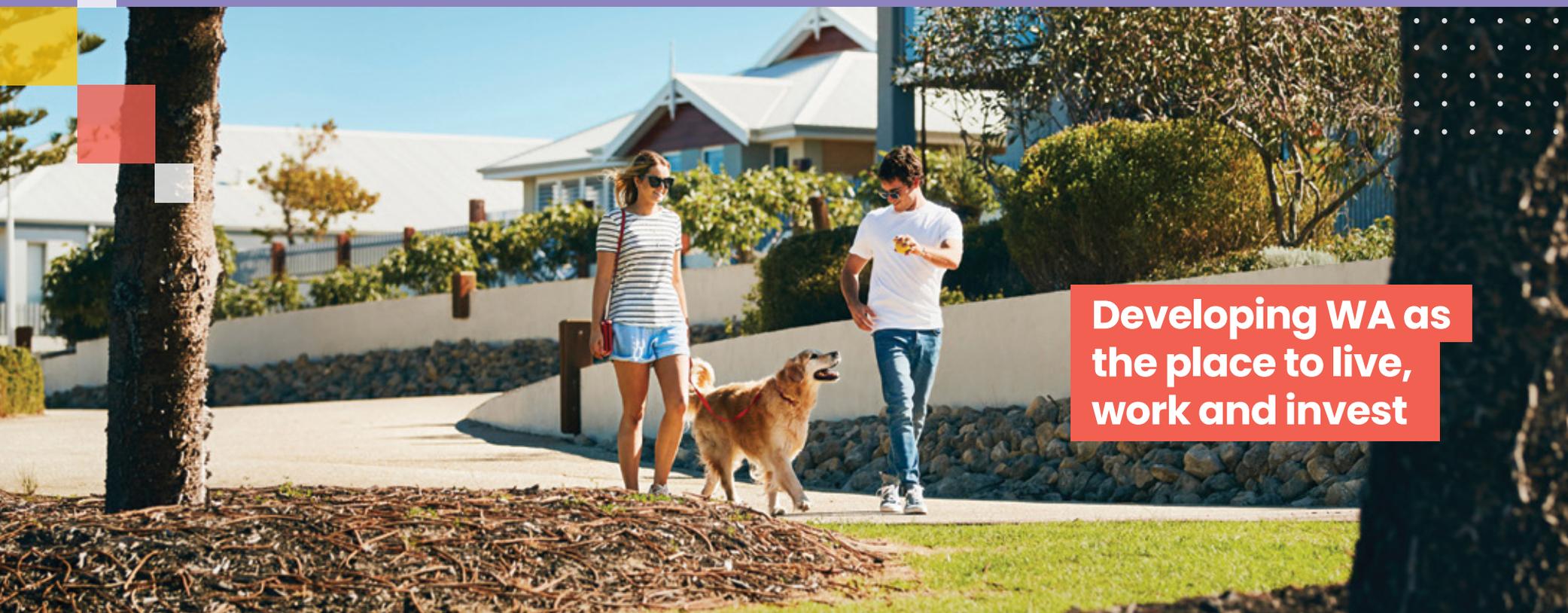




For the  
*community*  
*creators*

# Western Australian Policy Priorities **2022**



**Developing WA as  
the place to live,  
work and invest**

# From the President

## The urban development industry plays a significant role in creating the communities that Western Australians call home.

Our industry is pivotal to the economic, social and environmental fabric of our state and the policy priorities that we advocate for here are critical to ensuring that with positive collaboration, WA's enviable lifestyle and sustainability can continue to improve.

Western Australia's story is unique. Our landscapes, biodiversity, history and people have combined to create a unique story of success and resilience.



**Col Dutton**  
UDIA WA President

The Urban Development Institute of Australia (UDIA WA) acknowledge the Nyoongar Whadjuk people - traditional custodians of this land. We wish to acknowledge the strength of their continuing culture and offer our respects to Elders past and present.

Our journey through the pandemic over the last two years has also been unique, and it is important to acknowledge and congratulate the McGowan Government for maintaining economic growth through what has been extremely challenging conditions.

While continued economic growth is important, we must not lose sight of the importance of maintaining Western Australia's relative affordability and our ability to provide adequate housing options to ensure that no-one is left behind.

Our industry's ability to service the increasing level of demand for housing across all areas of the state has been restricted in recent times by strong competition for skills across the economy and significant material supply constraints. Therefore, building industry capacity and improving regulatory efficiency will be vital to maintaining existing levels of housing affordability in Perth and our regions. Building this capacity will be essential to supporting our economy as it further gears up and ensuring that we are able to retain and attract the brightest talent to WA.

As we transition to 'living with COVID' and the eventual move away from pandemic conditions to a situation where COVID-19 is managed as endemic in our society, it is important that we leverage our environment and liveability to set a course for sustainable longer-term growth. Therefore, the recommendations and actions that we set out in this document address both the immediate challenges we face while also focusing on building a vibrant and sustainable future in the longer term.

UDIA WA's Policy Priorities in 2022 are built around the three primary pillars of environment, improving liveability, and building our economy. Working collaboratively with all levels of government to achieve these goals, we believe our industry is ideally placed to play a key role in the continued success and growth of our State for the benefit of all Western Australians.

Both myself, fellow UDIA WA Councillors and Executive look forward to working with our members, government stakeholders and the broader community to see our recommendations actioned throughout 2022 as we further develop WA's unique success story.

# Western Australia's Development Industry

## Employment

**129,000**

employees directly employed in the property sector (at November 2021) and supported additional ~85,000 total jobs through flow-on activity.

**10.8%**

of Western Australia's total FT Labour Force.

**\$12.1 billion**

in incomes (wages & salaries). 11.3% of total WA employee compensation across all industries and \$7.1 billion in incomes through flow on activity.

**1.2x**

the employment of the Public Administration & Safety sectors in WA.

**1.6x**

the employment of the Manufacturing sector in WA (as of FY 21).

## GSP

**\$18.2 billion**

directly contributed to GSP by the property sector in 2020-21 or 5% of total contribution to GSP by all industries in WA.

**\$12.7 billion**

further contributed to WA GSP through flow-on demand for goods and services.

**\$30.1 billion**

in total direct and indirect contributions to the WA state economy.

## Tax

**\$2.85 billion**

directly contributed by the property sector in property taxes to WA State Government revenues in 2020-21 (inclusive of land tax and stamp duties).

**28.1%**

of all WA State Government taxation received (\$10.15 billion total).



# The Development Market heading into 2022

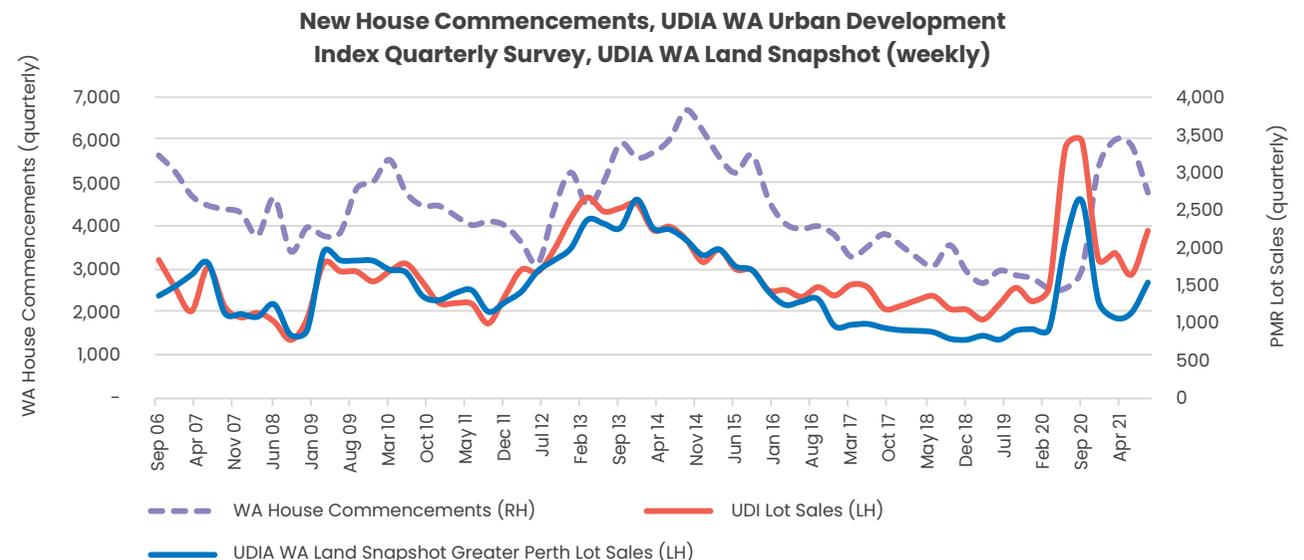
**Following the dramatic spike in housing demand caused by the housing construction stimulus packages, lot sales continued to strengthen throughout the course of 2021. Total lot sales for the year recorded as part of UDIA WA's Urban Development Index totalled 8,340, which compares to 10,037 in 2020 when sales were supported by the stimulus. Across the various market highs and lows, the survey's 16 year annual average of lot sales sits at 6,623.**

Following five years of market decline, the rapid onset of housing demand has placed considerable strain on the industry. With border controls preventing migration coupled with strong competition for local labour across the resources industry and government infrastructure projects, the development industry has been unable to expand and resize to service this demand. A recent survey of our members found that over 80% of businesses are impacted by the availability and access to skilled workers, and although the majority had vacant positions available, they were not actively recruiting for all positions available. As such, WA's skill shortage is likely to far exceed the 60,000 jobs currently being advertised.

Alongside these labour constraints, increased demand and disruption in the global supply chain have added significant material cost pressures and delayed construction timeframes. In January, over 80% of our members surveyed reported that these costs were having a high or medium impact on their business.

According to the ABS, as 2021 closed, material input costs for housing construction had risen 11.1% over the course of the year. Similar pressures have been experienced in lot construction with materials and crews for wall building increasingly difficult to secure, whilst ordering timeframes for equipment such as electrical transformers has increased from 90 to 180 days. These material delays and increases together with increased labour costs has caused the cost of housing construction to rise approximately 20% since mid-2020. Tight margins and a diminishing pool of builders has meant that the apartment development market has been especially exposed to these construction cost pressures resulting in around a third of development projects being placed on hold.

Along with these housing construction challenges, there remains very little capacity in the rental market, with the rental vacancy rate continuing to decline throughout 2021 falling to a historic low of 0.7%. In the regions the situation is even worse with rental vacancy rates of just 0.4% in Albany, 0.1% in Bunbury and 0.0% in Busselton. With a backlog of 28,000 permanent migrants awaiting the reopening of the international border, the limited availability in the rental market is likely to drive significant housing cost increases and jeopardise our longer-term housing affordability and the competitiveness of our economy.





# Developing WA as the place to live, work and invest

## Economy



Stimulate investor activity to build our stock of rental housing



Leverage infrastructure to unlock development and create jobs



Develop a workforce attraction strategy for Perth and the regions

## Liveability



Establish an effective strategic decision-making authority across built-form and land development



Maintain housing affordability through sufficient supply



Deliver an effective development design approval framework



Effectively engage with the community on the role of the development industry as community creators

## Environment



Develop a strategic environmental assessment framework



Develop a strategic water availability assessment framework



Build a more collaborative and integrated regulatory approval framework



Climate Action in the Development industry

Priorities	Actions
<b>Stimulate investor activity to build our stock of rental housing</b>	<ul style="list-style-type: none"> <li>Stimulate investor activity to build our stock of rental housing.               <ul style="list-style-type: none"> <li>Extend the off-the-plan duty rebate until 2025.</li> <li>Replicate the NSW land tax exemptions for Built-to-Rent.</li> <li>Investigate the establishment of a State based 'NRAS' scheme to support affordable rentals.</li> </ul> </li> <li>Investigate incentives and tax discounts for investors who buy and rent out newly constructed homes and the possible adoption of surcharges for vacant properties.</li> <li>Review and align property tax settings with broader government objectives.               <ul style="list-style-type: none"> <li>Commit to a longer-term plan to remove stamp duty to support movement through the housing continuum and through different housing typologies as households needs change.</li> </ul> </li> </ul>
<b>Leverage infrastructure to unlock development and create jobs</b>	<ul style="list-style-type: none"> <li>Leverage infrastructure to unlock development and create jobs.</li> <li>Work with industry to prepare the State Infrastructure Program to improve WA's share of Federal infrastructure spending.</li> <li>Develop an infrastructure framework that supports and enables infill development.</li> <li>Establish a central coordinating body to more efficiently manage local government development contribution schemes and improve transparency.</li> </ul>
<b>Develop a workforce attraction strategy for Perth and the regions</b>	<ul style="list-style-type: none"> <li>Enhance our regional infrastructure to attract and retain our regional skills base.</li> <li>Ensure the skilled migration lists support industry productivity.</li> <li>Through effective collaboration, the Government and industry develop a strategy to promote the development industry as a career of choice.</li> </ul>
<b>Establish an effective strategic decision-making authority across built-form and land development</b>	<ul style="list-style-type: none"> <li>Establish an effective strategic decision-making authority that is able to make determinations across both strategic planning and development applications within appropriate statutory timeframes.</li> <li>Establish State Government Growth Areas Team.</li> </ul>
<b>Maintain housing affordability through sufficient supply</b>	<ul style="list-style-type: none"> <li>Establish a Housing Supply Advisory Group together with a detailed housing supply monitoring program – live tracking housing supply and demand               <ul style="list-style-type: none"> <li>Look to east coast models of how housing supply if forecast by Government.</li> <li>Ensure housing demand forecasts take into account demographic and social trends.</li> </ul> </li> <li>Deliver a Housing Affordability Action Plan.</li> <li>Establish a statutory process and timeframes for a proponent lead pathway as part of the Perth and Peel @3.5million frameworks.</li> </ul>
<b>Deliver an effective development design approval framework</b>	<ul style="list-style-type: none"> <li>Ensure the medium density code and liveable neighbourhoods policy is effective across all development settings and provide industry with certainty by setting a date for these to be finalised.</li> </ul>
<b>Effectively engage with the community on the role of the development industry as community creators</b>	<ul style="list-style-type: none"> <li>UDIA to lead the collaborative development of a community engagement strategy that:               <ul style="list-style-type: none"> <li>Builds a clear understanding amongst stakeholders on the role of the development industry in the creation of sustainable communities.</li> <li>Provides a genuine opportunity for community stakeholders to effectively engage with industry, State and local government to develop a shared vision for the future urban growth of Greater Perth.</li> </ul> </li> </ul>
<b>Develop a strategic environmental assessment framework</b>	<ul style="list-style-type: none"> <li>Commit to the development of a strategic environmental assessment framework for key development areas that balances environmental considerations and land use objectives.</li> <li>Reform the environmental off-set framework and provide greater clarity to achieve more efficient and effective outcomes and to align with greenhouse gas emission offset requirements.</li> </ul>
<b>Develop a strategic water availability assessment framework</b>	<ul style="list-style-type: none"> <li>Commit to the development of a strategic water availability mapping and assessment framework across the Perth metro area that balances short-term water availability considerations against longer-term land use aspirations.</li> <li>Revise the regulatory framework to facilitate the efficient trade and transfer of water licences.</li> <li>Work with agencies to allow for recycled water to be considered a viable water resource.</li> </ul>
<b>Build a more collaborative and integrated regulatory approval framework</b>	<ul style="list-style-type: none"> <li>Build a more collaborative and integrated regulatory approval framework.</li> <li>Re-establish the Department of Planning's leadership role in coordinating development outcomes across different government agencies.</li> <li>Ensure the various environmental agencies are appropriately resourced to manage the increasing levels of demand for their services.</li> </ul>
<b>Climate Action in the Development industry</b>	<ul style="list-style-type: none"> <li>UDIA will develop a position and roadmap for climate action to support members to transition into a low carbon, climate resilient economy.</li> </ul>

# Economy

## The importance of maintaining a strong and successful economy cannot be underestimated.

Our primary desires for good health, having a place to call home, access to good education and connections to our family and friends are all underpinned by a successful economy that provides a range of employment opportunities. As well as maintaining the health and sustainability of our communities, a strong economy also ensures that our neighbourhoods and town centres are vibrant and attractive places. In turn, this vibrancy is essential to helping WA to retain and attract the brightest talent and drive future economic growth.

Through the adoption of strong measures to prevent the spread of COVID-19, the WA economy has outperformed almost all other international economies and states across Australia with GSP growth totalling 2.6% in 2020-21. UDIA WA was pleased that the McGowan Government recognised the importance of the development and construction industry to the WA economy early in the pandemic, with the Homebuilder and Building Bonus programs underpinning much of the State's economic and employment growth over the last two years. These stimulus programs reignited new home building demand, which has remained strong even after the closing of the grants. However, this demand, together with constraints on labour and material supply chains

has placed considerable strain on industry costs, which together with the limited supply of rental homes is now beginning to threaten housing affordability.

The limited supply of rental homes poses a serious threat to our future economic growth especially as we seek to attract new workers to WA to fill our skills and labour shortages. Urgently stimulating housing investor activity will be vital to providing homes and enabling people to move to WA. Without additional supply, rental prices will continue to increase, putting further pressure on the social housing system which is already operating at maximum capacity.

Whilst our economy has performed well, a large proportion of the State's economic growth has been tied to unprecedented price growth in several key mineral commodity exports. Diversifying the economy will be critical to mitigating future economic shocks that COVID-19 may bring. As well as already being a significant local employer, the development industry is well placed to support the diversification of the economy by leveraging and complementing the State Government's infrastructure investment program to create vibrant and attractive places to live and work. We encourage the Government to work with us and our members to ensure that WA maximises its return on investment by providing the right infrastructure in the right places, helping to ensure that WA can attract and retain the brightest talent to ensure our future prosperity.



# 107

average weekly lot sales  
April to December 2021

# 149

sales per week throughout  
the stimulus period  
between June 2020 and  
March 2021

## Strategic Goals

- Strengthen the resilience of our economy through diversified expansion.
- Ensure the economy helps WA to retain and attract the brightest talent.
- Leverage infrastructure investment to drive economic efficiencies.
- Ensure WA is well positioned to attract Federal Infrastructure funding.
- Build our supply of sustainable homes to support the economy.

## Economy – Key Priorities



### Stimulate investor activity to build our stock of rental housing

The number of homes listed for rent has fallen steadily since 2018, however the rate of decline has increased dramatically since the start of the pandemic. In the first week of April 2020, according to SQM research there were 6,052 properties listed for rent in Perth. By the 9 December 2021, this figure had more than halved with just 2,717 available for rent. The lack of rental properties is creating housing affordability pressures and placing additional strain on social housing, at a time when population growth has fallen to just 0.5%.

To help build capacity, the extension of the ‘off-the-plan’ rebate scheme to October 2023 is a welcome and practical solution, however more needs to be done in both the short and longer-term to attract institutional as well as smaller scale investors to build the rental housing capacity that Perth and the Regions urgently need.

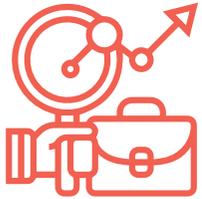
Recognising the lack of affordable rentals as a significant gap in Perth’s housing market, the State Housing Strategy set a target of providing an additional 130,000 homes by 2030. To meet this objective, structural reform and a multi-faceted approach is needed. However, many of the possible housing supply solutions, such as build-to-rent, are longer-term solutions that will not address the current rental supply crisis.

A wholistic review of property tax settings is needed to ensure that property taxes provide a sustainable revenue base for Government whilst also encouraging private sector investment that supports the governments housing and infill development objectives.

#### Actions

- Stimulate investor activity to build our stock of rental housing.
  - Extend the off-the-plan duty rebate until 2025.
  - Replicate the NSW land tax exemptions for Built-to-Rent.
  - Investigate the establishment of a State based ‘NRAS’ scheme to support affordable rentals.
- Investigate incentives and tax discounts for investors who buy and rent out newly constructed homes and the possible adoption of surcharges for vacant properties.
- Review and align property tax settings with broader government objectives.
  - Commit to a longer-term plan to remove stamp duty to support movement through the housing continuum and through different housing typologies as households needs change.





## Leverage infrastructure to unlock development and create jobs

As greenfield land parcels become increasingly fragmented and with infill development constrained by infrastructure capacity constraints, delivering development hand in hand with appropriate infrastructure is increasingly difficult. Better alignment and increased transparency regarding the timing of infrastructure delivery, by both State Government agencies and local government is needed to ensure the best possible outcome for the state.

UDIA acknowledges that Infrastructure WA is yet to produce its 10-year infrastructure plan, however the failure to set out key strategic infrastructure projects early, has meant WA has consistently not received its fair share of Federal infrastructure funding. Addressing this short-coming and preparing an Infrastructure Plan should be an urgent priority for the State, particularly as

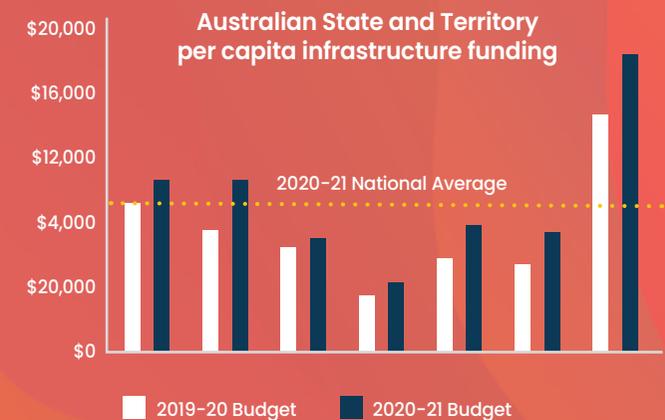
securing future Commonwealth funding will be increasingly competitive with Federal and State debt climbing to \$1.5tn during the pandemic.

Whilst State Planning Policy 3.6 Infrastructure Contributions has been amended to ensure that local government contribution schemes do not undermine housing affordability and there is improved local government reporting, infrastructure delivery timing remains uncertain. Similarly, the current contributions framework is not designed to tackle the challenges of upgrading existing and aging infrastructure to enable infill development. A new funding model is needed to support infill development along with a central co-ordinating agency to manage local government development contribution schemes more efficiently and with greater transparency.



### Actions

- Leverage infrastructure to unlock development and create jobs.
- Work with industry to prepare the State Infrastructure Program to improve WA's share of Federal infrastructure spending.
- Develop an infrastructure framework that supports and enables infill development.
- Establish a central co-ordinating agency to more efficiently manage local government development contribution schemes and improve transparency.



Source: Infrastructure Partnerships Australia

## Economy – Key Priorities



### Develop a workforce attraction strategy for Perth and the regions

The closing of the international border and tight restrictions governing the state border have highlighted WA's reliance on international and interstate migration to fill our local skills gap and fuel the economy.

According to the ABS, in November 2021 there were 61,000 job vacancies in WA.<sup>2</sup> Closing this workforce gap is a critical and urgent challenge. Furthermore, with similar workforce shortages also occurring elsewhere within Australia and internationally, it

is imperative that WA quickly adopts a workforce attraction strategy for all regions. Such as strategy should build on the Governments 'Reconnect WA' program and celebrate the lifestyle we can offer and the exceptional opportunities we provide as a place to live, work and invest.

This strategy needs to be supported by community infrastructure that enables our regions to prosper by retaining and enhancing a local skills base.

#### Actions

- Enhance our regional infrastructure to attract and retain our regional skills base.
- Ensure the skilled migration lists support industry productivity.
- Through effective collaboration, the Government and industry develop a strategy to promote the development of industry as a career of choice.

<sup>2</sup> ABS Job Vacancies, Australia November 2021 <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/job-vacancies-australia/latest-release#states-and-territories>



# Liveability

**The purpose of the development industry is to create places that allow communities to thrive by enhancing the liveability of our neighbourhoods, towns, and cities.**

Alongside access to community services and infrastructure, the liveability of communities is underpinned by access to affordable housing. In the past, Perth has benefited from a consistent supply of large greenfield housing estates which have kept a lid on housing price pressures during periods of peak demand caused by rapid changes in economic conditions. These master-planned estates have enabled Perth to remain one of the most affordable capital cities in Australia. However, many of these land estates are now reaching their full development capacity and will not be replaced as future greenfield land becomes increasingly fragmented and constrained by environmental challenges. This, together with the difficulty of providing infill development efficiently and at scale will severely undermine the development industry's ability to respond quickly to heightened levels of housing demand in the future. Therefore, if Perth is to maintain housing affordability, accurately monitoring housing supply and demand will be increasingly important.

Meanwhile, despite the Government setting ambitious infill targets, successfully navigating local government development approval process remains challenging, uncertain and slow.

This is best demonstrated by the 51 development projects lodged via the State Development Assessment Unit (SDAU). Cumulatively these projects will directly invest \$5 billion into our suburbs, supporting an estimated 45,000 jobs across the economy<sup>3</sup>. As this development assessment pathway has now closed, it is imperative that a strategic decision-making authority is established to support our industry in fulfilling the Government's infill aspirations and enhancing the liveability of our communities by maintaining housing affordability and diversity.

Similarly, local governments need to be better supported in helping to achieve the Governments infill targets. While the majority of the community support increasing the variety of housing options available within their local neighbourhoods, a community education and engagement campaign on how Perth could grow is needed to effectively engage local communities in the development of their local area.

With this in mind, it is encouraging that the recently released 2021 Infrastructure Australia Plan identifies 'place-based outcomes for communities' as a key reform priority. The Plan also calls for 'greater residential choice by planning and delivering high quality medium-density residential areas alongside well-sequenced infrastructure investment'.

Improving the liveability of our urban areas and regional centres is crucial to supporting the sustainability of our communities and our future economic prosperity.

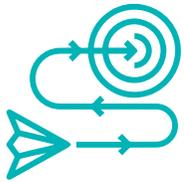
## Strategic Goals

- Ensure Perth remains one of Australia's most affordable capital cities.
- Enable and de-risk private sector investment to expand the choice of housing options available.
- Ensure security of housing supply to maintain housing affordability.
- Encourage good urban design and foster innovation in our built environment.

<sup>3</sup> Australian Government, National Housing Finance Investment Corporation estimates: \$1 million of residential building construction supports nine jobs across the economy



## Liveability – Key Priorities



### Establish an effective strategic decision-making authority across built-form and land development

Building upon the success of the State Development Assessment Unit (SDAU), an ongoing development assessment pathway is needed to consider development proposals of State and regional significance. This pathway has been highly effective in coordinating inputs across key government agencies including DPLH, DWER, Main Roads and other infrastructure providers. Furthermore, the pathway has also enabled desirable development outcomes to be achieved in a timelier manner by expediting and paralleling scheme amendment and development

approval processes. Failure to adequately replace the strategic development assessment pathway will jeopardise jobs, compromise housing affordability and delay the timely delivery of the Governments infill development aspirations.

Similarly, building on the success of the dedicated METRONET delivery team, a State Government Growth Areas Team should be created to oversee and coordinate strategic planning and infrastructure delivery in key infill and greenfield development precincts and corridors.

#### Actions

- Establish an effective strategic decision-making authority that is able to make determinations across both strategic planning and development applications within appropriate statutory timeframes.
- Establish State Government Growth Areas Team.





## Maintain housing affordability through sufficient supply

There is currently no consolidated, frequently undertaken housing supply report for the Perth and Peel Regions. A live-tracking evidence base is essential to ensuring that our planning policy and strategic planning framework are effective in delivering the State's strategic planning objectives and environmental, social and economic goals. East coast models of housing supply forecasts, such as Queensland's Residential land supply and development reporting system provide excellent examples that the WA State Government could learn from. We believe that the establishment of a Housing Supply Advisory Group that contains representatives from Government, industry and infrastructure agencies is vital to ensuring we can maintain sufficient housing supply to meet market demand.



## Deliver an effective development design approval framework

Driven by changing socio-demographics our communities and their housing needs are rapidly evolving. Meanwhile, the pandemic has highlighted the importance of well-designed homes and neighbourhoods to our communities. Yet despite this, development controls, particularly within infill settings have failed to expand the choice of housing options available.

Urgent reform is needed to ensure the efficient and cost-effective delivery of quality infill development and thoughtful master-planned development that provides a range of housing options across different land-tenure options.

### Actions

- Establish a Housing Supply Advisory Group together with a detailed housing supply monitoring program – live tracking housing supply and demand.
  - Look to east coast models of how housing supply is forecast by Government.
  - Ensure housing demand forecasts take into account demographic and social trends.
- Deliver a housing affordability action plan.
- Establish a statutory process and timeframes for a proponent lead pathway as part of the Perth and Peel @3.5million frameworks.

- Ensure the medium density code and liveable neighbourhoods policy is effective across all development settings and provide industry with certainty by setting a date for these to be finalised.



## Liveability – Key Priorities



### Effectively engage with the community on the role of the development industry as community creators

Through METRONET and the ambitious infill housing targets set by the Perth and Peel @3.5m regional frameworks, the government has set out a clear agenda. However, communicating the rationale and benefits has largely been left to local governments and the development industry.

To support the successful delivery of the State Government's policy and successfully deliver positive outcomes for local communities, a coordinated and consistent engagement strategy that aims to develop a shared understanding of the development industry's role in delivering sustainable communities is needed.

Working collaboratively with State and local government, UDIA can lead a campaign to enhance understanding of the social, economic and environmental benefits that development can bring to a local area, including the benefits of increased housing choice in every suburb.

It will be important that an engagement and awareness campaign also involves the local community in developing a shared vision for the future urban growth of Greater Perth. In this way, we can encourage and facilitate a more positive dialogue between stakeholders around planning for new and existing areas and deliver mutually beneficial development outcomes that will provide the diversity of housing needed for future generations.

#### Actions

- UDIA to lead the collaborative development of a community engagement strategy that:
  - i. Builds a clear understanding amongst stakeholders on the role of the development industry in the creation of sustainable communities
  - ii. Provides a genuine opportunity for community stakeholders to effectively engage with industry, State and local government to develop a shared vision for the future urban growth of Greater Perth



# Environment

**WA's natural environment is one of our greatest assets. Amongst the 8,000 plant species in WA's south-west, half are found nowhere else. As well as seeking to protect our natural assets, we will also seek to enhance and maximise our environment, helping to improve the health and well-being of our communities and grow the economy. The development industry is well placed to help achieve this with a collaborative approach in partnership with relevant Government agencies.**

Taking proactive climate action and working toward net zero targets is also a critical priority for future proofing our industry and our communities. Many of our members already have plans in place to transition towards net-zero carbon emissions.

Meanwhile, the Government's Low-Carbon Future Transition Plan identifies opportunities including the electrification of transport, maximising and better sharing common electricity infrastructure, reducing emissions from the built environment and carbon farming. With effective collaboration and the adoption of a regulatory framework that supports innovation, the development industry can accelerate the achievement of these goals.

Despite the opportunities, the current regulatory approval process is complex, inefficient, with little coordination between government agencies. Land identified for development purposes by State Government is increasingly constrained by environmental and water availability considerations. This together with the absence of a strategic environmental and water approval framework causes uncertainty and delays that significantly add to the cost of providing homes and land for other development purposes. The lack of a strategic framework and an effective off-sets framework also means that opportunities to enhance biodiversity and maximise carbon farming are missed.

## Strategic Goals

- Provide greater certainty regarding environmental and development outcomes for all stakeholders.
- Integrate and align environment, water and development objectives and approval processes.
- Work towards ensuring the regulatory framework champions innovation and best practice outcomes.



## Environment – Key Priorities



### Develop a strategic environmental assessment framework

Land identified for development by the State Government is becoming increasingly constrained by a range of environmental considerations. The lowering of environmental assessment thresholds mean that certainty of development outcomes is rapidly diminishing. Meanwhile, the piecemeal assessment of individual land use and development proposals provides little certainty of environmental outcomes and prevents opportunities for wholistic environmental management responses.

This individual assessment of proposals also places significant strains on the resources of the various approval agencies and the states off-set framework, with the process of obtaining approvals and finding, assessing and securing offsets increasingly slow and uncertain.

The development of a strategic environmental assessment framework provides a real opportunity to combine and better manage private sector and government resources to drive improved environmental outcomes and deliver efficiencies to industry.

#### Actions

- Commit to the development of a strategic environmental assessment framework for key development areas that balances environmental considerations and land use objectives.
- Reform the environmental off-set framework and provide greater clarity to achieve more efficient and effective outcomes and to align with greenhouse gas emission offset requirements.





## Develop a strategic water availability assessment framework

Access to high quality public open space is critically important for the health and well-being of our communities. Historically, provision of water in Perth for the irrigation of public open space has been through the use of groundwater. This low-cost and easily accessed non-potable water source has been a key element for urban growth and the liveability of Greater Perth. However, managing water resources is increasingly challenging as population growth and

a drying climate impair the availability of water. The Department of Water and Environmental Regulation (DWER) estimate that non-potable water demand for Perth's green spaces will exceed available groundwater by 30 gigalitres per year by 2050. With allocations for groundwater no longer available in many of Perth's growth corridors, our future communities face the potential of dry parks and limited recreation spaces unless urgent and strategic action is undertaken.



### Actions

- Commit to the development of a strategic water availability mapping and assessment framework across the Perth metro area that balances short-term water availability considerations against longer-term land use aspirations.
- Revise the regulatory framework to facilitate the efficient trade and transfer of water licences.
- Work with agencies to allow for recycled water to be considered a viable water resource.

## Environment – Key Priorities



### Build a more collaborative and integrated regulatory approval framework

One positive aspect of the pandemic has been the close collaboration between government agencies and industry that has occurred to tackle the various social and economic challenges that have arisen. However, much of this collaborative effort and many of the regulatory reforms adopted have focused on improving progress at the later end of the approval framework to facilitate the delivery of the building stimulus programs. Furthermore, the majority of this housing demand has been met by supply from existing development projects, many of which are now fully sold or fully developed. Therefore, many developers are now seeking strategic land use planning and environmental approvals to bring forward future development land to the market.

It is important to note that whilst dwelling commencements have increased in comparison to recent years, the 23,627 total dwelling commencements in 2020-21, only marginally exceeds the 15 year average of 22,000 dwelling commencements per annum. The return of international migration together with limited capacity in the rental market, is likely to lead to further dwelling commencement pressures. Gearing up for this future demand will require both greater collaboration and a more integrated regulatory approval framework, and in particular better alignment between environmental and land use planning.

#### Actions

- Build a more collaborative and integrated regulatory approval framework.
- Re-establish the Department of Planning's leadership role in coordinating development outcomes across different government agencies.
- Ensure the various environmental agencies are appropriately resourced to manage the increasing levels of demand for their services.





## Climate Action in the Development industry

Findings of the IPCC's Sixth Assessment Report (2021) that human activities are already responsible for approximately 1.1°C of warming between 1850 and 1900, and unless there are immediate, large-scale reductions in greenhouse gas emissions, it will be impossible to limit warming beyond 1.5°C. Equally concerning is the claim that if greenhouse gas emissions were reduced to zero immediately, warming will continue over the coming centuries and result in long-term changes in the climate system.

Significant changes to Western Australia's climate over the last century and future predicted changes need consideration in development. The development of affordable, climate resilient housing is a key. Significant changes to the development and built form industry are expected over the next 30 years as we move towards net zero. It is likely to affect all aspects of the development industry including construction, design, planning, and built form.

### Actions

- UDIA will develop a position and roadmap for climate action to support members to transition into a low carbon, climate resilient economy.





For the  
*community*  
*creators*

**Urban Development Institute of Australia  
(Western Australia)**

Unit 26, Level 1, 3 Wexford Street  
Subiaco WA, 6008

e [udia@udiawa.com.au](mailto:udia@udiawa.com.au)

t 08 9215 3400

f 08 9381 5968

[www.udiawa.com.au](http://www.udiawa.com.au)

