

1 February, 2011

Ms Louise Sylvan, Presiding Commissioner  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

Attention: Ms Sue Holmes, Contact Officer

Dear Madam,

**Submissions to the Productivity Commission Performance Benchmarking Study of Australian Business Regulation: *Planning, Zoning and Development Assessments***

I make reference to the Productivity Commissions Performance Benchmarking Study of Australian Business Regulation: *Planning, Zoning and Development Assessments* (here after referred to as the Study) that was recently brought to our attention via the Department of Health and Ageing. I note that the term of the Study has been extended and submissions are being accepted up until February 2011. As such Amana Living wishes to provide a submission in relation to the Study.

Amana Living has an interest in the Study as it is currently involved in the operation of retirement villages and aged care facilities in Western Australia and is regularly undertaking development of its landholdings that require planning, zoning and development assessments. Amana Living currently operates 15 residential care facilities and 18 retirement villages and is a not for profit organisation.

The provision of retirement living complexes and aged care facilities are areas that Amana Living is directly involved in, together with in-home care. The aged community has significant needs and given the level of demand for services is on the increase, it is imperative that processes exist within the planning system to streamline the delivery of our services and hasten the development approval processes.

The key elements related to the Study that impact on the ability of aged care providers to bring facilities on line are:

1. alignment of approach from all authorities:
2. timeliness of decision making

3. flexibility of approach to address site specific issues and changing service delivery models;
4. informed and consistent decision making; and
5. availability of suitable land.

These elements are addressed in more detailed below.

## 1. Alignment of approach from all authorities

Coordination between all levels of government in the decision making process is imperative to a clear understanding of the demands of development and understanding population pressure, economic growth and the timely provision of infrastructure. This is particularly evident within state jurisdictions where better coordination between local and state governments would assist in positive development outcomes and streamline the planning and approvals process.

Currently there appears to be a disconnect in WA between the State planning processes and those of local government. An example of this is the State's policy of encouraging more intensive development around transport nodes which is not reflected in many Local Government Town Planning Schemes. The time taken for contemporary policy to 'trickle down' to where the daily planning decisions are made is far too long and is confusing for the developer. If development continues to be handled by Local Government and is informed by their Town Planning Schemes, there is an opportunity for the state to mandate certain issues that have to be included in their schemes – eg density around transport nodes, environmental requirements and the approach to infill development which is necessary to reduce continued urban sprawl. The mandatory nature of such things would circumvent the extremely lengthy current process for scheme amendments.

## 2. Timeliness in decision making

The current process in WA results in very long timeframes for decision making which impacts significantly on the financial viability of projects (time is definitely money when there are holding costs such as interest on land purchases, cashflow implications etc). In addition, the time taken from inception to delivery also impacts on the delivery of services and the ability to respond to market demands and to meet mandatory timelines where grants or aged care bed licences are granted (the two year timeframe given by the Dept of Health and Ageing to bring these on line would not be possible in WA if the provider has to go through the full local government process prior to commencing construction).

An example of this is a proposal Amana Living currently has under consideration by a WA metropolitan local government authority for a new retirement village. A Detailed Area Plan (ie a masterplan) for the site was submitted in May 2010 for consideration by the Council. This is a necessary step under their Town Planning Scheme prior to a development assessment application being considered. **Nine months** later we still do not have a decision on the **concept**. The City of Stirling's Town Planning Scheme requires them to advertise a major development for a period of 42 days, public submissions to be collated and responded to prior to consideration by their

Planning Committee and subsequently the Council. It took 5 months from the lodgement date to **start** the public comment period.

During this process Amana Living was given the opportunity to respond to community objections and consequently we submitted an amended plan to address some of the key issues. At that point we were informed that the amended plan (which addressed the community objections) would then be considered a NEW submission and would have to go out AGAIN for public comment (you can only wonder how many times this could potentially happen before an acceptable plan was approved!). At that point we withdrew our amended submission and have requested a determination on the original plan with a view that if no decision is made, or the plan is refused, we will immediately appeal to the State Administrative Tribunal and enter into mediation. This approach was done reluctantly, however had we re-entered the public advertising process again, there was no guarantee that Council would approve it after that process which would mean that Amana Living would have to appeal to the State Administrative Tribunal anyway. By opting to take the path we have done we believe that at least all issues will be dealt with by one body (ie the Tribunal) at the one time. Clearly this is a time wasting, frustrating and highly wasteful process which results in ill-feeling from all parties.

While this was a specific local government authority in the above example, it is quite typical of the timeframes for decision making for most, if not all, local government authorities on significant developments.

### Rezoning

If a land rezoning was also required prior to a masterplan being submitted, an *additional* 9 – 24 months is required. If the proposed development is on land not previously used for a retirement village or an aged care facility, rezoning is often required. In our experience local government Town Planning Schemes do not easily accommodate these facilities which results in extended timeframes.

This process needs to be reviewed and simplified to shorten decision making timeframes and to provide flexibility in a local government area to accommodate much needed services for older people.

### **3. Flexibility**

It is our experience that local government planning process do not adequately allow for flexibility in use that will accommodate changing needs in a timely manner.

It is imperative to support new care models that include both in-home and specialised care facilities to provide services to as many people as possible. Lack of flexibility in the zoning process can restrict new business. This is particularly evident through the land use tables in planning schemes and where the retirement industry is continually evolving to meet market and consumer demand. As such while a use may generally fit within a use class of a scheme, often the local authority has no discretion to approve applications outside of that use class. This then requires a lengthy scheme amendment process that leads to development delays and slow entry of new services into the community.

Planning and zoning systems, while providing certainty for local government, can frustrate innovation by being too prescriptive and not allowing local government to respond quickly enough to developing market innovation. New, innovative models of retirement accommodation will be coming to the market and it is unlikely that most local government authorities will be unable to accommodate them without significant and time consuming town planning scheme changes. This is a disincentive for providers to respond to changing markets and to be innovative in their approach.

#### **4. Informed and Consistent Decision Making**

It should be noted for contextual purposes, that many local government areas in Western Australia are very small with the 29 **metropolitan** authorities ranging in population size from approximately 1700 (Shire of Peppermint Grove which is only 1.5k2) to the largest with approximately 186,209 (City of Stirling). Of the 29 **metropolitan** local government authorities, 14 have *total* populations of less than 30,000 and 18 have *total* populations of less than 50,000. Therefore it is clear that the establishment of facilities and services for the aged serve far wider populations than in the local government area where they are situated.

The current planning process in WA results in major decisions being made on large developments by elected members of Local Government Authorities who, by the nature of their election, are representing only the interests of local constituents, rather than the wider community. These decision makers are not planning professionals, nor are they expert in the services delivered by aged care providers. Consequently it is often only the 'little picture' (ie local area) rather than the 'big picture' (needs of the older community at large) that is considered.

The proposed new independent Panels which will assess major developments in WA when they commence may help with this, however it is our understanding that they will only deal with development applications over \$7m, and will not assess Detailed Area Plans (ie masterplans which are a pre-cursor to a development application). This is not a satisfactory situation.

The process of consultation needs to be carefully considered and decisions balanced to prioritise the best development outcome in terms of needs and wants of both the existing community and proponent who, in the case of retirement villages and aged care facilities, also represent the future users of the development for many years to come.

Community consultation undertaken by local authorities and other government agencies has an impact upon the process of decision making. Community members in close proximity to the site are generally individually notified of the proposed development during the consultation process and are often driven by self interest only. There is limited, or no, formal mechanism for hearing the views of the wider community and those who will use the facilities in the future. While elected members and officers are bound by the declaration of interest rules in local government, the same is not true of what is often a vocal minority who oppose development through self interest.

The projected significant growth in aged care looking forward 30 years, requires specific visioning by government and dissemination of this vision to the wider community so that there is a greater acceptance of the retirement living and aged care sector and its need for a suitable density. Consultation aimed only at those in the immediate vicinity of the proposed development, often divides communities where there are development challenges and, as such, there is an obligation for government at all levels to show leadership and vision to ensure it is facilitating planning for future generations. In some instances the views of particular interest groups may not reflect the broader community views and often local government elected members react to current community members with personal bias and those who can dominate public forums. This needs to be mediated as it has the potential to result in poor decision making. A highly vocal minority of objectors can, and do, strongly influence decision making by elected members in local government and this may not be in the best longer term interest of the community at large. The issues have the potential to be 'politicised' rather than dealt with in the interests of the wider community.

It is our view that major developments that are to provide services to the community (eg retirement accommodation and aged care facilities) should be assessed by planning professionals or independent (to the local authority) panels with the view of considering the **wider** community. Given the very small size of many WA local government authorities, this is a particularly important in this state.

## **5. Availability of suitable land**

Location is a critical component for the provision of aged care and retirement facilities as it is essential that such services are close to public transport, shopping and medical facilities to enable residents to maintain as much independence as possible (particularly as they discontinue driving), visitors to get to the location easily and staff to be attracted to work in the service.

The shortage of land in the Perth metropolitan area is currently impacting on housing affordability and increased land prices. In this instance government needs to take decisive action to protect this important housing sector for the community, particularly given the increase in demand to be experienced over the coming decades.

The Perth metropolitan area is sprawled and it is widely acknowledged by planning professionals and the state government that increased density and infill developments are essential to avoid the continued sprawl and the subsequent social and infrastructure issues. However, local governments are, in the main, slow to react to this and most appear to seek to maintain the status quo within their jurisdiction. This does not allow for sites for services for the aged to be easily and affordably acquired in areas where there is the most need. New land developments are, by their very nature, on the outskirts of the metropolitan area and not in areas where there are aged people, nor in locations that are attractive to retirees. However, provision needs to be made in new developments for the future needs of the aged as the population moving into the area gets older. This rarely happens. An overall planning approach, done in conjunction with the aged care sector, would be useful in identifying the future land requirements to meet the needs of aged persons.

**Conclusion:**

An overhaul of the planning system is long overdue in Western Australia. The current system is focused on individual local government authorities whose mandate is to service the needs of *that* population only and does not take into consideration the current and future needs of the total ageing population.

The long timeframes being experienced to rezone land and to get approvals for developments are a deterrent to the provision of services, is costly and inefficient.

Planning decisions for substantial developments for older people would best be removed from local authorities to a body which is able to assess the value of developments for the wider community.

Land planning should incorporate consultation with the aged care industry to ensure that the needs of older people are addressed for the future.

Thank you for the opportunity to comment on the Commission's Study. If you have any further queries regarding our submission, please contact me.

Yours sincerely

Jill Hanna  
GM Strategy and Corporate Support