



**27 July 2018**

Mr Darren Cooper  
Independent Reviewer  
SAPPR Review Panel  
Department of Premier and Cabinet  
2 Havelock Street  
WEST PERTH WA 6005

Dear Mr Cooper,

**UDIA WA Submission – Review of the Strategic Assessment for Perth and Peel (SAPPR)**

Thank you for the opportunity to provide comments to the review of the Strategic Assessment for the Perth and Peel Regions.

UDIA's submission at this stage focusses on three key areas. Firstly, simplification of the SAPPR, secondly achieving certainty in the outcome, and thirdly transparency and governance associated with the process for its ongoing development and finalisation.

UDIA submits that there is significant opportunity to simplify the SAPPR in terms of its scope, spatial scale and the timeframe that it covers. The draft version of the SAPPR was overly ambitious and tried to cover too many Matters of National Environmental Significance (MNES).

For both the development industry and State Government infrastructure projects, there are only two key MNES that cause significant issues in terms of navigation of the Environment Protection and Biodiversity Conservation Act – these being clearing of Black Cockatoo habitat and Banksia Woodlands. We submit that the review is a key opportunity to significantly narrow the scope of MNES covered by the SAPPR, in order to simplify and focus it on key issues of importance.

In terms of scale, the plan currently covers a substantial area of the Perth and Peel region. While the Governments' initiative to deliver a SAPPR which covers off on such a broad area is notable, it is likely to be unachievable. UDIA considers the spatial coverage of the plan should be limited to areas or corridors where key conflicts are likely to occur between our future development footprint and key MNES.

Finally, the SAPPR currently covers a 30-year timeframe. In UDIA's view this is far too ambitious and may in fact lock in and create inflexibility in terms of future development opportunities that are not currently included in the frameworks. A more medium-term approach, ie 10-15 years is considered to be a much more workable timeframe, which would allow the SAPPR to be completed and implemented more readily and then subsequently reviewed or renewed on the basis of the learnings during this medium- term timeframe.

Finally, in terms of transparency and governance, one of the key failings of the development of the existing SAPPR was the lack of transparency and engagement of key stakeholders in the process. UDIA strongly urges that the process for detailed revision of the SAPPR should be undertaken in a manner that engages strongly with key stakeholders and provides for improved independent governance, professional project management and input to the process.

UDIA looks forward to meeting with members of the Review Panel to discuss the comments in this submission in more detail.

Should you have any questions in the meantime, please do not hesitate to contact me on 9215 3400 or [ahailes@udiawa.com.au](mailto:ahailes@udiawa.com.au).

Yours sincerely,

**Allison Hailes**  
**Chief Executive Officer**

## Urban Development Institute of Australia WA (UDIA WA)

### Submission to the Independent Review of the Strategic Assessment of the Perth and Peel Regions (SAPPR)

#### ***Term 1: The merits or otherwise to the State Government and key stakeholders of undertaking a strategic assessment to enable the Perth and Peel regions to accommodate 3.5 million people.***

The UDIA welcomes the State Government's review of the SAPPR as it provides an opportunity to re-engage properly with industry in relation to key details of the plan, improve transparency and refine the approach.

The Institute believes there is significant merit to both the government and stakeholders in undertaking a SAPPR, and remains supportive of the original intent of the SAPPR. The current system is complex, lacks certainty, and increases costs. When completed it is expected that the SAPPR will provide greater certainty about environmental considerations and land development in the Perth and Peel region, as well as streamline the development approval process.

There will be many benefits to both industry and government if this is achieved, such as greater certainty about environmental considerations and costs, reduced assessment timeframes and streamlined processes, and more affordable housing outcomes for purchasers.

#### ***Term 2: The key policy and legal risks to the State Government (and other stakeholders) from undertaking a strategic assessment as a formal environmental approval under the EPBC Act.***

UDIA believes that the SAPPR at present is too large and complex, and this is increasing the policy and legal risks for both government and stakeholders.

The goal of the SAPPR should be to effectively 'turn off' application of the EPBC Act for the MNES identified in any agreed SAPPR plan. UDIA assumes the Panel will look closely into whether this is achievable, and whether there are likely to be any significant legal risks for the State or private developers associated with this. It would be pointless to continue with a strategic assessment if this level of certainty over the MNES matters cannot be provided.

Further, there should be provision for any species identified as significant by the Commonwealth in the future, and which could be considered to be MNES, to be incorporated into an agreed plan, during the life of the plan, without it adversely impacting on the operation of the adopted plan.

Given this, UDIA considers that the SAPPR should be simplified, in both the footprint that it covers and the range of MNES that are included. UDIA recommends that only 2 or 3 MNES are included in the plan, for example Banksia Woodlands and Carnaby's Cockatoo. These two matters currently account for around 90% of the environmental approvals that are required to be referred to the Commonwealth. If an agreement between the State and Commonwealth could be reached through the SAPPR on these matters, it would deal with the majority of the current referrals and significantly reduce the cost and timeframe of environmental assessments.

In addition, the proposed timeframe of 30 years for the SAPPR is a significant risk to the State as it effectively locks down the development footprint of Perth and Peel for this whole

period. Given the changes to population, employment, transport and housing that could occur during this time, and the resulting implications for the development of Perth and Peel, it is recommended that the timeframe for the SAPPR is shortened to a more realistic 15 years.

***Term 3: The risks and benefits to private landholders from implementation of a strategic assessment.***

The risks to private landholders from implementation of an assessment include: the habitat compensation obligations / fees being too high and making projects unviable; the list of cost-recoverable activities being too extensive; and that the final agreement doesn't cancel out EPBC Act referral requirements.

The UDIA sees the benefits of a strategic assessment being that environmental objectives are managed at a strategic level and therefore deliver better environmental and socio-economic outcomes, whilst also streamlining the development approval process and providing greater certainty.

Due to its inherent uncertainty and excessive complexity, the current system significantly increases project risk, timelines and costs for developers. The benefits of a SAPP, if simplified, would be reduced complexity and more certainty, leading to a lower level of development project risk; a streamlined assessment and approval timeline; a reduction in costs associated with expert consultant reports; and reduced holding costs.

***Term 4: The likely costs of the ongoing implementation of the strategic assessment (both to the State Government and industry) and whether these costs provide value for money compared with business as usual or alternative approaches.***

The likely costs of the ongoing implementation of the SAPP to industry are unknown at present as no information has been provided on the anticipated costs or funding model.

Based on information in the draft SAPP documents it is expected the single largest cost for implementing SAPP is likely to be the offset cost for impacts to Carnaby's cockatoos.

The Commonwealth established its offset policy for impacts to Carnaby's cockatoos in 2012. A Recovery Plan for Carnaby's cockatoos was adopted under the EPBC Act in 2013. A substantial amount of additional information has been developed regarding Carnaby's cockatoo as part of the SAPP process. Despite this, it appears that SAPP has assumed that the existing policies and plan should continue as the basis for assessment of impacts and offsets requirements, without reviewing whether they are in fact sound in terms of costs and environmental outcomes being achieved given the new information.

To ensure that the implementation costs of SAPP, or any reduced strategic assessment, provide value for money, it is essential that the existing plans and policies are reviewed to ensure they provide a sound base for determining the significance of impacts and optimal offset requirements into the future in terms of costs and environmental outcomes.

Since the release of the draft SAPP documents the Commonwealth has listed banksia woodlands on the Swan coastal plain as a threatened ecological community under the EPBC Act. This is despite there being more than 330,000 ha of the community remaining (48% of the pre-European extent), some 150,000 ha of this being on conservation managed land and vegetation mapping indicating that the current rate of loss being less than 3% per decade.

The listing of the banksia woodlands is now causing significant difficulties for EPBC Act land development approvals and could lead to substantial offset costs. It is critical that any strategic assessment addresses the current issues associated with the banksia woodlands listing and ensures that any offset approach is sound in terms of costs and environmental outcomes.

Ultimately, in order for the strategic assessment to provide value for money, the cost of implementing it *should* be lower than the same environmental result that would be achieved in a non-strategic manner. While we don't know the cost of what is to be proposed, it is assumed that it will be significantly more than a business as usual approach. Given this, UDIA considers the burden should be spread evenly and fairly across the wider community with the costs to implement the SAPPR socialised through a levy such as the Fire and Emergency Services Levy model, which recognises the broad public benefit that is delivered, and therefore applies the costs across all property owners.

In addition, consideration should be given to how the 3 year review of [P&P@3.5m](#) provides an opportunity to re-connect the planning and zoning of land to implementation of the SAPPR, as it could provide the opportunity to introduce value-capture as a means of funding part of the SAPPR.

**Term 5: The scope of the strategic assessment, including:**

- **Any alternatives to a formal strategic assessment or different options within a formal strategic assessment under the EPBC Act that could be considered by the State Government and associated legal risks and implications; and**
- **Any alternatives to approvals reform and streamlining under the Environmental Protection Act 1986 and other relevant legislation both in association with a strategic assessment and without.**

The extensive scope (91 MNES, 5 Classes of Action and 30 year time frame) which has been developed for the SAPPR appears to be a major reason for it having not been completed some 7 years after it commenced.

As indicated earlier, it is estimated that more than 90% of current EPBC Act referrals relate to Carnaby's Cockatoo and Banksia Woodlands. Given this we believe it would be better to undertake the strategic assessment in stages, with the first stage being limited to 2 or 3 MNES which make up the majority of required EPBC Act referrals (principally Carnaby's Cockatoos and Banksia Woodlands). UDIA considers it would be best to obtain an approval which addresses the key MNES within a reasonable timeframe, than to continue with an extensive scope and footprint which may take a substantial timeframe to complete, if at all.

Further MNES and extended Classes of Action, as well as other State environmental values, could be considered in subsequent stages of a strategic assessment, if considered warranted.

Recommendations:

1. The scope of the strategic assessment is limited to 2 or 3 key MNES eg Banksia Woodlands and Carnaby's Cockatoo;
2. That the footprint of the strategic assessment is reduced to a more manageable size;
3. That the timeframe of the strategic assessment is reduced from 30 years to 15 years;
4. That the State confirms that outcome of the strategic assessment (ie SAPPR Plan) will be to effectively "turn off" application of the EPBC Act for the MNES covered.

5. That the SAPPR is 'reconnected' with the [P&P@3.5m](#) Frameworks when the Frameworks are reviewed in 3 years.
6. That the Review Panel members have continued involvement in any future SAPPR Steering Committee to ensure adoption of the review outcomes.

***Term 6: The implications of terminating the strategic assessment for the State Government and industry.***

Navigation of the EPBC Act is now the single biggest approval risk to land development projects in the Perth and Peel regions, which is creating considerable uncertainty and cost which will continue to impact on industry and the cost of housing. UDIA therefore considers there would be significant implications for the land development industry if a strategic assessment was not continued with. However, any assessment which is carried out should be subject to the recommendations set out above.