

Enquiries: Strategic Planning – [Redacted]  
Our ref: 105/005  
Your ref: N/A



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Danielle Wood  
Chairperson  
Productivity Commission  
4 National Circuit  
BARTON ACT 2600

Sent via email – [housing.supply@pc.gov.au](mailto:housing.supply@pc.gov.au)

Dear Ms Wood

## **HOUSING SUPPLY REGULATION – INTERIM REPORT**

The City of Cockburn (the City) welcomes the opportunity to provide comments on the Productivity Commission's *Housing Supply Regulation – Interim Report*.

The City has been an active stakeholder in providing comment on the Western Australian Planning Commission's (WAPC) reforms to Western Australia's planning system, which commenced following the State Government's 2019 *Action Plan for Planning Reform*. The State Government's reform agenda has resulted in changes to State and Local planning frameworks, with removing barriers to the delivery of housing a key component of this.

The City notes that many of the reform directions outlined in the Interim Report are being considered through the State Government's current reform program, which has included the introduction of a State development pathway, streamlining of the approvals process for single house development and improved coordination of referral comments by State Government agencies.

The City draws the Commission's attention to the matters below, relevant to the reform direction outlined in the Interim Report.

### **Reform Direction 2.1 - Allow up to 3-storey developments across most residential land**

The Residential Design Codes (R-Codes) support residential development up to two-storeys on residential lots coded up to 'R40' under the 'deemed-to-comply' (DTC) pathway, with three storeys permitted on Residential zoned land coded 'R50' and above.

The R-Codes do not provide a blanket prohibition of three-storey development in residential precincts coded 'R40' and below, but rather, require any proposal at such a scale to be assessed through the development application process, with consideration of other matters such as side setbacks, visual privacy and bulk of the development.

The City's Cockburn Coast development area (in North Coogee) is subject to local planning scheme, local structure plan and local development plan provisions which specify a requirement for minimum three-storey development for single, grouped and multiple dwellings, on land coded 'R40' and above. The three-storey minimum has allowed for the development of larger family sized homes on smaller lots, which would have otherwise been limited to smaller dwellings, which are typical in a medium density area often developed at single-storey. Without mandating a minimum of three storeys, it is unlikely that many of the existing dwellings to date would have been developed to this height, with most of these developed to two storeys (at best).

It is widely cited in Western Australia that the cost of building two-storeys or greater can be cost prohibitive, as the cost per square metre to build a second or third storey can increase by 10% to 50% due to additional construction materials, engineering and labour costs.

The cost of building a dwelling above the standard single-storey design is a major factor in limiting the development of two or three-storey dwellings in the City, rather than any restrictions imposed under the planning framework.

#### Reform Direction 2.3 - Reduce or remove minimum lot size requirements

Any removal of minimum lot size requirements needs to be considered alongside retention of average lot size requirements, to ensure that the infrastructure within residential areas can accommodate additional development.

The City's approach to facilitating a reduction in minimum lot size has been to look more holistically at areas that can accommodate an increase in residential density as part of preparation of revitalisation strategies (on a suburb basis), or through the City-wide Local Planning Strategy. The adopted strategies have provided supporting justification to inform a proposal to increase residential density (through a consequent amendment to the local planning scheme) by considering matters such as the design of the existing road network, size of residential lots, age of existing housing stock, existing essential servicing capacity (particularly water, power and sewer), proximity to existing public transport infrastructure and proximity to existing facilities (such as retail activity centres, schools and employment).

Reducing minimum lot sizes, or removing them altogether, would act to undermine the established residential density of a local planning scheme (or local structure plan, where a zoning is not in place), which is predicated on an estimated number of dwellings. This has wider implications on the ability of local governments and servicing authorities to plan for infrastructure.

Where a landowner wishes to pursue a greater dwelling/residential lot yield from what is currently permitted, this needs to be appropriately justified. Commercial viability should not override other planning considerations.

#### Reform Direction 2.4 - Allow residential development in commercial zones, unless there is a clear rationale for excluding it

The City's existing local planning framework already encourages and allows residential development in most commercial-types zones, particularly those centred around the City's activity centre hierarchy at a 'local', 'neighbourhood', 'district' and 'secondary' centre level.

One key challenge the City faces, particularly at the 'local' and 'neighbourhood' centre level, is encouraging landowners to deliver a mix of land uses. This is especially so where land has been zoned or designated in the City's growth areas as capable of accommodating low-level apartments on top of ground-floor commercial.

The added difficulties in delivering this form of development make it prohibitive to smaller developers, whilst despite marketing future services during the initial stages of an estate, land developers have regularly subdivided these sites into smaller freehold lots to facilitate quick sale for single housing at the end of the project (irrespective of future need).

In Hammond Park, gradual subdivision of 'Local Centre' zoned land for residential purposes (by multiple landowners) compromised the configuration and amount of land available to accommodate a centre with a full-line supermarket as necessary to service local demand. This resulted in the City (and local community) having to accept a structure plan amendment transferring additional residential land to the local centre, in an unusual arrangement that includes undesirable interface treatments to existing housing.

In Treeby, re-subdivision of the proposed local centre for single-housing has left a community of around 1,500 dwellings without any local services, forcing them to travel between 1-3kms simply to service their daily needs.

The City's view is that in most cases commercial zones are already capable of accommodating residential development (whether single, grouped or multiple dwellings), but it is the absence of subdivision and development controls on commercial zoned land that is leading to fragmentation of key sites and its consequent development for single and grouped housing only. Additional provisions in local planning schemes which specify a form of development that enables commercial and residential uses to co-exist (in mixed-use developments) would assist.

#### Reform Direction 4.3 - Ensure developer contributions reflect the accurate cost of providing infrastructure

The City of Cockburn currently administers nine Development Contribution Plans (DCPs) across its local government area, which includes eight DCPs covering urban growth areas and one City-wide DCP funding local, district and regional-level community infrastructure. *State Planning Policy 3.6 – Infrastructure Contributions* (SPP 3.6) sets out the requirement for infrastructure (and related administrative) costs to be based on the best and latest estimated costs available to the local government. The estimated costs are required to be

reviewed annually by the local government.

Consistent with SPP 3.6, the City's existing DCPs fund infrastructure from subdivision and developments based on the demand generated from new dwellings/lots. In most cases, this means that the infrastructure contributions received from new dwellings/lots, provides only a proportion of the estimated cost of undertaking the required works, with the remainder needing to be budgeted for using local government funds (which may include external grants).

A key issue with SPP 3.6 is that community infrastructure is capped at \$5,000 per dwelling/lot. This cap will adversely impact the preparation of new DCPs within the City's future growth areas, as based on the existing DCPs in operation within current growth areas (which were approved prior to the gazettal of SPP 3.6 in April 2021), the required community infrastructure contributions already exceed the cap. In the case of the suburbs of Jandakot and Treeby, which are subject to two DCPs for community infrastructure (approved prior to the current SPP 3.6 coming into effect), the current contributions required per lot/dwelling are \$6,836.96 and \$7,958.52 respectively.

Future DCPs will need to accurately reflect the cost of providing the required infrastructure, however, should the current cap remain in place, this will necessitate additional funding sources to deliver what is required.

SPP 3.6 includes a provision referencing review of the policy within five years of its adoption, with the current capped costs for community infrastructure to be reconsidered at time of review. The City has previously advocated for the removal of the cap (or at a minimum they be indexed) through submissions made to the Western Australian Local Government Association (WALGA) and the National Growth Areas Alliance (NGAA), however at the time of writing, the WAPC is yet to review SPP 3.6.

The City expects to be subject to additional urban growth in the coming decades, with the WAPC having initiated several amendments to the Metropolitan Region Scheme for sites in Banjup and Jandakot, and a District Structure Plan being prepared for the Jandakot / North Treeby Urban Expansion Area to guide the future planning for up to 6,000 additional dwellings. Such areas will likely require preparation of DCPs to share the cost of community infrastructure generated by new residential development, however, such DCPs will be incapable of reflecting the actual cost of delivering the infrastructure unless SPP 3.6 is amended to remove the existing cap.

Opportunities to establish a simpler and more viable arrangement to fund and deliver community infrastructure, that reduces administrative burden (without compromising any safeguards of transparency), such as a higher, set (but indexed) one-off payment for all future dwellings should be explored.

## Short-Term Rental Accommodation (STRA)

The City notes that the Interim Report considers deregulation measures to facilitate new housing supply but does not consider measures to unlock existing housing not available for longer-term occupation.

Changes to how STRA is regulated in Western Australia took effect in 2024. This included the introduction of a mandatory statewide registration scheme for all short-stay accommodation, as well as changes to the State's primary planning regulations, the *Planning and Development (Local Planning Schemes) Regulations 2015* (Planning Regulations), which include new land use definitions for various types of short-stay accommodation (to be implemented through an amendment to a local planning scheme) and the introduction of exemptions from development approvals for certain types of accommodation.

The exemptions provided for under the Planning Regulations form part of the City's local planning schemes, including a blanket exemption for 'hosted' STRA and a 90-day per year exemption for 'unhosted' STRA. Under the *Short-Term Rental Accommodation Act 2024*, all STRA is required to register through the State Government's STRA Register. The STRA Register (as of 1 September 2026) lists 258 active registrations within the City of Cockburn, 129 of which are 'unhosted' and 129 of which are 'hosted'. Of the total 12,037 registrations across Western Australia, 5,591 of these related to properties in the Perth Metropolitan Region.

Whilst 'hosted' STRA may provide an opportunity for a smaller household to rent out vacant bedrooms that are otherwise not in use, use of a dwelling for 'unhosted' STRA takes an existing dwelling away from the permanent supply.

Shelter WA's [\*Death by 10,000 Cuts: A report on the impact of short-term rental accommodation in Western Australia\*](#) (May 2026) highlighted the discrepancy between long-term rental listings and STRA (specifically those listed on the Airbnb platform), where the STRA listings outnumbered the longer-term listings 3 to 1. As of 24 September, the number of STRA was consistent with the number of longer-term listings.

The City acknowledges that it is well placed to accommodate tourism and transient accommodation due to its proximity to the Perth CBD, Fremantle, health facilities and employment centres, however, regulatory change has made it easier for STRA to utilise existing housing supply, without the need for delivery of traditional accommodation options (such as hotels, service apartments and caravan parks).

The City is close to finalising an amended local planning policy (LPP), which includes an objective to '*...safeguard the primary purpose of residential and rural (living) areas in providing residential dwellings which are affordable and available for permanent accommodation on a long-term basis*'. Whilst the Planning Regulations remove the ability for the City to consider the appropriateness of STRA through a development application in

most instances, the LPP will allow the City some limited ability to consider them, where unhosted for a period exceeding 90 days per year.

In preparing its final report, the City recommends that the Productivity Commission consider the impacts of deregulation of STRA in Western Australia and other states/territories, in reducing permanent housing supply.

### Community Expectations

As a final point, it is important to recognise that the proposed reforms may affect community confidence in the planning framework by reducing consultation and introducing a greater degree of uncertainty. Addressing this challenge will require a proactive and transparent approach that supports outcomes which are both well understood and broadly accepted by the community.

Planning decisions, particularly where discretion is exercised, should be supported by clear and transparent reasoning. Accordingly, any areas of flexibility within the framework should be accompanied by well-defined criteria to guide decision-making and improve consistency.

Reductions in consultation requirements to streamline approval processes are likely to be inconsistent with growing community expectations for greater involvement in planning and development decisions that shape their local neighbourhoods.

Therefore, to support the successful implementation of these reforms, a coordinated community education and engagement program is recommended. Such an initiative would help build public understanding of the intent and benefits of the reforms, explain how the measures operate in practice, and foster greater confidence in the planning system.

Sincerely,

Gary Wilkinson  
Senior Strategic Planner