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### **Draft Operational Policy 2.3: Planning for Public Open Space**

Thank you for the opportunity to provide feedback on the Draft Operational Policy 2.3: Planning for Public Open Space (POS).

**UDIWA is vehemently opposed to the application of POS cash-in-lieu requirements to survey-strata, strata title subdivision and established estates based on the rationale provided below.**

#### **The Draft DOP 2.3 is another tax on infill that will exacerbate the housing crisis**

- Housing supply and affordability for the Western Australian community is of the utmost importance and is a clearly articulated priority of the Cook Government.
- The cost of this policy per dwelling ranges between \$8,000 and \$13,000 based on real project examples with a yield of 100 apartments in an infill context. That is in addition to public art contributions for the same projects which range between \$4,000 and \$8,000 per apartment.
- This policy is diametrically opposed to the stated intent of the State Government's Planning Reform agenda to "support the delivery of new housing... and create a pipeline of development projects", and strategic policy aspiration to create a more compact and connected city. If implemented as drafted, this policy will do the exact opposite.
- Any benefit of the Infrastructure Development Fund in helping to drive the Government's goal of built form development in infill precincts is negated by this policy.
- In addition to other contributions made by developers through infrastructure contributions and public art, this policy adds further cost to the delivery of housing and conveniently ignores the additional rates revenue generated for local government from the residents brought to their jurisdiction. Rates generated from built form development often provides local governments with higher revenue than detached dwellings, with waste collection often privately contracted as a matter of local government authority policy or preference.
- Local government authorities are increasingly prescribing tree coverage, landscaping and public open space requirements as a 'community benefit', however this is not considered within the draft policy.
- There appears to have been no modelling performed by any Government body as to the impact of this policy on the viability of new infill projects despite the State Government's clear agenda to support this segment of the market. The impacts on housing affordability and supply more broadly have also not been considered. We would expect that modelling on the wider economic impacts would be performed, including to consider the risk of:
  - a reduction in infill supply;
  - higher rents and housing prices;
  - further reduction in rental capacity;
  - a shrinking rate base on inner-metro local governments in a high inflationary environment; and

- a greater reliance on greenfield development to meet housing supply targets including the associated increased infrastructure requirements and costs.
- The 10% cash in lieu requirement will strongly preference the feasible development of greenfield projects over infill developments, with a 10% POS contribution disproportionately impacting infill projects due to the differences in land value and yield.
- The policy does not recognise historical POS contributions resulting in landowners potentially paying twice, i.e. where land has been set aside for parks, etc. at subdivision stage and then residential/apartment/townhouse and/or commercial developers are also required to provide cash-in-lieu contributions on top.

#### **The draft policy lacks a clear evidence base and critical detail on applicability**

- The draft policy fails to demonstrate the 'need' and 'nexus' principles of SPP 3.6.
- There has been no macro assessment or benchmarking of POS need and no clear demonstration of how cash-in-lieu contributions would improve POS outcomes in terms of protecting against loss or increasing provision, within a reasonable timeframe.
- Local government authorities are increasingly cautious when it comes to provision of additional POS given the associated maintenance costs and constraints around water availability.
- The strong links within the policy to Liveable Neighbourhoods which is currently under review means that the implications of the draft policy cannot be fully considered until seen in parallel with the draft Liveable Neighbourhoods documentation.
- Critical detail for the development industry is absent in the draft policy, including the timing of payment for cash-in-lieu contributions and the applicability of the draft policy in terms of projects already in the planning system. This detail could have significant implications for the viability of projects already in the pipeline and thus for urgently needed housing supply. If built form developers need to factor POS contributions in moving forward, this would likely mean prospective projects that may have previously been viable will no longer be given the increasing laying of costs.

#### **A consistent approach does not mean one size fits all**

- UDIA WA supports the policy intent as written in the draft to ensure all communities have well-planned POS that is adequate, with the costs of providing, upgrading and maintaining POS being equitably shared.
- There is a balance to be found between providing a consistent approach whilst taking into account the unique circumstances that exist within each walkable catchment of the proposed development. In addition, the draft policy does not consider the vast differences between delivering built form and residential land subdivision in the context of the provision of POS.
- The proposal that some credit may be granted towards the minimum 10% contribution for strata subdivision including built strata to a maximum of 5% for common property or communal open space is fruitless given the requirement that it must have unrestricted public access. Facilities that can be provided for residents, required under SPP7.3, including a pool, gym, rooftop or podium deck, sauna, steam room, games room, cinema, pet play area and BBQ cabanas, logically reduce demand created by the development upon public use amenities. The draft policy lacks context and shows a disconnect with what contemporary apartment living represents.

- There is a fundamental flaw in the policy in which open space immediately outside of a particular local government authority area is not taken account of when considering the needs of a community in which a new infill development is being created. This is a particular concern with inner-metro suburbs where infill development will be occurring given the relatively small size, by land area, that many of these local government authorities contain. Borders that exist on paper are not front of mind or physical barriers when members of the community are considering which public open space to use and what their respective needs are.
- The policy does not implicitly allow for including regional or district open space, Bush Forever reserves, conservation reserves or publicly accessible school open space as part of any calculation. While not specifically nominated as POS, these spaces provide a multitude of community recreational benefits, and this is and must be a fundamental consideration when identifying community need. This could also be expanded further to road reserve widths through many of the western suburbs for example which far outweigh current policy and provide opportunities for vegetation retention, passive and semi active recreation.

Developers are required to comply with an exhaustive number of planning policies, many of which have unintended consequences that impact housing supply and affordability. The development industry and ultimately home buyers should not be paying the cost of poorly conceived and narrowly considered policy.

### Recommendations

- **The application of POS cash-in-lieu requirements to survey-strata, strata title subdivision and established estates are removed from the policy.**
- **It is explicitly stated within the Policy that Local Government Authorities cannot circumvent this policy and require cash-in-lieu contributions for POS for survey-strata and strata title subdivision by other means.**
- **The finalisation of the policy is expedited to reduce further unnecessary uncertainty, delays, and costs to support the delivery of diverse and affordable housing supply.**
- **More broadly, all new or amended policies and planning instruments with implications for the provision of diverse supply are carefully examined through a housing affordability lens, with modelling of the impacts on housing included in Regulatory Impact Statements for Cabinet Submissions.**

Should you require further information or wish to discuss this please contact Sarah Macaulay, Executive Director – Strategy and Policy at [smacaulay@udiawa.com.au](mailto:smacaulay@udiawa.com.au) or 9215 3404.

Yours sincerely,



Tanya Steinbeck  
**Chief Executive Officer**