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RECEIVED

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DPTI

Anita Allen
Department for Planning Transport and Infrastructure
Planning Reform
DPTI Engagement

21st September 2018

Re: Draft State Planning Policies

Dear Anita,

Thank you for providing the UDIA (SA) with the opportunity to comment on the draft State Planning Policies ('SPPs') for South Australia. The UDIA is a member-based organisation representing the urban development sector.

Our members include developers, planners, surveyors, architects and many other representatives across the South Australian property industry. Many of our members have a very real understanding of the planning system and recognize both its strengths and weaknesses.

We appreciate that DPTI has committed to engaging closely with the UDIA through its committees on the numerous policy discussion papers and the Planning and Development Code ('PDC') formation in this planning reform period.

Overall, there were some general observations that our members consistently made on the draft SPPs document in relation to what was missing and what was incorrect about the existing policies. This submission briefly outlines our concerns and provides examples to highlight them. Our submission then suggests how the SPP's can be structured to allow the planning system and its policies to cater for the coordinated, methodical and clear growth of our State.

Notwithstanding our suggested approach, should the State Government determine that it will continue to revise and ultimately adopt the SPPs in their current form, we have attached a separate list of specific issues with each policy for your consideration in Annex 1.

Once again, we appreciate the opportunity to provide feedback, and we hope the following commentary assists the Government in forming planning policies that truly enable an efficient planning system in South Australia.

Policy omissions in the SPPs

The UDIA believes there are several key policies missing in some of the SPPs that are essential in forming an overall coherent State Planning policy document. These are economic growth, the role of Infrastructure SA, land supply, population growth and open space provisions.

Economic growth

We believe that while the planning system alone is not *responsible* for economic growth, it is inherently linked to our State's economic performance. Every society is made up of different people, industries and systems and how these interact will determine how well that society will operate. A good planning system needs to acknowledge this fact and provide guidance as to how the society as a whole will develop over a long-term period.

Given the diversity within our society, our planning system needs to be able to allow for growth in our State and accommodate the many competing economic, social and environmental needs that exist. To this end, the UDIA believes that the SPPs are an opportunity for the Government to enunciate a clear, targeted economic strategy for South Australia. The policies need to identify and support what will be the key economic drivers for the State, so planning policies can then articulate how the system will enable these industries to flourish.

At present the SPPs cover food production, energy and mining, with passing references to tourism. There is no mention of the defence, education, medical or wine industries and the SPPs fail to recognise that these other core industries directly impact how and where people live and work. Planning policies simply cannot ignore them.

There should be a distinct policy which clearly identifies and prioritises the key industries, including:

1. Defence;
2. Education (and student accommodation);
3. Health and medical;
4. Tourism;
5. Energy and gas;
6. Mining;
7. Agriculture, Food production and the Wine industry.

Infrastructure SA

The relationship between Infrastructure SA (and its 20-year strategy for infrastructure) and the SPPs needs to be enunciated. The SPPs are likely to be the key policies informing major infrastructure decisions and therefore they should be written with that context and association in mind.

Given that the SPPs will drive infrastructure decisions, the UDIA is concerned about how Infrastructure SA will plan for growth unless there is a similar forecast horizon (20 years) for

the SPPs. There should be strict consistency between both given that they are inextricably linked.

Land Supply

Policy 3 prescribes a 10-year land supply forecast. In our view, a 10-year supply horizon is arguably too short, particularly if it is only reviewed every 5 years. As previously stated, the UDIA believes that the land supply horizon should be brought into alignment with the Infrastructure SA 20-year infrastructure strategy. Major decisions regarding the construction of freeways and other infrastructure need to be made with a clear understanding of growth areas.

Extending the supply horizon to 15 years or longer would remove regulatory impediments to the market. Land supply forecasts also need to have regard to the requisite infrastructure required and local demand in the area. We strongly urge the Commission to consult further in this matter with the UDIA. If the 10-year land supply horizon is to remain, it should be reviewed every year.

Population growth

While “*Part 2: Our Population*” of the SPPs provides population projections and demographic observations, which are useful insights into how our State’s population will look in the future, it does not establish a firm position in relation to population. For example, do we embrace the projections, do we want more population than projected or do we want less?

The UDIA believes that the SPPs should include a policy on how we will deal with the change in population and enable an increase in population. The SPP’s do not mention what the associated infrastructure requirements will be, and where, when, and what housing types will be needed to meet the long-term population demands.

The policies speak of the planning system “accommodating” and “managing” growth rather than actively facilitating growth. If we know that we have an aging population, and we want to grow our population, then our planning policies need to acknowledge this up front and clearly articulate how the planning system will flexibly assist the population to grow in the future.

Open Space

The provision of open space in association with planning and developments often lacks strategy and coordination within and across Council areas. In practice, satisfying open space requirements can come at significant cost to a development and not necessarily provide the best outcome for a community.

There should either be a policy within the SPPs that deals with open space or alternatively, policies regarding open space should be included in the Integrated Planning policy. The UDIA has called for a total review of the open space legislation and would welcome further discussion in this area.

Issues with current SPPs

The UDIA believes that many of the current SPPs are inconsistent, conflicting and unclear. We understand that much of the new legislation is based on South Australia's Expert Panel's report entitled "*Our Ideas for Reform on Planning Reform*".

Within this, "*Reform 6 – Establish a single framework for state directions*", recommends establishing a process for making new policy instruments to be known as state planning directions to replace the policy objectives currently set out in the Planning Strategy.

More importantly, the Expert Panel recommended that:

- State planning directions will be short and provide clear guidance to regional planning boards in the development of strategic plans for each region.
- The state planning directions will provide a clearinghouse for connected and potentially conflicting issues to be ventilated within government: coupled with a planning commission, they will reduce confusion and promote coordination across government activity.
- In addition to general direction, state planning directions should be able to include targets and direction specific to particular regions that will assist regional planning boards in development strategic plans.

The UDIA understands that the SPPs are akin to the State Planning Directions referred to by the Expert Panel. Our main concern is that the draft SPPs do not adhere to some of the fundamental principles established by the Expert Panel in that:

- They are not sufficiently short and clear,
- They do not sufficiently reduce confusion, and
- They do not provide specific enough direction.

Not short and clear

The language used to describe and articulate each policy is quite unclear. From a legal perspective, the UDIA is concerned the language used to articulate the policies is ambiguous, unclear and therefore open to broad interpretation. For example, Target 6.1 under the heading Greater Housing Choice aims to 'increase housing choice by 25% to meet changing household needs in Greater Adelaide by 2045'.

It is entirely unclear as to what is meant by 'increasing housing choice by 25%' and how that might practically be measured. A number of the targets provide goals to be achieved by 2045, likely reflecting the previous 30-year plan timeframe.

Presumably however the intention is that the policies will begin to be implemented immediately. The UDIA believe there should be further clarity on the targets and when they are expected to be implemented.

Do not reduce confusion

A view consistently raised amongst UDIA members was that despite the merits of many of the policies within the SPPs, many of the policies conflict and contradict one another. We note the SPPs acknowledge this, however clear details outlining the process to resolve competing policies must be addressed. A hierarchy may be necessary so Government, industry and the community understand which policies take priority in the event of a conflict.

The UDIA understands and recognises that planning involves the complex balancing of sometimes complementary and often competing objectives and policies. In this context, minimising any confusion between objectives and policies is challenging but essential.

Just one example is under Target 1 of the SPP's advocates for "containing our urban footprint and protecting our resources", with specific targets of:

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

In the first instance, this contradicts the aim of the aforementioned Target 6.1 to increase housing choice by highlighting a bias towards infill development. Secondly, the areas that comprise "metropolitan Adelaide" and "Outer Greater Adelaide" have not been defined and as such they ought to be, so this target can even be measured.

Ultimately, the UDIA queries the need for targets around this at all and further notes that this approach is inconsistent with public statements made by the Minister that the government does not have a set preference for infill over greenfields development.

Do not provide enough direction

The UDIA is concerned that there is a distinct lack of detail in the policies, and the UDIA notes that the broad nature of all policies contained within the SPPs makes them difficult to interpret, implement and measure. For example, Policy 3 under State Planning Policy 5: Climate Change states to:

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.

It is difficult to imagine how the policy will ensure the development of climate-smart buildings without the use of incentives and significant consideration be given to the financial realities of such an ambitious policy. Furthermore, the UDIA is concerned that there are a variety of different concepts wrapped into this policy and that it may be unduly restrictive to urban infill that would otherwise achieve the broader Objective of climate change resilience.

Alternative policy approach

The UDIA considers that the SPPs could perhaps be made clearer by restructuring the document in the following way:

1. The Reason or The Rationale (the 'why') – currently prose at the start of each Planning Policy.
2. The Objective (the 'what').
3. The Policies (the 'what' and 'how').

We also believe the introduction of more numbers, targets and maps may also assist to provide more specific direction, acknowledging that Regional Plans will provide even greater detail in this regard.

Conclusion

The UDIA believes the current SPPs will expose industry to risk. Experience tells us that any ambiguity only results in broad interpretation and conflicting decisions or outcomes. We are concerned that as written they are confusing and destabilizing to the public and private sector as well as communities as they try to adopt the new planning system.

The UDIA considers that the sheer number and breadth of policies is not practicable and dilutes the overall effectiveness of the SPP's and their implementation. Our members believe that the SPP's should be fundamentally revisited, recast and re-shaped with a more concise structure offering a clear direction and vision for the State.

The UDIA would be pleased to work closely with the Department to restructure the SPP's to achieve their original intent and the aspirations of the Expert Panel on Planning Reform.

We appreciate the opportunity to make a submission and look forward to receiving a response to our comments on the draft SPPs.

Yours sincerely,



Pat Gerace
CHIEF EXECUTIVE

Annex 1

- Page 3 – The ‘Message from the State Planning Commission’ states that the Commission considered the major challenges facing South Australia including climate change and affordable housing. The UDIA questions whether the Commission has considered our State’s slow population growth rate and ongoing employment difficulties due to a lack of investment. Our industry sees this as one of the most significant challenges for South Australia and believes this should be reflected in the Planning Policies.
- Page 9 – What is the ‘State Atlas’ referred to within the Planning Instrument diagram?
- Page 9 – The requirement for ‘Environment Impact Statements’ to evaluate the extent to which a development will be consistent with SPPs will result in high level of guesswork and potential risk for the designated decision-maker.
- Page 10 – If SPPs are applicable across the state unless an alternative spatial extent is prescribed in a relevant SPP, what is an example of this?
- Page 11 – How will conflicts between SPPs be resolved and by whom? The UDIA observes that there are many scenarios between Policies that will result in a conflict and wishes to understand the exact process that will be followed to resolve them. Given that the draft states that SPPs do not give weight to any particular state interest over another, how will the Commission determine which Policy takes preference? The UDIA believes it is simply unrealistic in any modern planning system to apply equal authority to each Policy. This will only result in confusion and lengthy conflict resolution periods as the inconsistencies will need to be addressed.
- Page 12 – The paragraph relating to growth rates in other developed countries seems irrelevant as they have entirely different economies, and the point should be made that growth rate in South Australia is significantly lower than most Australian States.
- Page 12 - The UDIA supports the use of population forecasts to identify patterns of household formation to guide timing and zoning of land released. How will these patterns be determined and how will that information be disseminated efficiently to allow industry to respond?
- Page 12 – Given that the population is ageing, and younger people are migrating toward cities, how will the planning system accommodate this demographic spread? There seems to be no policy tools through the document that seek to provide real solutions to these housing preferences.
- Page 13 – The UDIA agrees that enabling first homebuyers with an opportunity to enter the housing market is extremely important and strongly encourages the re-introduction of ‘off-the-plan Concessions’ (stamp duty) or first-homeowner grants as appropriate mechanisms to achieve this.
- Page 13 – the settlement pattern stated fails to mention that there have been incentives provided to stimulate this movement, which merely highlights the success in economic inducements to boost growth in areas identified for strategic growth.
- Page 14 – While the Principles of Planning are commendable, there is a high likelihood that many developments will breach these given how high-level they are. The success of long-term focus principles will depend upon political will and bipartisan agreement, so this should be reflected in the SPPs in some way.

- Page 15 – Clarification is needed on who will be responsible for cost of ensuring public realm should be appropriately landscaped and vegetated, as significant difference between council areas currently on what council provides versus private sector.
- Page 20 – The UDIA is pleased to hear that the planning rules are based upon ‘strategic analysis’. Who has undertaken this analysis and will this be made available so industry and the community can understand the reasoning behind planning decisions? Can this analysis be challenged?
- Page 21 – Outer suburbs profile doesn’t mention public transport networks. This omission seems somewhat contradictory if the SPPs are seeking an integrated planning system with reduced traffic congestion.
- Page 24 – The role of good design is well accepted, however the design quality policies fail to balance the need for efficiency within design assessment process. Many of the policies promote idealistic goals that many developments simply won’t live up to, thus rendering them non-compliant.
- Page 26 – How will the adaptive reuse policy be impacted by the current Environment, Resources and Development (ERD) Committee Inquiry into Heritage currently occurring?
- Page 29 – Who will determine where the biodiversity protection zones are, and will the Planning and Design Code consider offset mechanisms for development that may have a negative impact on biodiversity within a zone?
- Page 31 – Climate change policies again seem generally too complex and thus many developments will simply be deemed unviable should they be required to adhere to them strictly. For example, ensuring climate-smart buildings that reduce need for water, encouraging green infrastructure and technologies and enhancing tree canopies will all increase the cost of development significantly. The need to reduce impacts of climate change must be balanced with the need for a variation of development to occur in the first place. Development cannot occur if the standards required are too onerous and costly to the development sector. How will this be managed and will any support be provided to industry to be able to adopt these policies?
- Page 32 – If additional policies are added to the Ministerial Policies, will industry be consulted on these? Will there be an oversight mechanism to safeguard against the development of additional Ministerial SPPs for political reasons?
- Page 34 – The UDIA agrees that access to diverse housing is important to addressing housing affordability issues; however more details is needed to explain what incentives or programs will be introduced to allow industry to viably increase affordable housing products.
- Page 35 – How were the definitions in each element of the Healthy Neighbourhoods diagram determined?
- Page 36 – To provide older South Australians the opportunity to ‘age in place’, what real incentives will be introduced?
- Page 38 – The UDIA agrees that places of indigenous cultural heritage are important to protect, however this policy highlights a common concern with the document in general. Many of the policies tend to be general motherhood-statements that in reality will not always be able to be met.
- Page 42 – The UDIA questions why primary industries seem to be given preference over other industries. It is contradictory to require the development sector to respect

other SPPs including biodiversity protection and climate change, but to also enable primary industries which contribute to gas emissions to grow further.

- Page 44 – The UDIA supports the inclusion of Employment Lands in the SPPs, particularly the addition of business and industry clusters in mixed-use precincts. To achieve any real outcomes through this policy, what levers will be introduced to encouraged mixed-use development?
- Page 55 – How will those responsible for drafting regional plans know what types of infrastructure will be needed for future energy requirements? This seems like a difficult task to determine requiring significant foresight. The UDIA would encourage the government to deliver a framework that allows for a range of energy systems to develop so industry and consumers to have a choice when selecting energy providers.
- Page 58 – The reference to a hierarchy of avoid, accommodate and adapt needs clarification as this may not be understood within the community.
- Page 60 – What will form the basis for prioritisation of water supply catchment protection? How will the SPPs address the misuse of water supply by industries other than development sector?
- Page 63 – Both under this policy and all others, in the Non-statutory Guidance Notes, for what purpose are related SPPs listed?