



**Government  
of South Australia**

**Treasurer**

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Ms Nicolette Di Lernia  
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Australian Institute of Architects  
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Dear Ms Di Lernia

Thank you for providing the Australian Institute of Architects' correspondence regarding the upcoming State election.

Please find attached a consolidated response on behalf of the Government to your questions.

Yours sincerely

A handwritten signature in blue ink that reads 'Rob Lucas'.

**Hon Rob Lucas MLC**  
*Treasurer*

18 March 2022

## 2022 South Australian Election

### Response to the Australian Institute of Architects

Thank you for your correspondence to the Government outlining the Australian Institute of Architects' key issues of interest. The Government is pleased to provide a response to a number of the issues that you raise.

#### Housing – Improved Affordability and Design

##### *1. Mandated targets for social and affordable housing*

In 2019, The Marshall Liberal Government launched a \$500 million *Our Housing Future 2020-30* plan, focused on reducing housing stress through 20,000 affordable housing solutions. Strategies within the plan include:

- Delivering 1000 new affordable houses by 2025 for low and moderate-income housings through a \$398.7 million Affordable Housing Initiative;
- Delivering new social, affordable and open market homes through a \$54million neighbourhood renewal program over five years;
- Reviewing and developing underutilised government, private and not-for-profit land to drive innovation and supply of new affordable outcomes;
- Building up to 1000 new social, affordable and open market houses through Community Housing Asset and Investment Plans;
- Delivering 5000 affordable housing outcomes through inclusionary, design and incentive provisions in the planning system, including the 15% Affordable Housing Policy;
- Encouraging new partnerships and investment through pilots and further development of innovative financing, planning and supply solutions including build-to-rent, innovative design and shared equity products.

##### *2. Ensure good design, improved quality and livability is at the core of the planning system, with incentivised engagement of architects for the design of social, accessible and affordable housing*

Our Housing Future 2020-2030 aims to create conditions for a well-functioning housing market that meets the housing needs of all South Australians, through:

- Recognising housing as essential to the social, economic and environmental infrastructure and is included in the 20-year State Infrastructure Strategy;
- Creating an appropriate land supply pipeline and diversity of housing supply through a responsive planning and zoning system commencing with the introduction of the Planning and Design Code by 1 July 2020;
- Developing local/regional housing plans to respond to specific conditions and local demand;
- Introducing universal design principles for most new public housing and encouraging it for affordable housing to improve lifespan and function of dwellings and support ageing in place.

*3. Invest into green building and energy fund to assist homeowners in selecting for new homes and retrofitting for existing homes building materials and technologies to ensure long-term energy efficient and sustainable housing*

Aligned to Our Housing Future 2020-2030, the South Australian Housing Authority is taking steps to ensure long-term energy efficiency and sustainability. This includes mandating sustainable design and environment standards for at least 75% of new public housing, as well as continuing to install solar panels and batteries in all new public housing wherever possible to support the SA Virtual Power Plant. The Authority also encourages partnering affordable housing builders to provide developments that achieve Liveable Design Guidelines – Silver Standards.

Under the Housing Renewal module in the revised Planning and Design Code, redevelopment work is expected to incorporate principles of environment sustainability, such as soft landscaping, heat absorption, and efficient use of water resources (including storm water).

Commitment to invest in modernising the social housing system is further demonstrated by Our Housing Future 2020-30 Action 5.1 Investing \$75million to start addressing the public housing capital maintenance backlog and to improve sustainability and energy efficiency of public housing, where possible.

#### Infrastructure and Procurement

*5. Commitment to integrated planning of transport infrastructure with due consideration of people and places*

The Government has an ongoing commitment to integrated planning of transport infrastructure, with over \$10m in planning studies to assist with improving commuter, public transport and freight routes in 2021 alone.

The Government continues to take a coordinated and integrated approach to land use planning, with joint governance arrangements to ensure oversight and coordination; particularly between the Department for Infrastructure and Transport (DIT) and Planning and Land Use Services in the Attorney-General's Department (AGDPLUS). DIT and AGDPLUS are jointly working on the upcoming review of the 30 Year Plan for Adelaide.

The new Planning and Development framework has a number of mechanisms embedded in it that ensure integrated planning of transport infrastructure needed to support changes in land use and development.

Infrastructure SA, established in 2019, now independently assesses and assures transport infrastructure projects throughout the stages of planning, design, procurement and delivery to ensure they comply with the relevant standards. Recent exemplars include rail grade separation projects at Oaklands and Ovingham, the Victor Harbor causeway, Joy Baluch Bridge, and the North-South Corridor Torrens to Darlington Project.

*6. Improved project initiation processes that provide more comprehensive and accurate project briefs and better alignment of scope and budget*

*7. Increase client and community understanding of different procurement methods and the impact they have on project delivery and quality*

The Government has delivered major reforms in procurement arrangements for the SA Public Sector, following a review by the SA Productivity Commission. This led to a repeal of the *State Procurement Act 2004*, and new governance arrangements including the creation of Procurement Services SA, a new Treasurer's Instruction, and a number of new procurement policies and guidelines.

Construction procurement will come within the ambit of the new arrangements from July 2022.

An Industry Advisory Group has been formed to assist Procurement Services SA with, amongst other things, the development of policies and guidelines.

The purpose of the Industry Advisory Group (IAG) is to improve Government's engagement with industry, drive innovation and identify ongoing opportunities to reduce the complexity and costs of tendering for government work, by providing co-ordinated advice on matters of strategic importance between government and industry.

The construction industry is represented on the IAG by the Master Builders Association and Civil Contractors Federation. In addition, Consult Australia is on the Group.

The Government encourages you to forward any proposals you have to the IAG at [IAG@procurement.sa.gov.au](mailto:IAG@procurement.sa.gov.au).

*8. Ensure all works for publicly owned assets are procured by suitably qualified professionals with expertise in design and construction contracts*

DIT employs and/or engages suitably qualified professionals with relevant skills and experience when planning, designing, procuring and delivering publicly-owned assets. The processes used are designed to be fair and transparent, often utilising independent probity specialists to ensure strict adherence to standards and requirements. The government, through DIT, is cognisant of the need to select appropriate delivery model for projects and implements upfront planning to ensure the best outcomes are achieved from its procurement processes.

*9. Review and reset risk allocation in construction projects to better reflect the intent of AS/NZS ISO 31000-2009 Risk management – Principles and guidelines, and to improve outcomes for all project stakeholders*

As part of its response to the South Australian Productivity Commission's (the SAPC's) Government Procurement Inquiry Stage 2 (the Inquiry), the Government has established a Construction Procurement Sub-Committee (the Sub-Committee)

chaired by DIT. In its Final Report on the Inquiry, the SAPC recommended standard contracts across Government. The Sub-Committee is currently progressing implementation of the SAPC recommendations on Construction Procurement as part of a broader procurement reform program that is being led by the Department for Treasury and Finance (DTF). The Government has committed to implementation of this framework by December 2022 and DIT advises it is on track to meet this milestone.

As part of this reform program, DIT will revise its current suite of buildings contracts either to conform to a whole-of-Government standard consistent with the SAPC recommendations to establish a more contemporary contracting model. This will include a revised risk allocation model. We note this intent has been shared on multiple occasions through DIT's Commercial Construction Industry Forum of which the AIA is a member. DIT will continue to engage on the details of the proposed revisions with industry representative groups, including the MBA, AIA and others on the Commercial Construction Industry Forum.

*10. Improve culture within the construction sector to ensure it is sustainable, has capacity to innovate and grow, and continues to be a key contributor to the South Australian economy*

Training and workforce development are key to improving culture across the building and construction sector.

The Government has met our election commitment to rebuild South Australia's training system and grow the number of apprentices and trainees, addressing Labor's decline of 66% between 2012 and 2018 (worst in the nation to now best in the nation).

The building and construction industry are an integral partner in our training and employment achievements, with trade apprentice commencements increasing by almost 58% over the year to June 2021. This is the first time since 2012 that trade occupation commencements over the year have been above 6,000 in SA.

Under our \$200 million Skilling South Australia program, we have partnered with industry to achieve over 53,000 new apprenticeship, pre-apprenticeship and traineeship commencements to date. More than 3,400 employers have taken on an apprentice or a trainee for the first time.

More than 260 Skilling South Australia projects, co-designed with business and industry, have been approved to date. 45 of these projects relate to the building and construction industry.

Australian VET students who commence study through an apprenticeship or traineeship experience great employment outcomes, with 88 per cent employed upon completion.