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9th November 2007

Mr Andrew Trosic
PO Box 21,
KWINANA WA 6966

By email: Andrew.Trosic@kwinana.wa.gov.au

Dear Mr Trosic

RE: TOWN OF KWINANA BIODIVERSITY STRATEGY

The Urban Development Institute of Australia (WA Division) is the peak body representing the property industry in Western Australia. The Institute is pleased to have the opportunity to respond to the Local Biodiversity Strategy discussion paper as the activities of our members with interests in the Town of Kwinana will be seriously impacted by the Strategy should it be introduced in its current format.

The views expressed in this response are those of developers working in the Town of Kwinana. We anticipate the response will be given due consideration and recognition by the Town in the final drafting of the Local Biodiversity Strategy.

INTRODUCTION

Earlier this year UDIA gave qualified support to the State Biodiversity Strategy, which we considered was a 'raising of the bar' in regard to biodiversity issues. Industry concerns with the Strategy related to the value derived from the preservation of urban bushland. Industry questioned the value of expending resources in the management of unviable reserves in urban areas that present serious management issues to developers and/or local governments.

UDIA's position on the State Biodiversity Strategy is that higher value conservation outcomes for the state as a whole may be achieved by adopting an approach that directs more attention and funding towards bioregions with inadequate reserve systems to ensure the future health of all areas in the state, for example the Great Southern Arc project. We now uphold that position in relation to the Town's Local Biodiversity Strategy for the same reasons.

UDIA is also concerned at the impact of the proposed strategy on housing affordability in the Town of Kwinana. It is important to acknowledge that Kwinana is one of the most affordable localities to purchase a block of land in the Perth Metropolitan Area. With the current climate of

decreasing affordability in Perth, it is important that we ensure that, where possible, affordability is a priority issue and that government and industry work together to ensure an ongoing supply of affordable housing for the community. The latest UDIA land sales statistics (September Quarter 2007) show that the average price of a lot in Kwinana is \$193,000 which is significantly less than the Perth average of \$299,472 and is encouraging for first home buyers to enter the market.

Any policy that has the potential to increase the costs of land development, such as the draft Local Biodiversity Strategy, will have an impact on the end price of land in Kwinana. It is critical that the Town acknowledge the sustainability triple bottom line when planning for development and that it be cognisant of the likely impact of the Town's policies on the cost of land development within its boundaries.

This is discussed more fully in section 13.3 of the discussion paper, 'New Urban Areas':

11.4 LOCAL AND REGIONAL ECOLOGICAL LINKAGES

Taking into consideration the number and extent of proposed ecological linkages identified within the Strategy and the implications that this may have to future development, the Strategy needs to provide further discussion on the rationale behind these linkages, how these will actually work, their design and on-going maintenance.

The Strategy provides a fair amount of discussion behind the purpose and criteria for Locally Significant Natural Areas (LSNA), however it does not provide the same level of justification and explanation behind the purpose of these ecological linkages. This is of particular concern, when the Strategy identifies the requirement to accommodate five to seven additional LSNAs within the ERIC area in order to achieve the ecological linkages depicted in Figure 5 of the Strategy.

13.3 NEW URBAN AREAS

The implications of the Strategy on proposed urban areas, such as ERIC and the Jandakot Structure Plan are unclear. It appears there are some inconsistencies between the Strategy and these structure plans. It would be useful if the Strategy could highlight where it is inconsistent with these structure plans and provide further justification on why it has disregarded some of the outcomes and recommendations of the WAPC's Final Draft Jandakot Structure Plan and the Town of Kwinana's ERIC District Structure Plan.

13.3.1 MECHANISMS TO PROTECT LOCAL NATURAL AREAS IN URBAN DEVELOPMENTS

a) Use of POS

The Town is looking to preserve for the purpose of LSNA's at least 33ha - 40ha within new urban areas and particularly 30ha within the Eastern Residential Intensification Concept (ERIC) area. As is acknowledged within the discussion paper, this is over and above the 20ha of restricted use POS that is allocated within the ERIC area in accordance with the state's Liveable Neighbourhood policy. Under Liveable Neighbourhoods restricted use includes stormwater management and community facilities as well as natural area conservation. In essence, this

means that under the Town's Biodiversity Strategy, the developer would potentially have to allocate the 20% restricted use POS to LSNA's, yet the Strategy is not clear on how they tend to resolve the 'challenge' of providing the "substantial areas .. required to ensure water flowing out of the ERIC area". The Strategy implies that developers will also be required to provide additional land for this purpose as well as community facilities.

While industry is sympathetic to the Town's vision to create local parks within new urban areas, this should not be wholly at the cost of the development industry. The residents of the Town of Kwinana are fortunate to have ready access to extensive Bush Forever and Conservation Category Wetlands areas and where these are located within a new urban area the requirement for a LSNA should be removed.

Overall, the potential of having to cede a significant proportion of land to LSNA's, Bush Forever, Conservation Category Wetlands, storm water management and community facilities means that the development may quickly become economically unviable for the developer.

Further to this, the large areas (4ha or more) that the Town recommends as the minimum size for LSNA's will not only be difficult to allocate, they will be expensive to manage and maintain in the long term.

UDIA believes that it would be more beneficial to consider areas outside those zoned for residential use when looking to allocate large tracts of land for conservation.

UDIA is also concerned that local structure plans that are currently at or near completion will have to be reviewed to accord with the Local Biodiversity Strategy. This would be an expensive and time consuming undertaking and would cost the developer in both professional fees for re-design and in time for approvals and holding costs while this work is done. These costs are ultimately borne by the purchaser but are imposed by the local authority 'moving the goal posts' during the life of a project.

Increased costs will also be borne through the reduced development potential of the land. Four hectares of LSNA which otherwise may have been developed into lots is potentially equal to \$11.2 million dollars in lost sales. (This figure is calculated based on an average of \$200,000 per lot @ R20, allocating 30% of the area to road requirements.) This potential loss will result in delays in development or no development due to lack of viability or the loss being distributed across the remaining lots and significantly increase prices.

b) Gifting of land

The Town's suggestion of the gifting of land with the option of a 100% tax-deduction to the value of the land gifted has merit where it is viable for developers to cede a large area of land to conservation. However a tax concession will not reimburse the developer in any way the \$11.2M in lost income outlined in the previous section.

It is an ongoing issue for land owners across WA that they are not duly compensated for land that is impacted by planning legislation, regulation and policies that allocate areas for conservation. Where land is not earmarked for conservation under the Metropolitan Region Scheme, there is no avenue for appropriate compensation to the land owner commensurate to

the investment potential of the developed land. This is an ongoing issue for landholders in contested areas and one that the Town of Kwinana will be faced with if it retrospectively designates Local Natural Areas that are not able to be developed.

c) Sharing the cost across developers

UDIA supports the equal distribution of costs across developers impacted by a designated LSNA, however the Town of Kwinana must provide further detail as to how this would be calculated.

d) Offsets

UDIA is supportive of voluntary environmental offsets where appropriate. However developers are wary of the need to locate natural areas that are 'like for like' or better within the Town of Kwinana in order to be able to use the option of environmental offsets. This can be an almost impossible and very costly exercise due to the need to purchase land from other land owners who can potentially hold developers to ransom by demanding exorbitant prices for the offset area. This may cause the proposed development site to become unviable.

The Town should consider identifying areas of vegetation in non urban areas where larger tracts of land could be purchased by the developer at much more affordable prices.

13.3.2 CHARACTERISTICS OF NEW LOCAL BUSH PARKS

The proposal that any LSNA should be of 4ha minimum will severely constrain development in some areas. As discussed, the conservation of this much land in one area is potentially equal to \$11.2M sales. This has the potential to make a development either unviable or very expensive to the end consumer in a climate of decreasing affordability.

The requirements for walkability to an LSNA, Bush Forever Site or Wetland are extremely onerous and must take into account the overall subdivision design. Developers must consider many other planning requirements which may make it impossible to fulfill this requirement including orientation of lots for good solar outcomes, roads, transport, storm water management and drainage, topography, location of community facilities, as well as many other local and state government requirements.

The Strategy is based on the assumption that access to LSNAs is a high order value shared by residents. There is no evidence provided in the Strategy to support this assumption. In our experience, priorities for residents coming into a new area are access to shops, schools, medical centres and POS. UDIA is of the opinion that access to LSNAs may be an aspirational target for the Town in keeping with its vision to create local bush parks in new areas. The Strategy proposes that the cost of providing the vision must be solely at the cost of the development industry.

13.3.3 IMPLICATIONS FOR THE ERIC AREA AND POLICY IMPLICATIONS FOR ERIC

The Town acknowledges that local structure plans are under way in a number of the ERIC precincts by the private sector. As has been discussed in this submission, UDIA is concerned about the impact that the requirements for increased areas of LSNA will have on the viability of these private land holders' projects.

The Town also highlights the need for management plans and management over the local bush parks as part of the initial development and establishment of new subdivisions. This includes determination of the funding of ongoing management of newly protected areas.

UDIA has a clear policy on the maintenance period and requirements for Public Open Space which is inline with Liveable Neighbourhoods:

*“The WAPC will generally require public open space to be developed by a subdivider to a minimum standard that may include full earthworks, basic reticulation, grassing of key areas, pathways that form part of an overall pedestrian/cycle network, and maintenance for **two summers**.”*

UDIA fully supports the position where the current two year maintenance period is applied for public open space areas which are **constructed by developers**. However if the Town of Kwinana is requiring LSNA's then UDIA is of the opinion that it should be the Town's responsibility to manage and maintain them.

UDIA encourages forward financial planning by all local authorities to ensure that required POS maintenance can be carried out to a high standard over time.

13.5.3 ECOLOGICAL ASSESSMENT OF LOCAL NATURAL AREAS

It is noted developers within the ERIC area will be required to undertake ecological assessments in order to identify LSNAs to be protected as part of the local structure planning process. Within the development industry it is recognised that vegetation and flora surveys are a base requirement for any proposed development site, which contains intact native vegetation.

The Strategy identifies the requirement to undertake two spring surveys as part of the ecological assessment. It is generally accepted that Level 2 vegetation and flora surveys can be composed of two surveys, with one during spring and the second in another season, such as summer. This requirement is in accordance with *EPA Guidance Statement 51: Terrestrial Flora and Vegetation Surveys for Environmental Impact Assessment in Western Australia*. However, requesting two spring surveys will lead to significant delays to the developer and is quite onerous once you include the additional requirements already listed in the Strategy for future development within the ERIC area. Therefore, it is recommended that the Strategy be consistent with current government policy requirements for vegetation and flora surveys.

CONCLUSION

UDIA offers the following comments as a summary of our position on the Town of Kwinana draft Local Biodiversity Strategy:

- Higher value conservation outcomes for the state as a whole may be achieved by adopting an approach that directs more attention and funding towards bioregions with inadequate reserve systems to ensure the future health of all areas in the state, as opposed to expending resources in the management of unviable reserves in urban areas that present serious management issues to developers and / or local governments.
- The draft Strategy will have a strong negative impact on housing affordability in Kwinana, currently one of the most affordable areas for new housing in the Perth Metropolitan Area.
- The Town must acknowledge the sustainability triple bottom line when planning for development and balance the vision for access to local bush against the need to keep Kwinana affordable.
- The Strategy needs to provide further discussion on the rationale behind the proposed ecological linkages identified within the Strategy, how these will actually work, their design and on-going maintenance.
- The Strategy should explain and justify why it has disregarded some of the outcomes and recommendations of the WAPC's Final Draft Jandakot Structure Plan and the Town of Kwinana's ERIC District Structure Plan.
- The Town must resolve the challenge of balancing their vision of Local Natural Areas against the requirement for stormwater management before the development industry could support the Strategy.
- Areas of 4ha for LSNAs will be difficult to allocate and expensive to manage and maintain.
- The proposed Strategy will have a significant financial impact on the viability of residential development in the ERIC area and may serve to block future development.
- A tax concession on gifted land does not go far enough to compensate developers for the loss of developable land.
- The need to locate offsets that are 'like for like' or better within the Town of Kwinana will result in exorbitant prices being demanded for the offset areas which will impact on the viability of projects.
- The proposal that any LSNA should be 4ha minimum will severely constrain development in some areas.
- UDIA policy for maintenance of POS constructed by developers is for two summers, which accords with Liveable Neighbourhoods.
- The Strategy must be consistent with current government policy requirements for vegetation and flora surveys, that is *EPA Guidance Statement 51: Terrestrial Flora and Vegetation Surveys for Environmental Impact Assessment in Western Australia*.

Should you wish to discuss any matters raised in this submission, do not hesitate to contact UDIA.

Yours sincerely

A handwritten signature in black ink, appearing to read "Debra Goostrey". The signature is written in a cursive style with a large initial "D" and a trailing flourish.

Debra Goostrey
Executive Director