

Urban Development Institute of Australia (WA)

Advocacy Agenda 2011

Whole of Government Approach to Urban Development

This Advocacy Agenda provides an overview of key issues facing the industry and the responses industry seeks from government. UDIA will continue to work with both industry and government to achieve quality, sustainable urban development in this state. It is essential that Western Australia adopt a new integrated approach to planning that ensures a coordinated, streamlined approvals process and delivers sustainable urban development. Key to this is the removal of duplication between government agencies and layers of government and a whole of government focus on achieving the vision set in Directions 2031 and Beyond.

| ISSUE | COMMENT | ACTION REQUIRED |
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| Lack of an integrated triple bottom line approach | It is critical that the environmental, community and economic development of this state is managed effectively through a triple bottom line approach to urban development. | The government must commit to a triple bottom line approach by removing the primacy of the Environmental Protection Act and introducing a sustainability assessment approach that considers environmental, social and economic impacts of decisions and policies. A Regulatory Impact Statement should be developed for consideration prior to the introduction of significant changes impacting on the Urban Development Industry. |
| Achieving density | A whole of government approach must be taken to achieve the densities that have been identified in Directions 2031 and Beyond. | The State Government needs to develop strategies to implement the higher levels of density identified in D2031+. Whilst DAPs are a starting point more will be needed to achieve the targets including: <ul style="list-style-type: none"> • commitment to infrastructure funding for water, waste water, energy and transport; • density bonuses and taxation incentives to encourage high quality, affordable urban infill developments; and, • the removal of conflict between state and local priorities and policies. |
| Duplication and inconsistency of policies and approvals processes between layers of government | There is increasing duplication of policy between Local Government/Department of Environment & Conservation and Local Government/Department of Planning. Federal and State Environmental process are also duplicated. Examples include Local Government seeking areas of retained bushland in addition to those retained by EPA and EPBC Act requirements and having wetland policies that are in conflict with WAPC policies. | In a whole of government strategy, the lead agency model must be expanded to ensure that policy conflicts and approvals duplication between Federal, State, and Local Government are removed. This can be achieved by: <ul style="list-style-type: none"> • ensuring State Planning Policies have primacy over local government policies to remove inconsistencies; • developing a bilateral agreement (or other appropriate mechanism) between the State and Federal Government to streamline environmental approvals; and, • reviewing referral agencies so only those with a legislative head of power are involved in the approvals process. |
| Affordability | The availability of affordable housing is a critical issue for the state, not just in terms of key workers, but to attract and retain the workforce needed for the growing economy. | The State Government must review how infrastructure is provided as the current process of "loading up" homebuyers with the full cost at the time of purchase is unsustainable. The state government, through the land development process, must also foster and encourage alternative products and approaches to achieve more cost effective built form outcomes. |
| Sand supply and lot classification | The constrained supply of appropriate fill materials for land development will have a significant negative impact on affordability and the environment. Left unresolved it may lead to major land shortages in the future. | This complex, whole of government issue is likely to be one of the biggest challenges to land supply as the forecast available fill from extraction pits is only a third of that required to develop the land identified in state planning. The large areas with a high water table, proximity of that land to wetlands and Councils requiring A class lots makes this issue both technically and politically complex. The State Government must support pilots of alternative solutions through the approvals process which will help the industry to innovate. |
| Lack of infrastructure coordination | The ICC is not yet providing the leadership necessary to deliver coordinated infrastructure outcomes. | The Infrastructure Coordinating Committee of WAPC and all its member organisations to sign off annually on the Urban Development Program as the agenda for planning infrastructure. The WA Government to create an Infrastructure Development Plan (IDP) under the oversight of a Cabinet Committee comprising Ministers for Planning, Environment, Transport, Energy, Water and the Treasurer. The IDP would drive funding allocations for high level infrastructure on a 5 year rolling program with a further 5 outlying years and interface with the ICC for implementation. |
| Public Open Space (POS) | POS will become a major issue moving forward due to cost of provision, lack of clarity around the needs of an ageing population and the impact of increased density. The form of POS in a drying climate is also a major variable. | This issue crosses many agencies including Department of Sport and Recreation, Department of Planning, Department of Education and Training and the Department of Water as well as Local Government. A coordinated approach must be undertaken to consider the future of POS including: <ul style="list-style-type: none"> • Providing guidance on appropriate POS to meet a changing demographic and density in Perth; • Removing duplication of requirements between agencies; and, • Working with industry on Water Sensitive Urban Design to find solutions for POS and active playing areas. |

Infrastructure

Coordinated infrastructure delivery is critical to efficient urban development. Over the past few decades more and more cost is being pushed up front onto new home buyers with resulting negative impact on housing affordability.

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| <p>There is a range of issues relating to the planning and funding of infrastructure. The increasingly common practice where developers must pre-fund infrastructure where it is arguably for the benefit of a wider community is adding a significant impost on development costs and having a marked impact on affordability. The vision set in Directions 2031 and Beyond can only be achieved if the provision of all major infrastructure is carefully coordinated and then funded by Government. This is essential to avoid the need to pre-fund major works which is becoming a major barrier to development. There is also a need for greater understanding of the impact of infrastructure provision on housing affordability and to measure the wider community benefits of that infrastructure. An Infrastructure Development Plan (IDP), under the guidance of a Cabinet Committee, should be prepared and then adopted to ensure there is a more effective process for the management and funding of that infrastructure.</p> <p><i>Key industry issues include:</i></p> | | |
| Costing mechanisms | The upfront capital cost of infrastructure has become a barrier to financing of developments, it makes projects unviable and impacts on supply. | A review to be undertaken of funding for major infrastructure such as pump stations, including any bonding arrangements, to reduce where ever possible up front capital and "double payment" through bonds. Government should consider alternative funding mechanisms including payment over time through increases in energy and water delivery charges. A tax increment financing framework to deliver key infrastructure should also be considered in the review. |
| Impact of headworks on housing affordability | The lack of clarity about frontal works leads increasingly to costs being shifted to developers and on to new home buyers. | Have agreed, published areas of frontal works where government agencies have funding responsibility for the headworks. This mechanism will help guide urban growth. |
| Delivery Timelines | Service agencies can be a major point of delay, particularly when the market picks up. This not only cost money but can exacerbate land supply shortages. | Timelines for service agencies to be monitored and reported to Cabinet. This should include any works to be constructed and delivery of materials where the agency is a monopoly provider. |
| Under investment in infrastructure | The lack of a government infrastructure investment plan, combined with a lack of economic analysis of the impact of infrastructure investment in infill and greenfields developments, has led to underinvestment in water, waste water, power and transport infrastructure. | Treasury to undertake a cost benefit analysis of the D2031 Sub-Regional Strategies to underpin State (and Federal) government investment into the service infrastructure required to accommodate Perth's growth path to 2031. |
| Public Transport | The lack of a funded transport plan which includes light rail, heavy rail, rapid transit buses, freight and passenger transport routes is impacting on effective urban development planning. | The government to release and fund an integrated transport plan. |

Urban Planning

The Department of Planning has been actively involved in the reform agenda over the past couple of years however those changes have not had any real impact on the development industry. Whilst the roll out of the regulatory reform is noted, below are the key priorities for the industry.

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| Developer Contributions | There are unreasonable demands being placed on developers for contributions to soft and hard infrastructure. | The government must ensure that any contribution schemes are consistent with the principles of SPP 3.6 including: <ul style="list-style-type: none"> • charges only reflecting the direct impact of new development • funding from other sources to be included • infrastructure required within a 10 year framework; and, • provides appropriate community facilities. |
| Model Conditions | Poorly constructed, conflicting and irrelevant conditions are leading to delays and added expense, affecting affordability and land supply. | Conditions must be fit for purpose and should relate to the development. This means not using terms such as "to the satisfaction of" and "cutting and pasting" conditions from previous stages. Conditions must be clear for all parties and must not be applied where there is no appropriate head of power. |
| Structure Planning | The requirement for high level detail at structure planning level continues to add costs and delays to the process. | The State Government to expedite the amendments to the model text to facilitate a consistent approach to the level of information required at structure planning level. |

Urban Water

Water will be a key issue for urban development over the coming decades as we face a drying climate. The issues fall into two categories: securing sufficient fit for purpose water for a growing population and, ensuring a streamlined approvals system.

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| <p><i>There is a range of issues relating to the provision of adequate, fit for purpose water now and in the future. The ERA should investigate urban water provision to ensure that there is adequate potable water for drinking as well as adequate water, either potable or non-potable, for establishing and maintaining public open space and domestic watering at least twice weekly. The investigation could embrace some of the industry issues (below) to provide transparent, public feedback on the various options available to government and industry including water recycling, ground water recharge and desalination. Infrastructure costs (both public and private) as well as water processing costs must be included in the analysis.</i></p> <p><i>Key industry issues include:</i></p> | | |
| Alternative water providers | Lack of non potable water schemes and difficulty for new providers achieving the necessary licences. | Government to support the implementation of pilot projects for non-potable water and the ERA to encourage competition in the potable, non-potable and waste water license holders by streamlining the approvals process to allow proven entities from interstate/overseas to implement alternative water practices. |
| Aquifer recharge and water resilience | The lack of an aquifer recharge process means that the equivalent of 2 Mundaring Weirs of storm water flows out to sea. In a drying climate this is untenable. | Introduce a priority program for research and implementation of aquifer recharge including indirect potable aquifer recharge of the Gnaragara Mound with treated stormwater and wastewater from Beenyup and future Alkimos WWTP with consideration of the Subiaco WWTP. |
| Water efficiency bonuses | Developers currently delivering alternative water still face full headworks cost making many alternatives unviable. | Introduce a headworks offset program to encourage water efficient developments. |
| <i>Streamlining the approvals process</i> | | |
| East Rockingham Waste Water Treatment Plant | Problems with achieving approval is causing delay to the rezoning of 3000 lots. | The Infrastructure Coordination Committee to resolve the pipeline placement issue to finalise approvals. |
| Dewatering Licenses | Delays of up to six months for dewatering licenses are unacceptable. | Amendment of the exemptions under the RiWI Act is warranted along with a review of the approvals process in the Department of Water. |
| Water Quality Monitoring | Data is currently being collected as a requirement of DWMS/LWMS and UWMP however there is no standard methodology for sampling and analysis. | The Government to commit to a consistent approach to establishing and achieving water quality targets including the development of water quality modelling guidelines/tools. A standardized sampling and analysis plan should be prepared for all water monitoring programs. |
| Regional drainage | Current issues relating to transitioning of rural drains to urban. | Government to resolve planning responsibility for drains transitioning from rural to urban. |
| Regional Water Studies | Incomplete water studies are impacting on rezonings and effective provision of land supply. | Government to ensure the completion of regional water studies to support a consolidated approach to water management. |
| Water Planning in the Pilbara | Lack of coordinated water resource planning in the Pilbara. | Government to develop an integrated water source plan for the Pilbara that aligns the fit for purpose demands of the development and resources sector. |

Industry Training and Skills Development

If the State Government is to achieve density and affordability goals it is critical that there is an appropriately trained workforce to implement new approaches and work with new materials.

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| Skills Development | The built-form product is changing and skills training must get ahead of the market and deliver labour skilled in alternative materials and compact product. | The State Government to review skills training in the building trades to reflect diversified materials and building techniques. |

Environment

Whilst there are many issues relating to the environmental approvals process, the key is a better understanding by agency staff of the need of certainty for the industry; unexpected planned changes lead to cost blow outs that impact negatively on housing affordability.

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| Training and Development | The lack of understanding by some DEC officers about the cost of delays and the impact on housing affordability is leading to an under-realization of potential in urban form. | Reinstate DEC/UDIA Working group with senior DEC Officers to work through key issues and encourage appropriate professional development for staff. |
| Project Management | The current process adopted by DEC which sees different officers considering each iteration of an application is creating inefficiencies for government and the industry. | DEC to adopt a policy that, as far as practicable, major projects will be assigned to a specific officer. |
| Contaminated Sites Auditor Process | The current approach to the Mandatory Audit Report (MAR) has a significant amount of duplication as DEC effectively duplicates a review process in vetting the auditor's report. The lack of auditors is also a problem for the industry. | DEC to review the MAR process to avoid unnecessary duplication and increase the number of WA Auditors. |
| EPBC Act | Uncertainty in relation to the requirements for species preservation and contradictions between Local, State and Federal requirements. | The State and Federal Government, in consultation with industry, to deliver a workable strategic assessment strategy which delivers both affordability and environmental bonuses. As a priority species recovery programs must be developed and published for Carnaby's Black Cockatoo and the Graceful Sun Moth to allow for a consistent approach to assessment. |
| Pre 1996 Zoned Land | EPA formal involvement in land development occurs at subdivision which is too late for input without negative consequences for affordability. | Amend EP Act to allow assessment of Structure Plans. |
| Wetlands Buffers | Uncertainty regarding development of wetlands (RE and MU) and buffer width and uses within buffers. | DEC to provide detailed guidance through updated Wetland Policy and WAPC/DEC to release a workable wetland buffer determination guidance statement. There needs to be clarification of the usability of the space and ability to claim an open space credit. |
| Wetlands Mapping | The changing climate means that some wetland areas mapped during the water period of the 1990's may now be dry lands. | Government to initiate a review of the 1990's Wetland Mapping and Classification. |

CONTRIBUTION OF THE PROPERTY DEVELOPMENT INDUSTRY

The Property Development Industry makes a significant contribution to the Western Australian economy and is one of the most important industries in this state. The Property Development Industry represents 58% of all investment in this state and, when indirect investment is included, this figure increases to 63.6% of all investment. Whilst nationally the development industry sits fourth behind Business Services, Manufacturing and Mining in terms of output, in WA the Property Industry sits third, surpassing Manufacturing by contributing 9.4% of Gross State Product in 2007/08. The flow on effect to output of the development industry was \$7.7 billion in 2007/08 giving a total output of 14.3% of Gross State Product - the largest of any state. The Property Industry is also the state's largest employer contributing 17.5% of the workforce through direct and indirect employment.



Contact us:

a: Level 5/150 St George's Tce Perth

e: reception@udiawa.com.au

p: 08 9321 1101

f: 08 9321 1102

w: www.udiawa.com.au