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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE

Reference: Sustainable cities

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ENVIRONMENT AND HERITAGE
Thursday, 31 March 2005

Members: Dr Washer (*Chair*), Ms George (*Deputy Chair*), Mr Broadbent, Ms Hoare, Mr Jenkins, Miss Jackie Kelly, Mr Kerr, Mr McArthur, Mr Turnbull and Mr Wood

Members in attendance: Ms George, Mr Jenkins, Mr Kerr, Mr McArthur, Dr Washer and Mr Wood

Terms of reference for the inquiry:

To inquire into and report on:

Issues and policies related to the development of sustainable cities to the year 2025, particularly:

The environmental and social impacts of sprawling urban development;

The major determinants of urban settlement patterns and desirable patterns of development for the growth of Australian cities;

A blueprint for ecologically sustainable patterns of settlement, with particular reference to eco-efficiency and equity in the provision of services and infrastructure;

Measures to reduce the environmental, social and economic costs of continuing urban expansion; and

Mechanisms for the Commonwealth to bring about urban development reform and promote ecologically sustainable patterns of settlement.

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Committee met at 9.03 a.m.

MONTGOMERY, Dr Andrew David, Program Leader, Urban Growth Management, Urban Policy Division, Western Australian Department for Planning and Infrastructure

STEWART, Mr Anthony Peter, Senior Manager, Sustainable Energy Development Office

CHAIR—I declare open this public hearing of the House of Representatives Standing Committee on Environment and Heritage inquiry into Sustainable Cities 2025. The inquiry commenced in the previous parliament and has been re-referred to the committee. In the previous parliament, the committee conducted 13 public hearings. This is the first hearing to be conducted in the current parliament and it is the 14th for the inquiry. It is also the first hearing for this committee in Perth. The committee is very pleased to be here. The submissions we have received from Western Australia suggest that some of the issues faced in building sustainable cities in the west are unique, although some parallels can be drawn with the growth of cities in the east. We know that WA has a number of great programs in place already. There have been some excellent initiatives, particularly in environmental design, water conservation and alternative energy use. Today, we are going to hear from a number of organisation that are working towards making Perth and other centres in Western Australia liveable and viable cities.

I welcome representatives of the Western Australian government Department for Planning and Infrastructure and the Sustainable Energy Development Office. Although the committee does not require you to give evidence under oath, I advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. I invite you to make a brief statement in relation to your submission and then we will proceed to questions.

Dr Montgomery—I do not have much to say, other than that since the submission was prepared the Department for Planning and Infrastructure has proceeded with the initiatives and programs that we have mentioned in this document and we have now produced the next stage of the Greater Perth initiative, which is Network City. In line with the request in the papers, I have brought a number of copies of the Network City strategy to pass on to you.

CHAIR—Mr Stewart, would you like to make a statement?

Mr Stewart—Andrew and I talked about this previously: the position of the WA government has not changed since we made the submission but, from a sustainable energy perspective, a number of things have happened at a national level to drive greater energy efficiency. You might be aware of the Ministerial Council on Energy signing off on the National Framework for Energy Efficiency, to which WA is a signatory. There are a number of initiatives included in the framework that will hopefully drive greater energy efficiency in the residential and community building area—that is, increase uniform standards across the country for residential buildings; introduce standards for commercial buildings; and require the mandatory disclosure of the energy performance of both residential and commercial buildings at time of sale or lease. There are also a number of other initiatives included in the national framework that will help build capacity in the sectors that provide energy efficiency services and develop greater awareness in the commercial and residential sectors of the opportunities that energy efficiency offers.

CHAIR—How will you rate that? Refrigerators and freezers have star ratings. Is there going to be some rating or signage for buildings?

Mr Stewart—That is still under development. Six implementation groups have been set up. One is dealing with buildings. At the moment, in Western Australia the minimum performance standard for housing on thermal performance is four stars, using either the First Rate software tool, which has been developed by Victoria, or the National House Energy Rating Scheme, which has been developed by all Australian governments. We envisage that that requirement will increase to five. There is also the opportunity to add more stars to the tool so that we can drive the standards further as technology improves.

Ms GEORGE—Thank you very much for your submissions. They are very comprehensive and very informative. I am particularly interested in the sustainability act, which I understand is now in draft form. One thing worries me. We can all get on the sustainability bandwagon and have legislation which is well meaning and well sounding. What is the intent in terms of implementation and any sanctions that might apply in this act? What is the brief of the act? Will it force government departments to meet certain targets, with failure resulting in some kind of penalty? Can you explain just a little bit about the thinking behind the act?

Dr Montgomery—I am afraid I am not an authority on that particular act. There is obviously a lot in our submission, as you have alluded to. I am very familiar with some of the areas and I am not that familiar with others. I am very familiar with the sustainability issues but not the act. I am very familiar with the strategy. Our Department for Planning and Infrastructure has produced a draft statement of planning policy, which encourages sustainability and the introduction of measures which would enhance or move us towards sustainability. I can talk about those areas, but I am afraid I am a little bit vague on the act itself.

Ms GEORGE—Is it possible that you could ask somebody to take that on notice and see whether you could get some information?

Dr Montgomery—Absolutely. I will certainly take that on notice and I will get the information.

Ms GEORGE—It seems to me, from what I understand, that it will be the first state government attempt to introduce sustainability legislation. It is kind of setting the trend. It will be interesting to look at the scope of the legislation. The other issue I want to pick up on is that in your submission you talk, somewhat critically I guess, about the approach we took in the discussion paper—that we had broken down the issues into certain compartments, I guess, including protection of the environment and heritage, green spaces, energy use and water. You say that one of the keys to sustainable cities is to develop sustainable urban structure and principles. In the background paper you do not go on to explain exactly what you mean by ‘sustainable urban structure and principles’. Would you like to perhaps expand on that for us?

Dr Montgomery—Yes, I can. Can I draw your attention to something in the notes themselves?

Ms GEORGE—Sure.

CHAIR—It is an extensive submission, which is good.

Dr Montgomery—It certainly is. At the back of our document about strategy is a separate sheet with all the principles. I think it is more comprehensive than one might normally expect to be put into this kind of document. Perhaps I could forward a copy of the sustainability principles to you as well. The principles themselves underpin everything that we are holding dear as far as sustainability goes. We are striving to ensure that those principles are put in place. Those are the principles from the strategy itself: ‘Hope for the future’.

Mr WOOD—I would like to pick up a question from the chair. With regard to private or residential premises and buildings, how are you actually going to determine an energy rating? If a person is planning to sell a house, who actually determines what energy rating is on the house or the building?

Mr Stewart—That is still to be determined as well. How it works in the ACT, where that requirement is already implemented, is that they have to have an accredited rating done. I think you can actually self-rate there as well, but I am not positive on that. That is done using approved methodology and approved software tools. One of the things that we have to work towards, I suppose, is developing those procedures, the mechanisms that could be used to do that and the time at which that rating needs to be disclosed to the prospective purchaser or lessee. In the ACT, I think it has to go in the ads in the newspaper, so it has to be actually disclosed before the person would think of putting in an offer on a property. As I said, those details still need to be sorted out.

Mr WOOD—How receptive are they? For example, if someone is selling a building, are they actually trying to install energy efficient products? Is the legislation forcing them to?

Mr Stewart—I would not see any requirement for people to improve. For instance, there will not be a minimum level that they have to achieve before they can sell their house, if that is what you mean.

Mr WOOD—Yes, but what about new buildings, new structures, down the track?

Mr Stewart—At a residential level, they already have to meet requirements for certain types of residences: freestanding and adjoined. Again, that is not my principal area. I can get back to you on what class of buildings they are. In July this year another class of buildings will be introduced to that requirement, and in July 2006 I understand that commercial buildings will also come under that requirement.

Mr WOOD—Is that for new buildings?

Mr Stewart—Yes, and major refurbishments as well. Anything that you need to get a building licence for will have to meet that requirement.

Mr WOOD—Will this be regulated by the local council or the state government?

Mr Stewart—The Building Code of Australia is administered within the planning code. It is a requirement of any construction that you would adhere to the Building Code of Australia and the

requirements for each jurisdiction. They are not necessarily uniform. Victoria has a five-star requirement, I think, but again that is not implemented through the Building Code at this stage.

Mr WOOD—I have a final question. For example, for a building, what requirements would be needed in the future to meet this rating, whether it is water conservation, dual flush toilets et cetera? What are some of the ideas that you are looking at?

Mr Stewart—We are looking at it only from an energy perspective. So from our perspective it is thermal energy performance. It is not to do with the appliances, although some jurisdictions have introduced that requirement. New South Wales has an appliance requirement. We look at the building envelope and the theoretical thermal performance of that building. You are trying to build a building that will maintain the internal temperature within a certain bandwidth and, in doing so, reduce the amount of heating or cooling needed.

Mr WOOD—So that might include insulation?

Mr Stewart—Yes, and the number of windows on east-facing walls—that sort of thing.

Mr JENKINS—In the submission there is discussion about the lack of diversity in housing stock, especially in new housing stock coming online—the way that the housing stock does not match up with the higher percentage of, say, single-occupant dwellings et cetera. In Victoria, in Melbourne, there is the 2030 plan. In recent times, there has been great discussion about elements of that. The critics of the plan say that it is not something that the market will bear. When we get to the nitty-gritty of a lot of these ideas, it is often a chicken-and-egg thing: can we change the market's behaviour by putting things on offer and therefore achieve the diversity by giving them choice, or is it that we do not give them diversity because that is not what people want? I want to tease out comments about that.

Dr Montgomery—I am very well aware of the criticisms of the 2030 plan in Melbourne. I think the point is that, if you asked somebody—without there being any financial implications for them: 'Would you like to live in this fairly compact, densely developed neighbourhood, on a small block of land, or would you like to live in this fairly sparsely developed neighbourhood on a larger block of land?' there would be no question about their answer. It is like asking someone whether they would like the petrol price to be lower than it is right now. They would say, 'Absolutely'.

The questions are of affordability and again of the threshold, which is the point where amenity would be impaired if you went any further. I think the questions being asked in the Melbourne case are harking back to the fifties and sixties when people had that kind of choice in terms of not just land availability but also affordability. Today those issues are far more finely drawn, and affordability is becoming a larger issue.

If you are wanting to develop on the fringes of cities and you do not constrain in any way the type of development that occurs there—in other words, what we would generally describe as sprawl—there is no doubt that those developments will cost less to develop and, correspondingly, will be quite spacious or spread out. They will be less dense than perhaps the inner areas. To develop the inner areas generally costs a bit more if you do not put constraints on the fringe development.

In Melbourne, they want to redevelop quite a lot of areas within the city and push the density up. We have had exactly the same issues here. In fact, Network City has been faced with the same issues in a lot of areas. Our chairman will attest to that. We have exactly the same issues. It is a question of: what do you want? When it comes down to affordability, we have to ensure that there is available housing and that that available housing is acceptable from the point of view of amenity—that is, they are liveable cities or there is a level of wellbeing. That is where the balance between the various areas of social, economic and environmental sustainability comes in. It is that question of balance that we are busily working with.

In summary, I would say the Perth situation is perhaps not as intense as the Melbourne situation, because we do not have quite the same land shortages. We are not faced with quite the same pressures that perhaps Melburnians are, but we are heading in the same direction. Certainly the cost of infrastructure required to be paid for by local and state governments to build less dense areas or less concentrated settlements is rising beyond the affordability of those governments. So we have come to a crunch point, and it is a question of getting that balance.

We are proposing in Western Australia that to get that balance requires very diligent networking and very diligent dialogue with the communities. In other words, for us to come in as a professional body and say, 'We know what is good for you; this is what we are going to do,' is to do the same thing that they did in the fifties and sixties. Today we have to say: 'These are all the issues that we need to address. For example, affordability is about affordability not just for you but also for the state. How can we collectively face these issues and come to the best possible compromise?' That is the challenge that we face here. That is the way that we are moving forward, especially in light of what has happened in Melbourne.

Those are some of the issues that we are aware of and those are some of the ways in which we are approaching them. It is not black and white; it is really what people are able to live with or are prepared to pay for—'people' being both the public realm and the private realm.

Mr JENKINS—I want to look at the two levels of affordability. I understand that, to the extent that the market is open to the pressures of consumers—and, with housing stock, 'consumers' are individuals or families—the affordability in the here and now is of course paramount. We have had a public debate about the affordability of government expenditures, which has tended to become more about the here and now rather than about investment in the future.

Dr Montgomery—That is right.

Mr JENKINS—My concern is that, unless we break that, there is an impediment to proper planning for sustainability. For instance, the area that I represent, which is approximately 20 kilometres from the GPO, is a great example of urban sprawl and those who are responsible for its planning are trying to change that around by implementing things that in the future will make sense. My impression of Perth is that it has public transport spines from which things hang off. The theory is that, even in the new outer lying areas, we make greater density dwellings closer to the spine, gradually going out to the broader blocks. Again, that takes a bit of decision making about investments for the future, not only for the here and now. I am wondering what your experience has been of the government here implementing the good things that it intends and whether people can see that there is thinking that allows for that.

Dr Montgomery—There is no doubt that the Perth community and government are very alive to those issues of planning and development. Perth is doing precisely that: concentrating on the development of corridors. We have been doing that since 1990 with the corridor plan, which we mention in connection with this development. What we have done now with our dialogue with the city is go out to thousands of Perth residents and put a number of scenarios to them. We have asked them: ‘Which scenarios would you like to choose in line with some of the issues that you have mentioned in particular?’ The participants in this dialogue process have identified the need for us to concentrate around a number of nodes and spines leading from the city centre.

I am fairly well aware of what is happening in Melbourne. I have an idea of what is happening in Sydney and Adelaide, but I would say that it is easier to do some things here in Perth because our planning system is quite centrally based, whereas I know that in Sydney, for example, it is quite hard to get some of the initiatives to flow through throughout the metropolitan region. Because of our central planning structure in Perth, we are perhaps able to implement some of these measures more immediately.

Mr McARTHUR—Are you saying the government or the city council controls the whole of Perth?

Dr Montgomery—I am saying the state government does because of the state government’s control of land use and development—

Mr McARTHUR—compared to the city councils in Sydney and Melbourne.

Dr Montgomery—Yes, that is right. Thank you for asking for that clarity: that is the point.

Mr JENKINS—But having got to that point, how do we convert the planning of the land use into using the land after that? Does the difficulty lie with the culture in which those funding decisions are made? I think that this committee would move that there are a wide range of ways that we can do it. I think we would acknowledge that a lot of these things are not just for government decision but also for private decision and that it has to therefore be a partnership between industry, community and government.

From the government’s point of view, what are the difficulties? You are planning an infrastructure, so you get a chance to have the delivery of the infrastructure. But sometimes I look at the plans for my electorate and think: ‘This is terrific. You beaut! But when is it going to happen?’ I have talked about the new estate in the urban fringe on the border of my electorate. The public transport spine is there, but I have to say that I do not think that I will see public transport along that spine. I hope my kids actually see it. That is the problem. That is the frustration for the people that I represent on the urban fringe—that they never get to see it.

Dr Montgomery—Yes, it is a hugely time-consuming process, particularly as it involves community consensus. Nobody knows that better than you. All I can say is that, if I look back to the last 10 years, I think Perth has actually been fortunate to be able to move some of these initiatives quite fast compared to some of the other initiatives that have happened elsewhere in the world, and we are doing so with very diligent communication, participation and dialogue with the communities.

The old days of technical- or professional-led planning—the ‘have we got a plan for you’ type of thing—have really rolled right out, and now we are talking about a lot of the processes rather than the plans. We want to develop processes, frameworks and policy strategies which are more flexible rather than to say, ‘This is the plan; we have got the final plan and we will sign off on a particular date.’ We have got a suite of programs, within which are policies and strategies which guide us. That is a far more flexible and robust system, so we end up being able to tackle issues which we might not have foreseen in a concrete plan.

We do have a number of detailed plans down at a lower level, but the emphasis of Network City is this broader program of policies, and those policies are developed through very diligent communication with the local governments. Again, it is a tremendously time-consuming process but in Perth, nevertheless, even in the last five years, we have seen tremendous triumphs.

Mr Stewart—I think that in the development of the network cities a few things were definitely identified as issues. We are looking at mechanisms to encourage developers to adhere to the plan. One of those relates to having a look at how we price infrastructure provisions. We have these nodes that we want to develop, but how do we deal with people who want to leapfrog those sorts of things, and how do we cost the infrastructure provision to them? What mechanisms can we use to encourage people to stick to the network plan? I think that is ongoing work at the moment.

Dr Montgomery—Yes, it is. We are working closely with Tony and his agency—in fact, the whole of government. This is a far more joined-up government environment than perhaps we had 20 years ago.

Ms GEORGE—On the question of public transport, it seems from my observation that Western Australia has invested a lot more and has a greater vision about the use of public transport. What impact is it having on changing community attitudes to leaving the car at home and getting on the train? Are you seeing an increase in patronage for the investment that you are making? What is the cost analysis?

Dr Montgomery—I do not have all the figures at my fingertips. I can give you an overview. I would say that we have a little bit of an incentive for communities, because the traffic situation has actually got quite bad quite quickly. It is amazing how you can get to the stage where everything is suddenly quite bad.

CHAIR—I spent one hour on the freeway coming here, from the top of the freeway north.

Dr Montgomery—And it used to be half an hour before. That has happened, I would say, in the last three years. So suddenly we have got this situation. We have almost been helped—

Mr McARTHUR—If the local people think the traffic is bad in Perth, they have not been to Melbourne!

Dr Montgomery—Yes, we travel over to Sydney and Melbourne and we are very grateful when we come back. But, to come back to the point, we have got all these programs. This Network City has resulted in a tremendous education program as well—getting the message out there, or at least getting the debate happening in the community. But we have been helped along

by the experience, which the chairman has just described, occurring throughout Perth. There is a realisation: 'Hang on, there is an issue here.' Of course, we do all travel over Easter and we are aware of the fact that we are heading in that direction. So I think there is certainly a realisation amongst the public that they do need to get more involved with this. The local governments and the state governments are involved in significant infrastructure development, so at least a large proportion of the community is recognising that something needs to be done and is actually doing something about it because of the situation. In fact, we are mapping not just the infrastructure—the framework or the network—but the patronage, and there are definitely shifts in patronage towards buses and trains. There is no doubt about that.

Mr Stewart—The northern line, for instance, got started in 1991 or 1992 and there was a predicted patronage for that and it was far exceeded in the first few months.

Dr Montgomery—Far exceeded, yes. That is right.

Mr Stewart—Straightaway.

Dr Montgomery—That affected the southern line too.

CHAIR—All the trains that passed me this morning were full—

Ms GEORGE—During the day yesterday we saw—

CHAIR—certainly during peak hour.

Mr McARTHUR—Firstly, can I commend the submission. I would like to convey the committee's thanks to the authors of the submission.

Dr Montgomery—Thank you. I will convey that to the authors. There are a lot of people involved in this.

Mr McARTHUR—I have been on the committee for two or three years and I think the submission covers the issues that we have been looking at around Australia. Whoever wrote it did a very good job. It is not bureaucratic and it is interesting, and you have done a lot of work. I will just raise three or four issues. Some have been mentioned by other members. Firstly, can I ask a question on this whole issue of sustainability. Why is the government or why are the people of Perth looking at these issues when they are not immediately a problem as they are in Melbourne and Sydney? How have you convinced the voting public, in the broad political argument, that you ought to change the rail structure, the roads and the sustainability?

Dr Montgomery—I can only give an opinion from my own experience of being involved in a number of these initiatives over some seven years. I think it is again a question of relativity. We think we do have a problem over here, and we are genuinely concerned when, after just a few years, we are suddenly spending longer and longer sitting on the freeway or wherever. So I think that has played a large role. This sudden increase has almost brought a wake-up call, if you like, upon us.

Mr McARTHUR—You are saying this has happened in the last three years?

Dr Montgomery—It has. I would say certainly in the last five years. There has been, in my own experience—

Mr McARTHUR—The impression I get from your submission and others is that Western Australia has been looking at some of these issues such as rail—which I will come to in a minute—and has been planning that for, say, 10 years.

Dr Montgomery—Yes, we have.

Mr McARTHUR—That has not been happening on the eastern seaboard. So why were you looking ahead better than the eastern states?

CHAIR—We have more intelligence!

Mr McARTHUR—I know you are better, but why—apart from that factor?

Dr Montgomery—One might be that we do have a more government-centric approach to planning. It means that we are able—again this is just an impression—to perhaps tackle issues much more broadly than we might normally tackle them, because of the jurisdiction—

Mr McARTHUR—But you have overcome the parochial local council view to get the railway in or to change the buses and roads.

Mr Stewart—I think local governments are quite supportive of it rather than parochial. The issues affect them just as much as they affect the central business district. All that traffic has to come from somewhere, and if they can keep traffic off local council roads then there is a benefit for them just as much as there is for traffic on the main arterials.

Dr Montgomery—The point Stewart is making is: how did we manage to convince our fellows, when they are battling over in the east? It is perhaps a question of scale. We are smaller and it is easier to convince a smaller group. That is also an issue, I think.

Mr McARTHUR—My second question is this: it was put us to yesterday in an informal discussion that Western Australia was leading the world in sustainability approaches and that one of the factors was the forest argument in the south-west. That had a very big impact on the population as people suddenly became aware of long-term attitudes. Would you agree with the proposition that that debate triggered a change in attitude in the community to one where people thought they needed to make sure they had a generational sustainability approach to most of these issues?

Dr Montgomery—There is no doubt that that raised awareness significantly. I could not comment on just how well we are doing.

Mr McARTHUR—Did that awareness mean that, from the public's point of view, sustainability was important?

Dr Montgomery—Yes. The issues around the forestry debate were brought into the living room. No doubt that would have contributed. I cannot comment, though, on our position relative to anybody in any of the other areas. But that issue definitely brought home to a lot of people—

Mr McARTHUR—What did the average voter think? How did he go from ‘forest’ to ‘sustainability’? Did ‘old growth forest’ mean ‘sustainability in the long term’? Is that the sort of thing that happened?

Dr Montgomery—Yes, I think so. There is obviously a whole raft of issues and that was one issue which almost epitomised the rest of them. This was just one immediate example that people could identify with and which perhaps threw greater light on the question of sustainability.

Mr WOOD—Are you saying the people recognised that there needed to be a balance between jobs and the environment?

Dr Montgomery—No. I am saying that the spotlight being placed on the old growth forest issues highlighted the sustainability issue in its broadest sense. This was a particular focus.

Mr McARTHUR—Citizens were thinking, ‘We’re going to be here a long time, so we need to look at waste, energy and transport’—the very things this committee is looking at. It focused the issues.

Dr Montgomery—Absolutely. It certainly did, yes.

Mr McARTHUR—I have two other issues. One is this matter of the rail. How do you think you managed to put in a new rail system? You say in your submission that you are the only government in Australia—and maybe in parts of the Western world—that has actually put in a new urban rail network. How were you able to do that in an environment where Perth is not constrained in terms of land? You can just keep expanding out; there is no difficulty there as far as I can see. You put the new rail in where the motor car was still the dominant feature. How did you manage to win that argument?

Dr Montgomery—It is an interesting set of circumstances. It is almost like the alignment of the planets, if you like. It is almost as though we have reached a set of circumstances which slowly have been positioning themselves. There has been a healthy and vigorous debate over a number of years.

Mr McARTHUR—What was the debate about?

Dr Montgomery—The debate was about improving our lifestyle and improving—

Mr McARTHUR—So it was not about rail or motor cars?

Dr Montgomery—Yes. It was about lessening dependence on car travel and also about greenhouse issues. So there has been a larger debate within Western Australia about these matters. It is almost as if we have the alignment of a lot of bodies and decision makers in the political, professional, technical and public realms in terms of agreement. I am quite amazed at

the level of agreement that we have. It is that high level of consensus that has enabled us to agree on the expenditure of such a large amount.

Mr McARTHUR—Would you say the rail system is working or that it is going to work?

Dr Montgomery—It is going to work.

Mr McARTHUR—It is going to work?

Dr Montgomery—Absolutely.

Mr McARTHUR—Now; today?

Dr Montgomery—The evidence on our northern line, as Tony was mentioning, is that it has surpassed expectation. Our modelling on the southern line shows that it is going to work.

Mr McARTHUR—My final question is on the matter of water. It seems that Western Australia is very short of water—we get that impression. Do you think you are ahead of the eastern seaboard in terms of water conservation, utilisation and sustainability—all of that—because of the community awareness that Perth has no water?

Dr Montgomery—That is one area that I would have to get further information on. Tony can assist me. I am not an expert.

Mr McARTHUR—Give us a view as a citizen.

Dr Montgomery—As a citizen, I am concerned about our water situation. We need some pretty urgent and vigorous action.

Ms GEORGE—Tony, in your submission you mentioned the desalinisation project. I would like to get an overview from you. We are going to be travelling on the hydrogen fuel cell bus this afternoon. There is talk about Western Australia leading the way in terms of desalination plans. Can you let us know about some of the initiatives that are being conducted over here? You mentioned there was reform of the electricity system being undertaken. Are there things we can learn from what is happening over here in the west in terms of alternative energy use and the promotion of it?

Mr Stewart—Western Australia definitely has a number of unique circumstances. It is possibly similar to parts of South Australia, parts of Queensland and the Northern Territory, but it is on a larger scale in that we have to provide power to a lot of remote communities and towns. The cost for government of providing energy to those areas is quite significant. It is subsidised by the uniform tariff mechanism so the consumer does not see the full price but the government sees the full price of supplying that energy. From a government perspective, there are great incentives to look at innovative ways of providing energy in those towns. Renewable energy in those situations is quite cost-effective. That has been an enormous driver for us in getting more renewable energy out into regional areas.

From a large-scale perspective, and looking at electricity reform and some of the questions that Stewart raised, Western Australia has had the benefit of hindsight in that we have moved a little bit slower in some areas—especially in electricity reform—than the eastern seaboard. As such, we have been able to have a look at what has happened there and have seen what has worked and what has not and have been able to adjust what has gone in over here.

In terms of what actual innovations are going on at the moment, the hydrogen bus issue is being dealt with through Andrew's department. We do not deal with that. But the electricity reform process has driven the introduction or development of a number of new renewable energy projects. There are 150 megawatts of wind farms planned for up around Geraldton and we are aware of around 350 to 400 megawatts of other wind proposals. We also have a lot of other issues that are driving our sustainability. When you flew over here, if you looked out the window you would have noticed a lot of white patches out through agricultural Western Australia. Salinity is a big issue for us. Water supply is a big issue, probably more so than in the eastern states. Even though the population is greater over there, it is a big issue for us here. There is the opportunity for Western Australia to look at integrated projects that will deliver multiple benefits. That is definitely driving a lot of the things that are happening over here. You would possibly be aware of the integrated—

Mr McARTHUR—Is desalinisation a real proposition or not?

Mr Stewart—This is not my area but it is my understanding that the government has stated that it is committed to the desalinisation plant but that it will be powered by renewable energy. So they are going to build a desalinisation plant but they will source the electricity for that from renewable projects to reduce the potential environmental impact of that development.

Mr WOOD—Are you sharing information with the other states if you guys come up with a good idea over here? Is there an annual conference with the other states?

Mr McARTHUR—You do not talk to the eastern states, do you!

Dr Montgomery—We do. In fact, we have the Melbourne planners coming over to us in a couple of weeks. Melbourne has the 2030 plan and something called the metropolitan development plan, I think. We have the Melbourne team for that coming over to us in a couple of weeks. We go over there. There is a lot of exchange.

Mr McARTHUR—You don't learn much when you go there, though!

Dr Montgomery—We do. We are picking up the basics, and a whole lot of other initiatives. There is a really good interchange of ideas and learning.

Mr Stewart—I have not seen this level of cooperation between states and Commonwealth on a number of issues, definitely at a Public Service level—including sharing information and looking at what we are doing and how we can make it more efficient. The national framework for energy efficiency, for instance, looks at what programs we are doing in each of the jurisdictions that could be delivered better at a national level—firstly, to provide consistency for industries that work across jurisdictional boundaries and, secondly, to provide greater efficiencies for government: why are Western Australia going out and producing the same sort of

information that New South Wales, the Commonwealth and Victoria are producing and how can we bring all of those things together?

Ms GEORGE—In the government submission, you urge ratification of the Kyoto protocol. In the absence of that occurring, is there any consideration going on at a state level about working in cooperation with other states to introduce some form of carbon trading scheme?

Mr Stewart—We participate in an interjurisdictional working group, with all the other states. We are coming up with some guiding principles at the moment for a national emissions trading scheme. I do not think there is any commitment from WA to implement something like that, but we are definitely on there in an observer status and making sure that Western Australia's interests are taken into account in the development of that framework.

Ms GEORGE—What incentives at a state level are being provided to the renewable industry?

Dr Montgomery—At the moment at the national level you would be aware of the mandatory renewable energy target. At the state level the government has implemented a 1c per kilowatt hour subsidy for renewable energy projects. That is running from November 2003 to July 2007. That is capped at the first 30 gigawatt hours of production per project, so I think they can get about \$300,000 per project per year in subsidies. It is not insignificant. The government also announced in their election platform a six per cent renewable energy target, which was about 50 per cent above the current MRET target. Initially, we are working again through an interjurisdictional working group, looking at the potential to introduce a state based renewable energy target. It would be our preference to implement it through that mechanism. If that is not possible, we will look at what potential there is and the sorts of things that we can encourage industry to do at a local level.

Mr KERR—One of the focuses of your paper is urban sprawl. You point out in your submission that that is a dominant driver for both energy use and the possibility for energy conservation. In your annexes you also point out that you are developing a process to try to give an emphasis to urban containment and suburban renewal. I am wondering how you are operationalising those things. That is one of the more contentious issues all around Australia. Impressionistically, every time I have visited Perth I have been struck by television advertisements that are selling the next canal development for somewhere up the coast that is far away from every other service that is available. My own visible experience of Perth is that it is a growing, sprawling city. There is a great intellectual debate on this issue. It is said to be the most important element of some of the strategies. It is given emphasis in the planning documents. I am wondering how it will operationalise.

Dr Montgomery—Whereas other cities have looked at the introduction of a growth boundary, Perth is perhaps looking more at incentives to assist development within the metro area. One of the fundamental objectives that flowed out of the dialogue with the city—which was that large initiative that we took; and in fact it is ongoing but it was the initial pulse of contact with a large number of residents—was that we should look at concentrating our efforts through developing within the existing metropolitan area, or infill, with perhaps some concentration or intensification and less focus on expanding fringe development. There is an initial preliminary target of 60-40—that is, 60 per cent of development should be occurring within the metro area

and 40 per cent on the fringe. The question of how to do that is something about which there is a lot of communication and engagement with stakeholder groups, in particular with the communities.

We are looking at focusing our efforts within the metro area on a development spine—urban corridors and densification or concentration around nodes such as railway stations. We have a substantial program of transit oriented development—TOD, as we refer to it here—where we look at developing around all the railway stations. If you go to some of our existing railway stations that were developed 20 or 50 years ago you will see low-density development right up to the railway station. All of the new stations in our new initiative are being planned as more intense nodes. Again, we are looking at the mix of land uses to attract that. We are adopting more of an incentive based approach rather than a restrictive based approach of saying, ‘This is the line and you can’t go over it.’ Obviously, that is not the approach that is not taken by the sensible people who are working with urban growth boundaries.

The bottom line is that we are taking a very careful look at what can still be developed within our area and how we can do that better. We are placing quite a large number of requirements on people who want to develop the fringe to ensure that that development is sustainable. So there is a whole host of issues that need to be properly addressed. In the course of addressing those, it becomes apparent to the proponents—

Mr KERR—Are you loading the real costs of some of these service access issues onto people who want to develop outside the preferred zone?

Dr Montgomery—Probably up until now it has been a lot cheaper to develop on the fringe because, to some extent, development within the centre has been subsidising that. Some of the service costs have been the same. If you were developing certain services within the city as infill it was the same as on the fringe, whereas redevelopment within the city in some respects should be cheaper. Certainly, if we are moving to the fringe additional schools, bus services and health—

Mr KERR—It is the real costs of that public infrastructure.

Dr Montgomery—Exactly. So we are looking again at getting a better understanding of those real costs and looking at ways in which they can be moved onto the developers of those areas. If you roll out areas but the government ends up having to pay for the infrastructure, they have just subsidised you in a substantial way and you are never going to be encouraged to develop within the city itself.

On the other hand, you cannot shut down or make it too hard to develop the fringe without associated attention on facilitating development. Development inflow is always a lot harder. It is more complex and there are more people. Just the engagement process is hugely complex. That necessarily pushes out the time and, obviously, cost. You need to make simultaneous and very diligent efforts within the metro area to make sure that that particular land is free of constraints so that there can actually be an encouragement to develop within the centre and not to just let the cost of that land rise. You get a pressure cooker arrangement if you do not manage that. Affordable housing is obviously something that one has to have very clearly in one’s sights when you are managing availability of land use.

Mr KERR—One of the issues that interests me is community resistance to intensification. That phenomenon has occurred in a number of cities notwithstanding that, from an overall perspective, intensification is a highly desirable feature. People in local situations often are antagonistic to intensification in their own near neighbourhood. Is that happening in Perth?

Dr Montgomery—It certainly is. Before you arrived we were speaking about this particular issue.

Mr KERR—I take the reprimand.

Dr Montgomery—No, that is all right.

Mr JENKINS—But it is pleasing to see that he is of the same mind.

CHAIR—Yes, Harry did raise that.

Dr Montgomery—The point that Harry mentioned was that in the 2030 plan in Melbourne there was quite a substantial backlash. Just recently there has been considerable press on the internet and in the press. The issues facing Melbourne are pretty much the same as those here. If we asked the average person what they wanted, they would actually want a low-density block. They would want quite a large block—preferably a 1,000-metre block next to the sea or the river—and they would want to be not too far from the city. But the issue, obviously, is whether they can actually afford that.

What we are looking at is what areas are appropriate for intensification. By engaging the communities, we are identifying which areas the communities believe should be intensified rather than the professional technocrats deciding how we should do it. The issues themselves are actually on the table. I was just describing the Network City process. I have just provided some further copies of that. It takes greater Perth a step further. This Network City process engages the public. It gives the issues that we are facing, some of the solutions and, most importantly, the implications of some of the solutions. It is a decision which is being taken in concert or conjunction with the community, by the community and, obviously, for the community. The idea would be that we would not just specify that certain areas are going to be made denser and other areas are not. This is something which the community that actually lives in those areas would obviously need to have a huge say in.

As to how we approach it, it is normally an unpopular phenomenon. But the question needs to be addressed because there are a whole lot of affordability issues surrounding that as well. It is a question of how we actually arrive at those unpopular decisions in the best possible way by involving and engaging the community, assisting in making those decisions and then very diligently and speedily executing those decisions.

A further point was made earlier about the funding and development. In Perth, if you prepare a plan and it takes six to 10 years to prepare, as it used to in the sixties and seventies, by the time you actually have the plan, half of the people have already shuffled off somewhere else. When you implement the plan, a lot of those people are dead and a new group of people has come in. They are all saying, 'Hang on a second—we don't want this.' So the idea is to be a lot more proactive in implementing the plan directly. We are trying to bring up the time lag and make the

process much more concentrated so we can see results very shortly after the procedure has been agreed.

Mr KERR—On a totally different subject, you mentioned material science and the importance of utilising best practice building materials. I think you were suggesting that about 50 per cent of the energy costs of buildings are in sunk energy.

Dr Montgomery—That is right.

Mr KERR—One of the submissions that came to us complained about the process of incorporation of new materials into the building codes. Builders have to comply with the Building Code of Australia. They can substitute, I think; they are entitled to substitute if they can prove that another material is equally capable. But it is an onerous process to do that. Is any attention being given to concerns that the Building Code is slowing down the adoption of new, environmentally friendly building materials and can the processes in the Building Code of Australia be streamlined in such a way that that would not happen, if it is happening?

Dr Montgomery—I am afraid I cannot confirm that, but I can find out and let you know of feelings about the Building Code and its impact on moving towards more sustainable building materials and methods. Would you like me to do that?

Mr KERR—Yes, thank you.

Mr JENKINS—I was encouraged by Mr McArthur's questioning about the central control of the planning. I was almost tempted to think that he might be ready to embrace national ownership of the means of planning control and production to the degree necessary to achieve sustainable cities throughout the Commonwealth, but I will leave that with my comrade on my left. One of the examples that people come across to look at here in Perth is the Subiaco urban hub. Just backtracking a little, I took Andrew's point about talking about processes and not just looking at plans. I am always hesitant about falling into the trap of looking at planning in the old tradition as just the physical use of the dirt when it is actually about social planning as well.

Your Liveable Neighbourhoods approach is four or five years down the track. What are the measures of the success of sustainability? Sometimes it is easier to measure the success if you can talk about liveability. You have emphasised the need for consultation and bringing the community with you. We visited Gosnells yesterday morning. What interested me was the way not only the gardens and the school were there but the square, the way the station was going to be resited in relation to the main street, which goes across the highway, and all of those principles. But at the end of the day, when you have had two or three years of a change, can we say, 'This has really worked the way we thought it would,' or, 'Can we measure the things that didn't work then adjust our thinking?'

Dr Montgomery—That is an important area in sustainability. Probably the weakness of the original planning models or methodologies that we used was the fact that we did not implement some of our plans. We had these wonderful plans and we did not implement them too well. Where we did implement them, we did not actually measure the impact that they had. If we measured the impact, we did not necessarily always report as widely. That is one of the things

that the sustainability debate has brought in. It has brought back the emphasis on measurement of cause and effect.

What we are doing is placing a lot more emphasis on identification of targets. We are also looking at mapping and identifying trends in the past, over the last short term. There is now more emphasis on measurement than ever before. I will give you one example: the intensity of development. We have begun measuring, over a time sequence, how much more intense development is taking place. You would appreciate that an area might be zoned for, say, 20 units a hectare—that might be its actual physical zoning. If the zoning is for 20 units a hectare, somebody can develop something which is a lot less than 20 units a hectare. We do not have something that says, 'You've got to make sure that the average zoning is 20 units a hectare.' We just say: 'It is 20 units a hectare. You cannot go denser than that, but you can go less dense than that.'

As part of the measurement that I am describing to you—because of the tendency of people wanting to have slightly larger blocks; 20 units a hectare means a block size of 500 square metres—we went and measured every single block throughout Perth. I was personally part of that project. We were able to measure all the various locations where development had occurred over time. We discovered that during the 1970s a tremendous number of units under the 20 units a hectare requirement were predominantly 12.5 units a hectare. They were under the 20 units a hectare requirement but they had been developed at 12.5. Bear in mind that when you develop 20 units a hectare all the services are constructed to service 20 units a hectare. We expect a certain number of people in each of those units and we expect a certain number of units. What we calculated through this process was that during the 1970s, by developing much lower density units, we had overserved the area; there had been a loss of potential that we could be utilising with our infrastructure because there were not as many houses as originally the area had planned to have.

During the 1980s we noticed that there was a shift in the level of density. So now we were starting to move from 12.5 towards about 17.5. The emphasis had been on developing at a higher density, and in the 1990s densities had again moved up a bit. By identifying these kinds of measurements we were able to get feedback on certain policies. In fact, the Liveable Neighbourhoods policy in particular was developed initially just under 10 years ago. In 2000 the level of conformance between the zoning and the actual developed density was quite remarkable. Primarily this was due to policies like Liveable Neighbourhoods. There are a whole suite of policies. Those are issues that we are approaching, measuring and working out.

One area that we are moving into now, which is a very hard area to move into, relates to wellbeing. It is very hard to measure how liveable is a liveable neighbourhood. We are tackling a lot of issues; we have a lot of communities and participants in this area to find out what is liveable, because it is a relative concept. We are looking at, for example, crime statistics. We are looking at a whole range of different measures to work out what the situation was and what it is now and then equate it to policies and actions. We are working across the whole of government. It is an initiative on which we are working with the police and the various other agencies to guide our planning policies in a more focused way.

Mr JENKINS—I wish you luck on that. We were very conscious, when the inquiry started in January last year, that our first series of public hearings was about health matters, and the

Western Sydney health service came before us. There was this notion of how you put together those things that are about wellbeing and about wellness that can be created by the sense of space that many people have tried to put in place. Any hints about how those continue on would be of interest to us.

Dr Montgomery—The first step along this process is gaining really good information. We are talking about information that is very finely cut. You cannot just have a general figure for a whole area because the whole area that you are looking at might be very different from another area, so you need to have good information. We are putting a lot of our efforts into getting a really good understanding of the difference between the various areas so that we can draw a clearer distinction as to what is making a difference.

Mr JENKINS—I have a final question and I do not want this to be taken as a criticism of the submission. At pages 20 to 33 there is discussion of sustainable transport, but freight transport is discussed at page 32 and in one paragraph at page 33—it gets less than a page. The reason I say that it is not to be taken as a criticism is that that is about par for the course in this inquiry. It is one of those things that have me really intrigued. You have gone across a whole host of the things that have been put to the committee about private transport—whether it be the Walking School Bus right through to getting people onto trains, hard rail and light rail, but we do not have a breakthrough. I know there is probably an overlay of national freight which we have to address our minds to. There is the Freight Network Strategy 2002 and in the 11 points there are only two that mention rail—increasing the major share of rail at Fremantle port and examining the opportunity for rail to increase its share of the freight task. I know there is a nostalgic view of city freight movements and as a schoolboy I remember the guard throwing the packages off at each of the stations, but of course the stations had people working there and there was always the notion that we have used rail—

Mr KERR—That was just before they went off to Gallipoli, wasn't it?

Mr JENKINS—Not quite! I know they have moved away from that, but when you are sitting in the freeway traffic jams you see that a lot of this is commercial traffic. With all of these efforts—the 11 pages out of 12—that will get the movement of private transport into public transport and other modes, we are still going to have sustainable cities that have to cope with all these movements around the cities, whether they be intercapital modes, whether they be from Fremantle port or, in my area, the inland port that is going to be a rail on the outskirts, on the fringe. Is it because it is too hard or is it something that we will cope with and we are going to build all the things that we do around that? Or is there something innovative thinking that we have?

Dr Montgomery—I think the number of pages is a good indication. That is correct in the sense that there is a lot that should be done, must be done and will be done, but I might say that when we look back over a few years this might have been a smaller area—in other words, it has been recognised, just as you say, for its importance, not just to the economy but to the movement and the safety and the ease of movement of the rest of the purposes. There has been a lot of focus and attention on this area and it is growing. So, yes, it is recognised. I know that from my own department's point of view there is a tremendous realisation of the importance of this. All I can say is perhaps watch this space; we are moving. We have a directorate which is focused specifically on this; it has equal weight with all the other sections. It is supposed to be a section

of a larger transport area. The realisation of the importance of this is well taken and we are making progress.

CHAIR—On behalf of the committee, thank you for your submission; it was excellent. I think the questions reflected that enthusiasm and interest which you have created. Thank you for presenting today and taking on board the questions.

Dr Montgomery—Thank you very much. I have got a number of points that I will be bringing back; I will pass them on. I would like to thank the committee very much. Certainly the message that has been coming back to me is appreciation for the interest from the federal inquiry, and also an appreciation for previous results. We are already seeing the benefits of the Better Cities Program that we had a decade ago. In fact, a lot of the things we are holding up as good examples came out of the Better Cities Program. At the end of our submission we thank you and commend you for that. The communication that we have had with the federal government in this particular area has been excellent. We welcome this inquiry; we look forward to its outcomes and its recommendations and to further interaction and synergies between the state and the feds.

[10.26 a.m.]

HORGAN, Mrs Marilynn, Executive Officer, Perth Area Consultative Committee

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament and consequently they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that the giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Do you wish to make a brief statement in relation to your submission or some introductory remarks?

Mrs Horgan—Yes. Given the time lapse between the original submission and what has happened in the last 12 months, I would like to go over some parts of the submission and some subsequent things that we have been involved in as the Perth ACC. Firstly, a little bit about where we fit. The Perth ACC is part of a national network of area consultative committees under Transport and Regional Services. The ACCs are a key element of the Australian government's regional development strategy. We are responsible for the development of projects for the regional partnerships; linkages between government, business and the community, and a whole-of-government approach. The Perth ACC covers the whole metro area: we work from Yanchep-Two Rocks in the north down to Cockburn in the south, Wanneroo, Joondalup, Swan, Kalamunda and Mundaring in the east. We cover 27 local government authorities, two regional councils and 11 federal government electorates.

Our vision for the Perth ACC was developed as part of our strategic regional planning process, as shown in documents handed to you. Our major vision for the next four years is the growth and development of the whole of the Perth region which integrates economic, social and environmental opportunities to ensure the needs of both current and future generations are met. In the process of developing our strategic regional plan, we surveyed the whole metropolitan area's stakeholders for the issues that they felt were impacting on their communities now and in the future. The questions were: what are your issues now and what do you see as problems in the future? There was quite an amazing breakdown of these issues, and they fitted very neatly into infrastructure issues, industry issues, environmental issues, land use issues and social issues. From a breakdown of these issues, we then developed our strategic regional plan to address some of them—and to do that, the plan, as you can see, has been broken down into diversifying economy, strengthening community and promoting local growth.

In the area of infrastructure, the issues were upgraded new freight and transport links for port, air and rail—which I just heard you talk about—and public transport links to be implemented. Infrastructure development was a huge issue, in line with the growing needs of the community. Issues there were: access to broadband; the dispersed population impacts on hard and soft infrastructure provision; changing land use in redevelopment areas—industrial to residential, low density to medium and high—putting pressure on existing infrastructure; and increases the need for employment in increased density areas. The outer metropolitan areas identified clear areas of need with regard to: access to tertiary education; skills base; better education and training; a lack of infrastructure in transport, community and recreation services; cultural

opportunities; infrastructure for cultural growth; and the impacts of growing outside the provision of these benefits.

The areas that were important to sustainability issues in industry development were: the changing of importance from manufacturing in the old economy industries to more high-tech industries, so the impact on development for those; complementary industries for new industrial and business parks; encouraging businesses to spend and grow locally; and employment self-containment, which was a major issue. There was also the recycling of inner metropolitan industrial areas leading to losses of economic activity and jobs. This was a corollary to the outer metropolitan areas, where urban growth was encroaching on agricultural areas, so Swan, Wanneroo and Kalamunda were losing these economic drivers in their communities because the farms were being replaced by urban land, which, as you know, does not generate any economic drivers at all.

The environment was a major issue, but under our charter there is not a lot we can do, because it is funded under another federal area. However, it was interesting that the issues of the clean-up of the old industrial areas, protecting the environment against residential encroachment, smart transport options with appropriate residential design to reduce environmental impacts, integrated transport and land use, protection of biodiversity, protection of the Cockburn Sound, greenhouse gas reduction, waste minimisation and education about those processes came out quite strongly.

The land use issues that came out across the whole metropolitan area were: the zoning for industrial and commercial to meet employment needs—not just to colour the map in one colour and say this will meet the needs of the community but, rather, the actual provision of land to meet the numbers of people coming into the community; the relocation of industries requiring more space from inner metro to outer metro, so there was going to be a shortage of commercial and industrial land in the inner city because the price pressures were forcing them to move out; and upgrading and rezoning of older suburban areas bringing higher population density and increased demand on infrastructure, waste disposal and telecommunications. So there was a very common theme across the whole metro area that we covered.

Social issues were particularly pertinent in the outer metropolitan area: isolation, marginalisation, youth employment and dissociation issues reflected high levels of concern, as well as low incomes, high welfare dependency and low school retention rates—and I guess your area of Yanchep-Two Rocks is a very good example of that. So the declining employment prospects and poor income growth, linked with lower educational standards, particularly in outer metropolitan areas, are real social issues. This, coupled with the infrastructure, amplified the situation. The unrestrained urban sprawl leads to locational disadvantage, so you have the high-income, high-skill jobs in the middle and the low-income, lower-skill areas on the outside. Because labour mobility is a direct function of skills—more highly skilled people move more readily than lower skilled people—this was going to be a real problem. They were some of the things that we discovered in the last 12 months that fitted very neatly with the integrated approach, corporate and urban development, that we were taking in our original submission to the inquiry.

I would now like to talk about the projects that we have been involved with as an ACC in areas of sustainable development. I mentioned the Ellenbrook project in the original submission, and we are still involved with that. Ellenbrook was a new urban living development on the

outskirts of the metropolitan area and has been designed with a liveable neighbourhood scheme, so they have mixed-use lot development. It is also a transit oriented development; however, there are no public transport links going out there other than a very regular bus system. So we have this microcosm out there that has been developing steadily over the last five to 10 years. The City of Swan has been heavily involved in the Ellenbrook development, as have other entities such as state government, local government and business organisations, and we work together on an employment forum to try and address the employment, self-sufficiency and social issues in Ellenbrook.

They have a business incubator there for working towards self-containment. They have proactive, home based business strategies, support for youth projects, Job Search agencies and community and welfare agencies delivering on the ground. It is quite an interesting project to be involved in because it is so isolated, and it is a good study of outer metropolitan living. The City of Swan and the Ellenbrook developers have established a community development fund, and money from the sale of each lot goes into this fund for the provision of facilities in the community. That is quite a major thing, with playground and sporting equipment, and it will ensure that this continues beyond the developer moving out, which is quite different because generally, once developers move out, their commitment to the area is gone and there is no fund for local government to pick up.

The City of Joondalup had the inquiry by design process. We worked on a revamp of older suburbs to try and increase employment self-sustainability and transport. There were issues with Joondalup having a housing stock which did not correlate with figures on the current number of people per house. They have a housing stock predominantly of two-bedroom homes across the area and there was not a lot of movement for people to change and have different types of dwelling. As the population ages, family members move out. That is probably going to become a huge issue. We evaluated the work we did in Joondalup on economic efficiency, social equity, environmental responsibility and the human liveability of it. However, due to huge issues with the public perception of the process, it never really got off the ground. That was a learning experience. The underscoring development of the inquiry by design, the capacity that went into it and the plans were all quite amazing. It is a shame it never got off the ground.

We have been working at Wanneroo for quite a while as an ACC. Wanneroo is growing quite rapidly and we have been part of the development of their economic development strategy and the employment policy focussing on greenfield development with the City of Wanneroo. This policy is designed to ask land developers to be more cognisant of how they go about developing their land and providing areas of employment generation in their new developments. We are trying to ensure that built into these development plans is a capacity for economic development, so the new developments will have the required amount of land for generating employment for those people rather than just straight urban development without the facility of employment generation. They are some of the areas we have been working in.

The City of Swan were not included in the original submission; however, the City of Swan have been doing some amazing work—not just with Ellenbrook. Sustainability is built into a quality of life document, so what they are doing is integrated into every business unit of the city of Swan. Their whole method of operation and delivery of any services is contingent on fitting in with set sustainability principles. I believe they submitted the quality of life document as part of a submission to the inquiry. Their work at Ellenbrook has been ongoing for some time. Now that

it has actually become more than just a planning process—it is an integrated process—it is a very interesting way of going about what they do there.

I come to the projects funded through the Perth ACC that have been amazing as far as addressing issues of sustainability in outer metropolitan Perth. The ECO-DETOUR project in the city of Wanneroo was designed to address environmental problems to do with the Gnangara mound and car bodies and products. It was also designed to address a skills deficit in the outer metropolitan area to give opportunities to disadvantaged youth. The overall outcome of that program will be the actual use of discarded car bodies and parts to enable young people to have training in automotive skills. That will address a huge issue that they have identified there. The end product will hopefully be a viable automotive skills training centre in the outer metropolitan area. They are intending to use the sale of the vehicles and parts to generate a cash flow for that facility.

In the north-east sector we have been involved in an environmental repair program looking at the feasibility of a viable commercial industry for environmental revegetation and restoration in the Swan-Bennet catchment areas of Perth; opportunities for employment in environmental areas; and the impact of volunteer groups on employment in these areas, particularly the impact of these people's contribution to environmental regeneration types of projects.

A project in the south-west area of Perth is On Track Cycles, an enterprise at Fremantle train station providing services for bicycle riders such as bike storage, maintenance, repair and servicing. It is to encourage people to use bikes in conjunction with train and bus public transport links around the Fremantle area. The Cockburn skate park is interesting from the point of view of community sustainability issues. The community has identified that youth need recreation in the area. What began as the community getting together and identifying this has been worked up into now delivering a portable skate park facility across the city of Cockburn. There is youth involvement in the running of the facility. They have got a TAFE centre involved as well, so the young people are given the opportunity to develop leadership skills and also skills in running the skate park, which has been very successful because they are able to identify back with the community as well. That is helping to resolve the cohesion problem in the Cockburn area. That is a brief overview of what we have put in our original submission and also of what we have done since and have been involved in with the Perth ACC.

CHAIR—Thank you, Marilynn. About 80 per cent of Joondalup is in my electorate. I am interested in changes to do with sustainability issues. Can you flesh that topic out? In the last passage of questioning, Harry and Duncan alluded to changes that we need to incorporate within developed areas to increase density and improve quality of life, particularly in some of the old developments. Obviously there is great reluctance to do that. I remember a little bit of the issue you raised. Would you flesh that out for us as to what went wrong and how you think we should reapproach it?

Mrs Horgan—Yes. The inquiry by design process was quite amazing. The City of Joondalup got together experts in the fields of planning, environmental planning, engineering, social, community and economics—you name it. All of these kinds of people got together in one forum over three days. I think they worked out at one stage that we had some \$30,000 an hour worth of intellectual input into this inquiry. The actual process was a combination of a lot of community consultation at local community halls and trying to get the community involved in the process

before we actually went to the inquiry by design. There was community consultation and then we went into the inquiry by design to use this information from the community—plus best practice in urban design, engineering and traffic management—to put together a plan to overcome some of the issues facing Joondalup in the next few years.

That went ahead but when the actual findings started going back at a community level there were some issues that in the end overturned the work of the inquiry by design and it was never implemented as such. Some of the issues that we were looking at were transport orientated development around the new train station that was going to be developed at Greenwood and also turning shopping centres inside out. Instead of having your box retail centres with every one having a courtyard in the middle, you turn them around so that people have better access during the day. They make more community sense, with better use of the land. There were issues such as mixed developments of retail and housing in some areas and more housing options to suit the demographics of the area, because we no longer have mum, dad and two children as a unit anymore. Every household unit is no longer like that, so we looked at putting together more housing designs that would suit that. Home based businesses and being able to operate from home with minimal design issues for housing were other issues that we dealt with. There were transport bus route issues—but that is a while ago. They were some of the issues that all came up in the inquiry by design.

CHAIR—Marilynn, if you can—and be frank, because I think I know some of the answers so you do not have to muck around—it would be a good thing to tell an inquiry like this how it went wrong and how it got mucked up. I agree that the concept was good.

Mrs Horgan—The concept was very good. The material that came out with it was consistent with best practice material that we see being implemented all over the world. It was overturned by some very vocal action groups and by politics. The truth was a casualty in a lot of the information going around.

Ms GEORGE—You say that the local community saw the changes as threatening their existing lifestyle.

Mrs Horgan—Yes. People believed that any change to residential density or any changing of block sizes would affect the lifestyle for which they had bought into the area. There are large blocks of 600 or 700 metres in a lot of the older areas; as you go further north the block sizes are smaller. People bought there because they liked the trees and open living. They felt that these was under threat. They viewed high density as being multirise apartments—in effect, really high density.

Mr KERR—Dr Washer has asked you to tease this out a bit more. It would be useful to do that because obviously this form of planning change had weaknesses in the sense that, while it might have developed an ideal proposal that was really in tune with what others thought were necessary for the community, it did not engage effectively in some way with those who had interests and stakes and a capacity to resist. So what can we learn—if anything—from this to assist our inquiry? Among the issues that we know need to be confronted are issues that presumably the work that was being done by this process were intended to confront.

Mrs Horgan—Having been so closely involved with the inquiry by design process, having been part of the community consultation process—sitting in community halls on week nights waiting for people to come and then discussing the program—and also having been part of the three-day inquiry by design—providing papers and intellectual back-up, such as the economic development multipliers that we did for the area as well—I had a very close involvement in what was going on in the build-up to it and also in the actual process from there. I think the problems were to do with a perception of a lack of community involvement. Advertising more widely may be an issue. I think you need to go through a slow and very staged process to ensure that you do have the community on side. Given all that was probably three years ago, I think that now a lot of the issues that we sought to address are slowly happening by osmosis anyway. Maybe the process was a little bit premature. People work better when they have examples of what is going on and how those things work. Coupled with that, there is a firm need to protect what people value in their living. It is very important that you protect their quality of life factors, but you also need to balance the protection of the quality of life factors with the ability of a metropolitan area to continue growing and the ability to meet the demands of a population growth that is going to be quite extraordinary over the next 20 years.

CHAIR—Again, I think we need to be frank. You need to have local government pushing these things and agreeing—and members of a state government—regardless of which side of politics they come from. My impression was, for Duncan’s and everyone’s benefit, that we are going to face a similar problem in many communities. We have to learn from the pathology of what has happened here. Various local and state people, regardless of which side of politics they were from—that is irrelevant because we want both sides—were looking for causes, and anxiety feeds off anxiety and leads to popularity sometimes. That was partly what went wrong. I hasten to add that some of those people were on my side of politics, so I am not being defensive about that. But it was a shame that it got caught up as a mission for people to gain fame and image. That was the impression I got. Is that a wrong perception or overstatement?

Mrs Horgan—I agree with your reading of the situation.

CHAIR—Thank you.

Ms GEORGE—What I found really interesting in your submission—and which we need to be mindful of as a committee—are the social impacts. If you are talking about sustainable cities, the model that is growing in popularity is the one referred to as the core-periphery model, which is very commonplace across the nation. In the region I represent, the closer you are to Wollongong the better the jobs are; the further away you are the higher the rate of youth unemployment and the greater the disconnect between people and opportunities. How do you break down the fact that jobs are not going to be available in many places on the urban fringe and in regional and rural Australia with the way the economy is developing? How do we connect the population, which is moving to the outer fringe, with the lack of employment opportunities in a lot of those communities?

Mrs Horgan—The outer metropolitan area does face those issues. The best way of addressing them is to ensure that the businesses and people there are functioning well to start with. Eighty per cent of employment growth comes from small businesses. Nurturing and growing small business—having conditions and facilities that are available to them, such as networking business associations and a good relationship with their local government, so that that they do

not have any barriers to their growth—is very important in areas where employment self-sufficiency is at a real problem level.

The other issue that needs to be addressed is planning in the first place—I know that does not undo what has already happened—to make sure, as in Wanneroo’s case, that they prescribe that developer’s provide land that will be employment generating right from the word go. That addresses what is ‘going to be’; to address what ‘is’ communities need to nurture and grow what is already there. In a dormitory suburb self-containment and employment self-sufficiency levels are probably sitting at around 26 to 30 per cent. That figure is not really very high. Such suburbs might have schools and local neighbourhood shopping centres and that is about it. Once a suburb has settled down those employment issues are a problem, which is why there is a need to grow and nurture what is already in place there. Those are the most worthwhile methods of employment creation, I would say.

Another issue leads to the questions: Are there people living in these areas? Do they have the skills to meet the requirements of industry and growth areas? So, particularly if you are looking at the area around Cockburn, Kwinana and Rockingham, you will see that the problem is that there is a lot of unemployment. However, the kids coming out of school and the young people in these areas do not have the skills that employers are looking for, so there is a mismatch. Equity of education—provision of social opportunities and the infrastructure to provide that—is the building block to make sure that there is, first of all, a strong and educated community. Economic growth follows from that; without them you are really in big trouble.

Mr WOOD—I want to go further down the track of youth projects. You were talking about the local youth getting involved in selling car parts. Is that right?

Mrs Horgan—Yes.

Mr WOOD—How did you actually get that off the ground? Whose idea was that?

Mrs Horgan—The ECO-DETOUR project at Wanneroo was two years in development. It contains several projects that were all looking at addressing the issue of the skill shortage in the area. There had been research done to say that local employers were looking for automotive type skills. There were also issues with youth unemployment and marginalised youth—that was a separate issue. There was also the issue of the environment in the Gnangara Mound, which is a major underground water supply for Perth, and discarded car bodies and parts out there. All of these things were drawn together by the City of Wanneroo to put this project together. They are bringing in the car bodies and parts, our local businesses provided a workshop and a local training organisation is delivering the training. They won a national ANTA award for that training, which was delivered through Jobs West. It is at stage two at the moment; stage three is the fully viable centre. They have people there coming through with a certificate level—I am not sure exactly what it is now—they are delivering the training and they have had a really high success rate with these people going on and getting work. I am not sure how the sales and the actual completed cars are going yet; I would need to follow that up. That is the concept behind it. The sale of the vehicles will generate cash from there. Another way they were looking at doing it was that the people working on the vehicles actually stored credits for the number of hours they worked on the vehicle and at the vehicle’s completion, those credits could be put towards the cost of that person buying the vehicle. I do not believe Wanneroo has picked up on that just yet.

Mr JENKINS—What is the population of the catchment of the Perth ACC?

Mrs Horgan—It is 1.4 million people.

Mr JENKINS—In your conclusion, you make a couple of really good points. One is about the need for a holistic approach, which is very important, but you also make this important point:

Sustainable development strategies that favour local approaches and are small scale with bottom up involvement and commitment have the most chance of success ...

That is one of the interesting tasks of how we can encourage that to make a contribution within areas of, for instance, the Perth ACC of 1.4 million. In the work that the ACC does, how often do these levels of scale become a problem? This is bearing in mind that you really have this as a guiding light, the bottom-up approach.

Mrs Horgan—The area of the scale of the operation of the ACC or the project development?

Mr JENKINS—Yes, achieving outcomes for the visions that you have.

Mrs Horgan—We work very closely with local government and community organisations, and we are starting to work more with the state government in some areas as well. It is a combination of working at that level to implement the federal government's Regional Partnerships program—which then feeds money back into the communities to do things such as the ECO-DETOUR project, sustainable skate parks et cetera—and having the committed people on the ground, and then the project to make money on top of that. That is one of our roles. The facilitation role and the linking of government and businesses is how we work through the Ellenbrook development. It is how we worked with the City of Wanneroo on the development of the employment strategy. There are various layers to the way that the ACC has been working from there that would make it a more integrated picture. Does that answer your question?

Mr JENKINS—Yes, it does. In your introductory remarks you mentioned a freight project—you get a butterfly stamp for that, and if we had more time I would ask you about it—but another one you talked about was broadband. What is that project about?

Mrs Horgan—The broadband and the freight issues came out when we surveyed our stakeholders and were in responses for a strategic regional plan. So we had a look at the state direction, regional direction and federal government direction and also local government direction to put together the strategic regional plan. The issues that came out from the research and the questionnaires were concerns about the transport linkages and broadband. In parts of the metropolitan area we have not got broadband. There are issues with communications and access just as there are in remote and regional communities.

Mr JENKINS—So the interest is in getting it provided. I am wondering whether there has been work done on the role that IT plays in the sense of community. Even given that a small business operating from home will rely on broadband—that is just one example—we should not see that people are in their room in front of their computer communicating as going against community; rather, it can be part of the way in which a sustainable community develops.

Mrs Horgan—An example of that is within the Ellenbrook project. Because it is all wired to do that they have a very active intranet-type situation. Maybe ‘intranet’ is not the right word, but they have access to community sites throughout Ellenbrook, and that is used as a community noticeboard and an employment noticeboard. That would be one example I could give you—

Mr JENKINS—So it is clearly identified as part of the community?

Mrs Horgan—Yes, as part of the development of that estate.

Mr JENKINS—Thank you for all those answers; I wish we had time to discuss them further. In this document—*Strategic Regional Plan 2004-2007*—the message from the chair opens with: ‘A sustainable community results from a long-term integrated systems approach.’ It goes on to include ‘environmental and social issues and a healthy community’. Do you think that we really have enough of that long-term vision or are there a lot of things that happen in the overall environment that your organisation is working in that are too short-term? That could involve political horizons, or the need for gratification straight away. I am not making a capital ‘P’ political statement, although I could, but we really do need to look at that long-term vision and I am wondering whether that comes into a lot of the decision-making processes that are involved.

Mrs Horgan—The key to that is it being long-term and integrated, and not just integrated at a local community level. It needs to be through the federal, state and local government, particularly in the area of transport strategies and integrated transport strategy at three levels of government to address the issues of movement of freight and issues of huge volume of traffic growth and things like that—maybe as part of the AusLink program. The federal government could step in and say, ‘Transport covers all three spheres of government—when you have local and state, you must have federal working with—

CHAIR—The private sector?

Mrs Horgan—I am not equipped to comment on that, I am sorry.

CHAIR—To what degree do you involve the private sector—

Mrs Horgan—In the Perth ACC operations?

CHAIR—In the project. Through the board you have a very wide spectrum.

Mrs Horgan—The board have very diverse backgrounds. The private sector are involved as stakeholders with the projects and under regional partnerships funding they can also now submit their own applications as well.

CHAIR—Thanks. Has anyone got any urgent questions?

Mr KERR—I was going to ask whether the number of local government agencies that would need to come together to do the coordination is an issue. In this Perth area, you have a population the same as that of the city of Brisbane and twice the area, and you have 27 local governments.

Mrs Horgan—And two regional ones.

Mr KERR—Some of these are very small and do not appear to have cities in them. I am wondering how it all works—coming from Tasmania, where we do not excel in efficiency and wisdom in our local government arrangements! I am not casting aspersions, but it does seem to me to be a possible impediment to effective coordination.

Mrs Horgan—Yes, when you are working across 27 local governments there are 27 different policies on town planning and 27 different approaches to different issues. At the local government level you have the strong outer metropolitan ones that are really addressing the sustainability issues—Joondalup, Wanneroo, Swan and Gosnells. They are really addressing the sustainable development type issues there. You have a very big integrated transport strategy that sits across the eight south-west councils down there. Things are starting to happen at a regional or multiple council level. Wanneroo and Joondalup work closely together and Wanneroo and Swan work together. It is starting to happen by default in a lot of cases.

CHAIR—Thank you for an excellent presentation. We did not have as much time as we might have liked for questions, but thank you on behalf of the committee.

Mrs Horgan—Thank you for the opportunity, on behalf of the Perth ACC board. It is really great to be involved in stuff like this.

Proceedings suspended from 11.06 a.m. to 11.18 a.m.

[11.18 a.m.]

BRIDESON, Ms Lisa Joanne, Sustainable Transport Officer, Conservation Council of Western Australia

TALLENIRE, Mr Christopher John, Director, Conservation Council of Western Australia

WAKE, Mr David James, Sustainable Transport Officer, Conservation Council of Western Australia

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that the giving of false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Do you wish to make a brief statement in relation to your submission or some introductory remarks?

Mr Tallentire—I would like to make some introductory remarks and, by way of a more amplified introduction, say that David Wake and Lisa Brideson job share a sustainable transport officer position working two days a week. I think it is interesting that the funding for their positions comes through a state government grant and that the funding generally going towards transport and other sustainable cities initiatives is indicative of the fact that their contracts finish on 30 June this year. There is a high degree of precariousness faced by all who work in the sector.

We would like to focus on a few areas of our submission. Firstly, there is the preservation of the conservation values in the city environment and then there is energy efficiency, better use of water, waste management and transport implications, which have become particularly problematic in Perth in recent times. I will start by outlining a few concerns that we have with the R codes, the built environment and the regulations that come through the Building Code of Australia. It is a concern to us that we have advice from people who work as planners with local government authorities that it is a tick-the-box type of assessment process that generates the energy efficiency rating for homes. So it is quite possible to go into a home that has a four-star energy rating and find that it has not been properly located and therefore airconditioners have to be used even on days where the temperature is quite mild.

There is another issue relating to the orientation of blocks. In Perth we have a climate that could lend itself to having houses where, with good design, people would not need to use airconditioners in summer or much heating in winter. There is a sustainable home in the city of Subiaco that has been built to demonstrate that with careful design you can keep a home at a temperature of between 20 degrees and 30 degrees all year around in the Perth climate. So it is shame that we have just one or two houses in the city that actually meet those standards. I think we are building about 17,000 to 20, 000 new homes in the Perth area every year. The vast majority of those homes require incredible amounts of energy just to maintain a comfortable climate inside.

Clearly something can be done to make sure that the very basics of goods building design are adhered to, especially good orientation so that a maximum number of windows have a northerly aspect and there is some form of shading on the window so that summer sun does not penetrate and overheat the home, that the home is designed to capture cooling breezes in summer and the temperature can be stabilised by the thermal mass in the home. That is more applicable in winter but it can also act as a useful cooling device in summer. These are not revolutionary ideas; this does not involve technology that is not quite available to us yet. These are just good design principles that should be required. As I started out by saying, we hear that many planners feel they just have to check the boxes and, if a home design, as they see it, does not meet the standards, there is little action that they can take to send the design back to the building company to make sure that something better is developed.

There are other ethical concerns as well. We could have an urban environment where people are trying to do the right thing and not use air-conditioners unnecessarily—and that is often a comfort factor as well; I think it needs to be recognised that it is sometimes more comfortable to live in a home with there is satisfactory natural cooling rather than excessive use of airconditioners—but if neighbouring properties have their airconditioners blasting away then the noise would come into the home that is trying to capture the breezes. So there is a bit of an equity issue there. There is also a need to have regulations in place so that people do not have a building or a house adjacent to theirs that blocks out the natural sunlight or the natural breezes that might come through.

There needs to be a more rigorous approach to the assessment of development approvals. We understand that those sorts of provisions or considerations can be made through the building code and then that comes through our legislation, which is admittedly ultimately implemented through local government authorities. The messages need to be sent through from the federal domain. I will leave it there but I am happy to take further questions on those design aspects.

I would like to move on very briefly to the preservation of the natural environment in cities. There is no doubt that the character of any city comes, to a very large extent, from the natural features. It turns out that in Western Australia the south-west of the state is a recognised the global biodiversity hotspot in terms of the diversity of plant species. For the last 20 years or so we have been able to recognise that two of the epicentres of this biodiversity are the Lesueur region in the north and the Fitzgerald River region in the south.

It turns out that a paper published in August last year shows that Perth is also a biodiversity hot spot. So I think there is scope here for the Commonwealth, especially under the Environment Protection and Biodiversity Conservation Act, to use its powers when there are clearing proposals for urban subdivisions so that there is some higher level of Commonwealth assessment. Then we would not lose the very biodiversity that gives our city its character, or have endless sprawling developments that resemble the 'McMansion' type of housing. They are all too frequent and one city ends up looking like another. We need to preserve the character that gives each city its own identity that people can relate to. I am happy to come back to that point further but I will ask Lisa to begin on some transport related matters.

Ms Brideson—With 85 per cent of Australia's population living in the urban areas there is a really high level of car use and sprawling suburban growth. These have an impact on the quality of life of the people within the cities and on the environment. The federal government has been

withdrawing from urban planning and transport policy yet it has a vital role to play in tax policy and transport spending. The federal government can have an influence in that way. There are measures in place at the moment that detract from sustainability within cities—such as fringe benefit tax arrangements—that encourage private car use and car commuting, and there is pressure to build urban highways when there are possibly better alternatives around. Here in Perth we have had a couple of examples with the non-construction of Roe Highway stage 8 and the Fremantle Eastern Bypass.

I would like to point to a few things that the federal government could do. The federal government could broaden the scope of AusLink to include urban passenger transport and ensure that all projects put forward for funding are subject to independent sustainability assessment—the triple bottom line assessment. The federal government could reform fringe benefit taxes to remove the incentive for private car use and private car commuting and should also enable employers to salary-package travel alternatives like public transport fares and expenses that come from cycling and other alternative modes. The government could develop a national response to the peaking oil supply and support travel demand management initiatives. Initiatives like the TravelSmart program in Perth have been very successful and they could do with a lot more federal support. The federal government could invest in alternative transport energy options and establish a national approach to sustainable urban development including a national policy statement and continuing research effort and forum for dialogue between government industry and community groups on urban growth management and how they feel about this.

Mr Wake—I want to emphasise that one of the themes in our submission, and no doubt a theme in other submissions, is the importance of the federal government playing a leadership role when it comes to sustainable cities. It is curious that previous governments have had programs in place, yet we have seen a decline, certainly since 1996, with the end of initiatives like the National Housing Strategy. Under Brian Howe there was the Australian Urban and Regional Development Review, which underscored the role that the Commonwealth can play and made various recommendations as to initiatives that could be undertaken. I would encourage the committee to see if the points made in those studies are relevant. We certainly think that they are. Our submission also makes some points on energy, waste and water resources, as well as biodiversity and urban planning. Perhaps it is best to take up any issues you would like to raise with us.

CHAIR—Chris, I will start with you. I guess the question would be: do you feel that there is adequate scrutiny by local government of planning issues? For example, when a developer develops the land they have sized blocks with certain aspects and the roads drawn. Some blocks are north facing and other blocks lack that. Should that be a focus for not only the developer but also the building designer? Do you feel that they take enough account of the aspects of building design when they approve buildings for the purposes of construction?

Mr Tallentire—I think that at both levels we are letting ourselves down a bit. On the design side there really could be a whole lot more done. When we approach the local government about this they say, ‘Go and talk to the project home builders and ask them why they are not coming up with all the products.’ When we approach the project home builders they say, ‘We don’t we find that the market is demanding the sorts of product that you’re suggesting.’ But the impression we get is that there are a lot of people out there who would be quite happy to spend \$100,000 on getting a new home built but are perhaps not being presented with all the different options that

are available to them. They are naturally tempted by what seems like the best value product. If that does not include those good design features they sign up with a big project home builder who then has all the connections and experience to get the project through with the local government. The local government just say, 'We've already processed many of these before, so how can we suddenly say no to this one?' I hope that is answering your question. We do need a more rigorous approach, I think.

CHAIR—From the federal point of view, just to value-add to that, we do have a first home buyers incentive. I think it is \$7,000. Do you think we should have a sliding scale in terms of the design of a building before it is granted?

Mr Tallentire—I think that would be an excellent thing. If there were some sort of sliding scale that linked to the environmental features of the home, the sustainability features of the home, that would be excellent.

CHAIR—If that were the case, how simple would it be to classify that? I guess compliance is a problem.

Mr Tallentire—Sure. As I mentioned earlier, that first rate system—the energy rating and the star rating systems—is good in theory but we still see anomalies where homes perhaps meet the standards but are not being used in a way that means that all the features are being used. I think, though, that that is the starting point—with the energy. If a home is designed to have maximum solar passive quality then that is perhaps one that is going to be worthy of a higher first home buyer refund of some sort.

Mr Wake—Another aspect of providing incentives for first home buyers, as well as design, is location. Perhaps some consideration could be given to a location efficient mortgage, which has been used in the US to allow people to buy in more accessible locations. It would be interesting to see the distribution of where people who are receiving the current incentive are living or building their homes. Presumably they are in the outer suburbs. So there would be cheap land and a cheap house but high transport costs and limited access to services and employment opportunities. One of the strategies being used in some parts of the US is to have a location efficient mortgage so that people can essentially borrow more and can locate in a place that is easier to get to without a car, so their transport costs are lower. That is just another angle on home ownership and home affordability that I think is worthy of some thought.

Mr KERR—I have a couple of questions about planning issues, starting with orientation, thermal mass, shading and all those sorts of issues. Is there not a performance based planning regime which mandates certain issues for approval so that these are essentially structured and built in and so that the project home developer, just like any other proponent, has to comply with the provisions of a planning scheme which has those elements built into it? I am surprised that that has not evolved yet in Western Australia.

Mr Tallentire—Unfortunately, it has not fully evolved into the processes in WA. I think—and I hinted at this earlier—that the very early stages of subdivision layout can be a fantastic way of guiding how a future development is going to take place. So if the roads are correctly aligned, with the majority running east-west so that we can have homes with the correct orientation, that is going to make a huge difference and make that project home builder's task so much easier.

But the provisions in town planning schemes at the moment do not seem to require it. In the Perth metropolitan area there is an area known as Atwell South that is built on these good lines. But that is only one out of a whole of lot of others.

Mr KERR—There is nothing in the law that prevents the evolution or adoption of new planning schemes of performance based standards that essentially require you to develop your subdivision and the orientation of your new house in a way which either complies with the north-facing orientation or meets energy efficiency through alternative means, as there are in planning schemes in other local government areas across the country.

Mr Tallentire—I am not aware of anything that prevents that, but it seems that we are in a situation where we need a regulatory regime that requires that the correct thing be done.

Mr KERR—That would be something that state policy perhaps could be orientated towards. It could be a Commonwealth matter, but it could be dealt with at either the local government or state government level. But if it is legally possible, it simply means a consistency of policy making. The state government came to us and made a very good submission. At least in theoretical terms, I think they would agree with everything you are saying. So it is a matter of then operationalising it. There are a couple of practical difficulties. I live in a local government area where the new planning scheme does require all those things, but it is not always easy. For example, if you want water views, here everything looks towards the east to see water.

Ms Brideson—To the west.

Mr KERR—Sorry. Wrong side of the country! Presumably, you want to orientate your house to the water rather than to the sun. I would. With great respect to energy efficiency, if you buy a coastal block you usually like to look at the water. So you have to have some flexibility in your arrangements as well as prescription. You raise the issue of having rules that prevent neighbourhoods from blocking out access to natural breezes and light. That seems to be a bit inconsistent with the preference for intensification of urban development, because one of the necessary elements of intensification is that you often build up and close to neighbours. We have never given people property rights over immediate access. We can always prevent overlooking and shadowing, or at least we can try to minimise that in good planning. But if we have extra constraints that say you must have direct access to northern light and you must have no blocking of prevailing breezes it does seem to be an objective that is inconsistent with intensification.

Mr Tallentire—On the first point, our advice is that good design can be achieved on almost any block. One of Western Australia's—indeed, Australia's—leading solar passive architects, Gary Bavistock, gave that advice. He said it may cost more to capture those ocean views and at the same time have the home designed with the best orientation but, if you are talking about premium properties that are probably \$1 million-plus properties anyway, the extra cost that would be required for that good design is a small percentage of the overall outlay.

On the second point, in discussions on a program that is being run by the state government, the Network City program, we have noticed that there is a lot of confusion about the intensification—the densification—of urban living. I live in Shenton Park, where the average size of properties is 500 square metres, but that is considered to be quite dense living. It is smaller than the traditional Perth block but that is still very much in line with the traditional

Australian expectation of a house and garden. So I think people are sometimes panicking a little bit about what might be the implications of densification. Certainly there should be and there is growing market for more medium density that is perhaps at higher levels than 500 square metre lots, and in those cases it comes back to good design. If we make sure that for people who are living in medium-density and even high-density inner-city situations it is done by making sure the amenity—capturing river views and things—is improved. It is not beyond us to make sure that the solar passive features come in as well.

Ms GEORGE—You suggest in your submission that one lever the federal government might use is procurement policy, and you go on to say that the government should show leadership through a whole-of-government green procurement policy. Would you like to elaborate on your thinking and the ideas behind this idea?

Mr Wake—The spending power of the Commonwealth—and that could also be applied at state and local government levels—could have a positive influence on the marketplace. That is where we are coming from with that suggestion.

Ms GEORGE—Is that across a broad range of concerns?

Mr Wake—One example is vehicles. A lot of motor vehicles in the government fleets are six cylinder, and there is usually no operational reason for them to be that large. It seems to be the preference of people in management who have a car as part of their salary package. There is also fairly limited availability of dedicated LPG. Hybrids are fairly new on the market and very expensive, so perhaps if governments preferred better environmentally performing vehicles in their purchases that could have a positive influence on auto manufacturers and retailers.

CHAIR—Thank you very much for your presentation. What is the TravelSmart program?

Mr Wake—TravelSmart originated in Perth in around 1997 through the old department of transport. It was essentially trying to achieve better transport outcomes by influencing the behaviour of individuals through providing information and motivation, so there are a couple of elements to it. The Department for Planning and Infrastructure is best placed to address that. There is the household program, the flagship, which was trialled in South Perth and is now running in a number of suburbs around Perth. There was a survey to establish a baseline in terms of travel behaviour, including car use, public transport, walking and cycling across all trips. Then interested households were identified and provided with information so they could say, for example, ‘We’d like to know more about bus services,’ and they would have specific timetables or even a visit from a bus driver to tell them more about public transport. Then there is a follow-up survey which has shown on average about a 10 per cent reduction in car trips and a reduction in vehicle kilometres travelled in the order of 12 to 14 per cent.

So through a fairly small investment it generates benefits for the community, from reduced vehicle use and therefore lower emissions and increased fare box revenue for public transport operators. There are even health outcomes from people walking and cycling which means there are, in time, benefits for the health system, so it has worked quite well. There is also a local government component to the program, a schools component and a workplace component, all based around voluntary changes in behaviour through providing information. A lot of people are driving out of habit or because they do not know of alternatives, so it is trying to address that.

Mr JENKINS—Do you have a system of on-demand buses here?

Mr Wake—No. Do you mean people somehow indicating they would like to make a trip and calling the bus?

Mr JENKINS—It is operating somewhere in Australia; I will find out.

CHAIR—Just to answer that, for example up in areas like Two Rocks, north of my electorate, where there are very few bus services, they have had community involvement in when they would like a bus to come along and who is going to support it. Generally buses are provided by Transperth, which is privately owned but controlled by the state government in some way in terms of its management. But has never really gelled out that way.

Mr Wake—There was some research into personal public transport in the mid to late nineties. It essentially became the CAT service, which is not on demand but it is certainly a frequent and free bus service in the central city. It has been replicated in Fremantle now as well. But no, there is no on demand service that I am aware of, other than community based transport where a community group or a senior citizens centre organises some sort of service with a local community bus.

Mr JENKINS—Do freeways create traffic?

Mr Wake—Yes. There has certainly been work in the UK and US to show that if you increase road capacity, certainly within a relatively well used or congested network, then you generate additional trips. I think that is now increasingly being accepted by transport planners in Perth, and that is part of the logic behind the demand management approach to addressing freight and general traffic issues south of the river here. If we continue to build more roads we are, if anything, only reducing traffic congestion in the short term and in the long term are likely to add to vehicle kilometres travelled. We need to find better solutions, so whether that is getting people onto public transport, whether it is getting more freight onto rail, or whether it is using existing trucks more efficiently, that is a better path to take.

Mr JENKINS—The Western Australian government submission spent 12 pages talking about sustainable transport, 11 pages of which were about private transport—all good stuff—but there was only one page on freight. You have mentioned freight. What sorts of measures do we have to take? I was going to suggest that we man stations and put guards on trains and make them part of the freight system, but I do not want to lead the witness.

Mr Wake—Freight is obviously important just because it has economic importance in cities through moving goods around. It has been an issue in Perth because of some hot spots like Fremantle port—a busy port in an established urban area. There has been some revitalisation around there—people seeing sheep trucks driving past and trucks belching diesel smoke. Also there are some other roads around Perth where freight traffic is seen to be part of the problem for the local community, which led to the freight network review by the state government, which the Conservation Council was part of. That involved stakeholders in trying to find solutions to the problem of how we move freight efficiently without relying on the old strategy, which was to add new links such as road highway stage 8—the Fremantle Eastern Bypass—to get goods to and from ports and other freight interchanges.

Some of the solutions they are looking at are things like making it easier to get things onto rail. So the rail loop into North Quay would have some sort of logistics system so that, instead of the trucks running around the streets with nothing on them, they would simply pick up another container. They would have some sort of booking system—so it is smart logistics.

Mr JENKINS—So it is a logistic approach and gives different modes where they can change it.

Mr Wake—There is some work on developing intermodal freight terminals at Kewdale and, with the pressure on Fremantle port, which is likely to increase as time goes on, they are looking at the development of another port facility at Kwinana, which will take some pressure off the inner harbour but then raises some other issues in terms of a new port in Cockburn Sound. In some senses it is a move in the right direction.

Mr JENKINS—Where's Kewdale?

Mr Wake—It is near Perth airport. So it is east of the CBD.

Mr JENKINS—So it subscribes to having some sort of modal interchange on that outer fringe.

Mr Wake—Yes. I do not know if you would quite call it a middle suburb—it is not quite on the far fringe—but historically industry has developed there, as the airport and a CBH grain terminal are near it. There is a lot of rail freight infrastructure there, so it seems to be a logical place to locate that.

Mr JENKINS—What do the statistics show us about public transport use?

Mr Wake—It is fairly low. From memory, it is in the order of six to eight per cent modal share for all trips. If you look at patronage in terms of millions of passengers boarding in a year, that has increased. That is in part due to the revitalisation of the rail system here—the reopening of the Fremantle line, electrification, constructing the northern suburbs railway and now the work on the southern suburbs railway.

Mr JENKINS—But it has increased over and above what you would expect from the population. You are saying it is constant on percentage of movements or the increase in actual numbers.

Mr Wake—In terms of what is expected, I am not sure, but it depends on how you look at it. Boardings have increased, but if you look at all trips and how that is broken up by mode, we have not seen much improvement. But the trend is downward, so if we can hold it stable that is a good thing anyway. The trend is for people to make fewer trips by public transport, so if we are keeping that mode share at eight per cent, then that seems to be good. If in other cities it is going down or if we had not done the work on the rail system, it may have gone down anyway.

Ms GEORGE—If we had the power to rejig the current AusLink program, how might we reshape it to address transport sustainability issues, and the role of public and other forms of transport?

Mr Wake—The Conservation Council and some other NGOs with an interest in sustainable transport saw AusLink as a step forward, in that it was multimodal, so we did not just have a big pot of money for roads. The disappointing thing is that its focus is very much on freight and especially on regional areas. No doubt there is a need there, but there is also a need to look at urban transport. Previously, federal governments have put money into urban public transport systems, but that now seems to be left essentially to the state and local governments to deal with. If we want to find sustainable solutions through AusLink, then it would make sense to broaden it to include urban passenger transport and to ensure that it took into account public transport and demand management solutions, and relied less on road construction, which is traditionally where most money has been put. That could worsen environmental outcomes. If we are concerned about greenhouse gas emissions and the like, then adding to the urban road network is going to take us in the wrong direction. If we put the equivalent amount of money into demand management and urban public transport, then we are likely to do better. It would be positive to see AusLink broadened.

CHAIR—Due to the constraints of time, we must finish now. Thank you very much for coming and presenting to the committee. On behalf of us all, thank you very much.

[11.56 a.m.]

GRAY, Ms Celia Mary, President, Urban Bushland Council Western Australia Inc.

GREENWOOD, Mr Robert David, Vice-President, Urban Bushland Council Western Australia Inc.

CHAIR—Welcome. Before we proceed, I have here a supplementary submission from the Urban Bushland Council WA Inc. Is it the wish of the committee that it be accepted for publication? There being no objection, it is so ordered.

Although the committee does not require you to give evidence under oath, I advise you that these hearings are formal proceedings of the parliament and consequently warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. Do you wish to make a brief statement in regard to your submission or would you like to make some introductory remarks?

Ms Gray—We are happy just to go ahead with our submission.

CHAIR—Mary, as we have a supplementary submission from you which we have not had time to look at, could you give us a thumbnail sketch of what is in it.

Ms Gray—The supplementary submission forms the basis of what we are presenting today. We will be happy to answer questions as well. As you heard in the last presentation, Perth is a biodiversity hotspot. We are not sure whether people appreciate what that means. However, in our submission today we want to focus on the fundamental issue of sustainability. It is the south-west of WA which is the biodiversity hotspot. It is the only one so recognised in Australia. It is one of 25 identified in the year 2000 in a publication by Myers et al. It was an international study by reputable ecologists, so it is highly regarded. It was published in the journal *Nature*, and I have put the details on that chart. Since then, the same authors have produced a second report and there is a new book out on biodiversity hotspots which I have not seen as yet, but we have seen references to it. They have increased their numbers to 34. However, the south-west of Western Australia is still the only area in Australia on that list. We are still the only one.

They are biodiversity hotspots for conservation priority. The criteria include that there are a lot of endemic species. It is based on the flora species—plants. It is the degree of threat which puts them on the list. Since then, further work has been done by local specialists here, such as Dr Stephen Hopper, who was the director of the Botanic Gardens and Parks Authority and now holds the chair of biodiversity at the University of Western Australia. He and Paul Gioia have done research and looked closely at Western Australia's information.

It is a very technical analysis, and they have studied this south-west area of Western Australia. I might be wrong about the number, but the Perth region—and this was a surprise in their analysis—is a hot spot in its own right within the south-west, and there are about 11 hot spots. So is not one hot spot; it is much more complex than that. I guess the reasons we have that sort

of thing are that it is a very ancient landscape, so there has been a lot of evolution, and it is a very arid landscape.

Mr KERR—Perth is said to be a unique biodiversity hot spot, but presumably by ‘Perth’ you mean something larger than the city. I assume you do not mean the bits that have been asphalted over. What are you talking about when you talk about Perth being a unique biodiversity hot spot? When I think of Perth I think of big tall buildings and things like that. I am sure you do not mean that.

Ms Gray—We are talking about the Perth metropolitan region, which has a statutory boundary in the Perth Metropolitan Region Town Planning Scheme Act. So it is a huge area.

Mr Greenwood—It is 770,000 hectares.

CHAIR—From Mandurah in the south to Two Rocks in the north?

Ms Gray—Yes, and there are 32-odd local government authorities.

CHAIR—Just above Yanchep-Two Rocks in the north and down as far as Mandurah.

Ms Gray—Mandurah is actually just south of it.

CHAIR—Yes; it is just above Mandurah.

Ms Gray—The technical botanical work uses botanical regions. There is a bit of difference in the boundaries, but it does not take away from the fact that the Perth metropolitan region has very high values in its own right. We have as many plant species in the Perth metropolitan region as in the whole of the UK.

Ms GEORGE—Are you saying in terms of the supplementary submission that the government strategy—and I am not totally familiar with it, but in their submission they talk about the Bush Forever programs—is failing to protect bushland, biodiversity and species?

Ms Gray—It is very good program and we have been very staunch supporters of it. We have actually been attributed with causing it to be put in place through our pressure. It is being implemented. However, we are disappointed that it is half-hearted. We still support it and a lot of areas are being acquired and so forth. Referring to the third item on the left in the table on the second piece of paper I have given you, under ‘bushland protection’, we have presented in the second column policy or various contexts for action, and some action is recommended on the right. Bush Forever is being implemented over 10 years. We are coming up to the halfway mark and we are disappointed that it is half-hearted and that, while there is a dedicated fund, it is not enough. So we are losing bits all the time. It was never meant to be partially implemented; it was always meant to be fully implemented.

It is difficult to secure a conservation estate in the metropolitan region because you have huge pressures and it is a rapidly expanding city. However, it is certainly doable. We want to see much firmer and much better implementation and some encouragement from the Commonwealth that that is done. That is in keeping with your Commonwealth national objectives and targets in the

national biodiversity strategy for 2001-05 document. There are very specific measures in there. That Bush Forever process is designed to make the 10 per cent target, which is a very bare minimum. But we are not making it.

Mr KERR—This is not about extinction, though, is it? I am just trying to get some perspective. You are saying it is a surprise to you that this has been identified as a biodiversity hot spot. It is certainly a surprise to me; this is the first time I have heard it. But, under the Commonwealth's protective legislation, if there is threat of extinction or anything of that nature then overarching Commonwealth legislation can be brought into place which can provide absolute protection. We are not talking about that, are we?

Ms Gray—I will explain. We know that this region is biodiverse and rich because most of the species here—75 to 80 per cent of the plants that occur in this south-west region—do not occur anywhere else on the face of the earth. That means they are endemic to the region. There are some species endemic to the metropolitan region. The international biodiversity hot spot status was not recognised. That is relatively new and it is fully documented. Because the plants are endemic, obviously they are special.

What puts the Perth region under very great threat of mass extinction of species of plants is the assault of climate change that we are going to get in this region. The CSIRO predicted that we will get more climate change here than other cities. We are really going to cop it. Perth rainfall has already dropped by 20 per cent and it is predicted to go down by up to 60 per cent by 2070. That is a massive change. Temperatures are predicted to go up six or seven degrees. That does not sound much, but they are actually massive changes.

Other threats include clearing—there is a lot of clearing going on. Fires will become more frequent as the climate heats up and dries. We all know that our sort of vegetation is fire prone anyway. Dieback invasion is another threat. Acid sulfate soils is a big issue here that is not well recognised. The last one is community ignorance and complacency—some of that comes from government too. Because of all those factors rolled together, we are likely to face mass extinction in this region. Indeed, that is the essence of this analysis that is done on the international level. The article I have provided to you is quite profound. The final paragraph states:

The mass extinction of species, if allowed to persist, would constitute a problem with far more enduring impact than any other environmental problem. According to evidence from mass extinctions in the prehistoric past, evolutionary processes would not generate a replacement stock of species within less than several million years. What we do (or do not do) within the next few decades will determine the long-term future of a vital feature of the biosphere, its abundance and diversity of species. This expanded hotspots strategy offers a large step toward avoiding an impoverishment of the Earth lasting many times longer than *Homo sapiens* has been a species.

Those are quite profound words. In this region we really are looking at trouble, in our view.

CHAIR—Climate change is a global problem and it certainly has to be engaged, but I want to talk about the more local issues that are more palpable here. I have been fascinated to hear what is being done on a local level to counteract weed invasion. Fires are very difficult, and particularly dieback, which is now destroying a lot of our species. We would also like to know a bit about acid sulfate soils. Where is that mainly coming from—Kwinana?

Ms Gray—No, acid sulfate is a characteristic of the soils themselves.

CHAIR—So it is leachates out of the soil, not pollutants falling onto the dirt.

Ms Gray—No, but it produces pollutants.

Mr Greenwood—It is released through changes in the hydrology of the soil. Particularly with seasonal wetland areas where we change the hydrology, drop the watertable and expose those acid sulfate soils, they then start to leach acid and heavy metals into the surrounding watercourses.

Mr KERR—So it is a change in the watertable?

Mr Greenwood—We are changing the watertable. In a lot of cases now we are starting to fill those very important wetland areas, causing major problems.

CHAIR—To reinforce this, we hear about this in Europe, where it is from pollution from fallout of sulfur dioxide and aerosol sulfates, but here it is due to it leachates. If you go south of Mandurah—and this is out of the region—it is classical to see those dead tuarts, which are not dieback sensitive. Is that due to these types of soil changes?

Ms Gray—Probably not. I do not know that it is well understood, but there are a lot of things under threat. There are sites around Dawesville Cut region where acid sulfate soils have become a problem. It is a problem in the eastern states too, on the seaboard near wetlands, where you—

Mr KERR—Particularly in Queensland.

Ms Gray—Yes. We are the last state to address it. One of the major concerns that the government hydrogeologists have come up with and are investigating is the groundwater mounds, which are a major source of our water supply now. With the lowering of the mound levels, there are acid sulfate soil problems on the mounds. They do not know the extent of it yet, but that is very serious. So it may mean ending that. Water is another issue, which we do not want to get into, but it is connected with natural areas, obviously.

Mr KERR—A large part of this is managing—preventing, slowing or stopping—further intrusion. Taking water from the watertable is a difficult issue. The greenhouse issue the chair mentioned before is a difficult issue. But one of the points that you raise is land clearing. Is land clearing here principally for urbanisation or is it because of agricultural use?

Mr Greenwood—About 3,000 hectares a year are still being cleared on the Swan coastal plain alone, which is a very significant proportion.

Mr KERR—For what?

Mr Greenwood—For all sorts of purposes, mainly development. A lot of it is related to the population pressure. The increase of a million people in Australia every four years is placing a great deal of pressure on all—

Mr KERR—Is land clearing regulated by a licensing regime here?

Ms Gray—Yes. New regulations came in last year.

Mr KERR—That was the next question I was going to ask. So how is it addressing and dealing with that?

Ms Gray—It is not dealing with urban land clearing at all. So many loopholes have been put into that that it may as well not be there. Sadly, the total picture of the areas being cleared under exemptions is not even being gathered. It is just ludicrous. So we do not even know what we are losing in total. Estimates could be made. We tried to make submissions that it should at least be measured every year by satellite imagery, but there are so many exemptions under the new clearing regulations that they are hopeless, frankly.

Mr JENKINS—In the Perth metropolitan area, what percentage is conservation zoned, locked up?

Ms Gray—Under Bush Forever, about 50,000 hectares is identified to go into the conservation estate. Most of that already is in the conservation estate. Bush Forever was putting in another 20,000-odd hectares above what was already identified. So it is an addition to an existing regime.

Mr JENKINS—And what does the target of 30 per cent represent in area?

Mr Greenwood—Thirty per cent of 770,000 hectares would be 210,000.

Ms Gray—There is about 28 per cent of natural areas still remaining on the Swan coastal plain as part of the metropolitan region, which is the Bush Forever area.

Mr JENKINS—What I am getting a feel for is that the majority is outside of conservation zones.

Ms Gray—There are about 77,000 hectares not spoken for. So there is a lot. We produced a series of facts last year, if you would like to have those, which give some of those figures. I think it is about 60,000 or 70,000 hectares that is at risk.

Mr Greenwood—There are quite a lot of vegetation complexes that have very low percentages in actual reserve, some as low as three per cent. In a lot of cases the national targets are, I think, 30 per cent.

Mr JENKINS—In your chart you have indicated statutory base need actions under EPBC. Have you explored that? You are an agency that could, if I understand it, commence some investigation.

Ms Gray—We refer areas that are proposed under state environmental protection measures and clearing regulations as well as the EPBC Act. Our experience is that the Department of the Environment and Heritage is very reluctant to use the powers that it does have.

Ms GEORGE—This is federally?

Ms Gray—Yes. In some of the top conservation areas where we would have thought they should be issuing controlled actions to protect threatened species and threatened communities, they are not doing it. Sadly, to take an example which is a paradox, if you like, the new southern suburbs railway goes down the middle of the freeway initially and then, instead of continuing, because of lobbying it goes through a whole lot of conservation areas—and a lot of those are actually important and had threatened communities in them. When that whole proposal was referred to the Commonwealth they did not even give it a controlled action. All sorts of controls could have been put in place; there could have been adjustments there—we are not against the railway—but they were not done. There is a remarkable reluctance of the Commonwealth under the EPBC Act to actually enforce what it has got there.

Mr KERR—Is this because there is a different understanding of the basic facts or is it because of a reluctance—

Ms Gray—Political pressures? I do not know. There is a lack of political will to do it.

Mr Greenwood—It is real David and Goliath situation. You mentioned earlier about the type of research work. As a representative body for 59 member groups, we have a budget of \$20,000 a year. All the rest is done by volunteers. And here we are trying to battle against state and federal government and work with state and federal government. We would like a million dollars a year so we could put people in there to do this sort of research as an impartial body. They could look at these satellite images and actually tell what land has been cleared and what has not. These are the sorts of things that are not getting done and are falling through the cracks. We are going to wake up, have a look at an aerial photograph of the Swan coastal plain and find that it is almost completely altered. These are really serious issues. They relate to population growth and the exponential growth of the individual's needs and wants. We have to get away from that—get off that treadmill of 'more and bigger is better' and 'that is the only way forward'. We really have to start thinking a lot more strategically. Otherwise we are going to have really serious problems. The sale of Telstra was supposed to be addressing a lot of these major issues such as salinity. That has not happened. These issues have been pushed under the carpet and other things have gone ahead. Past civilisations that have neglected to understand that everything we do is related to the earth that we live on and our care for the earth that we live on have fallen by the wayside. We should be smarter than that. We should be learning from those past experiences and preserving what we have.

Mr McARTHUR—I want to test two propositions. My observation is that on the eastern seaboard—Sydney, Melbourne and my home town of Geelong—there is an increase in vegetation in the urban area with the introduction of an urban population and the introduction of trees. I cannot speak with any authority on what happens in Perth, but you were saying that it is a hot spot of biodiversity. Given that generally speaking there is more vegetation in an urban situation with the urban dweller, how do you respond to that proposition?

Ms Gray—We are suffering from a net loss of vegetation cover.

Mr McARTHUR—What evidence have you got of that? If you look at a total urban situation, if you just fly over it and have a look at the amount of vegetation that is there in terms of trees in backyards et cetera, and compare it to the former—

Mr Greenwood—A lot of that is not original; a lot of that is introduced species, which require looking after. The original species looked after themselves here for millions upon millions of years. Once again, that becomes unsustainable.

Mr McARTHUR—Your proposition is that it has to be biodiversity of the original type.

Mr Greenwood—Preferably, yes.

Mr McARTHUR—You need to get clear what your argument is.

Ms Gray—When we are talking about biodiversity we are talking about the native species, the natural areas.

Mr McARTHUR—There is a fair bit of argument as to what all of that means, I would have to say, speaking as an individual.

Ms Gray—In technical terms there is not.

Mr McARTHUR—Sorry?

Ms Gray—In technical terms biodiversity has a very specific meaning.

Mr McARTHUR—In Perth you have got all this vegetation but it is still a hot spot because you are not getting the original biodiversity—is that what you are saying?

Ms Gray—Perth still has a lot of the original vegetation left, unlike most cities of the world. We still have natural bushland, Perth being called the city of the bush.

Mr McARTHUR—So the introduced species are no good to it.

Ms Gray—They were not part of Western Australia's biodiversity originally.

Mr McARTHUR—The introduced species will not help—is that what you are saying?

Ms Gray—No, they do not help biodiversity. The biodiversity values are those of the natural areas.

Mr McARTHUR—If people introduce a new type of vegetation or trees then that will not help the hot spot argument, according to your friend here.

Ms Gray—No. If people plant jarrah trees and tuarts, which grow naturally in this part of the world and are good to have in your garden, that is a good thing to do. But we are talking about the remnants of the original vegetation.

Mr McARTHUR—Some people would argue that the introduction of vegetation would be a good thing.

Mr Greenwood—The problem with that is that we are talking about the interrelationship of all the different species, and we are talking about thousands of species—insects, plants, vertebrates, invertebrates, moths, butterflies and the whole bit. There is a whole interconnectedness of all those different species. When you bring new things into that a lot of them actually become environmental weeds. We now have 1,700 environmental weed species in Western Australia alone. They are becoming rampant; they are just exploding. They are adapting to our conditions. They are a major problem for the future. Why? Because they are out of phase with that interconnectedness that we are talking about. They do not have the natural predators that they had in their country of origin. So what started out as garden species and plant species that were brought here in good faith have now become major problems in their own right.

Mr McARTHUR—I have got a bit of an interest in bushfires. What is the attitude of your council to the smoke over Perth when the fuel reduction burnings take place in the forest areas? Do you think that is a good thing or do you think that is an environmental hazard? Do you think it is good for the forests or do you think they ought to stop burning the bush?

Ms Gray—I am not sure how that relates to what our submission is about.

Mr McARTHUR—You have got frequent fires.

Ms Gray—There are a lot of bushfires around Perth every summer. The hills are very fire prone, as is the outer area, where there is bushland. It is a highly fire prone environment we live in—that is a reality. The problem with a lot of the patches of urban bushland is that they are burnt too often. They are adapted to fire, but only on the particular—

Mr McARTHUR—They are burnt too often?

Ms Gray—On the Swan coastal plain they should not be burnt more than every 30 or 50 years.

Mr McARTHUR—What about the bush? What about the fire control? My question is: are you upset with the smoke coming over Perth? That is what we are talking about.

Ms Gray—I might be personally, but that is not what we are here to discuss. We, as an organisation, put on a conference seven or eight years ago about burning bushland. It was a landmark conference because we got all the players together for the first time. It was very successful. We have been working with the fire authorities since then. Friends groups, our member groups, work with their local fire brigades. They do weed control, which is a lot of fire prevention work. They work hand in hand with local fire brigades. If areas are lit up—there is a lot of deliberate lighting of fires—the big thing is to get them out quickly. Fires are a big problem in this area. Our submission relates to the fact that, because we are going to have a heating and drying climate, bushfire risk, particularly in the hills, is going to increase dramatically. That has implications for planning. That is where that comes from.

Mr McARTHUR—Fuel reduction burning does help control the fires.

Mr Greenwood—Not necessarily.

Ms Gray—We advocate against fuel reduction burning on the Swan coastal plain, particularly in those ecosystems, because it does not help; it actually increases the fire hazard.

Mr McARTHUR—Ninety per cent of research does not support that proposition.

Ms Gray—I disagree with you. If you keep burning the Swan coastal plain—which is different from the forests, where you have a lot of grassy weeds—the annual grassy weeds will come in, and they are highly fire prone. That actually increases your fire risk. That work has been done by Kings Park and Botanic Garden. They have a policy of no prescribed burning in Kings Park. In this part of the world, the coastal plain, there are too many fires.

Mr Greenwood—The thinking is changing in that area.

Ms Gray—Prescribed burning is not the best method of fire prevention and minimisation. Other methods are.

Mr McARTHUR—You say that there is another point of view in this whole argument but—

Ms Gray—There may be, but can I just say that that is not what this is all about.

Mr McARTHUR—You raised the issue of fires here.

Ms Gray—Yes, I did.

CHAIR—Just to add to that, though, a lot of the fires that we get are of course hot burns, not controlled burns. Hot burns are arsonist lit, inadvertently lit or lightning lit at the wrong time of the year, when you would not want a fire, when it is 42 degrees. If someone lights a fire then it could wipe out a species. It is not in the forest type context that you think of, with these coastal winds that go through. It is basically just shrub land, and it just destroys it.

Mr Greenwood—The other interesting aspect that came out of a recent conservation council fire workshop last year was that those hot burns destroy a lot of the fungi and a lot of the natural things which decompose the leaf litter on the floor. In losing that damp leaf litter, you lose the mulching effect of the leaf litter which in fact prevents those really hot burns from going through and provides little ecological areas where those species can survive. So some areas get burnt and other areas do not, not like those clean burns that go through and wipe out everything. That is very important for the re-establishment of those animals, insects and fungi that make up such an important part of the composition of the floor of the forest—if we are talking forests—or open woodland. It is a very complex issue, but the thinking is certainly changing. We are now thinking that we will be far better off if we reduce the number of burns. As was mentioned by CALM, I think, at the fire workshop, once you get over a certain level of fuel, you will not stop that fire anyway. There is a classic example: the big fire at Dwellingup. That whole area had been completely burnt six years before. All the leaves had dropped from the trees after that fire, and there was more fuel load there than prior to the original burn.

Mr WOOD—In Victoria, we had major bushfires go through. I live in the Dandenong Ranges, and there has been no fuel reduction for a number of years—maybe eight or so years. The fires which went through were absolutely devastating and just wiped out huge areas. So there has been a different approach now, especially in the Dandenong Ranges, to having controlled burns. I can understand what you are saying, but the ramification of not having a burn is that you can wipe out everything.

Mr Greenwood—Sometimes they are wiping out the fungi. It was mentioned by Eric McCrum, who is a very respected naturalist here, that five grasshopper species that eat dead leaves and all those sorts of species disappear when you get these burns going through. It takes time for them to recolonise and start over those processes that naturally decompose that leaf litter and form it into compost.

Mr McARTHUR—If you go to the north-east of Victoria, Canberra and Gippsland and look at the impact of the hot fire there, you will see very few species of animals—birds, snakes or whatever—left.

Mr JENKINS—The Urban Bushland Council of Western Australia are saying that they agree with you that an uncontrolled bushfire does no good. They are saying that in the ecosystems in their area of concern they take these issues seriously. They believe in a different regime for their ecosystems. I do not think that this argument is at cross-purposes, because they are not suggesting that their regime should be the regime that is used in the western districts of Melbourne, in the Dandenongs or on the grass plains of the Merry Creek.

Ms Gray—If you are dealing with a fragmented landscape, as you are in an urban area, where there are patches of bushland, and if they are totally burnt it is highly destructive because you will not get recolonisation of all the animals, the invertebrates and so on. It is a different kettle of fish. It is very unwise.

CHAIR—Fires are an interesting topic. Dieback, which is another interesting one, has been a major problem. To illustrate your point about the fungi, they started spraying phosphorous acid on a large scale to kill dieback and it started knocking out the fungi as well and we had more problems. It is an intricate problem.

Ms Gray—It is very complex.

Mr KERR—Maybe it would be worth while asking these people to put together the scientific basis on which they say that particular communities are vulnerable. There is a high threshold but if there is a threat of extinction or major habitat loss, the provisions of the EPBC Act may come into effect. I wonder whether we might take that up with the people who gave us the briefing and ask them what they did about it.

CHAIR—That is a very good point. I was going to follow that up but I had forgotten about it, so I am glad that you reminded me. Can you take that on notice?

Ms Gray—Yes. There are a lot of threatened ecological communities which are identified by the state government here and which should be listed under the EPBC Act but they have not

been so listed. We asked them to do that. When I was in Canberra in February I made that request again.

Mr KERR—For our purposes, if you could consolidate this all in a simple, single—

Ms Gray—It is not simple.

CHAIR—Did you put that in a written submission? Can we get a copy of it?

Ms Gray—No. I gave a verbal presentation about it. There are processes in place whereby they are looking at them but the Commonwealth seems to want to do its own research. There is a very high standard of research here. The Commonwealth, particularly the DEH, seems to underestimate the expertise that is here.

CHAIR—We will ask the committee secretariat to communicate with Mary and see what we can flesh out.

Ms Gray—On that matter, I draw your attention to the box at the bottom of the second page which is about the knowledge base. We believe that there is a role for the Commonwealth to put some serious resources into biodiversity conservation in this part of the world. Western Australia is nearly half of Australia; we have nearly half of Australia's plant species, for example. I do not know whether any of you have seen the WA Herbarium. It is quite instructive to go out there. It is an absolute disgrace. The Western Australian Museum has been moved out of the city because of asbestos, and half of its collections are not even properly housed. It is quite scandalous. There is serious underinvestment in that basic infrastructure. It is a Western Australian government issue but it is also a national issue. It sounds alarmist; however, we really believe that it is very alarming.

Mr JENKINS—Do seed banks like APACE make a contribution?

Ms Gray—When I talk about collections I talk about the state's long-term collections of biota.

Mr JENKINS—For taxonomy purposes?

Ms Gray—Yes. It is very important.

CHAIR—We need to wind up because of time constraints but you have certainly given us food for thought. We will follow up through our secretariat some of those things that Duncan suggested. Thank you very much for your presentation; we appreciate it.

[12.37 p.m.]

ERINGA, Mr Karel, Executive Officer, Shelter WA

HODGSON, Ms Nicole, Coordinator, WA Collaboration

CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and it may be regarded as a contempt of parliament. Do you wish to make a brief statement in relation to your submission, or would you care to make some introductory remarks?

Ms Hodgson—The WA Collaboration is a partnership of community organisations from environment, social and trade union perspectives. We have come together to try to get some coordinated responses around the issue of sustainability. Shelter WA is one affiliated organisation. Since we made that fairly thin submission in 2003 a lot has been happening in city planning in Western Australia, which I am sure you heard about this morning. In thinking about what we might be able to add to this inquiry, we wanted to focus on some issues that have not had a lot of air time; namely the social sustainability aspects of city planning. Karel is going to start off by talking about managing urban growth and some of the impacts on housing affordability and some of the misconceptions around that. I will finish off by talking about managing community opposition to increased density in creating a more sustainable urban form.

Mr Eringa—I had a three-page statement that I wanted to read out but, given that it is well and truly lunchtime, I will try and condense it. There are four key points I want to raise. The first is that, as I am sure you have heard quite a lot, urban expansion has an impact on the environment but you may not have heard so much about the social impact that urban expansion also has on cities. Taking the example of a family that moves to an urban fringe area, they may find a number of things that they had not expected. I might point out that this is all evidence we have gathered through speaking to people—we do a lot of community consultations and these are the sorts of issues that are raised. The first one is that people's access to employment and education opportunities may be limited because of the distances involved. The second issue that people raise is that their social support networks collapse as they moved to a fringe area and they find they have to build new networks, which may be difficult if some of the social opportunities in existing areas are not yet available in the new areas.

A third issue that is often raised is that if families have to move away from their grandparents they lose the free and very flexible child-care arrangements that they would otherwise have in place, thus raising some employment disincentives. A fourth issue is that families moving out to these suburbs often have to purchase a car because public transport systems arrive after the housing. That eats further into the family budget, and that can be particularly problematic for people on low incomes. Those are examples of the social impacts. There are more examples, but I will leave them to your imagination.

The second point I want to raise is one that is often raised by the proponents of urban expansion, and that is that if you reduce urban expansion then housing affordability will fall because house prices will, presumably, go up. In my experience I have never seen any concrete evidence that actually shows that house prices rise if, in some way, you limit urban expansion.

Mr KERR—Is that because we have never limited urban expansion in Australia and so there is no evidence?

Mr Eringa—There are some examples in other countries. But, as far as I am aware, there is no evidence from around the world. Affordability has fallen quite dramatically over the last few years, as I assume we are all aware, and that is despite 80 per cent of Perth's housing expansion occurring on the urban fringe. So I can say that, at least in Perth, urban expansion has not delivered housing affordability, certainly not in the last five years.

The third point is that, when we look at the statistics, 90 per cent of home purchases on the fringe are actually second and third, or subsequent, home purchases; only 10 per cent of first home purchasers buy on the urban fringe. So what we are seeing is that, at best, expansion at the urban fringe only indirectly fosters home ownership. This is of concern because, as the state government has identified, the cost to government of developing on the fringe is in the order of \$45,000 per lot. We are effectively putting a subsidy of \$45,000 per lot into developing on the urban fringe and 90 per cent of that benefits people who already own a house and who statistically have far higher incomes than first home purchasers. Basically, we have a solution that does not actually address the problem that we have identified and that creates further social inequities.

I also want to make some points about the claim by proponents of urban expansion that market forces will find a way of limiting urban sprawl and find the optimum amount of urban expansion. However, all the things you have been talking about today, the environmental impact and the social impact that I have raised, can be viewed as externalities. And it has been well established in economic theory that if you have externalities your market forces will not reach a socially optimal outcome. My background is as an economist, so I can delve into that as much as you like and I can draw you some very pretty graphs that show that. Economic theory suggests that, in the face of externalities, what we in fact need is government intervention, but not the type of government intervention we are seeing now—as in subsidising further expansion. What we need is to tax expansion rather than subsidise it.

A second point with regard to the housing market is that it is one of the most heavily interfered with markets of any good or service in the country. The best estimate is that about \$30 billion per year in Commonwealth and state government tax exemptions, subsidies and other incentives goes into the housing market. Thirty billion dollars per year is a rather large amount. Even in a market where the amounts that are involved are fairly large anyway, \$30 billion is an enormous amount that will further distort the market.

Mr KERR—What percentage of the funds in the housing market would \$30 billion represent?

Mr Eringa—I am not sure how many trillions of dollars worth of housing stock there is. My figure is about \$3 trillion, but I would have to look that up. However, not all that gets traded

from year to year, and I am not sure what the turnover of the housing market is from year to year. But it would certainly be a sizeable percentage.

Mr WOOD—You have talked about the concerns about urban development. Part of my electorate covers Casey in Victoria, which is becoming the fastest growth corridor in Australia. It is about 60 minutes from the city and the growth just keeps moving out. The problem is that, if you go into inner-city suburbs, every time someone tries to put up flats or to redevelop there are always planning objections. How do you change that?

Mr Eringa—I was going to address that in a minute, if you do not mind. I have nearly finished my general remarks. The final argument against market forces taking their course is shown in some statistics for the last few years, between June 2001 and June 2004, on the number of suburbs where housing is affordable for a family who are on an income of what is now \$48,000 but was slightly less than that in 2001. That income figure is the cut-off of the second income quintile—that is, 40 per cent of people earn less than \$48,000 per year and 60 per cent earn more than \$48,000—so we are talking about 40 per cent of people. Using certain affordability criteria that have been well established through the national housing strategy and subsequent research, in June 2001 they would have been able to afford to purchase a median priced house in 49 Perth suburbs. Three years on, only nine of those suburbs are still affordable for the 40 per cent of families who earn below that income cut-off.

There are two points that flow from that. One is that 40 per cent of people simply do not have the funds to make any meaningful choice. They can choose between Armadale and Kwinana, I suppose, which—for those people not from Perth—are both undesirable areas from Perth. But they cannot move close to where the jobs are—they do not have that option. They have the option either of becoming a homeowner or of staying in rental; they do not have the option of voting with their feet. So, because a sizeable percentage of people do not have the income to back up their preferences, the market cannot function properly. The second point that flows from that is that none of those nine suburbs that are still affordable to people on \$48,000 is on the urban fringe. All of them are existing urban areas and all of them are actually areas that are currently being redeveloped. So what we are seeing is that fringe development is not really bringing affordability by whatever way you look at it. For our organisation, Shelter WA, housing affordability is the single key problem we are trying to come to grips with.

Ms GEORGE—So you are getting what we are seeing in Sydney, where we have three circles. We have the inner core, where the professional classes live, and rents and prices are beyond the means of average people. Then we have the older suburbs with a lot of public housing stock in them. And on the outer fringe the people there are really lifestyle-choice people largely—people who have come from the inner city or the surrounding suburbs and have decided they want bigger blocks of land and nicer amenities. The poor are becoming more concentrated in a narrower band of suburbs on the periphery. Are you seeing that in Perth as well?

Mr Eringa—We are seeing exactly that. We are seeing ghettos forming, if you will. As Jason mentioned earlier, in some of the more desirable inner suburbs—in Perth that is the western suburbs, which I suppose is equivalent to Sydney's eastern suburbs—they do not wish to have public housing in their areas. They do not wish to have affordable housing in their areas. The residential density in our western suburbs is a lot lower on average—there are somewhere between 10 and 12 dwellings per hectare, compared to new urban fringe developments, which

have 20. The average across Perth is more like 15, so the western suburbs are very sparsely populated.

Every time there is an opportunity to produce some infill on, say, ex-government land, councils will vote against it. Yet those suburbs are very well served in terms of the social and physical infrastructure and the health care facilities they have available to them. We are using those facilities nowhere near effectively. Instead, what we are doing is investing in further urban expansion at the cost of \$45,000 per lot and subsidising the lifestyle-choice people to move out to those suburbs. We could be doing a lot better with our money if we focused on inner suburbs. That really flows on to the earlier question of why communities resist those sorts of things.

Ms Hodgson—I want to focus specifically on the issue of how you work the planning system to work through community opposition. That is partly because I had a brief look at some of the transcripts from your previous hearings and that issue seemed to come out quite a lot. It is also partly because of the other major argument for maintaining the status quo of our cities along with the housing affordability issue—that if we do manage urban growth more effectively we will decrease housing affordability. The other issue seems to be that communities do not want it—that we cannot change the pattern of urban development from the status quo.

My first point is that we all need to acknowledge that many communities probably have a valid point in their opposition. A lot of the medium- and high-density development we have seen in the past was fairly poorly done, and it has not really happened in conjunction with the kind of infrastructure that makes higher density living more attractive, such as good quality, regular public transport, shopping facilities that are within walking distance and good public open spaces. What we have seen is an ad hoc pattern of urban infill of increasing density without those other benefits that would make it attractive. In Perth, we are starting to see some better examples, such as Subi Centro and the East Perth Redevelopment Authority, which you may be going to see while you are here.

CHAIR—I do not think so, unfortunately.

Ms Hodgson—In thinking about how to manage community opposition that arises, I have thought of four key areas that perhaps governments at all levels really need to keep in mind. The first is the lack of a policy framework for guiding urban infill. In Western Australia, we have the Liveable Neighbourhoods policy, which has won planning awards and is considered to be a powerful policy, but it really only applies to greenfield development. There is no policy that applies the Liveable Neighbourhoods policy requirements to urban infill development.

The second point is the need to really look at our planning processes. In the Network City process, which we have been through recently, they endeavoured to have stakeholders and community representatives involved right from the very start of the process. I think it is a really powerful step forward. It is not perfect by any stretch of the imagination, but it is at least an attempt to be more responsive to community concerns and to actually try and solve some of the problems, contentious issues and objections at an earlier point than the draft policy. In spite of all the work that has gone on with innovation and community engagement, I think the planning process in particular suffers from a really conventional form of planning, where everything happens in a backroom until you get a draft policy and then it is out on the table. It is only at that point, where there is so much invested from the developer and from levels of government in

having that development go a particular way, that communities have the opportunity to input. We need to have processes that get people involved much earlier on.

Decision makers at all levels of government have to work a bit harder at understanding the cause of some of the complaints, rather than just dismissing people who are opposing issues as NIMBYs—not in my backyard. One of the issues that comes up time and again in Perth is that by increasing density you will increase traffic. That is a fairly legitimate concern for a lot of people. We all know about the impacts that traffic has on liveability and safety. Decision makers need to work harder to really get at the cause of the complaints and to have a problem-solving attitude within the planning process. They need to demonstrate to people how we will manage these traffic issues, how we will encourage people to use public transport—there is a whole range of things we could talk about there.

My last point on this issue is that governments need to be more innovative in how they communicate about planning and urban development. I think the planning process is still very expert driven. We need to demystify the process and make the language a little bit more accessible to people. And we need to work actively to address some of misconceptions, such as Karel touched on, in relation to housing affordability and managing urban growth. Another problem we are facing in Perth at the moment is with the Network City and a stated policy to increase densification. There is a misconception that suddenly the whole of Perth will be a sea of flats, townhouses and units. Of course, the huge percentage of our housing stock will remain detached houses on single blocks.

Mr KERR—With empty rooms.

Ms Hodgson—Yes. Shelter have done some interesting research on that issue.

Mr Eringa—Yes. Between 40 and 50 per cent of houses in Perth are now underoccupied, which means having spare bedrooms. It is typical in the scenario of the empty nester: people buy a house, have children, the house becomes bigger or they buy a bigger house, then the children leave. Obviously, they want the children to be able to visit, which is perfectly understandable, but after a while the children are big enough and old enough and are raising their own families, so that stops being an issue. Then what we see is little old ladies sitting in big houses on big blocks that they cannot maintain. By that time, their income will have reduced. They are then unable to pay for the maintenance of the property and the rates, if they live in one of the affluent suburbs. They become one of the income poor, asset rich people. One of the benefits of increasing urban density that a lot of people are aware of is that, if you do it strategically and well, you might be able to offer people like that a chance to stay in their area but in a more appropriate dwelling—it might be a unit or something that does not have the garden and the maintenance associated with it. That requires higher density within places such as our western suburbs.

People are not aware of those benefits. The benefits are that the person can live in the area where they have their social networks and, because families typically stay within the areas where their parents live, so the parents are able to interact with their grandchildren on a much more frequent basis than might otherwise be the case. That has social benefits in itself, and not just the child-care benefit that I was referring to earlier. People do not seem to have that strategic way of

thinking. In their minds, high density means getting the low-income scum into the area, but in fact it usually means that it allows you to keep your grandmother in the area.

Mr JENKINS—Low-income scum?

Mr Eringa—Homeswest scum!

CHAIR—I thought grandparents were great for babies until I became one myself!

Mr Eringa—That is actually a quote from a discussion that went on about two years ago when Subi Centro—which Nicole referred to—was developed and all sorts of objections were raised. People said house prices would plummet in the area. In fact what we have seen over the last few years is that house prices have tripled. That is with a 15 per cent, I think, social housing presence in the area. People did not want that. They said there was going to be all sorts of crime because of the ‘low-income scum’ that were going to move into the area. We have not seen any increase in crime statistics at all in Subiaco. In fact, as far as I am aware, it has gone down.

Mr WOOD—My background is in the police force. You will find that the majority of crimes are not actually committed in the suburbs where the criminals live—they drive to neighbouring suburbs.

Mr Eringa—That is very clever of those crims! There were even objections like: ‘All those Homeswest tenants leave their sheets out to dry on the balconies.’ Firstly, why is that bad? Secondly, I am not sure if all Homeswest tenants do that. There are a lot of misconceptions in the public mind. We are not talking about bringing in people from outside. We are talking about allowing people to stay in the suburbs as they age, or if they are disabled or whatever, and trying to prevent ghettos from forming. The opposite side of the coin of preventing ghettos is that you have to have a mix of people in the more affluent areas as well, because otherwise where do they go?

Mr KERR—Nicole focused on reducing some of the public resentment or fear about increasing density and urban environments. One of the questions I have tried to ask a few times is: how do we operationalise a policy of urban containment? The Western Australian government said that they were looking at and focusing on trying to charge real costs for some of these externalities. I would like your comment on that, Karel, because that seems to be one way of doing it.

I will add another element to this: the public debate in the east seems to be about the cost of land release. It is a terrible thing for governments to be not doing everything they can to bring down the cost of release of land. Charging externalities will actually increase the cost of land release. It is perfectly sensible, in a sense, to recover that cost but, then again, only with, as I think the Western Australian government has said, a series of programs that actually do not create bottlenecks. So you have got to open up these avenues for cost-effective land release or something in other parts. If you are going to push the price up there, you are going to create political mayhem if you do not also find some mechanism for making available greater urban alternatives. Karel, could you look at how you as an economist would respond to this.

Mr Eringa—Poll tax, I think!

CHAIR—I think Mrs Thatcher—

Mr Eringa—That may not be politically feasible. Seriously, as an economist you really do need to internalise those externalities, otherwise the market will never reach an optimal outcome and the only way you can then battle with what the market wants—if you do not internalise the externalities—is to do that through regulation. In my view, really you are fighting a losing battle there because it is easy to just adjust regulation a little bit. At the end of the day, you are hampering the market in doing its work.

Mr KERR—There is always another rich, well-connected bastard who is going to persuade the state government to just release it.

Mr Eringa—Exactly. So the first thing I would argue for is for that subsidy on each lot to be either removed or be charged back to the people that purchase. That does not have to be done up front as you are seeming to suggest. You do not have to do it immediately through the land price. What you do is that you essentially require developers to carry that cost and then developers would probably include that in land prices. We are actually seeing that that process has already started over the last five or 10 years. Now developers often include a primary school or even a secondary school. They might include public buildings and public open space. They will do the streets for you. They will put in the sewerage. It is not like this has not been happening. It has been happening, and yet people keep talking about something completely different. We are saying that we need to push that particular envelope a bit further and let government—

Mr KERR—If they are doing all this and there is still \$45,000 subsidy in each land release, what more? All I am saying is: if you charge it to developers, they are going to put it on the land. They are not going to say: ‘I am going to develop my land at a loss.’ So it will increase the cost of land. What would you do on the economic side in the inner envelope? Let us say we can construct some mechanism for recovering these externalities. What do we do to sweeten the deal for the punter who suddenly says, ‘The cost of just acquiring a block of land has gone up by \$45,000’? It has not, in a sense, because as a taxpayer they will be—well, I suppose it has.

Mr Eringa—If you do increase the cost by \$45,000, it depends a lot on the elasticity of supply and demand whether prices will actually go up by \$45,000. What you are suggesting is that the consumer will take all the cost. What I am thinking—and what would be a more usual scenario—is that prices will go up by some margin but developers’ profits will reduce by some margin on the other hand. So we are not talking about a full \$45,000.

Mr KERR—Whatever. How do we deal with it internally?

Mr Eringa—What I am suggesting is that internally we do make better use of existing infrastructure, which means that we can actually provide some land releases at very low cost, or effectively zero cost, to government. Because the sewerage, roads and education facilities are already there, and in a number of areas are severely underutilised, you can add the extra houses and create cheap—relative to the outskirts—housing in more inner suburbs by creating those blocks there and focusing on them there. That is a question of political will, though. It is not a question of whether it can or cannot be done; it is simply a question of political will.

In Perth, at least, there is a lot of land sitting there. For instance, if you take a trip along the train line from Perth to Fremantle, you will see that houses are set back a long way from the train line—in some instances a few hundred metres even. In Cottesloe it is 300 or 400 metres, or something like that. All of that is zoned as railway reserve. From a housing perspective, that land is prime land for housing development because it is close to public transport, obviously, and it is in the inner suburbs, where there are already all the facilities available that you want. But it is not being released. Why is it not? It could be released at zero cost to the state government because everything is already there. You do not have to do anything apart from sign a piece of paper. Why isn't it being released? It is simply a matter of the political will lacking because of community opposition, stemming from God knows what.

CHAIR—I have a suggestion based on listening, thinking and knowing full well what is going on. We had a presentation by Marilyn Horgan from the Perth area consultative committee. It was in my region—actually it was just across my border—where they wanted to put a development in Kingsley mainly, which is a suburb in Cowan, but it is close to my boundary. We will not blame the federal man in Cowan because it was not his fault or mine. It got knocked down because of the local government giving it the thumbs down. It became a council issue to boycott it and make it a political issue. It would seem that, if the state government, as it does, largely funds these councils, then the funding should be dependent—like a national competition policy—on so much tasteful infill development to an acceptable level or they will withhold funding, which would make them have to increase their rates. That has got some knock backs, I am certain, but it means you relocate people because they cannot afford the rates within that system or they pay heavily for the expense, which subsidises the loss and costs of the periphery.

I think you would find most councils hate having to put up rates. It is politically very difficult. If they can justify that by saying, 'Look, we have to do this because these guys will not pay us,' it would have worked differently. I can tell you that, with the City of Joondalup and the City of Wanneroo, their attitude would have been very different if funding was withheld and if they did not look at these infill situations. They would have sold it. They did not sell it, and the local government—

Mr KERR—There would still be some bits, and it may be fair enough, where the people will say they are delighted to pay higher rates because it will keep the riffraff out.

CHAIR—But there are a lot of people going to get knocked out of the system. It is just a thought.

Ms Hodgson—The Network City strategy that has come out has looked at the possibility of having specific targets for each local government area in Perth to absorb some of the expected population and housing increases. Depending on which local government you talk to, it has varying degrees of popularity. There are some local governments that are actively trying to manage their urban growth and are saying to the state government, 'Please, will you give us targets. We want to have that level of political necessity that will help us deal with our local community.'

CHAIR—Sell it on the ground.

Ms Hodgson—Yes. But, obviously, there are some other—

Mr KERR—It is a good idea, though.

CHAIR—It is just that I saw it go backwards. If you do not sell it to local councils—that is, the interface with the public; it really is close—they can either make it or break it. They broke it purposely and unnecessarily by bad marketing, which they did intentionally. The way they behaved was malignant and repugnant. They could have sold a very good concept in the opposite way if they had been motivated to do so. It has set the community back, sadly, because you have got pressure groups. It was a witch-hunt.

Mr KERR—What we could do is break all this up. Instead of having 27, we could have 11 and have the local federal member as the administrator, like they do in Papua New Guinea.

CHAIR—I went to one council meeting in my life and I promised I would never go back.

Ms Hodgson—We were talking before about external incentives for urban infill or encouraging people to take up properties in the urban areas. One of the examples being used in the US is location efficient mortgages, which is a bit of a mouthful. It was mentioned earlier. It gives lower income people the opportunity to get a mortgage which might not otherwise be available to them on the basis that they live in an area with good public transport and make a commitment to only having one car in that household. Their rationale is that the high cost of buying and maintaining a car offsets their lack of income under a normal mortgage process, so it is actually rewarding people for choosing public transport and recognising that they are more able to pay their mortgage.

Vancouver seems to have done incredible things in getting a more compact urban form. I saw a presentation recently from a former city councillor there, and they have had some incredible results and a drop in the numbers of cars registered in Vancouver despite a population growth rate similar to Perth's. In areas where they have got a lot of high-density housing, developers are selling parking spaces separately to housing. So if you want a car you pay extra for the parking space. If you choose not to have a parking space it dramatically reduces the cost of your apartment.

Mr KERR—That is all right for a first generation owner, but what about when you sell it?

Ms Hodgson—I guess there is a constant pool of parking spaces—

CHAIR—We would get you a gofer.

Ms Hodgson—being sold. A lot of these situations are also combined with car pooling and car clubs.

Mr KERR—I think it is a good idea, but there is one other thing that I am thinking of. I founded a tenants union in Tasmania as one of my first public acts. We discovered that there was a huge amount of wasted commercial space, particularly old shop tops. A whole range of warehouses have now been discovered so people have made warehouse conversions, but there is

a huge amount of over-the-shop space. All the planning laws prevent utilisation of that. I do not know whether that is still—

Mr Eringa—It is improving. In places like Joondalup there is quite a bit of shop-top housing, I understand. There is also garage-top housing where you build student accommodation over the garage. There is quite a lot of high-density development there. So planning is sort of adapting. But, particularly in WA where you have 168-odd local governments covering very small patches, any change takes some time to come through.

Mr KERR—Granny in the backyard.

Mr Eringa—Granny in the backyard is generally allowed, yes. So those are the sorts of things that you could do. In Perth at the moment we have a wonderful opportunity. As you may be aware, a new railway is being built to Mandurah. The route of that railway, almost all of the way, apart from the bit that is actually in Mandurah, is through land that is zoned as urban. Actually, the bit in Mandurah is zoned urban as well. So it is already land that is zoned urban and is in the middle of the metropolitan area. But it is an area where there is hardly any development at the moment. The opportunity that is being taken in some places but not in others, oddly, is to view that as a transient oriented development. You build your housing and services close to the train station so that people can hop on the train and get in.

Mr KERR—We have just heard that we will be responsible for the death of biodiversity if we do that. It is already going through an area of high biodiversity values.

CHAIR—Yes, but they have wrecked it already, so you might as well add to it.

Mr Eringa—I am not sure about that.

Mr KERR—We just heard that. We have shaking of heads at the back.

Mr Eringa—Given that the development is already happening—

Mr KERR—Dilemmas are not easy to resolve.

Mr Eringa—Aside from any bushland consequence, if you are going to have development around those areas you can make it either the low-density stuff that is going to destroy all the bush anyway or high-density stuff, particularly close to the stations, where you can encourage people to walk to the train station and use those types of services. You can get a lot more people into the same area. It is also a way of addressing your earlier question about what you can do to provide cheaper, more affordable housing in areas that are already zoned as urban anyway. This is a major opportunity where you can do this. It is being taken up in two locations that I am aware of—in Wellard near Kwinana and in Cockburn—but some of the other stations are the old park and rides, where instead of having high-density housing and services right at the station you have a huge car park, which is 1970s sort of planning. It does not make a lot of sense because it destroys absolutely everything, and all you get is 500 cars for half the day.

Mr KERR—Ugly and unfriendly.

CHAIR—To sum up, I guess there is a psychology about railways and the noise and pollution caused, and electric rail has not been appreciated by people when you are saying, ‘We are going to put you by the railway,’ but it is a great spot. Tokyu, who are developing the area from Yanchep to St Andrews—the biggest development in Australia, an area of some 4,000 hectares—own the railways in Japan and all the things around the railway. Of course, with modern rail they built the hotels and the housing developments and became multibillionaires and a giant company. That was because they allowed all the room originally because of the steam trains. Suddenly that changed, and they had all this land that could be utilised. So it works.

Mr Eringa—It does—and it works in Perth. Subi Centro is right at the railway. That was a gamble because it was very early days and people were saying it might work or it might not work. As it happened, it was an overwhelming success. Now it has also happened at Clarkson, where the railway has just been extended to, at Joondalup, which is another station. It is happening along the new railway line because people like it. It is a form of density that people like. There is a big market for it. Something like 90 per cent of the houses in Perth are four by twos—detached houses on medium to big blocks of about 750 square metres. We are seeing a rapidly increasing proportion of single-person households and couples without children—they have increased to more than 50 per cent of households. Yet at the same time nearly all of our housing is the four by two type.

Ms GEORGE—And the extra homes that have been built are of a larger floor size.

Mr Eringa—Yes, the size of homes in square metres is increasing. It does not make any sense. It is partly explained by the fact that housing has a dual function: on one hand, it is the place you live in; on the other hand, it is your major capital asset. When you are looking for a place to live, you look for something to suit your family, so it certainly cannot be too small. But when you are looking at purchasing a capital asset, you look at something you can sell down the track, and four by twos—four bedroom-two bathroom homes—have a proven track record; you can sell them. In my view, that is one of the major reasons why people keep buying them. Even though they have lots of spare bedrooms, people think, ‘We are buying it as a capital investment and we can sell it down the track, whereas with a garage over a shop-top house, who knows if there is going to be a market for it or not.’

So it is partly about trying to create a market for the sort of accommodation that suits singles and couples—I hesitate to call it alternative accommodation. In 20 or 30 years time the proportion is going to keep increasing. The market for it will keep increasing. The thing with housing is that you put it on the ground and it stays there for 50 years. The decision you make now has implications for what the city is going to look like in 50 years time. What we should be trying to do is influence people’s minds and say, ‘In 50 years time, people who live in the city are going to live in very different arrangements to what you are living in today and you might not be able to sell your four by two.’

Mr JENKINS—What work have you done on matching dwellings to the economic opportunities—the job opportunities? We have talked a lot about dwellings and transport, but what is happening in Perth that will give people the chance to locate for the economic investment and the shelter and to live alongside the economic opportunity, the job opportunities, so that they do not have to travel long distances or, more importantly, spend a lot of time to travel to their jobs?

Ms Hodgson—Within the Network City process and the final strategy that has resulted, my personal opinion is that that was probably the least well done aspect of it. We really did not give much attention to what future economic development and job opportunities there will be in Perth, and how we can create situations where people have better access to where they work. In my personal opinion, there has not been a lot of work done. Karel might know of more work that has been done in the area.

Mr Eringa—I am struggling to think! It is continually being raised as an issue. I think the problem with Perth and most Australian cities is that most of the employment is in the CBD; 60 or 70 per cent of employment will be there. Hardly anyone lives in the Perth CBD. The population of the Perth CBD is something along the lines of a few thousand people—I not entirely sure.

Mr KERR—You have not had the conversion of older commercial buildings into residential?

CHAIR—Not so much here. I would say that has happened in Fremantle.

Mr Eringa—That has happened in Fremantle. In Perth in the sixties, seventies and into the eighties all the old buildings were knocked over and replaced by office towers, which created office space but eliminated any opportunity to have people living there. One of the many issues that the City of Perth will tell you they are struggling with is to get ratepayers to live there. They do not have any opportunity to develop housing and what not. Given what has happened, you would struggle to think how they could do it. If you walk along St Georges Terrace you would wonder where they would put people to live because it is all office blocks.

Mr JENKINS—The other notion that has been put to us is the ‘back to the village’ thing, which is about living over your workshop and things like that. But we have so much trouble with people’s perceptions and convincing them that these are good ideas. It was suggested to us in Adelaide that planning was overregulated and what we really needed was to allow people to just go for it. On the surface, my thoughts about this idea were, ‘No, never ever.’ I did not imagine you would have the automotive workshop next door to the hairdresser, next door to whatever in an urban village situation. The problem of not having places for social congregation was identified—a corner pub, a cafe or something like that. As soon as you put that into the village atmosphere, where people can walk to it and it becomes a community in itself, you have the problems of noise and problems with everything that goes on. So the regulations were counter-intuitive to trying to get people to congregate, gather and build respect for each other, knowing that, even if they put their sheets over the balcony, people are not too bad. In that context, I started to understand it. But there has to be a middle line.

Mr Eringa—There are certain boundaries in the extent to which you can do that. But I think it is a good idea that, if you cannot move people to where the jobs are, you move the jobs to where the people are. Maybe you would do that not by having a mechanic in the middle of a residential area, but you could have a corner shop, a pub, a deli and those sorts of things—and those things are rapidly disappearing from our suburbs. There is a paradigm shift.

Mr KERR—They are also being driven out. There has been a huge public campaign in my home town about a nightclub which people go to until 2 a.m. on Saturday nights—and some of them even get drunk!

Mr Eringa—Disgusting!

CHAIR—I do not believe it!

Mr Eringa—We never used to do that when we were young!

CHAIR—Karel and Nicole, we had better wrap it up. Thank you very much for your great contribution. It was terrific.

Resolved (on motion by **Ms George**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 1.28 p.m.