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Mr Michael Lennon  
Chairperson, State Planning Commission  
Level 5, 50 Flinders Street,  
ADELAIDE SA 5000

22 February 2019

Dear Michael

Thank you for providing the Australian Institute of Urban Studies - South Australia (AIUS SA) the opportunity to comment on the Productive Economy Policy Discussion Paper (Paper).

The State Planning Commission (Commission) is commended for preparing a paper that explores the way the planning system needs to continually adapt and change to support changes in our economic structures, to address significant economic challenges such as climate change and to capitalise on the significant opportunities that will be presented in future years.

As you are aware, the AIUS SA is a forward looking, independent, not-for-profit, membership based organisation that exists to provoke rich conversation, deep discussion and rigorous debate about urban life in Adelaide and South Australia. Our membership is broad and balanced and includes individuals and corporate members from the public, private, not-for-profit and academic sectors. Our members have qualifications and expertise in urban planning, law, design, industrial design, business, health, sustainability, industry and policy amongst many others. As such, the AIUS SA provides a unique and diverse view on South Australia's urban and regional future.

Our comments in respect to the Paper (attachment 1) are structured in the following way:

1. General comments for further consideration by the Commission and the Department; and
2. Specific comments that are aligned to the Themes and Discussion Questions in the Paper.

On behalf of the AIUS SA, I look forward to working with the Commission and the Department to improve the planning system and create a more sustainable and prosperous South Australia.

If you would like to discuss this submission in further detail or any other matter, please don't hesitate to contact me on [REDACTED] or by email [REDACTED]

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Benjamin Cooper', written over a light blue horizontal line.

**Benjamin Cooper**  
President, Australian Institute of Urban Studies – South Australia

## Attachment 1

### 1. General Comments

#### Climate Change and Circular Economy Policy

Climate Change presents substantial and long term financial, legal, physical and reputational risks and liabilities for South Australia. Mitigating and adapting to climate change is both the single biggest challenge and opportunity for the State. It will require substantial commitment and investment by individuals and the private and public sectors alike and the State needs a planning system that will facilitate this.

The AIUS SA recommends:

- Strengthening sustainability requirements for new developments to ensure they can generate increased environmental and economic performance over a longer period of time;
- Encouraging the reuse and recycling of materials in the planning system, perhaps through the use of policy incentives and planning approval incentives;
- Policy settings that provide preference to economic activity and enterprise that improves environmental sustainability; and
- Using the principles of a Circular Economy in South Australia to undertake a review of the current planning policies. <http://www.greenindustries.sa.gov.au/circular-economy>

#### Housing Policy

Housing that is suitable, accessible and affordable for workers in the future economy is an essential component of industry attraction and creating a productive economy. Planning policies should consider housing policy as economic policy as much as social policy. Also, where existing barriers to a localised and sufficient supply of affordable housing exists, greater emphasis must be placed on linking employment areas to residential areas by fast and efficient public transport.

#### Industry Policy

It is important to note that whilst structural economic change is rapid (for example, as evidenced by the significant decrease in manufacturing over the past 20-30 years), innovation processes are slow – particularly in relation to innovations in activities and therefore uses.

Therefore to achieve the greatest return, policy reform should concentrate on greater development and use diversity (as opposed to narrowing the spectrum of activities and or concentrating on new use definitions).

The AIUS SA notes the Department for Industry and Skills is currently seeking comment on a Modern Industry Policy for South Australia, which may generate strategic directions that may need to be reflected in the Planning System.

## General Policy

The AIUS SA recommends further consideration of;

- Value and Betterment Capture mechanisms to harness benefits generated through infrastructure delivery and zoning reform;
- Rezoning that includes an assessment of the ongoing economic performance of an area, particularity in respect to both gross and localised ongoing employment and sustained economic activity; and
- The Australian Housing and Urban Research Institute (AHURI) is exploring how new technologies and the sharing economy are reshaping housing markets, which could be referenced for future policy discussion and responses in this space. [https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0013/30082/PES-308-How-technology-is-reshaping-the-housing-market.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0013/30082/PES-308-How-technology-is-reshaping-the-housing-market.pdf)

## **2. Specific Comments**

Theme 2: Linking people to jobs, goods and services.

Sub-theme 2.1 Centres, retail and mixed use activities.

- A review of Centre zoning is supported. Centre hierarchy is very much related to spatial expansion and urban growth, meaning that established centres are less likely to be expanded as newer centres are created, particularly in the southern and northern areas of Greater Adelaide. However, as further urban consolidation occurs, opportunities will exist to renew and expand existing Centres. This is evidenced with the majority of the larger regional Centres undergoing or planning to undergo significant expansion in the coming years.
- This may also create expansions of existing neighbourhood Centres and local Centres. It might be that Centre zoning becomes more flexible to accommodate the changing nature of Centres.
- Zoning and use allocated to retail and associated uses such as those in Centres represents a very minor percentage of all use in Greater Adelaide (residential uses represents a significantly greater percentage) and therefore supporting the introduction of residential into Centres would need to be carefully considered as it may constrain future development and future changes of use. If the purpose is to support increased residential in Greater Adelaide to facilitate urban consolidation, a high majority of this could be accommodated in existing residential areas, which have significant capacity to accommodate increases in dwelling densities.
- Therefore, a balanced approach might be to explore transitional, medium to high density mixed use zoning in close proximity to Centres, particularly in areas that may support the creation of complimentary main streets to existing Centres.

Sub theme 2.2 –Employment lands (industry, manufacturing and commercial)

- There is potential for greater activity and use flexibility in non-residential zones and in areas that are within close proximity and or are strategically aligned to significant infrastructure or uses that have National or State significance such as defence, airports and etc.

- Such is their significant contribution to the prosperity of the State, there is potential for these uses and even the associated externalities and impacts to take greater precedence over pre-existing uses.
- However, in cases where zoning is related to pre-existing uses such as manufacturing, there should be far greater flexibility for new uses and renewal (within an economic setting).
- It is important to note that the current technology parks hubs, science parks, BioMed cities, defence hubs, innovation districts, etc. have been primarily led by Commonwealth and State investment. In these instances, policy has followed the investment decision. Strategic Planning and Policy should seek to *inspire* these activities in the future.

### Theme 3: Providing infrastructure to enhance our liveability

#### Sub theme 3.1 – Renewable energy

- Planning Policy that supports renewable energy generation must remain contemporary.
- There is real potential for policies that support renewable energy generation to take priority over other zones and policies and this should be explored.
- There is scope to explore deemed to satisfy approaches and alternate assessment pathways for renewable energy generation to attract and provide certainty for new investments.

#### Sub theme 3.2 – Adaptive reuse

- Adaptive reuse of existing buildings and places is highly supported. More flexible zoning and policy is required to support adaptive reuse.
- Potential planning incentives to support adaptive reuse include reduced car parking requirements and alternate waste collection policies and requirements. These would recognise the design and space challenges with older buildings.
- There is scope for policy provision and incentives to ensure new buildings are also designed for future adaptability and flexibility;
- There is an opportunity to provide incentives to new development proposals that will use recycled materials from previous buildings or other sources;
- Renew Adelaide, whilst not a function of the planning system, does present a model for what is possible and what could be expanded beyond retail and into more commercial and industrial settings – and this could be supported with greater use and assessment flexibility.

#### Sub theme 3.3 – Infrastructure

- More so a process than policy, to ensure contemporary and integrated policy is in place, commit to reviewing planning policy and amending the Code as a part of the development and the ongoing renewal of the 20-year State Infrastructure Strategy.

#### Theme 4: Facilitating innovation and enabling investment

##### Sub theme 4.1 – Collaboration and clustering

- Policies that support industry clustering is supported however consideration will need to be given to the type and mix of envisioned activities and uses. This could be integrated with a new State Industry policy, which could provide a vision for future collaboration models and industry ‘eco-systems’ and ‘institutional ecologies’.
- Recommend reviewing current use definitions to ensure this activity is supported.
- Consideration could also be provided for reduced car parking requirements and streamlined assessment pathways for smaller scale development and minor use changes in ‘innovation districts’.
- In respect to residential development in innovation districts, refer to previous comments that there is sufficient zoning and spatial allocation for residential use in Greater Adelaide and any inclusion would need to be carefully considered
- However, as there are declining impacts and externalities associated with the growth industries of the new economy, there is potential for these new activities to be based within residential areas, subject to performance.