

The Environmental and Planning Approvals Process in WA

UDIA Lunch

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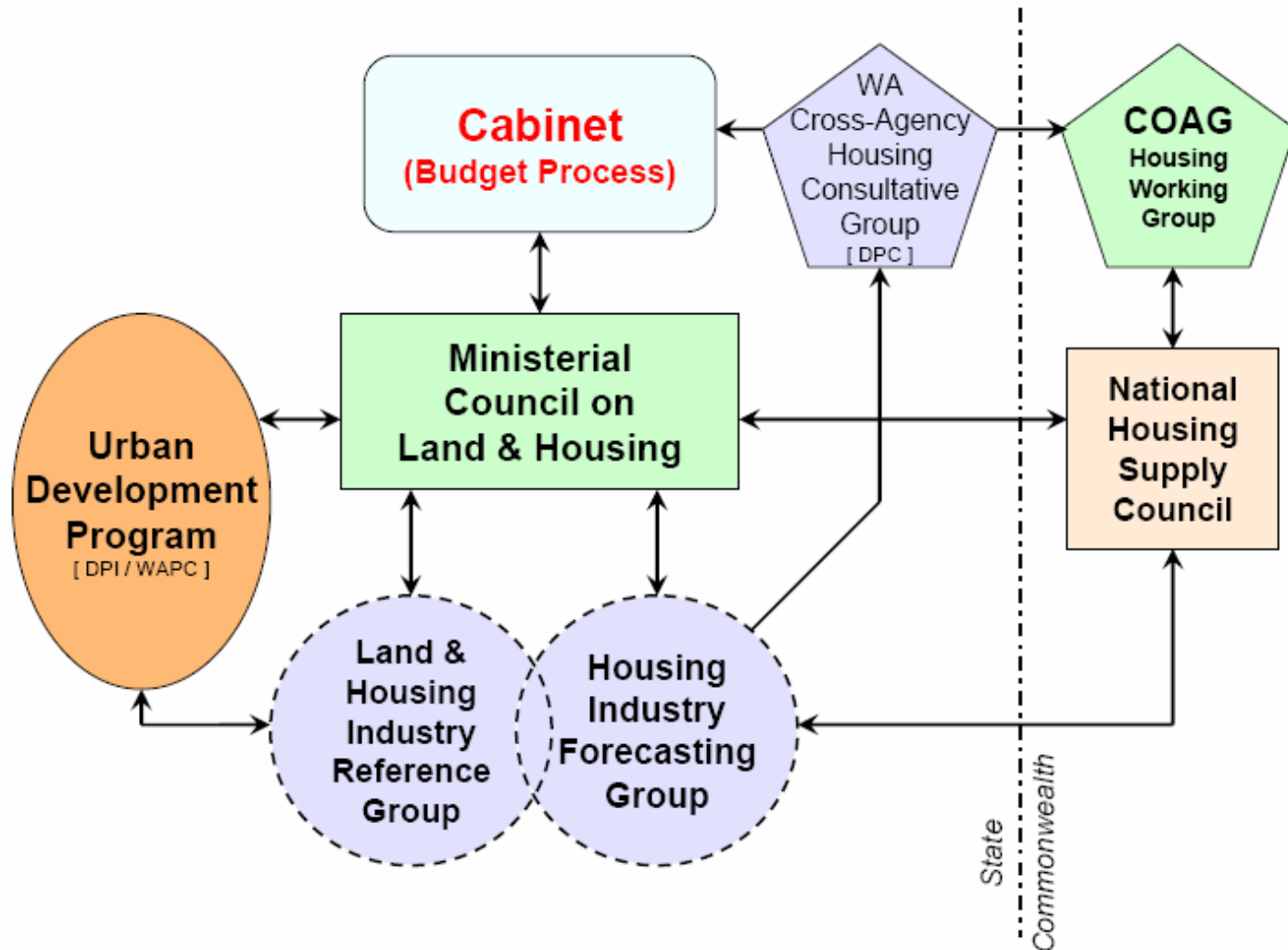
DAVID HATT
Department
of Premier
and Cabinet

DR PAUL VOGEL
Chairman
EPA

An aerial photograph of Perth, Western Australia, showing residential areas. The map is overlaid with white outlines of property boundaries. Several areas are labeled in white capital letters: 'MORRIS BAY' at the top left, 'MANDURAH' vertically along a central road, 'LAKELANDS' at the top right, 'LOW SPRINGS' at the bottom center, and 'PARKLANDS' at the bottom right. A large black text box with a white border is centered over the map, containing the title. The background shows a mix of built-up areas, green spaces, and water bodies.

The 10 myths and fallacies of Perth residential land supply

1. The Government is not prioritising land and housing supply and affordability.



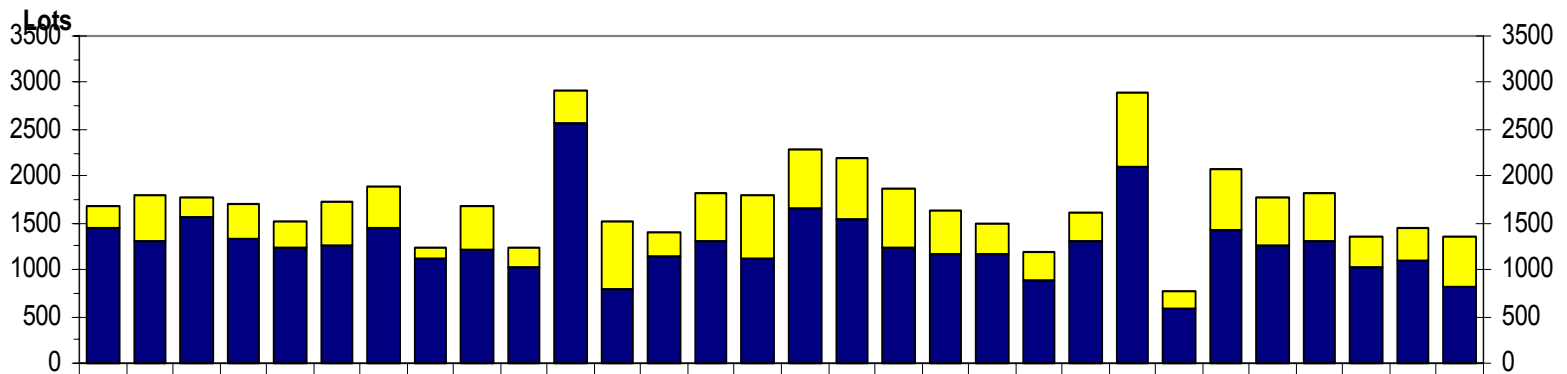
2. All delays are due to government approval processes

- Demand (especially 2006) was beyond government and industry predictions; investors/speculators.
- The proportion of inactive conditional subdivision approvals is of concern.
- Capacity constraints need to be acknowledged: government, construction and consulting sectors. Water Corporation bonding still significant.

Government acknowledges that approval timelines, certainty of requirements and consistency through the process do need to be addressed.



All Residential Final Lot Approvals in Western Australia



Note

1. Final approval figures for October 2007 and November 2007 are preliminary data.

2. Non-residential lot approvals include rural-residential, special residential, commercial, industrial, rural, and uses other than those specified, for example, church.

| | Jul-05 | Aug-05 | Sep-05 | Oct-05 | Nov-05 | Dec-05 | Jan-06 | Feb-06 | Mar-06 | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Residential lots - Rest of WA | 239 | 479 | 232 | 373 | 280 | 477 | 439 | 118 | 479 | 203 | 354 | 718 | 273 | 497 | 693 | 636 | 648 | 630 | 481 | 326 | 301 | 301 | 810 | 177 | 658 | 530 | 518 | 318 | 343 | 529 |
| Residential lots - Metro/Peel | 1437 | 1311 | 1553 | 1324 | 1236 | 1259 | 1455 | 1123 | 1208 | 1025 | 2566 | 799 | 1135 | 1316 | 1110 | 1649 | 1537 | 1227 | 1161 | 1156 | 892 | 1299 | 2090 | 595 | 1429 | 1251 | 1303 | 1035 | 1107 | 817 |
| All Residential Lots | 1676 | 1790 | 1785 | 1697 | 1516 | 1736 | 1894 | 1241 | 1687 | 1228 | 2920 | 1517 | 1408 | 1813 | 1803 | 2285 | 2185 | 1857 | 1642 | 1482 | 1193 | 1600 | 2900 | 772 | 2087 | 1781 | 1821 | 1353 | 1450 | 1346 |

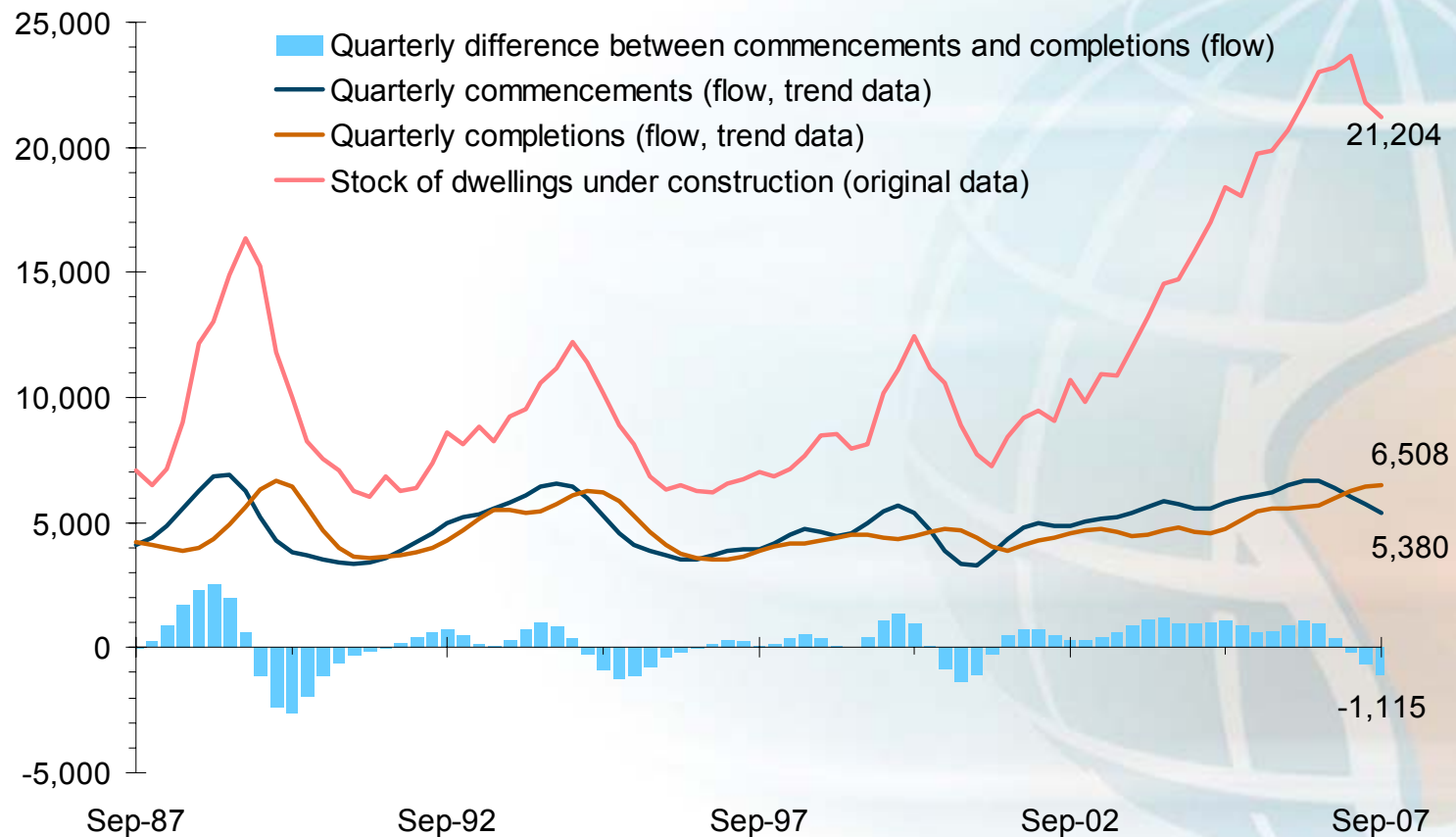
3. The critical shortage is of lots

The critical shortage is of dwellings.

- Pool of vacant residential lots Perth and Peel increased from 30,500 to 38,600 2004-2007.
- WA housing starts fell by 9.3% over 12 months to Sept 2007 to 23,474. HIA predicts further fall in starts of 11%.
- Requirements to build within purchase timeframes and build-out product assist in reducing lags in conversion of lots to dwellings.



WA RESIDENTIAL BUILDING WORK By Stage of Production, Number, Quarterly



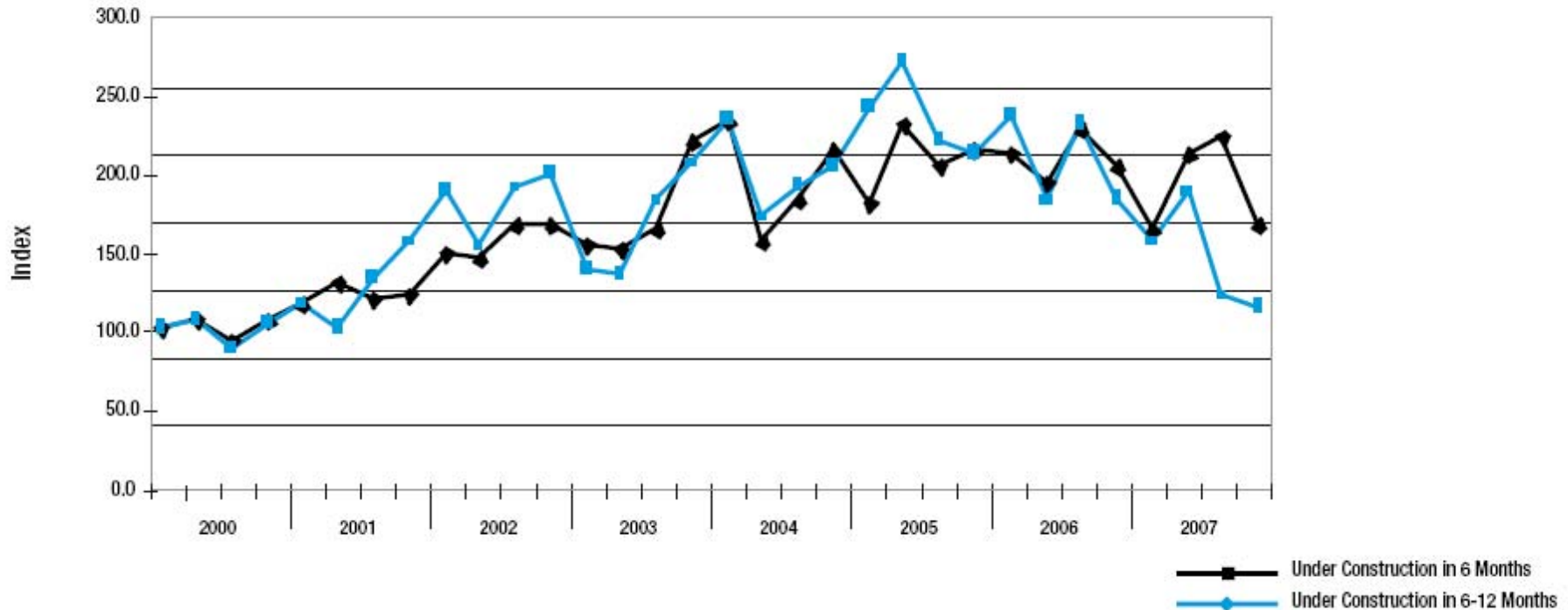
Acknowledge need for state and local government to reduce ‘specification creep’ for both land and housing:

- *to reduce delays in conversion of land to dwellings*
- *To consider the social and economic sustainability issue of affordability, rather than only environmental sustainability.*



4. The government is responsible for the rate of land release

Source: UDIA Dec qtr 2007



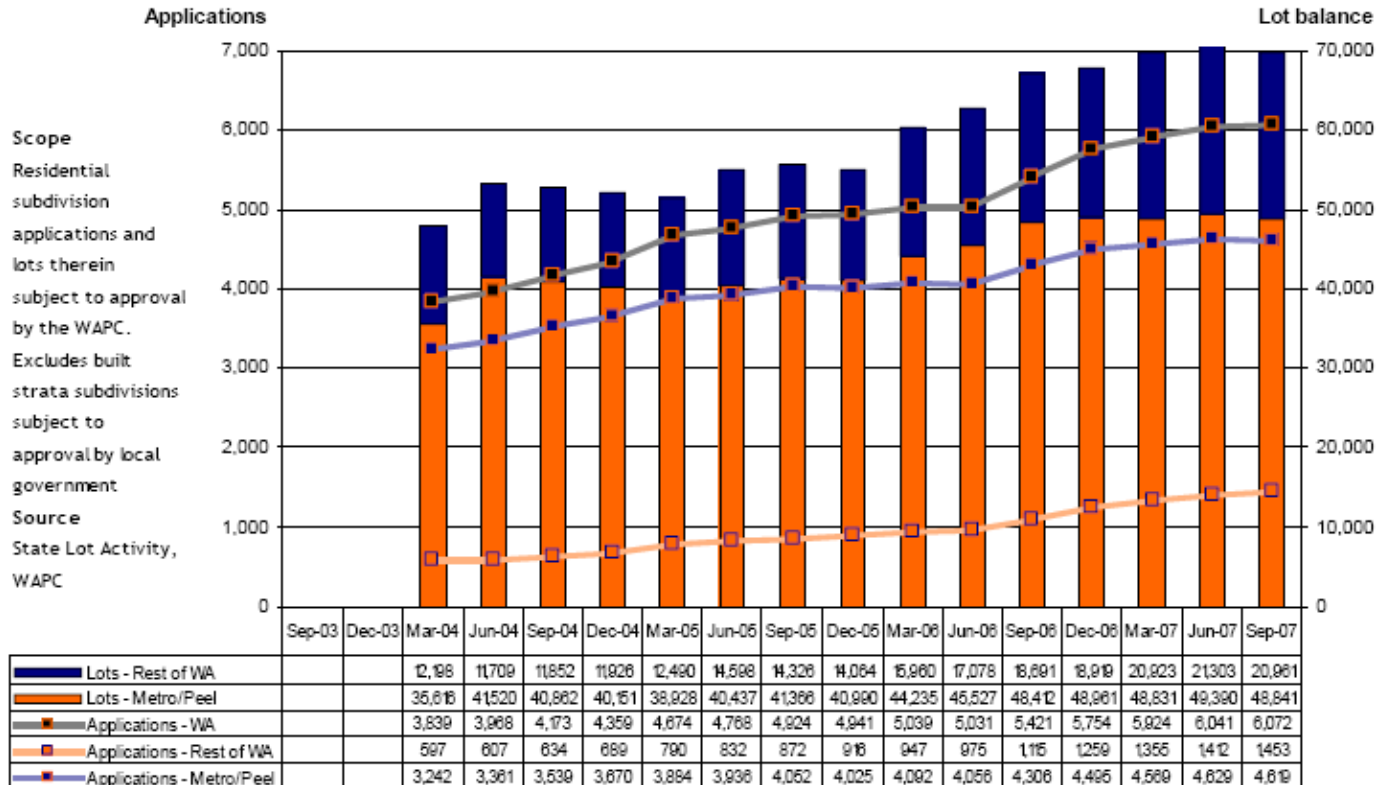
- Development industry controls subdivision application and commencement of construction/clearance process.
- Final residential approval numbers for WA are industry driven (to year end Sept 2007 = 20,916.)

5. There is not enough urban zoned land

- 15,400 ha undeveloped Urban/Urban Deferred land at April 2007. Over 700 ha added since.
- MRS rezonings do take significant time due to process.
- Current priority is getting zoned land 'development ready': NE corridor, NW corridor, Southern River, Byford.
- Pre-1996 zonings: Joint DEC/DPI/EPA Service unit exercise to target problematic land and identify processes.

6. There are less than 40,000 residential lots in conditional approvals

Stock of residential applications and lots with conditional approval at the end of the quarter



Note: 1. Metro/Peel includes the Perth Metropolitan Region plus the City of Mandurah and the Shire of Murray in the Peel Region.
2. The September quarter 2007 is draft pre-publication data.

Pool of lots in 30 lot plus approvals where 20+ lots remain has stayed relatively constant at 34,000- 36,000 since late 2006.

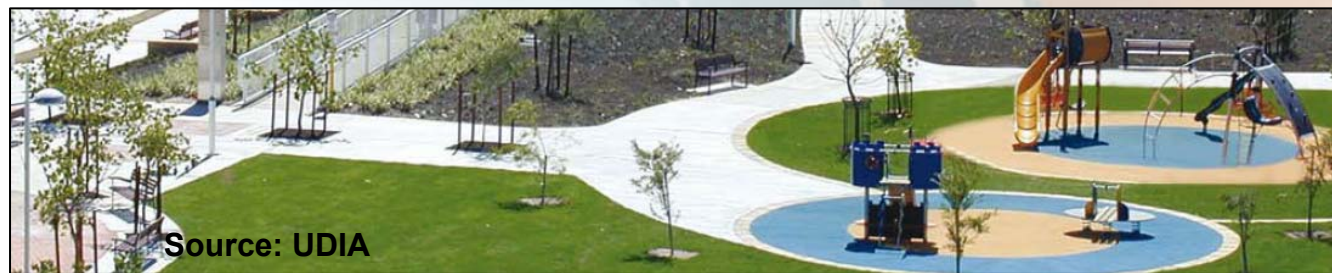
7. Demand is all on the urban fringe

- Demand is both in greenfields sites and existing urban areas.
- Willingness in some LGs to drive diversity and change but challenges
- LGAP working with Local governments on a range of projects. Includes review of Multi unit provisions in R Codes.



8. Government alone is forcing up development standards

- DPI staff now monitor condition numbers: average SE corridor = 28.
- Lakes, landscaping, restrictive covenants driven by developers/consumers
- Appreciate desire to differentiate but slows approval process, adds to construction times (CCF)
- Joint WALGA/DPI/IPWEA project re LG engineering standards



9. Planners should apply more flexibility

- Delivering flexibility **and** certainty is problematic.
- CCC influence is reducing flexibility by public sector staff with delegated authority.
- Circulating draft conditions tried but not speeding process - to be discontinued. Revised plans also to be dropped: no legal basis.
- Ensuring DEC and DOW advertise policy and 'replicate' SAT tests.



Examples of 'access' houses under construction 2007 in Brighton (Content Living)

10. UDIA members are representative of others in the WA development industry

- UDIA members around 50-60% of all >30 lot approvals
- Less sophisticated developers have high resourcing demands on state & local government approval agencies
- Corridor planners targeting innovation, large approvals, large stage sizes, professional applications.

