and renewable energies, knowledge intensive industries, retail and commercial and community spaces, rather than focus on strict land use definitions.
- ) **A fully integrated approach in the identification of new growth areas**; delivery of new transport infrastructure; the use and release of land and; decisions regarding the provision of supporting infrastructure and;
- ) **Facilitate the development of affordable housing** in and close to employment lands to enable workers to live close to where they work.
- ) **An across the board stocktake of underutilized residential land** that offers opportunities for housing in close proximity to employment lands;

Physical infrastructure should also be geared towards promoting innovation such as innovation precincts and improving SME's access to Government research facilities. Whilst there is a need to continually *explore options and identify opportunities for improved policies for specialist development clustering within a zone*, we note that the Tonsley innovation precinct is particularly geared to encouraging/supporting the aims of innovation districts. This is exemplified by its mix of land uses across residential, high value industry/commercial, educational and retail and its location on a major north-south transport corridor. These are key factors in promoting connectivity, collaboration and a creating a pool of skilled people to work at the precincts.

In financing the delivery of infrastructure projects there is a need to adjust policy and commercial approaches that may have been relevant to the past but not the future. Improved access to private funding as well as pro-actively seeking Federal funding will be needed to ensure that critical infrastructure is progressed in a timely manner. In this respect, we welcome the new financing models that will apply within the new planning system, namely the *Basic Infrastructure Scheme* and the *General Infrastructure Scheme* for financing projects and spreading the costs fairly among the beneficiaries.

Close monitoring on an on-going basis will be essential in ensuring that contributions accurately reflect benefits realized from the infrastructure investment.

We also recommend that further consideration be given to City Deals, bringing together the three levels of government and the community to help align infrastructure planning strategies over the long term. This approach provides the opportunity to move beyond the political cycle to deliver jobs, economic growth and the creation of productive and livable cities.

We would welcome discussing these points further with the Planning Reform Engagement Team if necessary.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Myatt', with a large, sweeping flourish at the end.

**Stephen Myatt**  
**Head – South Australia**