



June 2005

WAPC

Dear

**Statement of Planning Policy 3: Urban Growth and Settlement**

The Urban Development Institute of Australia (WA Division) (UDIA) is the peak body representing the property development industry in Western Australia.

UDIA has had extensive involvement in both the Liveable Neighbourhoods and Network City policies which the state government is working to implement. Our members support the principle of providing an overarching approach to planning for urban growth and providing sustainable options for property development. It is in this capacity that we make our recommendations on the draft Statement of Planning Policy 3: Urban Growth and Settlement.

**Policy Background and Objectives**

UDIA supports the fundamental premise and objective of the policy to ensure the efficient and sustainable development of new urban areas in the state. In this regard we acknowledge the role of urban consolidation and higher density development. However, we believe that there is a need to ensure that an increased focus on accommodating growth through consolidation does not lead to inadequate planning for expansion.

The principles of efficient and sustainable development can be applied in outer areas as well as in inner locations, and there is substantial evidence that, while household demographics are changing and there is generally increased community acceptance of and demand for higher density, consolidated development in inner areas, the majority of purchasers in Perth and Western Australia as a whole demonstrate a preference for green title housing on larger lots.

For example according to the 2001 Census 78.3% of the West Australian population live in separate houses. There has been a small shift toward more flats, units and apartments (7.1% of the population in 2001) however this has not been significant.

Despite the decreasing size of households, new houses are increasing in average surface area. In 1988 the average floor area of a new house was 203.9m<sup>2</sup> compared with 256.9 m<sup>2</sup> in 2004. Alternatively, since 1999 there has been a continual decrease in the average lot size in new developments.



It is therefore clearly evident that while housing preferences may be slowly changing, there remains a strong and dominant demand for single housing on green title lots. While new development of this type can be accommodated through infill – there will remain a need for substantive development in frontal locations.

Furthermore, there is evidence that the majority of affordable housing product remains in frontal locations. For example, recent statistics from the UDIA Urban Development Index show that the most affordable new lots in the Perth Metropolitan Region are in frontal suburbs such as Armadale where the average price of lots sold is \$54,850, Joondalup (\$97,000) and Kwinana (\$89,180). These prices are much more affordable to the average home buyer than prices in infill areas such as Subiaco (\$850,000) or inner city Perth where prices average close to \$1 million.

Whilst it is accepted that in some cases there may be savings associated with the utilisation of existing infrastructure within infill developments, this is only the case where there is excess capacity in the existing infrastructure and there are no requirements for upgrading. The costs of retro fitting infrastructure in existing areas can be considerable and the disruption to existing residents and services should not be ignored. The increased costs for infrastructure are then eventually borne by the home buyer causing the prices for infill to increase further.

We believe that there is a need for the Statement of Planning Policy 3 to give further thought to the issue of affordability and for this topic to be a key consideration in the development of future planning strategies and schemes to implement the principles outlined in the proposed policy.

### **5.1 Creating Sustainable Communities**

UDIA supports the general direction of the policy and the key requirements listed as the general features of sustainable communities.

UDIA has a policy of supporting and encouraging more sustainable forms of new urban development through state and national awards for excellence, with categories such as Urban Renewal Projects, Environmental Excellence and Sustainable Urban Development. Award entrants and of course winners advocate a high standard in sustainable practices and this benefits their business and the wider community.

As previously outlined, we agree with the general premise for urban consolidation by making the most efficient use of underutilised land and buildings in existing urban areas. However, we believe that it is essential that this is undertaken while allowing for adequate land supply in growth areas to meet purchaser demand, provide adequate housing choice and ensure the continued supply of affordable housing options.

In the draft policy, the supply of essential infrastructure and human services is outlined as important to achieving a sustainable community. UDIA believes that to meet the requirements of Western Australia's growing population the state government needs to implement a concrete plan that provides a strong commitment to infrastructure provision. The supply of necessary infrastructure for sustainable development should not be left solely to the developer to fund or plan. An outline of how UDIA considers the government should plan for infrastructure provision is discussed later in this submission.

Higher residential densities around town or neighbourhood centres and also clustering



mixed use development around major public transport nodes is another initiative supported by UDIA. This kind of development (if planned effectively) is user friendly and compliments many consumer lifestyles, however to make this kind of development financially viable and successful for the community, developers need the support of state and local government planning policy and funding.

For example, when a development is in its initial stages, a high density mixed use site may not be financially viable due to population size or the current population demographic, however this could change once the population grows and there is more demand for retail outlets and other services to be close to where people are living. A developer needs the assurance that once the consumer base is established within a property development, a more high density, mixed use stage can be introduced without community or government hindering the development. If a project has the support of state and local government to promote the advantages of transit oriented development it is more likely to be successful.

Access to employment, health, education, shops, leisure and community facilities are all services which today's consumers expect to be available from the outset of a development. These kinds of facilities can be implemented on efficient greenfield sites as well as in infill sites if the project is planned efficiently. Many master planned communities that have been built outside of urban centres have been successful in providing amenities for their community.

A good example of a master planned community that provides services for its population is Satterley's Dalyelup Beach in the Shire of Capel. Dalyelup is continually selling out as new stages are released and the development is helping to drive growth in the nearby City of Bunbury.

In regards to regional areas, we support the continued development of Busselton, Bunbury and Albany as major centres, however we believe that there is a need for the policy to recognise the important role that land between these and other rural centres plays with respect to key land uses such as tourism and rural living.

UDIA also supports the notion of a planning framework that promotes good quality development rather than focusing on regulation and controls. UDIA supports a planning framework that is outcomes based where state and local authorities take a holistic approach to development approvals, taking note of the wider benefits of development project which may not meet the initial requirements of the State planning strategy but has a number of positive elements that would benefit the area.

## **5.2 Managing urban growth and settlement across Western Australia**

The urban development industry responds well to certainty and orderly planning and in this regard we support the structure of the State Planning Framework to manage urban growth and settlement across Western Australia.

UDIA believes that regional areas in WA, particularly the South West which is a substantial growth area, have to date, suffered from inadequate strategic planning to enable the efficient accommodation of population growth.

There is therefore a need for improved planning to ensure that growth in the South West can be managed successfully, while preserving the unique and special qualities of the



region. UDIA also believes that there is a need for a fully funded infrastructure plan that provides for the current and future provision of essential services such as roads, electricity and water to areas of projected growth.

This includes the preparation of a comprehensive Regional Planning Strategy particularly for the South West areas of Busselton and Augusta – Margaret River that compliments the state level strategy.

Statement of Planning Policy 3 asserts that the Commission may require proponents to provide detailed assessment of a project in meeting regional planning and sustainability objectives. UDIA understands the desire of government to implement forms of sustainability assessment for new proposals, however we believe that this type of assessment will need to be undertaken at local planning strategy and structure planning phase of a development in order to consider 'big picture' issues such as jobs and employment, infrastructure investment and so on. Any assessment should be undertaken within the bounds of a standard methodology developed through an appropriate process incorporating substantial consultation with industry.

### **5.3 Managing urban growth in Metropolitan Perth**

UDIA supports the proposal for increased infill development and urban consolidation however as previously outlined we believe that it is only part of the solution to developing more sustainable urban form. We believe that there is an equal or greater opportunity to more efficiently use infrastructure in outer areas and that this may be commercially and politically easier than in inner areas, with similar overall results being achieved for sustainability.

In addition it is clearly recognised in government and industry that urban consolidation is not easy to achieve. There is reluctance at a local level to support increased densities. Even at a State level there is often an unwillingness to tackle to a successful conclusion difficult consolidation areas. We believe that there is a need for the SPP 3 to recognise this difficulty and to encourage strategies which assist local authorities to implement and gain community support for urban consolidation strategies and policies.

The critical issue in this debate is the effective use of land. Greenfield development sites offer tremendous opportunities to develop land in an effective manner, provide graduating densities appropriately located along transportation routes and integrating economic activity with residential development.

Opportunities to create transport oriented developments exist in greenfield sites along both northern and southern railways. The careful coordination of the provision of station sites, in conjunction with the development program is integral to the success of these projects.

UDIA understands the need to consolidate residential development and notes that there are positive results for infill development that promote higher densities within metropolitan areas. This kind of development must be supported by appropriate infrastructure and conducive state and local planning policy in order to make it viable for a developer to invest in a project.

To make projects viable, for example in terms of ensuring services such as public transport are available, investment in different modes of transport and stations in



appropriate areas needs to occur. Locating higher residential densities in locations accessible to transport and services can only occur where planning policy allows for it and community sentiment supports it. Private developers cannot be expected to carry the full cost of ensuring that high residential density occurs around transport nodes.

#### **5.4 Planning for liveable neighbourhoods**

UDIA supports the concept of liveable neighbourhoods and the policy has been very influential in shaping new communities in Western Australia, including a number of state and national UDIA Awards for Excellence winners.

An example of a UDIA multi award winning project which has set the bench mark for new development is LWP's project: Ellenbrook. The town's development partners have constructed a whole new town on the urban fringe which is a self-sustainable community.

Plans to build a vibrant town involved extensive community consultation and support and innovative planning. The social needs of residents were considered even before construction commenced, with a community plan drawn up in 1993. This put a structure in place for providing the facilities and services the community would need, well before there was a population in the area that could sustain them.

The site is developed away from the existing urban development front in Perth, so to provide ease of access, an investment of \$3million was made by the developers to construct the balance of two major roads that provide Ellenbrook residents access to the major highway network of Perth and Midland.

The developers also subsidised a regular public bus service into Midland and Morley for the first year of development which initially ran with no passengers. However the bus quickly became popular and continues to this day, regularly used by commuters.

Within the villages themselves the town centres, community facilities and recreation areas are designed for easy access for pedestrians and cyclists.

Many of these initiatives are common place in new developments today and prove that a sustainable, vibrant community can be successful on a greenfield site. UDIA believes that when faced with the possibility of a project such as Ellenbrook, the benefits that the developer is providing for the community such as affordable housing or public amenities should be taken into account during the planning approvals process.

#### **5.5 Coordination of services and infrastructure**

UDIA agrees that new growth and settlements should be coordinated with the cost-efficient provision of infrastructure and services such as roads, public transport, water supply, sewerage and so on. As has been outlined already in this submission, it is necessary for the government to have a coordinated, funded plan for the implementation of essential infrastructure.



It has been brought to UDIA's attention that the Queensland State Government is implementing a South East Queensland Infrastructure Plan and Program (2005-2026) (SEQIP). UDIA believes that a program such as this is vital to the long term supply of productive and reliable infrastructure. The plan provides certainty for future infrastructure provision despite what government is in power and also requires that the plan is updated annually at budget time to reflect new developments.

The SEQIP is the first in an annual series of publications intended to support the objectives of the South East Queensland Regional Plan. The government seems to be making a concerted effort to ensure that funding of infrastructure remains a priority for the next 20 years. UDIA believes that this kind of commitment is needed from the West Australian government too in order for this Urban Growth and Settlement policy to be implemented successfully.

### **Developer Contributions**

One of the primary concerns of our members is that the Strategy will impose inappropriately high levels of developer contributions for development that occurs in frontal areas or in areas beyond the urban front as a means of controlling urban form.

UDIA does not agree that it is appropriate to use developer contributions to influence the patterns of urban growth. Adopting a charging regime that seeks to modify developer behavior that does not reflect a real cost is only distorting the market and causing inefficiencies in the system.

Pre-funding arrangements between the state government and developers for the provision of major, necessary infrastructure works, particularly main arterial services may be appropriate. However UDIA members believe that the cost of that service extension should eventually be paid for by the responsible agencies or will be ultimately borne by individual households.

### **Conclusion**

UDIA supports the provision of an overarching approach to planning for urban growth and providing sustainable options for property development. We do believe that the following points are integral to the Urban Growth and Settlement Policy being implemented successfully:

- Provision of essential infrastructure for new areas and the upkeep of aging infrastructure in older areas;
- Cohesive strategic planning at state and local authority level;
- Acceptance of greenfill development as a viable option for successful, integrated communities; and
- No increase of developer levies for projects that 'leap frog' the urban front



UDIA thanks the WAPC for the opportunity to support and comment on the draft Statement of Planning Policy 3: Urban Growth and Settlement.

Regards

Marion Fulker  
EXECUTIVE DIRECTOR