

Catalyst Site Policy Review

Strategic Alignment - Our Places

Public

Tuesday, 2 April 2024

**City Planning, Development
and Business Affairs
Committee**

Program Contact:

Sarah Gilmour, Associate
Director Park Lands, Policy &
Sustainability

Approving Officer:

Ilia Houridis, Director City
Shaping

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with a review of the catalyst site policies in the Planning and Design Code (the Code) that relate to development in the city and North Adelaide as requested by Council on 8 August 2023, as follows:

Requests that Administration bring forward a review of catalyst site policy and seek State Government support for a Code Amendment in the 2023/24 financial year to enact Council's decision on 31 January 2023 that catalyst sites "should not be permitted within or adjacent to residential areas, including from main streets or business zones within the wider residential locality".

Council's decision followed its submission to the Planning System Implementation Review endorsed on 31 January 2023 that recommended a priority review of catalyst site policy. This position was reiterated in Council's submission on the Greater Adelaide Regional Plan Discussion Paper endorsed on 14 November 2023.

The report identifies options for the Council to progress amendment to the Code in line with the Council's Strategic Plan 2024-2028 and Housing Strategy – *Investing in our Housing Future*.

The report recommends that the Council prepare a Proposal to Initiate a Code Amendment to remove catalyst site policy and insert a replacement policy framework to guide development on larger or amalgamated sites in locations determined through the outcome of the City Plan. Initiation of a Code Amendment is at the discretion of the Minister for Planning. Preparatory can be undertaken in 2024/25 as part of the City of Adelaide Code Amendment Program.

RECOMMENDATION

The following recommendation will be presented to Council on 9 April 2024 for consideration

THAT THE CITY PLANNING, DEVELOPMENT AND BUSINESS AFFAIRS COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Notes the outcomes of the review of catalyst site policy in the Planning and Design Code as presented in Item 7.2 on the Agenda of the City Planning, Development and Business Affairs Committee held on 2 April 2024.
 2. Endorses Option 2: Replace catalyst site policy with a new policy framework, as presented in Item 7.2 on the Agenda of the City Planning, Development and Business Affairs Committee held on 2 April 2024 subject to approval from the Minister for Planning.
 3. Authorises Administration to prepare a Proposal to Initiate a Catalyst Site Policy Review Code Amendment for Council decision in 2024/25.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Places Encourage bold, interesting and purposeful development that supports the changing needs of our community and city.
Policy	The review of catalyst site policies has been taken in alignment with Council's commitments under the Housing Strategy – <i>Investing in our Housing Future</i> , as well as Council's submissions to the Expert Panel on the Planning System Implementation Review and the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper.
Consultation	Any future changes proposed through a Code Amendment will be required to undergo public consultation.
Resource	Not as a result of this report
Risk / Legal / Legislative	Not as a result of this report
Opportunities	If Council decides to progress a Proposal to Initiate a Code Amendment, it will provide an opportunity to improve planning policy contained in the Planning and Design Code in relation to development on larger sites.
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	The item that is the subject of this report is currently unfunded. A budget proposal for \$240,000 for 2024/25 has been submitted to deliver on multiple Code Amendments. Any required funding for this item is subject to, and needs to be considered in the context of, the prioritisation of projects, initiatives and service enhancements for the development of the 2024/25 budget, and within the parameters of the Long Term Financial Plan to ensure long-term financial sustainability.
Life of Project, Service, Initiative or (Expectancy of) Asset	The Code Amendment Program responds to Council priorities for amending the State Government's Planning and Design Code, including catalyst sites, local heritage and sustainability.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Background

1. The purpose of this report is to provide the Council with a review of the catalyst site policies in the Planning and Design Code (the Code) that relate to development in the city and North Adelaide.
2. At the Council meeting on 8 August 2023 Council resolved to:
Requests that Administration bring forward a review of catalyst site policy and seek State Government support for a Code Amendment in the 2023/24 financial year to enact Council's decision on 31 January 2023 that catalyst sites "should not be permitted within or adjacent to residential areas, including from main streets or business zones within the wider residential locality."
3. The City of Adelaide's submission to the Planning System Implementation Review (PSIR) in January 2023 identified that policy improvements are needed to address community concerns about catalyst site policy. In particular, Council wishes to ensure that new development is designed to reflect its context including the transition in height and scale of development across the city. To date, the recommendations of the Expert Panel PSIR have not been released by the State Government.
4. The City of Adelaide's submission to the State Planning Commission on the Greater Adelaide Regional Plan Discussion Paper (GARP) in November 2023 reiterated these points and identified the Council's intent to progress a Code Amendment to amend catalyst site policy.
5. The City of Adelaide's Strategic Plan 2024-2028 and recently endorsed Housing Strategy – *Investing in our Housing Future*, set out Council's ambition for population and housing growth.
6. Whilst the Housing Strategy includes the Council's commitment to review catalyst site policies, it also seeks to support population and housing growth targets through well-designed housing that is cognisant of the local context. The Council has identified a role for the City of Adelaide in facilitating housing supply through assembling land to master plan mixed use developments.

Description of Catalyst Site Policy

7. Catalyst site policy in the City of Adelaide is designed to provide policy flexibility for large sites over 1,500m² and applies in the following locations, as shown on Figure 1:
 - 7.1. Melbourne Street West Subzone (Business Neighbourhood Zone)
 - 7.2. East Terrace Subzone (City Living Zone)
 - 7.3. City High Street Subzone (City Main Street Zone)
 - 7.4. Community Facilities Zone (St Andrews Hospital Precinct Subzone).



Note - Areas are informed by spatial boundaries of the Planning and Design Code

Figure 1: Subzones in the City of Adelaide with catalyst site policies

8. Across these Subzones, there are approximately 44 allotments that are greater than 1500m² including 7 sites with State Heritage Places and 1 Local Heritage Place. This number does not account for the potential amalgamation of allotments to facilitate the use of the catalyst site policy.

Catalyst Site Policy Review

9. The original premise of catalyst site policy was that building design, setback and interfaces could be effectively managed on larger sites and provided an incentive to amalgamate and master plan larger development sites. In practice, the approach is dependent on supporting policies to guide urban design and interface management.
10. Catalyst site policy in the City of Adelaide was transitioned from the former Development Plan (City of Adelaide), with the introduction of the Code.
 - 10.1. Other than parts of the City High Street Subzone in Sturt Street and Wright Street, catalyst site policy mainly applies in Subzones within or adjacent to residential areas in the City Living Zone, as shown in Figure 1.
 - 10.2. Catalyst site policies do not prescribe limits to building heights, other than in the Melbourne Street West Subzone which has a building height limit of 6 storeys for catalyst sites (development is limited to 14 metres [approximately 4 storeys] for the balance of the Subzone).
11. Whilst catalyst site policy is unique in the City of Adelaide, there is a similar mechanism for 'significant development sites' in inner metropolitan local government areas.

- 11.1. Compared with catalyst site policy, policy in inner metropolitan Adelaide includes prescribed criteria, such as site area, adaptive reuse, design quality, private open space provision, provision of community services, affordable housing or sustainability measures, that are assessed in determining additional building height allowance (and include a cap on additional height).
12. Across Australian cities there are varied policy mechanisms that provide flexibility to facilitate appropriate development outcomes on larger sites. Consideration of the local context is given to ensure interface management, building design, housing and land use outcomes, and community benefit is assessed.
13. The key findings of the review are:
 - 13.1. Catalyst site (or similar) policy benefits from appropriate supporting policies to guide urban design and interface management issues such as local character, overlooking and overshadowing.
 - 13.2. Removing the mechanism to incentivise larger sites within or adjacent to residential areas in the Code altogether, may limit opportunities for additional housing supply and innovative design outcomes that align with the City of Adelaide's Strategic Plan and Housing Strategy.
 - 13.3. Amendment of the Code is warranted to give effect to policy for larger sites in a manner that protects the interface with existing built form and is cognisant of the local context.

Options to progress amendment of catalyst site policy

14. Administration has discussed potential options to progress the amendment of catalyst site policy in the Code with Planning and Land Use Services.
15. The City of Adelaide can seek to amend Subzone policy in the Code. Initiation of a Code Amendment relating to policy changes is at the discretion of the Minister for Planning on advice from the State Planning Commission.
16. The following options are presented to the Council for consideration in progressing amendment to catalyst site policy:
 - 16.1. Option 1: Remove catalyst site policy from Subzones
 - 16.2. Option 2 (recommended): Replace catalyst site policy with a new policy framework
 - 16.3. Option 3: Await the outcomes of the Planning System Implementation Review.

Option 1: Remove catalyst site policy from Subzones

17. Option 1 involves preparing a Proposal to Initiate a Code Amendment to remove existing catalyst site policy from all existing Subzones in the City of Adelaide.
 - 17.1. City of Adelaide has received community submissions that align with Option 1.
 - 17.2. Catalyst site policy seeks to enable development on larger sites and would be tested by the State Planning Commission for consistency with the objects of the *Planning, Development and Infrastructure Act 2016 (SA)*, including contribution to an effective, efficient and enabling planning system.
 - 17.3. Option 1:
 - 17.3.1. Does not offer alternative, more detailed replacement policy to guide development on larger sites and is unlikely to be supported by the State Planning Commission.
 - 17.3.2. May limit opportunities for additional housing supply, innovative design outcomes and reduce opportunities for adaptive reuse of buildings on larger sites which are key ambitions in the City of Adelaide's Housing Strategy.

Option 2 (recommended): Replace catalyst site policy with a new policy framework

18. Option 2 involves preparing a Proposal to Initiate a Code Amendment to remove catalyst site policies and insert a replacement policy to guide development on larger or amalgamated sites in locations determined through the outcomes of City Plan.
 - 18.1. Using the City Plan there is an opportunity to introduce replacement policy for catalyst sites with a set of criteria to manage building height and interfaces, which could support development at higher intensity in appropriate locations in the city and North Adelaide.
 - 18.1.1. The methodology developed for City Plan in Stage 1 and 2 considered factors that contribute to 'development potential' such as heritage adjacency, airport height limits and overshadowing. Administration can use this tool to undertake detailed investigations, based on a set of criteria, to identify potential locations that are suitable for higher intensity development as well as locations where it is not suitable.

- 18.2. A new policy framework that enables development on larger sites with stronger policy and design criteria would be tested by the State Planning Commission for consistency with the objects of the *Planning, Development and Infrastructure Act 2016 (SA)*, and is likely to align with creating an effective, efficient and enabling planning system.
- 18.3. Option 2:
 - 18.3.1. Addresses concerns about the lack of interface management and local context considerations in the current policy whilst enabling opportunity for innovative, and site responsive design of larger sites.
 - 18.3.2. Will consider appropriate site area, building height opportunities (and possible cap on height limit), stronger interface/design and local context requirements, density/site coverage, and other relevant measures. Opportunities for higher standards of public realm and/or street activation can also be investigated.
- 18.4. A Proposal to Initiate could be prepared by the Administration in 2024/25 as part of the City of Adelaide's Code Amendment Program.

Option 3: Await the outcomes of the Planning System Implementation Review

19. Option 3 recognises the City of Adelaide and other local government areas have recommended changes to catalyst site policy, and other similar policies in other local government areas, through the Planning System Implementation Review.
 - 19.1. Planning and Land Use Services has indicated that the Expert Panel Report on the Planning System Implementation Review will be released in 2024.
 - 19.2. Council may wish to await the outcomes of the Review prior to determining what amendment is required to where/how catalyst site policy should be removed/amended.
 - 19.3. Option 3 is dependent on the timing of release of the Expert Panel Report and no specific timing for release has been provided.

Next Steps

20. Pending a decision by Council to progress Option 2, Administration will prepare a Proposal to Initiate a Catalyst Site Policy Review Code Amendment for Council's endorsement in 2024/25.
21. Investigations will then be conducted into suitable locations, based on assessment through the City Plan digital tool, and review of other policy frameworks that address strategic infill development.
22. The Code Amendment would aim to introduce a policy framework to guide development opportunities on larger sites, subject to meeting interface, context, land use and improved public realm/community outcomes.
23. The Code Amendment would consider a broad range of possible improvements including as it relates to Subzone policy, classification of development, development assessment pathway, use of concept plans-building envelopes, and procedural matters such as referrals and public notification.

ATTACHMENTS

Nil

- END OF REPORT -