



**Performance Benchmarking of Australian
Business Regulation: *Planning, Zoning &
Development Assessments***

Interim Submission

August 2010

Contact: Jessica Lenney, Planning & Community Development Policy Officer
08 9213 2064 or email jlenney@walga.asn.au

Contents

1. EXECUTIVE SUMMARY	3
2. RECOMMENDATION	3
3. INTRODUCTION	4
3.1. LOCAL GOVERNMENT CONTEXT	4
3.1.1. <i>Local Government Capacity</i>	4
3.1.2. <i>Local Government Landscape</i>	5
3.2. THE WESTERN AUSTRALIAN PLANNING SYSTEM.....	6
3.3. POPULATION GROWTH IN WESTERN AUSTRALIA	8
4. GOVERNMENT COORDINATION & COOPERATION IN PLANNING, ZONING & DEVELOPMENT ASSESSMENTS.....	10
5. IMPACT ON COMPETITION.....	11
6. IMPACT ON COMPLIANCE COSTS	19
7. IMPACT ON EFFICIENCY & EFFECTIVENESS IN THE FUNCTIONING OF CITIES.....	25
8. ENSURING ADEQUATE SUPPLY OF LAND FOR DIFFERENT USES	30
9. CONCLUSIONS.....	32
10. ATTACHMENTS	32

1. Executive Summary

In accordance with the Council of Australian Governments (COAG) there is a general recognition by both the State and Local Governments that the planning system within Western Australia (WA) requires reform and to this end both levels of Government are making provisions to achieve improved outcomes.

Effective coordination between levels of government and relevant agencies is considered fundamental to the provision of current and future urban development. This includes the identification of appropriate densities, the level of service required for the projected population and economic growth, and increased certainty for the timely delivery of infrastructure.

In the context of planning reform, it is estimated that WA will experience population growth higher than the national average thereby exacerbating the need for effective coordination among governments and agencies.

It is recognised that the planning system impacts on competition through its regulation of zoning and use of land. Statutory town planning schemes determine land use, density, the configuration and design of developments and the types of services to support development. It is considered that regulatory requirements can unnecessarily restrict the final use of a site if they are not regularly reviewed.

The review of town planning schemes, strategies and plans ensure the reflection of current and future needs of a locality. Overly prescriptive rather than performance-based provisions can limit development. The process for the review of town planning schemes and scheme amendments (re-zoning) to enable timely delivery requires further investigation for the delivery of responsive planning outcomes in WA.

The processing of development applications is identified as having potential for reform with respect to reducing processing time and associated costs; this includes the inclusion of electronic development assessments and appropriate delegation from Elected Members to Local Government officers for determination of development applications.

Local Government, through the WA Local Government Association, have a mandate for planning reform to ensure the effective application of processes and regulations to increase efficiencies within the Local Government sector for the delivery of improved outcomes for the community and the development industry.

2. Recommendation

It is recommended that the Productivity Commission evaluates planning, zoning and development assessment processes in the context of the broader town planning system, and that it considers benchmarking the mechanisms in place in Western

Australia for the coordination of integrated transport, service infrastructure and land supply delivered by all levels of Government and relevant referral agencies.

3. Introduction

The Western Australian Local Government Association (WALGA) is the united voice of Local Government in Western Australia. The Association is an independent, membership-based group representing and supporting the work and interests of all 139 Local Governments in Western Australia, plus the Christmas Island and Cocos (Keeling) Island Councils.

The Association provides an essential voice for almost 1,400 elected members and over 12,000 employees of the Local Governments in Western Australia. The Association also provides professional advice and offers services that deliver financial benefits to Local Governments and the communities they serve.

3.1. Local Government Context

3.1.1. Local Government Capacity

Local Government in Western Australia is facing a number of financial constraints, identified both at the national, state and local level. These must be taken into consideration with the development and implementation of Australian and State Government policies by Local Government.

The capacity constraints facing Local Government in Western Australia are symptomatic of the issues facing the Local Government Sector nationally. At a national level, The House of Representatives Standing Committee on Economics, Finance and Public Administration Report, *Rates and Taxes: A Fair Share for Responsible Local Government* (the Hawker Report) found that escalating costs and constrained funding along with growing community expectations and a funding gap threatens the future of an efficient and responsive Local Government.¹

As part of the Australian Government response to the Hawker Report, the Productivity Commission was asked to examine the capacity of Local Government to raise revenue from their own sources. The draft report, *Assessing Local Government Revenue Raising Capacity*, indicates that despite calls for increased funding from the Australian and State Governments, most Local Governments appear to have some limited capacity to raise more revenue if they and their communities wished to do so. More importantly, the findings outlined in the final report *Local Government Revenue-Raising Capacity* qualifies these concerns highlighting that a significant number of Councils, particularly in rural (87

¹ House of Representatives Standing Committee on Economics, Finance and Public Administration, *Rates and Taxes: A Fair Share for Responsible Local Government*, Canberra, Australian Government, 2003, p. 11.

per cent) and remote (95 per cent) areas, would remain dependent on grants from other spheres of government to meet their current expenditure (Finding 5.5).

When considering any additional responsibilities that Local Government might be asked to undertake, it is worth remembering that the cost-shifting spectre from Australian and State Governments to Local Government is estimated to be costing local communities, through their Council rates, in excess of \$1 billion per year.

With 141 Councils spread across our very large State, ranging from the Shire of Murchison (population: 111, revenue: \$3 million) to the City of Stirling (population: 188,881, revenue: \$156 million), Local Governments vary tremendously in resources, roles and attitudes. WALGA's Systemic Sustainability Study, *The Journey: Sustainability Into the Future* (2008)² identified the key issues for Local Governments as being:

- increasing difficulties in securing the numerous skill sets, many of them required as a prerequisite for delivery of services and functions stipulated by law
- the mounting pressures surrounding service expectations in the communities to which councils have primary loyalty
- the capacity of Local Government to meet its obligations for delivery for a wide range of services of high quality – with the revenue-raising capacity of the sector at the core of this.

3.1.2. Local Government Landscape

Local Governments' responsibilities have broadened considerably from the traditional 'roads, rates and rubbish' to include town planning, building, health, and community services (libraries, youth services, seniors, health, sport and recreation), and more recently heritage, tourism and economic development.

Major reforms are currently underway in both the planning and Local Government sectors. Local Government is directly impacted by the Department of Planning's broad, overarching reforms to the planning system, as outlined by the document *Planning Makes It Happen: A Blueprint for Planning Reform*³ and the consultation paper *Building a Better Planning System*.⁴

² Western Australian Local Government Association, *Systemic Sustainability Study – In Your Hands: Final Report*, <http://www.walga.asn.au/news-publications/publications/sss_taskforce/>, West Perth, Western Australian Local Government Association, August 2008.

³ Western Australian Planning Commission, *Planning Makes It Happen: A Blueprint for Planning Reform*, <<http://www.planning.wa.gov.au/Plans+and+policies/Publications/1991.aspx>>, Perth, Western Australian Planning Commission, Sept. 2009.

⁴ Western Australian Planning Commission, *Building a Better Planning System*, <<http://www.planning.wa.gov.au/Plans+and+policies/Publications/1853.aspx>>, Perth Western Australian Planning Commission, August 2009.

The Local Government reform process continues with the recent release of the Local Government Advisory Board Interim Report. Key recommendations of the interim report are:

- to acknowledge that nine Councils have volunteered to merge into three new entities
- a transition process be created for Councils that wanted to volunteer to further explore amalgamations
- a collaborative model of regional shared services for Councils for which amalgamation is not appropriate

Adoption of a regional shared services approach by Local Governments was a key component of WALGA's Systemic Sustainability Study report and was the model Local Governments were working towards prior to the announcement of the State Government reform process in February 2009. The concurrent Local Government and planning reform processes provide an opportunity to achieve the necessary synergies for housing affordability and availability.

3.2. The Western Australian Planning System

The current planning system in Western Australia consists of:

- **State planning framework** which sets out the general principles for planning and development and brings together existing State and regional policies, strategies and guidelines into a central framework.
- **Regional planning framework** comprising regional strategies (which provide the broad framework for planning at the regional level and the strategic context for local planning schemes) and region schemes (which provide the statutory mechanism to implement regional strategies, coordinate the provision of major infrastructure and set aside areas for regional open space and other community purposes).
- **Local planning framework** comprising local planning strategies which set out the general aims and directions of Local Governments for planning in their areas; and local planning schemes which provide the statutory mechanisms for Local Governments to implement local planning strategies through zonings, reservations and planning controls.

The system is underpinned by a number of pieces of planning legislation. The *Planning and Development Act 2005* sets out the functions of the Minister, the Western Australian Planning Commission (WAPC) and Local Governments as well as the statutory powers for the adoption of planning instruments and approval processes which implement the plans and policies. The *Town Planning Regulations 1967* prescribe the procedures for initiating, preparing, advertising and approving local planning schemes and scheme amendments. The Model Scheme Text provisions are an appendix to these regulations.

The Western Australian Planning system is regulated on three levels:

- Minister for Planning;

- WAPC; and
- Local Government.

The Minister for Planning is the State government's elected representative and has the ultimate authority for planning in Western Australia. The Minister is responsible for:

- overseeing the administration of planning agencies;
- maintaining and reviewing planning legislation;
- directing statutory and strategic planning matters;
- approving regional planning schemes and local planning schemes; and
- approving some planning policies.

The WAPC provides advice to the Minister for Planning and is the responsible authority for land use planning and development matters. Its functions include determining all subdivision applications, administering regional planning schemes such as the Metropolitan Region Scheme (MRS), making recommendations to the Minister on local planning schemes and determining some development applications in areas of State significance. To assist in its roles the WAPC has a number of specialised committees that make decisions on its behalf.

The Department of Planning (DoP) provides professional advice and administrative services to the WAPC and implements the WAPC's decisions. The WAPC has delegated some of its functions to the DoP and Local Government, including decisions on some subdivision and development applications.

Local Governments are responsible for planning their local communities by ensuring appropriate planning controls exist for land use and development through the preparation and administration of local planning schemes and strategies. Local Governments are required to ensure their local planning schemes and policies are consistent with State and regional planning objectives and requirements. Planning decisions are based on the provisions and controls in the local planning scheme, which must be reviewed every five years. The WAPC has delegated to Local Government the power to determine some development applications under the MRS. Local Governments are also invited by the WAPC to comment on subdivision proposals and planning policies that guide decisions on subdivision or development matters.

The State Government has recently been reviewing the planning system with a view to reducing complexity and the broad reform of approvals processes. In September 2009, the Government released its proposed planning reforms in the report *Planning Makes it Happen: a Blueprint for Planning Reform*. The DoP has released the *Directions 2031* spatial framework and accompanying sub-regional plans and the *Building a Better Planning System* discussion paper, which sets out a broader planning agenda for lasting reform and improvement.

The WA Local Government Association and its members recognise the need to modernise planning systems to ensure contemporary issues can be effectively addressed. As such,

WALGA have established a Planning Reform Policy Forum that aims to identify opportunities and recommend strategies for reform of planning and building services provided by Local Government in the areas of:

- approvals processes
- policy and plan making
- performance measurement and reporting
- coordination of infrastructure and land use planning
- change management; and
- elected member knowledge of planning legislation and responsibilities

The aim is to ensure Local Government efforts, guidance, processes and regulations are applied where they are effective

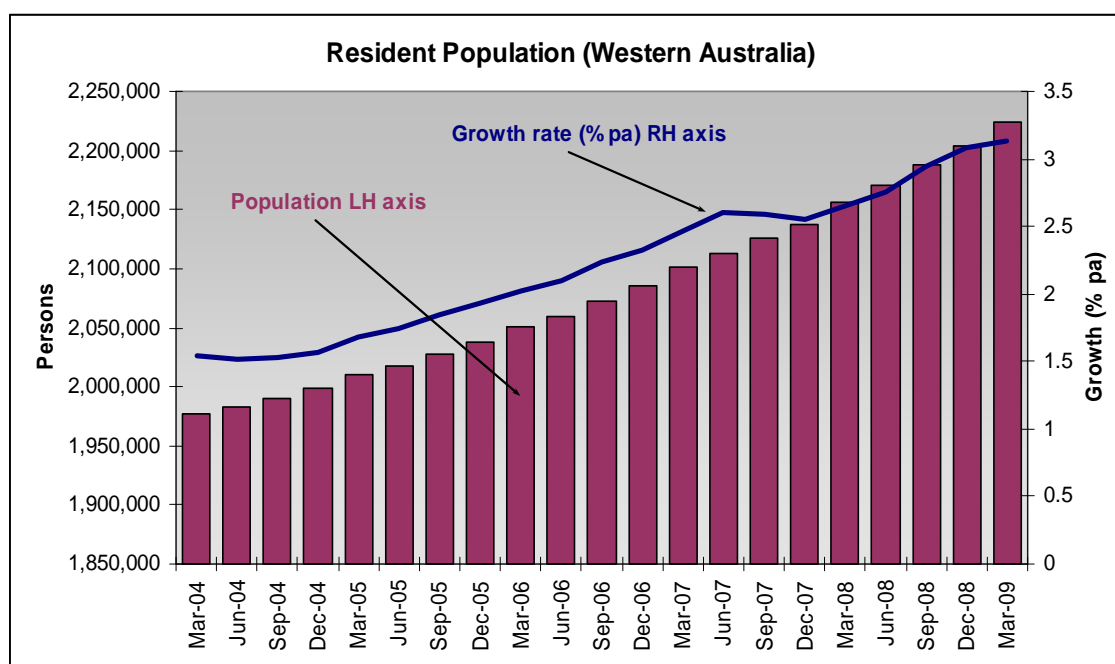
In summary, planning services in WA are provided through the DoP; other State Government agencies such as the Department of Culture and the Arts, the Department of Education and the Department of Transport; and Local Government. The planning, zoning and development assessment decisions and actions of all levels of Government, in particular across State Government agencies and between State and Local Governments should be co-ordinated at all levels to ensure best possible social, economic and environmental outcomes. This also ensures certainty in the development process and continuity in the decision-making process across all levels of government. There needs to be a whole-of-government approach across agencies involved in the planning and approvals process to address the key challenges faced by cities: that of environmental management, water management, the provision of major infrastructure, the provision of affordable housing and social infrastructure, the location of transport corridors and land uses.

3.3. *Population Growth in Western Australia*

The population of Western Australia is projected to grow by 32% by 2026. This will require the construction of approximately 380,000 additional dwellings over the period. The provision of this housing will however occur in the context of rapidly increasing cost pressures which are already impacting on affordability.⁵

The population estimates show that the Western Australian population grew 3.1% in the year to March 2009, the highest rate of any State or Territory and well above the national average of 2.1%. Importantly the rate of growth is continuing to climb. A new research organisation, Australian Institute for Population Aging Research has recently published projections for a 65% growth in Australia's population by 2049 (reaching 35 million).

⁵ ABS Cat No 3101.0 Australian Demographic Statistics



Source: ABS Cat No 3101.0 Australian Demographic Statistics

Net overseas migration provided over 64% of the population growth in Western Australia, creating particular demands for community services and facilities. High levels of population growth are an important consideration for Local Governments in planning and in negotiating agreements where demand and costs are strongly related to population.

Lower birth rates in the 1960s and 1970s, accentuated by increasing life expectancy, have changed the age structure of the Australian population. The statistics are not new, but they are stark. The proportion of the population aged 65 and over has increased from 8% in 1969 to 13% today and is forecast to be over 22% by 2049.

This is now coupled with new population forecasts which indicate that the Australian population will be 25% higher by 2049 than previously anticipated as a consequence of higher net overseas migration and the increased fertility rate of Australian women. Western Australia is likely to see higher than average population growth rates as a result of resource-based employment opportunities.

All spheres of government have a role in ensuring that this profound population expansion and structure change is achieved without compromising the environmental, social and economic aspirations of the community. Where will these people live and how will existing cities cope with expansion? Where and how will the public infrastructure be provided? Will the footprints of our cities expand accordingly?

The State Government will need to provide updated population projections alongside recent planning documents such as *Directions 2031* and provide population projections for regional centres. The long term plans of Local Government need to demonstrate how

development and re-development will set the direction for meeting the accommodation needs of a larger and demographically different population to that of today.

4. Government Coordination & Cooperation in Planning, Zoning & Development Assessments

Issues

On what matters should the planning, zoning and DA related decisions and actions of governments be coordinated? How should performance on these matters be benchmarked?

Are there particular examples of where land development and development of other urban infrastructure (such as transport and schools) are or are not well coordinated?

What costs (benefits) does poor (good) coordination between levels of government create for:

- ***property developers***
- ***businesses, aside from property developers***
- ***government agencies and Local Governments***
- ***residents?***

Good coordination between levels of government allows for a clearer understanding of where future urban development will occur and at what density, the level of service required for the projected population and economic growth and greater certainty for the timely provision of infrastructure. The costs of poor coordination between levels of government can be felt by residents in newly developed areas on the urban fringe, in terms of the lack of necessary infrastructure such as public transport, schools and community centres and in the range of services provided. With respect to developers, poor coordination can result in delays and resultant financial costs and possibly a less marketable product. Good coordination can provide for greater certainty and reduction in compliance costs through streamlining of the development process. A lack of coordination across government agencies and between State and Local Government can result in the lack of delivery of overall planning outcomes and delay the timely processing of development applications, impacting on developers and residents/businesses.

Coordination of service infrastructure provision often lags behind planning processes. Even when land has been earmarked for development for a number of years in strategic documents, the provision of services does not follow in a timely manner and in some instances does not occur at all (due to costs of provision). There have been many attempts in recent years by Local Governments and the Department of Planning (DoP) to engage with service providers to coordinate strategic planning. The Western Australian Planning Commission (WAPC) has an Infrastructure Coordinating Committee (ICC), however, they have no power to ensure coordination occurs.

Examples of where land development and development of other urban infrastructure has not been well coordinated include the redevelopment of Perth Airport and land in the vicinity of the airport. Planning responsibility is divided between Commonwealth, State and local authorities leading to a fractured development process, whereby a number of significant developments have occurred with no provision made for the necessary transport infrastructure. Other examples include decisions made by the Department of Education regarding the closure of a number of high schools within the Perth metropolitan region. Minimal consideration was given to the long term impact on local communities affected by these closures. The redevelopment of the Royal Perth Hospital (RPH) is another example of the need for a co-ordinated approach to development across all levels of Government. The Department of Health has undertaken an agenda of health reform investigating such areas as the consolidation of existing health services. The State Government has decided to retain and upgrade the RPH facilities and redevelop the residual land. Whilst a steering committee of planning agencies comprising State and Local Government representatives has been established to prepare the master planning for the area, greater involvement of service agencies such as the Department of Transport and the Public Transport Authority is required to ensure a coordinated approach to the redevelopment is achieved.

Within State jurisdictions, coordination between local and state government can often assist in positive development outcomes and streamline the planning and approvals process. An example of this has occurred in the approval of coastal developments and the State Government's height policy for coastal developments. The policy provides clear guidance to a number of local authorities along the coast who were experiencing development pressure. Instead of various Local Governments contradicting each other there is now a uniform, albeit not unanimously agreed, height limit for coastal development being capped at five stories. This provides consistency in decision-making and a level of certainty for the development industry.

Case Study – City of Perth

Coordination of planning effort is a key issue within the City of Perth given the complexity of decision making process as a result of the multiple planning authorities which operate within it. In addition to the City of Perth, the WAPC, the East Perth Redevelopment Authority and the Swan River Trust are other decision making authorities involved in the development approval process within the City's 8.1km² area. A range of government servicing agencies (transport, health, education, culture and the arts) also have a key role in planning the City.

5. Impact on Competition

Issues

What are the ways in which regulations or government processes restrict competition for land and its use? What are social, economic or environmental purposes that these restrictions serve? Could the purpose be achieved without restricting competition?

The planning system impacts on competition through its regulation of zoning and use of land. Statutory town planning schemes determine what uses can be considered within an area or on an individual site, the density of housing that may be developed, the configuration and design of developments and the types of services to support development (from utilities to community centres). Regulatory planning provisions may constrain activity and reduce competition through the imposition of such controls as special design guidelines, maximum building envelopes and floor area for proposed sites. The declaration of an area or individual building as being of heritage significance can impose additional requirements regarding its conservation and use. Conditions imposed on development approvals can restrict such matters as use, operating times, signage, and design which can impact on the ability of a business to be competitive in the marketplace. The approval of similar land uses within an area can increase competition and affect the ongoing viability of existing operators.

The imposition of regulatory planning provisions serve a number of social, economic and environmental purposes including, but not limited to:

- the orderly and proper planning of a locality;
- the protection of the amenity and liveability of a community, area or individual resident;
- the enhancement of the physical quality and character of a streetscape, built or local environment;
- the retention and conservation of the heritage fabric of a locality;
- the preservation of compatible land uses;
- the provision of necessary public infrastructure;
- the provision of a diverse range of uses, goods and services;
- the provision of a full range of housing types and densities that meet the needs of all people; and
- the protection and future management of natural resources and the environment.

The planning system does not aim to restrict competition, rather this may result from addressing one or all of the above objectives, which are integral to the effectiveness of functioning cities.

Do some governments (and their regulators) or government processes restrict competition more than others? If so, what are the ways in which they do this?

Local planning schemes are subject to regular review and are guided by the *Town Planning Regulations 1967; Model Scheme Text*. However, there is the potential that local planning schemes are not reviewed regularly due to the slow review process currently experienced by local governments. It is commonly stated by local governments that the process is held

up by the DoP. Notwithstanding the slow review process, some local planning schemes may be onerously prescriptive and can restrict competition.

Redevelopment Authorities can be considered to be prescriptive, for example, the East Perth Redevelopment Authority's design guidelines include broad objectives as well as site specific design guidelines for individual lots which stipulate the desired character; the materials to be used; the preferred uses; building envelope; plot ratio; setbacks; the inclusion of balconies, verandahs and awnings; access and parking; the location of pedestrian access; private open space and landscaping. Whilst the East Perth Redevelopment Authority has discretion to vary the site specific design guidelines, if they are strictly adhered to they can remove flexibility in terms of design and use and serves to restrict competition.

Are there particular examples where planning, zoning and DA systems are especially effective at encouraging competitive outcomes?

The planning system does allow for competition in that it does not preclude the number of businesses within the same field or industry that may operate in the one area. As part of consultation procedures on development applications, objections may be received from existing business operators in a locality to the establishment of a competitive operator. Anti-competitive objections are not legitimate planning concerns and a development would generally not be refused because of an objection from a competitor.

Case Study – City of Perth

The City of Perth City Planning Scheme No. 2 encourages the development of restaurants cafes and nightclubs in Northbridge in what is already Perth's primary entertainment and night life area. Generally in the City of Perth a mix of land uses are encouraged under the various zonings under its City Planning Scheme No. 2 which results in a high level of competition and in a number of cases the use with the highest financial return generally prevailing. Greater flexibility allows for greater market choice. An example of this is the commercial development at 140 William Street Perth. Whilst residential uses were initially contemplated financially this use was not as viable as compared to commercial office and retail uses. This can also result in the desired mix of uses not being achieved.

Which regulatory requirements on developments unnecessarily restrict the final use of a site?

Regulatory requirements can unnecessarily restrict the final use of a site if they are not regularly reviewed. This highlights the importance of reviewing town planning schemes, strategies and plans to ensure that they reflect the current and future needs of a locality. Overly prescriptive rather than performance based provisions can limit development. Onerous regulation and over regulation can constrain the development of sites and negate an optimal development outcome. Some regulatory requirements can be

contradictory and result in confusion. Interpretation and clear guidance is required to ensure the desired planning and development outcome is being achieved.

Although the focus is on planning, zoning and the DA process, it needs to be recognised that a number of regulatory requirements outside the planning sphere can unnecessarily restrict the final use of a site, for example the restriction of retail trading hours within Western Australia under the *Retail Trading Hours Act 1987*. The *Liquor Control Act 1988* may also be seen as unfairly regulating the use of premises on which liquor can be sold and the services and facilities provided in conjunction with the sale of liquor. Other instruments which impact on the final use of a site, but not unnecessarily, include the *Disability Services Act 1993*.

The requirements under the *Building Code of Australia* (BCA) can also impact on the final use of the site. For example, residential dwellings and short term accommodation are classified under different classes in the BCA which precludes the location of both uses within a building as clause 22(2) of the *Building Regulations 1989* states that the use of a building shall not be changed from one class to that of another class unless the building complies with the requirements of the Building Code applicable to the new class. The BCA can also restrict the conservation and re-adaptation of buildings of heritage significance.

How broad and transparent are the consultation processes for assessing public and business opinion on proposed planning and zoning options?

Consultation is a legislative requirement and an integral part of the decision making process which allows the community to engage in planning and decision making at a local level. The preparation of town planning schemes and amendments to them are subject to a process of public consultation prior to submission to the WAPC for approval. Major region scheme amendments are subject to comment from affected landowners and infrastructure providers for a period of three months. Amendments to local planning schemes involve a 42 day public advertising period. It is further noted that these are minimum periods for consultation. A Local Government authority can decide to extend these periods when undertaking amendments to its Scheme. Additional and tailored consultation, in addition to the required sign on site and advert in the paper, can and is often undertaken in the form of community and stakeholder meetings, information sessions and booths at key local community facilities and written materials such as pamphlets explaining what is proposed.

Local Government has long established procedures, codes of conduct and legislative requirements to ensure its planning processes are transparent and accountable.

Case Study – City of Perth

The City of Perth's City Planning Scheme No. 2 contains mechanisms providing for consultation on development applications for unlisted uses and for other uses as the Council may direct and as part of the formulation of planning policies. The majority of planning proposals which are advertised for comment are referred to Planning Committee

and then to Council for final determination. The report to Planning Committee and Council will detail assess and make recommendation with respect to any public comment received. Council and Planning Committee meetings are open to the public and all agendas and minutes of these meetings are publicly available. The City of Perth in preparing the City Planning Scheme No. 2 undertook significant public consultation including internal and external information sessions and workshops.

In the case of residential development, Part 4 of the Residential Design Codes (R Codes) provides for a consultation process to be undertaken where developments require discretion by Council under the R Codes or under an adopted local planning policy and the proposed variation may adversely affect the amenity of an adjoining property. The R Codes details the procedure for consultation and an applicant's opportunity to respond.

Greater transparency is required at State Government level, with the need for agendas and minutes of the WAPC and its sub-committees being made publicly available. This is supported by the DoP in its '*Building a Better Planning System*' paper. The planning decisions of redevelopment agencies should also be made publicly available.

In assessing the potential impact of rezoning an area/site, do governments consider the potential benefits and costs of competition for the local economy and community? If so, how are these considered and what factors are taken into account?

In considering requests for the rezoning of an area or site, a Local Government's primary concern is the orderly and proper planning of the locality as legislated for under the *Town Planning and Development Act 2005*. Whilst the economic impact of a rezoning proposal would be taken into consideration as part of the assessment process, this would not be a primary factor.

To what extent do planning and zoning systems have the effect of unnecessarily limiting the entry of new industries or supporting the continued existence of particular industries in some locations?

The preclusion of new industries and the continued existence of particular industries in some locations can arise from a Local Government authority's failure or delay to review its town planning scheme in a timely manner. Local town planning schemes are required to be reviewed and updated every five years. The failure or delay to review a town planning scheme can often result in a scheme being out of date and not reflecting the needs of a community. The overly prescriptive nature of older town planning schemes in operation within some Local Government authorities can also preclude innovation, new development and technology and preclude Local Governments from being able to respond to market changes.

A lack of flexibility in the zoning process can restrict new business. This is evident through the land use tables in town planning schemes and where industry and business are continually evolving to meet market and consumer demand, that a particular use may not

be adequately considered or prohibited. The Model Scheme Text provisions and definitions in terms of land use and the need for all local town planning schemes to adopt and adhere to them can also limit new uses. Whilst the Model Scheme Text may allow for consistency in Scheme provisions across Local Government authorities, it needs to be regularly reviewed to ensure that it remains relevant and allows for consideration of local conditions. Some businesses do not readily fall within the land use definitions in local planning schemes and unless there is some flexibility and discretion available to officers, a use can be unnecessarily prohibited or curtailed. The local authority has no discretion to approve a prohibited use and a lengthy scheme amendment process may need to be instigated to allow for the proposed use, leading to delays in the entry of the new business into the economy.

To what extent do the difficulties of dealing with fractured land ownership make it difficult for smaller developers to enter some markets? Should governments have a role in the merging of small separately-held parcels of land into larger plots in order to facilitate large-scale developments? If so, why?

Generally it is not a Local Government authority's role to resolve the land ownership issues within developments. Notwithstanding this, some Local Government's may prepare town planning schemes to cover specific areas within their boundaries. Local planning schemes may have special control areas to provide for coordinated development in a particular area.

Case Study – City of Perth

The City of Perth has prepared numerous minor town planning schemes to cover specific areas around the city and enable the subdivision of larger lots whilst retaining the co-ordinated development of the land. The purpose of the minor town planning schemes includes:

- the comprehensive development of the land areas as a whole in a co-ordinated manner;
- the adequate provision of landscaped areas;
- the provision of pedestrian facilities;
- determining development standards such as car parking and plot ratio; and
- the retention of heritage buildings.

The minor town planning schemes allow for the Council to enter into any agreement or arrangement with the owner of any land within the scheme area for the purpose of attaining any of the scheme's objectives.

Within the Perth metropolitan region, historically guided development schemes have also been used by some Local Government authorities to facilitate and encourage the progressive subdivision and development of land within a specified area.

Are appeals to zoning and DA applications by competing businesses a regular part of operations for some businesses? Why are they made? Where third party appeals are possible, what might be effective ways of identifying and preventing those that contain no substantive complaint?

As part of public consultation processes, objections can be lodged by business competitors within the same field of business or industry to the establishment of a competitor within an area. Any submissions based on precluding the introduction of a competing operator are generally not based on sound planning concerns and would not prevent approval of a development application.

The transparency of Local Government procedures and the emphasis on public consultation can serve to negate the need for appeals. The appeal process within Western Australia consists of independent review by the State Administrative Tribunal (SAT), with limited third party rights of appeal.

Case Study – City of Bunbury

There is a growing concern within the City of Bunbury that the processes of the SAT are strongly weighted to the advantage of an appellant and that the SAT appeal system has taken on an ultra-protective role in regard to the interests of the development industry. The City has also, as a result of numerous dealings with the SAT, formed the view that there may be an automatic assumption that any decision made by an approving authority is weighted against the development industry. There appears to be a lesser regard given to the general interests of the local community's concerns

If there is a perception by the development industry that the SAT system is weighted against planning authorities there is a greater likelihood that applicants who are aggrieved by decisions will mount appeals which are frivolous or not soundly based in planning terms. The end result is that the City of Bunbury has to allocate more and more time and resources to SAT matters rather than focusing on one of its core responsibilities of processing, as efficiently as possible, development applications.

Are there examples of 'gaming' occurring in zoning and DA processes?

An example of gaming that may occur in zoning and DA processes would be the lodgement of objections by existing businesses to the establishment of a competitor as part of any public consultation process undertaken on a development proposal. Again, if these objections were not based on sound planning principles, they would not preclude approval of the subject development.

Do developers who 'partner' with governments for particular projects and/or undertake government preferred projects receive differential treatment in the zoning and/or DA process? Does this differ depending upon whether the decision maker in the process is a

local council, state/territory planning department, or a minister? If differential treatment occurs, is it justified in achieving planning objectives?

Government regulation is put in place to protect environments and has developed over many years and often in consultation with the wider community. While government is increasingly entering public private partnerships with private sector developers, it is imperative that there is no differential treatment in the zoning or DA process. However in working with government agencies in project developments, the private sector will contribute intellectual property and innovation with speed to market, while government will provide a thorough understanding of processes and procedures in progressing developments. The utilisation of existing processes is not considered preferential treatment, rather the knowledge and understanding of process is tantamount in achieving quick approvals and speed to market.

Case Study – City of Perth

The development of the Perth Convention and Exhibition Centre (PCEC) involved partnership between the State Government and a private developer. In this case, the required reclassification of the reservation of the land was facilitated ahead of the development application being submitted.

With respect to the City of Perth, its decision making processes are transparent and accountable. Each landowner, applicant, developer is treated equitably in the same manner and developments assessed on their compliance against the City Planning Scheme No. 2, strategies and plans. In the case of any development application made by, or on behalf of the City, clause 42 of the City Planning Scheme No. 2 requires the application be referred to the WAPC for determination.

It is noted that there are exemptions for public works on reserved and zoned land under region schemes in some circumstances but that this would not be considered preferential treatment for developers involved in undertaking these projects.

Is information on proposed developments available to local communities and all potential land buyers or users during the planning/zoning/DA processes in a complete, effective and timely manner?

Information on proposed developments is available to local communities and potential land buyers/users during the planning, zoning and DA processes. Agendas and minutes of development applications considered by Local Governments and their Planning Committee meetings are made publicly available on their websites. As mentioned previously, amendment or review of a town planning scheme involving the rezoning of land includes a legislated consultation period.

To what extent does influence by interested parties, particularly those who may be politically active within the community, affect the decision-making processes? Does this

improve or worsen outcomes? In what way? Do the views of these parties typically reflect the broader community sentiment?

The actions of interested parties, be they existing land owners, businesses or interest groups with particular political or social agendas can have some influence on the decision making process. This can occur through involvement in the public consultation process and the ability for such parties or individuals to lobby elected members on Council. The nature of public consultation is that it allows for an individual or group to participate in the decision making process. Similarly, any ratepayer or stakeholder can approach an Elected Member of Council to discuss matters under their consideration.

Outcomes can sometimes be positive, other times negative. In some cases, the views of particular interest groups or parties may not reflect the broader community's views and can dominate public forums. Regardless of the outcome this influence must be monitored and regulated and to this end, Councillors are required to declare an interest in items and any conflict of interest must be scrutinised. If the decision-making process is to be maintained in a fair and equitable manner, transparency of interest within and to the broader community must be maintained.

The State Government has just prepared and will implement legislation that will enable development applications that are of regional significance or that would generate increased public interest to be determined by a Development Assessment Panel (DAP). This Panel would have a ratio of three professionals to two community representatives (Elected Members from Local Government), which has the potential to reduce the influence of interested parties.

6. Impact on Compliance Costs

Issues

Are there particular examples where planning, zoning and DA systems are especially effective at minimising unnecessary compliance costs for business?

The exemption of minor development from the requirement to obtain planning approval removes unnecessary compliance costs for business. Several Local Governments are currently reviewing the types of development that require planning approval with a view of extending the range of developments that may be exempted from the need to obtain planning approval under their Town Planning Scheme. Furthermore, in Western Australia, landowners and developers are not required to obtain planning approval for a single house unless the exercise of discretion under the R Codes is required.

Local Governments in Western Australia have been delegated the power by the WAPC to determine most development applications under the MRS in addition to determining applications under their own local planning schemes. This reduces the compliance costs with business only having to seek the approval of a single assessment authority. It is

noted that there are still a few circumstances whereby a development requires approval under the local planning scheme and under the MRS.

The divesting of an appropriate level of delegation from Elected Members to Council officers to determine development applications can also minimise unnecessary compliance costs by reducing processing times for development applications.

Where electronic DA processes have been implemented, have they had any material impact on compliance costs?

Local Governments that have introduced electronic lodgement for building licence applications have reported shorter assessment times. This is considered to have a positive impact on costs for the development industry. A comprehensive survey on the impact of electronic lodgement of building licences on costs has not been undertaken in WA.

Case Study – City of Bunbury

The City of Bunbury, as a major regional municipality, has, over the last year, embarked on the installation of new systems with a view to allowing the development industry the possibility of submitting Development Applications by electronic means. The development industry is generally supportive of the new system, and the City is now in the process of evaluating a recent trail study in this regard. The development of this new system has resulted in relatively significant costs (to the City) in terms of hardware, training and other HR costs. It is expected, however, that industry will benefit over the long term and that the City may also benefit in terms of further efficiencies from an administrative perspective.

The WA Local Government Association in partnership with the Department of Planning is currently developing electronic DA processes to assist in cost reduction in accordance with the Federal Government's Housing Affordability initiative.

Do the requirements to be met for development approval vary unnecessarily between jurisdictions?

The requirements for development approval do vary between jurisdictions but in the majority of cases, these variations reflect the nature and particular characteristics of the different localities and their planning needs. The City of Perth would not impose the same development requirements as a suburban Local Government authority as the area, scale of development and issues are incomparable.

The introduction of the Model Scheme Text, a set of core legal and administrative provisions applied to all local planning schemes has assisted in achieving greater consistency with respect to development requirements. The R Codes also aim to provide uniformity of residential development standards, consistent with local needs.

For the jurisdictions in which you operate or live, what planning, zoning or DA costs do you consider to be unnecessarily high?

Local Government fees and charges for planning services are regulated within WA and are subject to Consumer Price Index (CPI) rate as advised by WA Treasury.

What measurable factors would best be used to compare the compliance burden of planning, zoning and DA processes across jurisdictions?

Measurable factors may include:

- The number of Government department/authorities/agencies from which approvals are required to be obtained;
- The number and type of conditions imposed on development or subdivision of land and the number of different Government agencies involved in the clearance of these conditions;
- The level of delegated decision making powers available to Council staff.

Where rezoning of land is undertaken, does it occur in a timely manner? What slows the rezoning of land? Can delays be shortened while still allowing the rezoning process to be consultative and transparent?

Timeliness in land rezoning is always an issue in Western Australia. The State's economy has experienced unprecedented growth and the speed to market for land subdivision is lagging behind supply. As such the timely delivery of rezoning is imperative in speeding up the land delivery process. It is often suggested that the delay in the zoning process is linked to process. Hence the simplification of process and the provision of clarity and transparency are imperative. The need for local authorities to have relevant and up to date planning schemes, which facilitate current demand, is also imperative.

The rezoning of land is a statutory process prescribed under the *Town Planning Regulations 1967*. The amendment or review of a town planning scheme involving the rezoning of land involves a number of approval stages at Local and State Government level and an extensive public consultation period. The DoP's *Building a Better Planning System* paper recommended consideration being given to the reduction of public advertising periods for amendments to region schemes from three to two months, and for local schemes from 42 to 30 days.

Some Local Governments indicated that they would support a reduction in public advertising periods for minor region scheme amendments, but the consultation timeframes for other amendments should be retained to ensure maximum community participation in the planning process.

It is also noted that delays can and do occur in the rezoning process as a result of applicants not providing adequate information for State and Local Governments to

undertake assessment. Greater clarity as to information requirements would assist in minimising this.

An external factor that has impinged on the timeliness in processing rezoning applications is the appropriate resourcing of State and Local Governments. Rapid economic growth in Western Australia up to 2008 resulted in the State experiencing significant labour and skill shortages at the same time as there was heightened development activity. Inadequate resourcing directly affected the capacity of the DoP and Local Government authorities in securing skilled staff to process rezoning and development applications in a timely manner.

Are DAs conducted in a timely manner? What aspects of the DA process (for example, pre-application assistance, tracking systems, appeals and external agency referrals) could be improved without compromising the integrity of the decision-making process? What form could such improvements take (for example, greater use of exempt or self-assessment approval tracks)?

In two examples, from metropolitan and regional WA, the City of Bunbury achieved a clearance rate of DAs of 80% of DAs within 17 days. The City of Perth processes development applications in a timely manner, with simple proposals (e.g. change of use applications which comply with all Scheme and policy requirements) processed in 15 working days. More complex applications requiring a detailed and comprehensive assessment and which may involve consultation with external parties can take between six to eight weeks.

The lodgement stage of the DA process can be improved by ensuring appropriate information is provided for the submission of development applications. It must be acknowledged that considerable delays in processing times can and do occur, because of the failure of developers, landowners and applicants to submit the required documentation at time of lodgement and during processing of development applications.

Case Study – City of Perth

The City of Perth has recently addressed this by reviewing its 'Applications' policy to assist in providing clear guidance on the level of information required to be submitted as part of an application. This will enable a detailed assessment to be made in a timely manner and assist in informed decision making. The submission of all applications in a digital format is an initial step towards implementing e-planning and should further assist in streamlining the current development approval process. Amendments to the City of Perth's City Planning Scheme No.2 are also proposed to further exempt 'minor development' from the requirement to obtain planning approval. This will provide greater certainty for developers and the business community, improved processing times and more efficient use of planning resources.

The City of Perth also provides considerable pre-application assistance to landowners and developers. The City's planning officers and architect often hold pre-lodgement meetings with landowners and developers to discuss preliminary plans and proposals prior to a formal application being submitted. This allows for issues to be resolved and the facilitation of a better planning outcome for the development, landowner and the City of Perth.

The establishment of standardised delegations for the consistent processing of development applications from one Local Government to another should be considered. This would provide greater certainty and consistency in the way development applications are processed from one local authority to another.

The elimination of the dual development approval process whereby some developments require the WAPC's approval under the MRS and Local Government approval under the relevant local planning scheme would also improve the DA process. Although, these applications are not significant in number within some Local Governments (for example, 5 out of the 476 development applications submitted to the City of Perth during the 2008/09 financial year), the need for dual approvals can be problematic. The WAPC's determination can occur weeks, if not months after the Council's determination, delaying the development approval process. There can also be inconsistent or conflicting conditions imposed which can cause problems and further time delays for the developer in attempting to seek clearance of the conditions from the relevant authorities.

It is anticipated that the introduction of electronic development assessment (eDA) processes as mentioned earlier will streamline the DA process with respect to pre-lodgement, approval tracks and self assessment resulting in increased timeliness and consistency.

To what extent do the risks associated with the timing and outcome of DAs deter some developers from undertaking projects?

Delays incurred in the processing of rezoning and development applications may deter developers from undertaking projects. Uncertainty in the approval or development process will always be a cause of concern. For example, a new business may not wish to secure a lease on a building without some certainty from Council as to whether their proposed use would be approved. Developers may also have deadlines regarding their financing of projects which can be impacted on by the timing and outcome of DAs. Inconsistent decision making by State and Local Government can also deter developers from undertaking development and create frustration in the development process.

Is the uptake of state planning/zoning policies/overlays consistent between regions or Local Government areas?

In the Perth metropolitan region and in areas subject to regional planning schemes, Local Governments are required to ensure their local planning schemes and policies are consistent with State and regional planning objectives and requirements.

There can be a quite notable difference in the uptake by Local Governments of state planning initiatives. This is often a source of contention for developers dealing with various local authorities. An example which could be cited is the application of the Western Australian Planning Commission's *Planning for Bushfire Protection* which is often regarded as a rural issue when it does have application for urban developments.

Another example is water management planning which is an integral part of the planning process. The Department of Water's (DoW) *Better Urban Water Management* and the variance in DoW officer application of these guidelines was commented on by Local Governments with the time accepted for ground and surface water monitoring ranging from six months to two years. The guidelines contemplate water modelling, however, the DoW do not accept any of the available modelling programs in proponent submissions.

Some Local Governments suggested that uncertainty for proponents can be mitigated somewhat by initiatives including:

- Quality (of) leadership driving productive/qualitative performance (i.e. investment in the right personnel);
- Continuous process improvement providing for an on-going reduction in determination times (DAs, referrals etc);
- 'Open-shop' approach to planning, e.g. pre-lodgement meetings where new development and issues associated with such is discussed in an open and transparent forum, including a multiplicity of disciplines where necessary (health, engineering, waste management) for the purposes of facilitating a thorough, more expedient approval process; and
- Attitude toward and/or commitment to the above making Local Governments more competitive generally.

It is considered that the WAPC would be best placed to comment and contribute to the consistency of approach across the state.

Do particular zoning or DA conditions (such as hours of operation) create costs — either directly or through lost opportunities? If they do, how significant are these costs and lost opportunities?

It is recognised that some DA conditions can create costs for business. These would include the imposition of conditions stipulating operating times and particular usage of a premises. However, a number of requirements which can create costs are a result of legislation outside the planning sphere, such as the *Health Act 1911*, the *Environmental Protection (Noise) Regulations 1997*, the *Retail Trading Hours Act 1987* and the *Liquor Control Act 1988*.

Developers and businesses would be in a better position to comment on the significance of these costs or lost opportunities.

7. Impact on Efficiency & Effectiveness in the Functioning of Cities

Issues

Which cities should be included in the benchmarking for this study?

All the Australian capital and major cities should be included in the benchmarking for this study. The challenges faced by the capital cities are similar and would allow for comparable measurement in terms of establishing benchmarks for planning, zoning and DA systems. The City of Perth is interested in being included in the benchmarking for this study as it is continually striving to improve the efficiency and effectiveness of its planning procedures.

What characteristics make a city more/less liveable and easy for businesses to operate in?

The characteristics which make a city liveable and easy for business to operate include, but are not limited to:

- Accessibility and affordability for people of different ages, incomes and needs;
- Socially just, inclusive and supportive of participation by all people in social, economic, educational and cultural activity;
- Economically efficient – engaging businesses and citizens in participating and supporting a competitive and diverse economy to provide essential city functions;
- Strong economic and employment base, with the equitable distribution of jobs;
- Environmentally and socially sustainable – development that is environmentally friendly and responsive to safety, universal design and community development issues;
- Diversity and vibrancy – recognising the diverse and changing needs of the citizens are understood and catered for;
- Integrated public and private transport networks designed to reduce cost, time and travel.
- Good urban design that identifies, protects and builds on existing streetscape and character.

Characteristics that make a city easy for developers/businesses to operate in include, but are not limited to:

- certainty and consistency of decision making processes;
- strategic and statutory planning mechanisms in place;
- proactive policy decisions;
- adequate level of discretion in decision making process;
- flexibility in process;

- positive culture;
- proactive attitude to innovation;
- coordination of effort across all levels of Government;
- streamlined regulatory processes.

What challenges do governments and communities face in pursuit of liveability goals?

Some of the key challenges faced by Governments and communities in pursuit of liveability goals are:

- Provision of affordable housing for people of all ages, incomes and needs. Part of the affordability challenge relates to the lack of diversity in the Perth housing market, which is dominated by single detached housing.
- Management of significant population and economic growth as experienced in Western Australia during the last decade and the resultant pressure on existing utility and social infrastructure, transport systems and land supply.
- Addressing changes in the natural environment and the impacts of climate change on infrastructure and community. The mitigation of greenhouse gas emissions, the preservation of significant areas of landscape value and the protection of surface and groundwater supplies are just some of the issues that need to be addressed.
- Tackling increasing urban congestion and the need to better integrate planning and transport.
- The coordinated planning, management and delivery of projects between all levels of Government.

How can these be addressed by planning, zoning and DA systems?

A coordinated planning system can deliver sufficient land supply to meet population demands, provide access to services and infrastructure, whilst protecting natural resources.

An agreement to a strategic framework and overview for the future development of cities by all levels of Government and associated agencies would assist in the pursuit of the liveability goals as mentioned below:

- The appropriate planning and zoning of land under local town planning schemes can provide for a range of housing that meets the needs of both young and old as well as a greater housing choice at differing price points in the market.
- In developing structure plans for the subdivision and development of land, the implementation of the WAPC's Liveable Neighbourhoods principles can provide for a range of activities at the early stages of development, including living, working and recreational opportunities. The creation of walkable neighbourhoods that

allow for access to public transport can result in less congestion and emission of greenhouse gases.

- The provision of a hierarchy of places and locations for a range of economic activity and employment across the Perth metropolitan region with an integrated transport system to support this development.
- The zoning of land for more compact higher density residential development can address increased population levels and promote better use of public transport.
- The reservation of significant areas of natural landscape under the MRS and local town planning schemes can ensure their protection and limit the impact of urbanisation.
- Local planning scheme provisions and policies can require developments adopt water sensitive urban design guidelines and energy efficiency in their design to reduce the impact on the environment.

What are some examples of the ways in which planning, zoning and DA regulations, or the way in which they are implemented, adversely impact on the functioning of cities?

Poor planning can adversely impact on the functioning of cities by creating car dependency, urban sprawl and a lack of necessary infrastructure for newly developed areas. The provision of social and economic infrastructure, such as public transport, arterial road improvements, schools, health services and shops are important for residents' amenity. Delays in provision of such infrastructure can delay the release of land, increase car dependence and congestion.

Inappropriate zoning of land for business and resistance to infill development, higher densities and innovative dwelling designs can reduce the provision of a variety of housing types and affect housing affordability. Within the Perth context, this can place more pressure on urban fringe locations to provide the bulk of new housing in the form of single detached housing.

The day to day functioning of a city is highly dependent on the effectiveness of its transport network. A significant amount of time, money and energy is consumed in the movement of people and goods around the city. An efficient movement network is crucial. A lack of integration of land use and transport will reinforce the reliance on the use of the private motor vehicle and increase the length of individual trips.

Over regulation and control can lead to over complication of development processes and frustrate the delivery of projects. Regulations unless well tested and applied with discretion can stifle innovation and entrepreneurial abilities of private sector developers and development agencies.

Inefficient practices and processes within State and Local Governments and associated referral agencies can adversely impact on the functioning of cities.

What measurable factors would best be used to compare the impact of planning, zoning and DA systems on the functioning of cities?

The implementation of an agreed strategic framework and vision for the future development of cities would need to be measured against its identified objectives. Other measurable factors could include, but are not limited to:

- The diversity and affordability of housing;
- The average residential density of dwellings per hectare;
- The provision of public, social and community infrastructure;
- The diversity in land uses, goods and services provided;
- The number of jobs provided;
- The number of new businesses;
- The number of small businesses;
- The number of people employed in the night time economy;
- The number of hotel rooms within a city;
- The proportion of creative industries;
- The availability, level of service and affordability of public transport;
- Targeted surveys of key stakeholders.

Where it has occurred, what effect has the removal of Local Government from decision making processes (and replacement by state agencies or regional planning panels) had on the efficiency and effectiveness of the functioning of your city?

Local Government is an effective and relevant decision-making body, one that allows transparency and accountability to the community that it serves. In instances where the Local Government has been removed from the decision making process less than optimal development outcomes have resulted. This is resultant from the disregard of local policies or scheme regulations, which have been tested, to provide and safeguard built form development outcomes.

Examples of less than desirable outcomes in Perth include the Perth Convention Exhibition Centre (PCEC) which is located contrary to its optimal location and based on State government site criteria. The Western Australian Tourism Commission selected the site for the PCEC and took leadership of the project. The WAPC was responsible for the development approval of the project. The PCEC is generally viewed as a poor planning outcome for the State in terms of function, design and integration with the City and its surrounds. In addition planning work currently being undertaken on the Perth Waterfront project, was recently removed from the controls of the State Government's land development agency, LandCorp, an organisation proficient in the delivery of large scale land and built form projects. It has subsequently been handed to the DoP who lack delivery experience and hence the threat of a poor outcome is of concern.

Other instances whereby Local Government has been removed as the final determining authority in Western Australia include the creation of redevelopment agencies such as the

East Perth Redevelopment Authority and the Subiaco Redevelopment Authority. The creation of these redevelopment agencies has resulted in rapid regeneration and redevelopment of the areas under their control. In these cases, the respective Local Government authorities have maintained a role in the decision making process, with all development applications being referred to them for comment and recommendation. These authorities however have a dual role as developer and planning authority which at times can result in planning outcomes being compromised in order to maximise profit. The respective local authorities also issue all the building licence approvals for developments within the areas under the control of redevelopment agencies.

As discussed where planning decisions are removed from Local Government responsibility, compliance with policy and scheme regulations can be ignored and hence unless the project is managed with regard to detailed design issues and design and delivery excellence, there is opportunity for the development to result in less than optimal outcomes due to the lack of checks and measures.

As part of its reform agenda, the State Government is committed to implementing Development Assessment Panels (DAPs) with the aim of expediting planning approvals. The proposed DAPs will consist of five members appointed by the Minister for Planning, comprising a Chairperson (independent member), two specialist members and two elected representatives. The panels will have the power to determine applications for development of a certain class and value, instead of the existing decision making authorities. The introduction of DAPs will not create a new approval system, as the Local Government will continue to receive and assess the applications and prepare reports and recommendations in the same way as it currently does. The difference will be that a DAP, instead of the local Council or the WAPC, will determine the application.

Councils have expressed a number of concerns regarding the introduction of DAPs including:

- Additional costs will be incurred by the Local Government as a result of the operation of DAPs (these are now being considered further by the State Government prior to implementation);
- It does not address the complexity and lack of strategic coordination arising from the number of agencies that are involved in planning within a single Local Government area. In the case of the City of Perth, the DAPs will not replace determinations made by the East Perth Redevelopment Authority or the Swan River Trust. The DAP will add yet another determination authority to an already complex system;
- No greater level of transparency or accountability will be provided by DAPs;
- DAPs will have no affect on the problems some Local Governments face in terms of limited resources and expertise (skill shortages) or on a Local Government's ability to focus on strategic planning. Local Government (and the DoP) planning officers will still be responsible for the assessment of the applications, the preparation of the planning reports and recommendations, for the clearing of conditions and enforcement of the planning decisions.

Given that the DAPs are currently being introduced in WA, it is imperative that reporting measures are introduced to evaluate the performance of the DAPs in terms of:

- The identification of the type of applications referred to DAPs (some of these applications may previously been determined by Officers under Delegated Authority by the Local Government within a shorter time frame, or the cost of the development is not an accurate measure of its level of complexity and the ability of the Local Government to function as the determining authority).
- Whether costs borne by Local Governments have increased as a result of the introduction of DAPs.
- Improved planning outcomes for the community as a whole.

8. Ensuring Adequate Supply of Land for Different Uses

Issues

What are the social, environmental and economic reasons for which governments may wish to control the supply of appropriately zoned sites for development?

Environmental considerations:

- The need to protect and manage significant genetic, species and ecosystems;
- The protection and long term management of water supplies;
- The protection and conservation of vulnerable coastal and riverine environments; and
- The management of anticipated impacts of climate change.

Social considerations:

- To ensure the provision of affordable housing;
- To ensure the provision of necessary community infrastructure such as schools, community centres, child care centres;
- To regulate land supply to ensure all have equal opportunity to participate in land purchase.

Economic considerations:

- The protection of employment and business;
- To control price and ensure fluctuations and price spikes are moderated;
- To provide for integrated transport systems.

Why might developers (including government owned development bodies) wish to control the release of developed sites and/or hold on to land and not develop it? Should local and state governments require developers commence development within a certain time frame? What discourages timely completion of developments?

Developers may wish to control the release of developed sites/land so as to prevent an oversupply of land on the market, maintain demand and retain higher prices for land. Developers may rationally sell lots at market prices to maximise profits.

Government owned development bodies may wish to regulate the release of land to provide for a desired planning outcome which in the short term may not be financially viable. The staged release of land may also be proposed to ensure the provision of required infrastructure and better planning, rather than the dispersal of efforts which may affect the overall outcome. Government owned development bodies may regulate the flow of land to ensure price and demand are moderated.

Governments can require developers to commence development within a certain time frame to ensure the adequate supply of land, to avoid the 'banking' of land supplies and provide for owner-occupiers rather than investors in the market. This may also assist towards the provision of more affordable housing. Such actions may also over regulate a free market economy, which is responsive to consumer demand and resultant supply. Development timeframes have been enforced in built form projects by Landcorp, the Department of Housing and Works and private developers. Enforcement and remediation of contract default however is time consuming, costly and can cause emotional hardship for the purchaser. To date developers have preferred to use a 'carrot' rather than 'stick' approach by offering bonuses for early development. This approach is considered to be more successful.

The conversion of undeveloped land to newly created lots for the market can take a number of years for the final product to be developed. The approvals process for lot production and clearance of conditional approval can affect the timely completion of developments. Delays in obtaining infrastructure and environmental approvals for the subdivision of land can lead to inactive approvals. Economic factors may also impact on the completion of developments. The global financial recession for example had a significant impact on the completion of developments, with the withdrawal or inability of developers to secure finance.

Are the current methods employed by planners for determining forward demand for the different uses of land appropriate? If not, why not and how could they be improved?

It is considered that the broader strategic principles for land use as proposed in the WAPC document *Directions 2031* for growth and land use in the Perth region is acceptable. However, a stronger strategic direction is required for the integration of services and transport with proposed land use. State policies and strategies that make provision for the integration of services and transport with land use are required.

How successful are governments in assessing the need for future land uses and facilitating the availability of appropriately zoned sites in a timely manner? What indicators (for example, land price trends or affordability indices) would illustrate this?

WA has in recent years experienced an inadequate release of land to service increased demand as a result of a growing population and high economic growth. The impact of the land supply shortage is evidenced in reduced housing affordability and increased land prices.

Indicators to illustrate this may include, but are not limited to:

- affordability of housing;
- rental vacancy rates;
- dwelling construction;
- residential lot production and sales;
- subdivision activity – number of applications and approvals;
- developers stock of current conditionally approved lots available for development;
- vacant floor space;
- vacant land;
- floor space demand;
- age of building stock; and
- unused development capacity.

What impact would limiting opportunities for third party objections/appeals and so fast-tracking projects through planning and DA processes have on the supply of land for different uses?

The WA planning system does not generally allow third party objections/appeals and thus this does not have a significant impact on the supply of land for different uses.

9. Conclusions

Planning and zoning systems in WA involve State and Local Governments and other associated agencies, and with respect to improved productivity and the impact on competition an integrated approach to the planning system is considered fundamental. This involves the coordination of the provision of service infrastructure, transport and land release on a strategic level with measurable mechanisms in place to ensure delivery. It also involves consistency within the development assessment process and associated regulations and policies.

To deliver improved productivity outcomes it is recommended that all levels of Government adopt a collaborative approach to planning reform.

10. Attachments

Attachment One –

WALGA Submission on Implementing Development Assessment Panels in Western Australia November 2009

Attachment Two –

WALGA Submission Building a Better Planning System

Attachment Three –

WALGA Submission Housing Affordability Fund

Attachment Four –

WALGA State Council Item *Review and Reform of Planning and Development Assessment Systems*

Attachment Five –

WALGA Submission L2H – Land to Housing