



Government of Western Australia

The Coordination of Land Release for Perth and Peel

February 2007

**Marion Thompson
Land Release Coordinator**



**The Coordination of Land Release for Perth and Peel
February 2007**

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1. INTRODUCTION	5
2. LOT SUPPLY AND DEMAND	7
3. THE SUBDIVISION AND CLEARANCE PROCESS	13
4. CLEARANCE AND GOVERNMENT AGENCIES	17
4.1 Cross Government Agency Response	17
4.2 Department for Planning and Infrastructure and the Western Australian Planning Commission	18
4.3 Department of Environment and Conservation	26
4.4 Department of Water	34
4.5 Western Power	38
4.6 Water Corporation	42
4.7 Local Government	46
5. DEVELOPMENT INDUSTRY	51
6. BONDING OF WORKS AND SELLING OFF THE PLAN	57
7. OTHER ISSUES	59
8. RECOMMENDATIONS	61
ABBREVIATIONS	65
BIBLIOGRAPHY	67
APPENDIX 1 – Zoned Land – Metropolitan and Peel Region Scheme maps and Schedule of zoned developed and remaining developable land, Perth	69
APPENDIX 2 – Minor Western Australian Planning Commission / Department for Planning and Infrastructure Process Improvements	73
APPENDIX 3 – Lot Approval, Construction and Sales Timing	75

The Coordination of Land Release for Perth and Peel

EXECUTIVE SUMMARY

A Land Summit was held in June 2006 initiated by the Minister for Planning and Infrastructure to discuss concerns relating to the availability of residential lots in Metropolitan Perth and Peel. Arising from the Land Summit, Cabinet appointed a Land Release Coordinator to expedite approvals, recommend process improvements, liaise with the development industry and report on findings.

Following the Land Summit, the Department for Planning and Infrastructure undertook a survey of all residential developers with subdivision approvals of 30 lots or more in Perth and Peel. The survey sought advice on the status of conditional approvals, the reasons for delays, the timing for lot release and measures to control speculation. The survey results have aided the preparation of this report.

The Land Release Coordinator has been assisted by an inter-agency Land Supply Forum comprising representatives of the key five State Government departments involved in land subdivision, the Department for Planning and Infrastructure, the Department of Environment and Conservation, the Department of Water, Water Corporation and Western Power.

Advice has also been received from the Western Australian Local Government Association particularly the Outer Metropolitan Growth Council CEOs and from key industry associations including the Urban Development Institute of Australia, the Property Council, Housing Industry Association, Master Builders Association, and Civil Contractors Federation, consultant groups and professional organisations.

A priority of the Land Release Coordinator is to focus on expediting final subdivision approvals for the estimated 40,000 conditionally approved lots in Perth and Peel. The conversion of conditionally approved lots to final approvals and title has not been occurring fast enough. This report summarises issues, particularly within the subdivision clearance process, but also makes a number of wider recommendations to improve the land development process.

The number of residential lots issued with final approval in 2005-06 for Perth and Peel was 16,299; more than double the 7,635 lots produced in 2000-01. However, the unprecedented level of demand for serviced residential lots over the last 12 to 18 months has outstripped supply. Demand was not confined to owner occupiers and investors who are constructing housing, but included speculators who appear to be buying serviced residential lots to hold.

The rate of approval of residential lots is not entirely within the government's control. Landowners and developers are responsible for initiating applications for subdivision approval, fulfilling and requesting clearance of conditions and applying for final approval and title. Analysis of approvals data indicates that historically less than 60 per cent of conditional approvals proceed to final approval. The residential developers' survey revealed that only half of lots with conditional approvals had been actioned by developers.

Impediments to accelerating lot supply are not confined to approval processes. The developers survey revealed that shortages of materials, contractors and professional staff in government and the private sector have also been contributory factors delaying lot completion.

The timeframes to convert raw land to serviced titled lots, and to complete homes on newly created lots needs to be significantly reduced for the current population growth in both Perth and Western Australia to be accommodated.

Perth and Peel's urban development is moving into more environmentally challenging areas, and is harnessed to increasingly complex State and local government policy requirements. Land development also occurs within the context of community demands for affordable housing, for increasing levels of amenity and infrastructure in new residential areas and for environmental protection.

The major recommendations of this report relate to:

- prioritising land supply within government agencies,
- introducing timelines to the clearance and upstream approvals process,
- ensuring clarity of requirements and consistency in their application,
- improving statutory process,
- resolving the constraints delaying current active conditional approvals,
- addressing staffing and salaries of planning and related professionals in the government sector, and
- developing a process for a tracking system to identify delays.

The rate of release of land in both private and government landholdings also needs to be reviewed to address lot supply.

Already there has been a level of commitment from government to expediting conditional approvals and a number of the improvements recommended in this report have been initiated.

The focus of the Land Release Coordinator was on Metropolitan Perth and Peel. However, a number of the recommendations below would also expedite residential land release in regional Western Australia.

A primary task of the planning system is to ensure residential land supply, and this is the focus of the report and recommended actions. The underlying aim, however, is to ensure an adequate supply of affordable housing with choice and variety to meet future population and housing needs. This involves a much broader range of issues including housing incentives, taxation arrangements and public housing provision that were beyond the scope of this report.

The major recommendations of this report are summarised below. Detailed agency-specific recommendations relating to short- and long-term measures are included within the body of the main report.

Prioritising Land Supply

1. Delivery of residential land and housing to provide sufficient and affordable accommodation for West Australians is a critical economic and social sustainability objective. Government agencies need to give priority to land and dwelling supply as they do to major mining projects. Priority should be given to streamlining approvals for major residential subdivisions and development projects, in both 'greenfield' and 'brownfield' locations and by other measures, such as expediting infrastructure provision and government housing developments.
2. A Ministerial Council for housing and land supply should be established to ensure a cross-government approach to the provision of residential land and dwellings across the State, including investigating housing affordability, taxation and training initiatives, native title resolution, and liaison with local government. The Council should be supported by an Urban Development Coordinator's position, established within the Office of the Minister for Planning and Infrastructure, for the next 18 months.

3. To be in a position to expedite the rate of release of Urban-zoned government land to ensure adequate supply of affordable land for housing in periods of peak demand, the State Government should continue to acquire, develop and hold strategic land parcels for the longer term.
4. Government agencies, particularly the Department for Planning and Infrastructure and the Western Australian Planning Commission, should review their priorities and resources allocated to land and housing supply, to prioritise subdivision applications and clearances of 30 lots and over and major infill housing development projects.
5. The forthcoming State Taxation Review should examine any taxation impediments to the supply of adequate residential lots to the market and the conversion of lots into housing, particularly for owner occupiers.

Introduction of Timelines

6. Timelines should be introduced to the clearance process for local government and other referral agencies. Procedures are required to accelerate clearances if timelines are not being met.
7. Programs should be established by land developers in liaison with the Western Australian Planning Commission and relevant agencies, particularly the Department of Environment and Conservation, for major land release areas, and timeframes introduced to ensure that the necessary approvals and subdivision works are complied with in time to meet lot supply targets.

Statutory Approval Process and Practice Improvements

8. The Department for Planning and Infrastructure should continue to improve and reform its statutory approval processes and planning practices, particularly introducing joint rather than sequential assessment of subdivision and structure planning proposals with local government and Memoranda of Understanding with other government agencies; with the objective of expediting land supply.
9. Water Corporation, the Department of Water and the Department of Environment and Conservation should clarify responsibilities within and between their agencies in relation to drainage planning and water management, and issue a joint bulletin clarifying responsibilities.
10. The Department of Environment and Conservation and the Department of Water in consultation with Water Corporation should prepare and publish operational guidelines/business rules providing clear, consistent and valid advice as to the requirements necessary to meet subdivision conditions.
11. The practice of bonding and pre-selling of lots should be reviewed across government and in consultation with the development industry.
12. The Department for Planning and Infrastructure and the Western Australian Planning Commission should provide regular training to state and local government staff on the policies, procedures and practices related to subdivision condition setting and clearance processes.

Timely Strategic Planning

13. The Department of Water, with technical assistance from Water Corporation and the Department for Planning and Infrastructure, should develop a program to address the lag in strategic arterial drainage planning, to ensure that adequate short-term lot supply is balanced against appropriate standards of environmental and water management.
14. Growth management strategies for the major corridors should be updated by the Department for Planning and Infrastructure and any constraints, particularly environmental and infrastructure, should be reviewed and addressed in advance of local structure planning and subdivision. The WAPC's Infrastructure Coordinating Committee should develop five-year strategic infrastructure plans for the major growth corridors to support the growth management strategies.

Staffing and Resourcing

15. Special incentives are necessary to retain and attract experienced technical staff to key areas of the land development and approvals process, including statutory and strategic planning and planning reform. Training and incentives are also necessary to attract and retain staff in the construction sectors.
16. Local government fees and charges relating to clearances should be reviewed and increased to allow an increase in staffing to expedite clearances.

Monitoring and Tracking

17. The subdivision approval process is currently a paper-based system. Introduction of an electronic approvals system by the Department for Planning and Infrastructure that will allow tracking of applications, approval, clearance and title processes; and critically, identify delays, is a land release priority. The proposed electronic land development process (eLDP) based on the Shared Land Information Platform (SLIP) should be funded with program delivery to 2011.
18. It will be necessary for the Department for Planning and Infrastructure in conjunction with other government agencies, particularly Water Corporation, to develop an interim tracking system for subdivision clearances pending delivery of the eClearance phase of eLDP. The interim tracking system should provide a monthly snapshot of clearance progress.
19. The Department of Environment and Conservation and the Department of Water need to implement business processes to track and monitor subdivision clearances.
20. The Department for Planning and Infrastructure and the Department for Housing and Works should review current arrangements with a view to providing more timely (quarterly or six-monthly) information on lot and dwelling supply and lead indicators of population and housing demand.

1. INTRODUCTION

During 2006, the demand for serviced residential lots in Perth saw queuing and balloting at residential estates, escalating lot prices, and intense media reporting.

The residential lot shortage has resulted from a high demand for property driven by an increasing population due to Western Australia's strong economic growth, an increase in investor activity and land speculation, supply limitations because of insufficient capacity in the building, consulting and construction industries, and delays in converting conditional approvals to titled lots.

The Department for Planning and Infrastructure (DPI) undertook a Planning Process Review study in 2004 with the Property Council and Urban Development Institute of Australia (UDIA) to look at a range of measures to streamline planning processes, and a number of initiatives have been progressively implemented. The *Planning and Development Act 2005* took effect in April 2006 and introduced further measures including extending the validity period of most subdivision approvals from three to four years.

The number of lots issued with final subdivision approval since 2000-01 has more than doubled. In 2005-06, 16,299 lots were converted to final approval in Perth and Peel compared with 7,635 lots in 2000-01.¹ DPI data indicates that there are currently over 40,000 lots with conditional subdivision approval. In the 2005-06 financial year alone, the WAPC produced 24,848 conditionally approved lots. Conditionally approved lots were taking an average of some 300 days (10 months) to satisfy conditions and move to final approval and title in 2005.

There does not appear to be a shortage of zoned land to meet long-term housing needs. There is an estimated 18 years supply of urban-zoned land in Perth and Peel; it is the time required to convert broadacre land to serviced residential lots and then to completed housing that is of concern.

The Land Summit identified the delays and difficulties in achieving timely clearance on conditional subdivision approvals as a major impediment to reinstating balance to demand and supply.

Consequently the brief of the Land Release Coordinator was to:

- expedite final subdivision approval and clearance of conditionally approved lots in Perth and Peel;
- review procedures and recommend changes to streamline clearances;
- recommend a structure to enable tracking of conditionally approved lots to avoid a similar situation in the future;
- liaise with the development industry and government agencies; and
- report to the Minister for Planning and Infrastructure.

This report is a summary of the above review.

¹ Conditional subdivision approval is obtained pursuant to the *Planning and Development Act 2005*. Once conditions are acted on, final approval is achieved at the end of the subdivision process by the endorsement of a Diagram of Survey. Issue of title follows on application by the landowner. The subdivision process is outlined in detail in Section 3.

In assembling this report, information was provided from a variety of sources including the following:

- Workshops and contact with stakeholders including engineering and environmental consultants, civil contractors, planning consultants, surveyors and local government planners.
- A survey by the Department for Planning and Infrastructure of residential land developers with current subdivision approvals exceeding 30 lots, to identify proposed lot releases, bottlenecks and measures to control speculation.
- Regular meetings of an Interagency Land Supply Forum comprising representatives of the key five state government departments involved in land subdivision; DPI, the Department of Environment and Conservation (DEC), the Department of Water (DOW), Water Corporation (WC) and Western Power (WP).
- Interviews with industry organisations and major developers including the UDIA, the Property Council of Australia, Housing Industry Association, Master Builders Association and Civil Construction Federation.
- Discussions with the Western Australian Local Government Association (WALGA), particularly the Outer Metropolitan Growth Council CEOs; and interviews with the planning and engineering staff of the twelve local governments responsible for the majority of land releases in Perth and Peel; Wanneroo, Joondalup, Stirling, Swan, Gosnells, Armadale, Serpentine-Jarrahdale, Cockburn, Rockingham, Kwinana, Mandurah and Murray.

2. LOT SUPPLY AND DEMAND

Introduction

Western Australia is in a period of exceptional growth, stimulated by the demand for resources and, for the property industry, by the willingness of investment capital and people to move to WA.

One of the consequences has been a shortage of housing and residential lots. The market situation since 2005 has seen the demand for subdivided residential lots exceed the number of titled lots available, not only in Metropolitan Perth and Peel but regional areas of WA. New residential lots have not been built fast enough to meet demand, and developers advise that their supply or 'buffer' of titled lots has been exhausted. As a result, lots were increasingly being sold 'off the plan' (ie, prior to title). Neither the private nor the public sectors anticipated the recent level of demand, nor that it would be sustained.

The desired end product of most lot purchasers is a house rather than a serviced lot. Completion times for new housing of up to 18 months in 2006, and the large number of houses under construction state-wide (over 22,000 houses in the September quarter of 2006) further delayed the timeframe to convert raw land to housing.

Lot Demand and Price

The demand for property has been driven by a number of factors including declining household size, increasing population and low interest rates. Over the 12 months to 30 June 2006, WA's population increased by 39,900 people, a two per cent population growth rate and the nation's highest.

The recent demand for land has not been driven solely by owner occupiers. Investors seeking rental properties and speculators have also been contributing to demand. REIWA advises that only around 22 per cent of first homebuyers build new, so the demand for residential lots by owner occupiers is predominantly from owners trading up.

In mid-2006 investors and speculators were estimated to have comprised 33 per cent of the residential market². Whereas investors are likely to be developing land for rental housing, speculator demand may be for lots to 'hold', resulting in less newly titled lots than otherwise being available for housing construction. For example, City of Wanneroo data³ indicates that as at 31 December 2006, 26 per cent of lots (approximately 3,600 lots) created since 2003 had not been subject to a building licence application. The City of Mandurah has reported over 6,600 vacant serviced residential lots within its municipality.

The number of lots on the market had been falling steadily. Figure 1 indicates that UDIA members had only 337 lots on the market at the end of June 2006, although this had increased to 674 by the end of September and 724 by the end of December 2006⁴. At June 2006, UDIA members were estimated to be responsible for just over half of all lot production, so the total numbers of lots on the market would have been significantly higher.

Lot prices have risen significantly since 2003. Figure 2 shows the average sale price of UDIA members lots on a quarterly basis and indicates a doubling in lot price between 2003

² REIWA Property Market indicators, September quarter 2006.

³ Provided by City of Wanneroo to office of Land Release Coordinator, February 2007

⁴ UDIA WA Urban Development Index September quarter 2006, December quarter 2006

Figure 1: WAPC final lot approvals, UDIA members lots on the market and lots sold, Perth, March 1996 to December 2006, by quarter

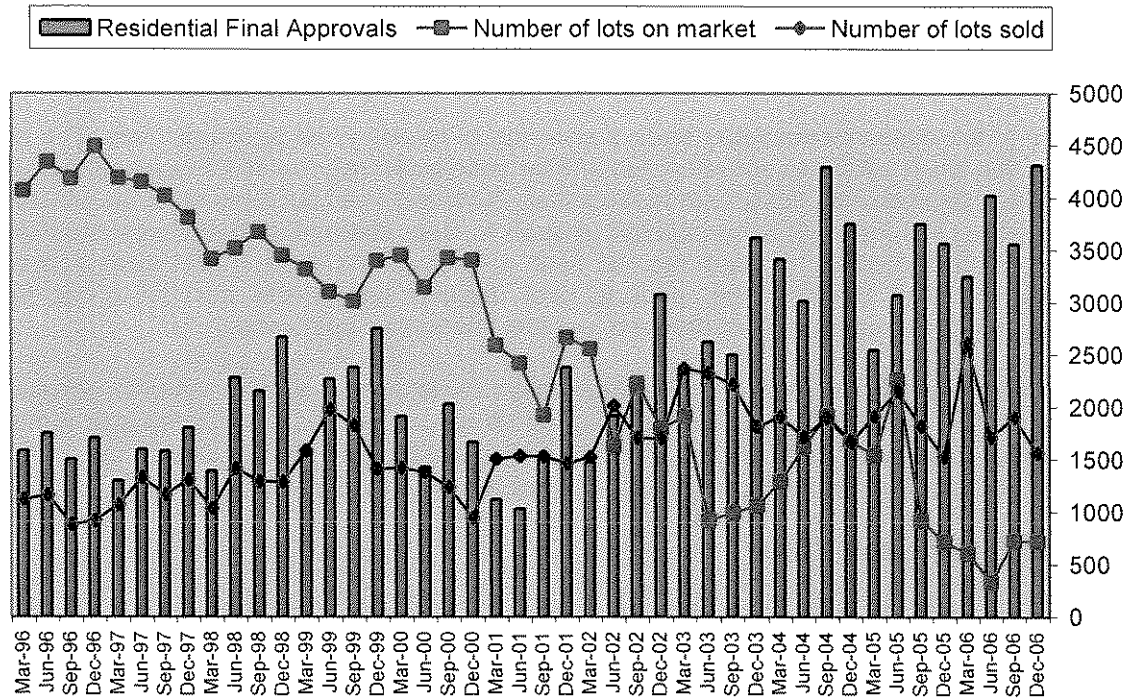
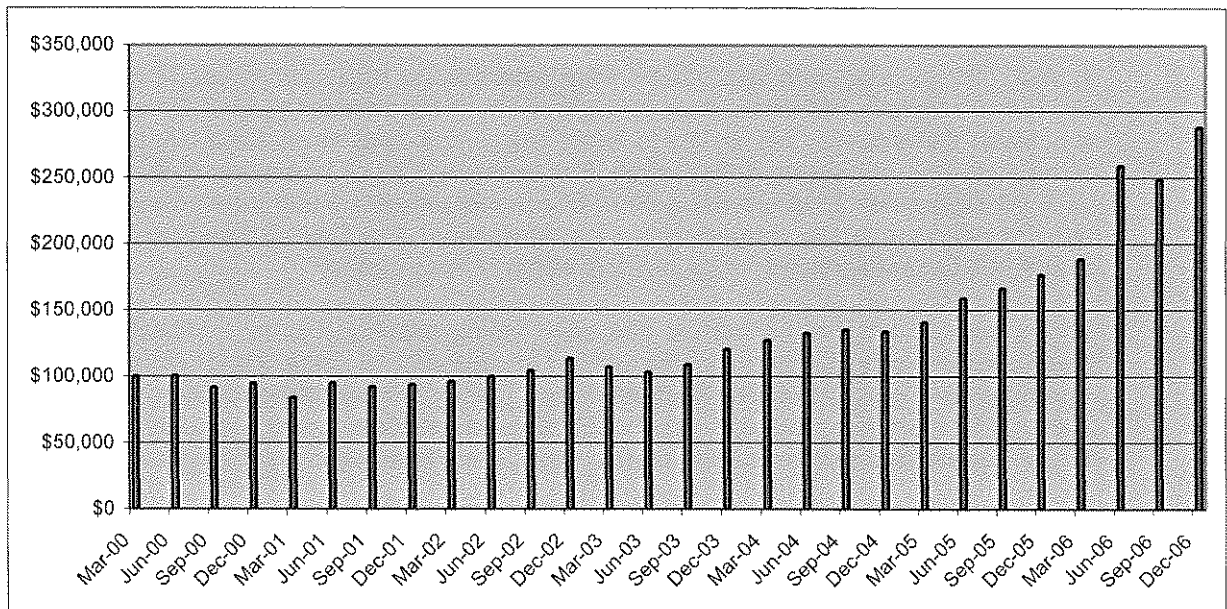


Figure 2: Average price of lots sold, UDIA members by quarter 2000-2006



and 2006, to \$248,652 for the third quarter of 2006. Interestingly, the average price of lots sold in the December quarter was \$288,249, but the average price of lots on the market was \$310,642.

Looking ahead, the real demand for residential lots in WA is likely to continue to be supported by Perth's growing population, strong economy, strong employment and income growth, and declining household size, for at least the next 12 months. However, higher prices and slower price growth is dampening interest from speculators, and declining affordability is resulting in first home buyers being priced out of the market.

Residential Land Supply

The current Metropolitan Region Scheme (MRS) comprises some 98,000 hectares of land zoned Urban (89,900ha) and Urban Deferred (8,400 ha). Of this, an estimated 18,000 hectares is available for residential development, representing some 18 years supply, based on 2006 consumption rates of 800 to 900 hectares per annum, as summarised in Appendix 1. This excludes the land in existing subdivision approvals.

In addition, the WAPC has added just under 5,000 hectares of Urban and Urban Deferred zoned land to the MRS since 2000. A further 1,700 hectares of land is proposed for Urban and Urban Deferred zoning in current MRS amendments.

The planning system has been responding to the lot supply shortage. In June 2006, DPI estimated there to be over 40,000 residential lots under conditional approval in Perth and Peel. Almost 35,000 of these lots were estimated to be in approvals of 30+ lots.

The number of lots given final approval by the WAPC for Perth and Peel was 16,299 in 2005-06. The number of lots given conditional approval annually is significantly higher and has increased from approximately 16,406 in 2000-01 to 24,848 lots in 2005-06⁵ (Figure 3). However, conversion of zoned land to final residential lot approvals has not been able to keep pace with the extraordinary demand.

The DPI residential developers survey was sent to all Perth and Peel developers with subdivision approvals of over 30 lots. This covered 273 projects and just over 39,000 lots. The response rate was 51 per cent of projects and 61 per cent of lots (21,975 lots in total after superceded and overlapping approvals are removed).

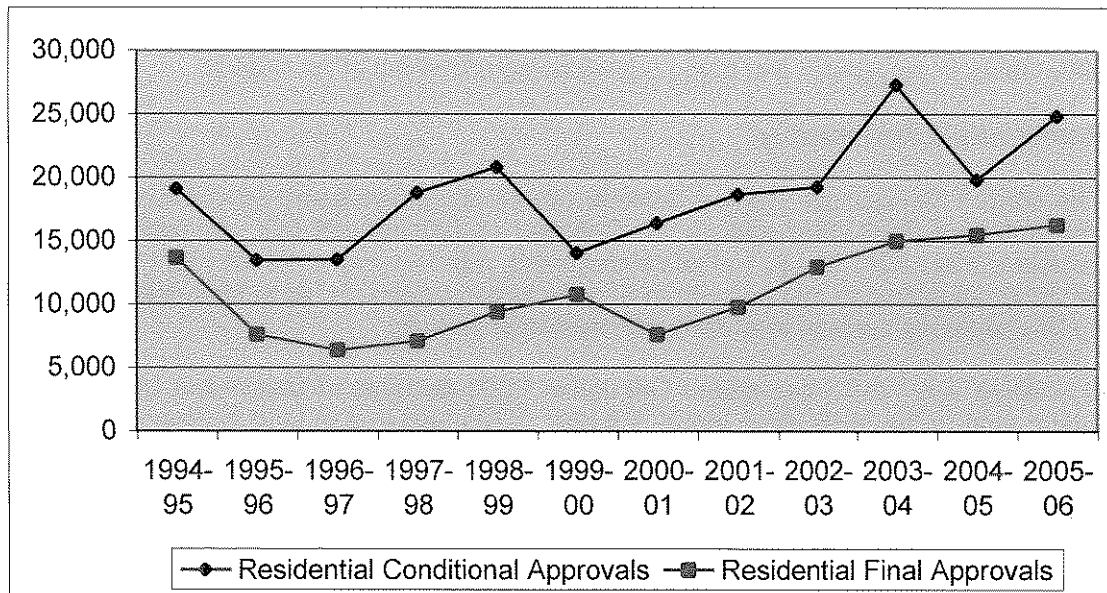
The developers that responded to the survey anticipated releasing 6,000 lots in 2006-07. The UDIA September 2006 survey of its members also indicated a planned 2006-07 release of 6,000 lots. These lot release numbers fall short of anticipated final approvals by the WAPC, and below likely levels of demand.

Lot Target

In August 2006, Cabinet set a target of 20,000 finally approved lots for Perth and Peel for 2006-07. This represents an 18.5 per cent increase on the 16,299 lots given final approval in 2005-06. WAPC gave final approval to almost 7,900 lots in the six months to end December 2006, equivalent annualised to just under 15,000 lots. Water Corporation's current clearance applications indicate that around 17,000 lots are likely to achieve final approval in 2006-07.

⁵ State Lot Activity, June quarter 2006, WAPC

Figure 3: WAPC residential conditional and final lot approvals, Perth and Peel, 1994-05 to 2005-06



Source: WAPC Land Development Program, State Lot Activity Bulletin, June 2006

Figure 4: Lots in 30 lot+ conditional approvals, and lot target by metropolitan corridor ⁶

METROPOLITAN CORRIDOR	LOCAL GOVERNMENTS	NO OF LOTS IN CONDITIONAL APPROVALS >30 LOTS ⁷	TARGET FINAL APPROVED LOTS 2006-07
North-west	Wanneroo, Joondalup	8,193	4,000
East	Swan, Mundaring, Kalamunda	3,831	1,800
South-east	Gosnells, Armadale, Serpentine-Jarrahdale	6,024	
South-west	Cockburn, Kwinana, Rockingham	9,668	4,200
Peel	Mandurah, Murray	6,906	2,000
Inner and Middle	Various	1,567	4,000
TOTAL		36,189	20,000

⁶ Corridors reflect the sectors used in the WAPC's Metropolitan Development Program. Lot numbers may include overlapping approvals, estimated at around 7% of lots.

⁷ At 5 February 2007

The 20,000 lot target has been allocated as shown in Figure 4. Note that the 4,000 lot target assigned to the inner and middle metropolitan areas (20%) will comprise significant small lot subdivision not recorded in 30 lot plus approvals, including built strata approvals under 5 lots that do not require WAPC approval and are therefore not included in WAPC approval statistics.

Constraints to Lot Supply

Water Corporation data has been used to identify active and inactive approvals of over 30 lots at February 2007, and indicates that some 46 per cent of lots are not in active approvals (Figure 5). Active approvals may be progressing in stages, so only a part of the whole approval may be active. The proportion of inactive approvals was confirmed by the Residential Developers Survey. Developers reported that for some 49 per cent of lots (over 10,000 lots) there had been no works or actions to commence clearance.

As the private sector, not government, is responsible for initiating clearance, the large gap between conditional and final approvals is of concern. A consequence is that planning resources are being diverted to approve land that will not be subdivided within the four year approval time frame, and zoned land is not being subdivided at a time of high demand for lots. While a number of lots may be delayed by infrastructure provision, environmental approvals and other impediments, inactivity also appears to be market driven. The issues of inactive approvals are dealt with in more detail in Sections 4.2 and 5.

There are likely to be practical obstacles within the construction sector to achieving the 20,000 lot target in the short term. Members of the Civil Contractors Federation have advised that there could be up to 15 per cent additional civil construction capacity in the short term, particularly if the size of clearance stages could be increased to produce land more efficiently. However, there appear to be construction capacity constraints this financial year, driven in part by labour shortages that will make it challenging to produce more than 18,000 lots.

There are significant inelasticities of supply. The key factors that are delaying the conversion of broadacre land to subdivided and serviced lots, particularly in the clearance stage, are outlined in the sections following.

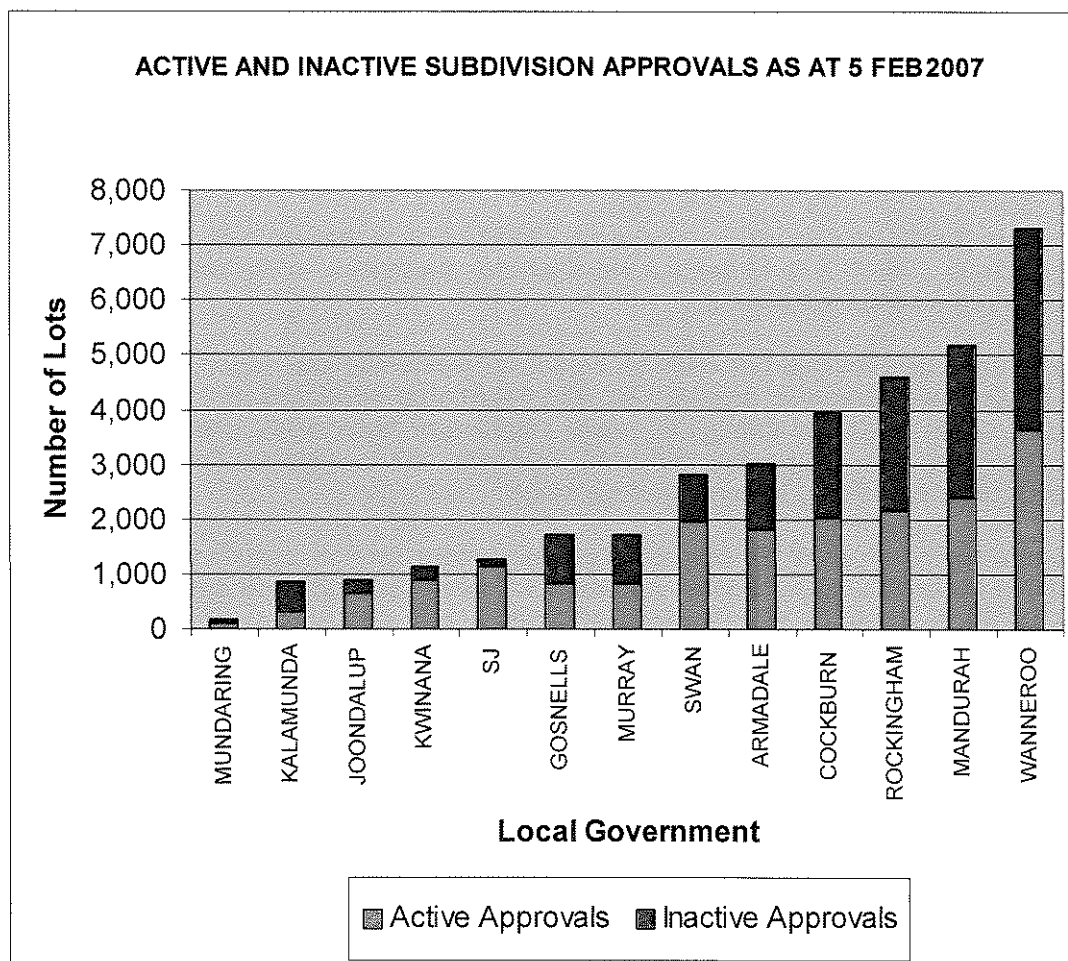
The focus of land release has been on broadacre residential subdivision, predominantly on the urban fringe. However, new lots will also need to be developed on infill subdivisions in existing urban areas and through the redevelopment of 'brownfields' sites to accommodate housing types other than single detached dwellings, and to meet residential demand from those who do not wish to live on the urban fringe.

Streamlining of approval processes to produce more land in greenfields sites therefore needs to be matched by improved approval processes for major infill housing projects that provide Perth residents with a range of housing mix and choice, and meet the State Government's strategic objectives as expressed by the WAPC's Network City policy.

Figure 5: Lots in Active and Inactive conditional approvals of 30 lots and above, in growth corridors, Perth and Peel, at 5 February 2007.

LOCAL GOVERNMENT	NO. OF APPROVALS 30 lots and above	LOTS IN ACTIVE APPROVALS	LOTS IN INACTIVE APPROVALS	TOTAL LOTS *	% ACTIVE APPROVALS	CORRIDOR
MUNDARING	3	109	48	157	69%	EAST
KALAMUNDA	17	319	543	862	37%	EAST
JOONDALUP	12	641	246	887	72%	NW
KWINANA	9	904	222	1,126	80%	SW
SERPENTINE-JARRAHDAL	17	1,145	131	1,276	90%	SE
GOSNELLS	24	826	900	1,726	48%	SE
MURRAY	11	831	892	1,723	48%	PEEL
SWAN	25	1,950	862	2,812	69%	EAST
ARMADALE	23	1,811	1,211	3,022	67%	SE
COCKBURN	39	2,013	1,921	3,934	51%	SW
ROCKINGHAM	41	2,155	2,453	4,608	47%	SW
MANDURAH	53	2,411	2,772	5,183	46%	PEEL
WANNEROO	29	3,637	3,669	7,306	50%	NW
TOTAL	303	18,752	15,870	34,622	54%	

- Total lots indicates the number of lots remaining in conditional approvals, that is, not yet given final approval. Total differs from total in Figure 4 as lots in inner and middle areas have been excluded.



3. THE SUBDIVISION AND CLEARANCE PROCESS

Subdivision in Western Australia is administered by the Western Australian Planning Commission (WAPC). Western Australia is the only state that has a centralised subdivision approvals process: in other states, subdivision is a local government responsibility. The statutory basis for broadacre subdivision is established primarily by the *Planning and Development Act 2005*.

The desirability of a centralised system was reviewed by a Public Accounts Committee. Its 2004 report⁸ recommended that planning and subdivision should remain centralised and with the WAPC.

Subdivision generally occurs after the planning context for a landholding has been established under the Metropolitan Region Scheme (MRS), the local planning scheme, and by the preparation of structure plans or outline development plans (ODPs).

Structure plans and/or ODPs should occur in advance of subdivision and outline the distribution and type of land uses proposed and the indicative site layout including streets, retail and commercial facilities, employment areas, open space, community facilities and infrastructure provision. Initiation and preparation of structure plans and ODPs generally rests with the landowner, although the WAPC and local governments may prepare these documents to guide development, particularly where land ownership is fragmented or has complex development constraints and would not proceed to development without government intervention and assistance.

A brief summary of the subdivision process is provided below.

The Subdivision Process

The WAPC determines all green title, built, vacant and survey strata subdivision (except built strata subdivision applications of five lots and under which are determined by local government).

Application to the WAPC for subdivision approval is initiated by the landowner/developer. The *Planning and Development Act* requires subdivision applications to be determined within 90 days, and the WAPC measures performance against this 90-day timeframe. A subdivision application may overlap existing approvals, so it is possible to have multiple (conditional) approvals covering the same piece of land.

Subdivision applications are lodged with supporting information, including a plan, and are processed by the Department for Planning and Infrastructure on behalf of the WAPC. DPI officers report to the WAPC's statutory committees, and DPI officers have delegated authority to make specified decisions on the WAPC's behalf.

Subdivision applications are lodged in hard copy form. There is currently no full electronic lodgement system (although a fast track electronic system is being trialled for applications under five lots with a limited number of local governments). Applications are registered by DPI then referred to relevant state government agencies and the local government for comment on whether to grant conditional or unconditional approval, or refusal. All applications are referred to the local government, Western Power and Water Corporation. Other possible referral agencies include the Department of Environment and Conservation, Department of Water, Main Roads WA, Swan River Trust, Fire and Emergency Services, Department of Health, Department of Agriculture and Department of Education.

⁸ Public Accounts Committee, Legislative Assembly, Government of Western Australia: Inquiry into Developer Contributions for Costs Associated with Land Development, Report no 8, 2004

The decision as to which of the other possible referral agencies an application is referred to, is determined primarily by an established set of business rules.

Referral agencies have 42 days to respond. If conditional approval is recommended, conditions are normally derived from a set of conditions developed and adopted by the WAPC; however, non-generic conditions may be imposed. The *Planning and Development Act* now provides that if referral advice is not received within 42 days, there is deemed to be no objection to approval and no requirement for conditions from that agency.

Planning officers may need to seek further information from the applicant to enable an application to be assessed. This may 'stop the clock' on the 42-day referral for advice and 90-day determination period, if agreed by the applicant.

Once referrals are received, the planning officer generates a report and recommendation. A set of 'model' conditions, adopted by the WAPC, is used as the basis for condition setting. Some determinations are made by senior statutory planning officers acting under delegated authority. Others, (a lesser number) are determined by the WAPC, generally by its Statutory Planning Committee (SPC) that meets weekly. Applications determined by the SPC are where issues such as the scale and complexity of the application, variance from policy, lack of a structure plan/ODP or dispute on recommendation or conditions with a referral agency arise.

The decision of the WAPC is forwarded, again in paper form, to the applicant with copies to referral agencies. Generic conditions that apply to most major subdivisions include site contouring and provision of power, sewer, potable water, drainage, streets and open space. In general, over half the approval conditions relate to local government requirements.

Tracking of applications, reporting and determinations are performed on the DPI's internal oracle-based system, initially developed in the early 1980s. This system is dealing with a larger number of applications, larger-sized reports, and has more approvals and conditions to track than originally envisaged.

For each condition there is a state or local government agency identified as responsible for 'clearance', that is, for specifying in detail the requirements necessary to meet a generically worded condition and confirming that the works or tasks have been satisfactorily addressed. In addition to conditions, approvals often contain advice notes that provide more detailed information as to what may be required to satisfy certain conditions. A large subdivision could include some 30 to 45 conditions.

The applicant who has received either a refusal, or an approval with conditions that the applicant may consider unacceptable, has a right of review to the State Administrative Tribunal (SAT). There is also a right of appeal if the subdivision application is not determined within 90 days.

The WAPC may reconsider conditions or a refused application. Reconsiderations are subject to timeframes. The WAPC has also adopted a practice of considering revised plans, often as part of reconsideration, although there is no legal basis for revised plans, and consequently no timeframes.

A conditional approval is now valid for four years. The introduction of the *Planning and Development Act* on 9 April 2006 extended the validity period for all approvals of five lots or over from three to four years.

The Clearance Process

A landowner/developer with a conditional subdivision approval initiates the clearance process after which an application is made for final approval and issue of title. Not all conditional approvals progress to final approval. For large subdivision approvals, clearances are sought for stages rather than the entire subdivision.

The statutory approval authority for clearances remains the WAPC but conditions are worded such that works are to the specification of the clearing authority. The landowner/developer or their representative(s) approaches each individual clearing agency to receive advice on the specific works or tasks necessary to satisfy the condition(s) for the lots for which clearance is sought. For a large subdivision, this might involve up to eight agencies including the local government.

The landowner/developer then proceeds to prepare plans, undertake the specified works, and seek 'clearance' at or near the end of the site construction process. Some clearance conditions may not be limited to works, but might relate to long term maintenance or management obligations (for example for maintenance of public open space).

The average time taken to convert conditional subdivision approval to final approval has been approximately ten months (2000-01 to 2003-04). Once all works are completed or near completion, application is made for 'clearance' of the stage. A diagram of survey (also known as deposited plan) outlining the surveyed public and private lot configurations and dimensions is submitted to each clearance agency and the agency advises the WAPC or proponent in writing that the condition has been satisfied. The proponent lodges a Form 1C application with the WAPC together with clearance letters from all relevant agencies and the diagram of survey.

DPI officers with delegated authority from WAPC check the diagrams of survey against the subdivision approval, and if they comply, authorise and forward these to Landgate (previously the Department of Land Administration). The WAPC is required to determine diagrams of survey within 30 days of lodgement, and if there is a refusal or a failure to determine, the proponent has a right of appeal to SAT. This 30-day time period was introduced in April 2006 by the *Planning and Development Act*⁹. If a clearance agency refuses to clear a condition, a proponent may request the WAPC to clear the condition and endorse the diagram¹⁰. This rarely occurs.

Landgate then checks the diagrams of survey, determines that they are 'in order for dealing' and on application and payment of a fee, issues title for the created lots. Once lots are in order for dealing, rates and land tax are payable, although titles are only issued when application is made and a fee paid.

DPI does not track the progress of conditions towards clearance, nor where delays are being experienced by proponents in the clearance process. The management of the clearance process has to date been the landowners/developers responsibility.

The subdivision process in WA is designed to be flexible to allow reconsiderations, amended plans, overlapping approvals and negotiation in the detail of conditions, but requires experienced professional staff to administer and ensure consistency. The subdivision and clearance process could be streamlined by the reduction of discretion and the introduction of a more rigidly applied 'rule based' approach. However, any reduction in flexibility is likely to be resisted by the development industry.

⁹ *Planning and Development Act 2005*, Section 253.

¹⁰ *Planning and Development Act 2005*, Section 145

4. LAND RELEASE AND GOVERNMENT AGENCIES

Introduction

The 2004 UDIA and Property Council¹¹ review with DPI and WALGA referred to in Section 1 identified opportunities for planning process improvements. A number of the recommended process improvements were implemented through a DPI internal statutory planning review and implementation taskforce, and via provisions in the *Planning and Development Act* that took effect in April 2006.

In August 2006, the State Government allocated \$1.3 million to appoint five corridor planning coordinators, administrative support staff, and a south west Land Release Coordinator to progress residential land supply. Further funding was provided to the Department of Environment and Conservation for staff to undertake land use and acid sulphate soil assessment. An Interagency Land Supply Forum comprising representatives of the five key state government departments involved in land subdivision was also established, to expedite land releases and investigate clearance processes at state government level. The Land Release Coordinator also visited the major urban fringe councils involved in land release to identify problems and possible areas of improvement.

In the Residential Developers Survey undertaken by DPI in late 2006, developers reported a surprisingly low level of delay with the lots that were scheduled for final approval by June 2006. Only 1,703 lots of the 21,975 reported had been delayed (8% of lots). Delays related to completing works as well as confirming state and local government requirements.

However, development industry representatives have advised the Land Release Coordinator that the more significant land release delays occur in the steps prior to clearance - particularly in achieving rezoning, structure plan and subdivision approvals within reasonable timeframes. Time periods of five years from application for rezoning to final approval of subdivisions have been reported.

The key issues impacting on land supply are identified below and recommendations made for improvement. In summary, both state and local government could improve the approvals process by better clarity and more consistent application of requirements, and by applying and adhering to timeframes for advice, approvals and clearances.

4.1 Cross Government Agency Response

The subdivision rezoning, referral, approval and clearance processes involve a number of government agencies, and government is also involved as an active land subdivider and housing developer. Land development coordination is largely managed by DPI. However, a number of development and housing industry representatives have indicated that land and housing development requires greater cross government coordination and response at a Ministerial level.

It is recommended that a Ministerial Council for housing and land supply be established. In addition to ensuring a cross-government approach to the provision of residential land and dwellings across the State, the Ministerial Council would investigate housing affordability, taxation and training initiatives, native title resolution, and liaison with local government. The Ministerial Council should be supported by an Urban Development Coordinator's position, established within the Office of the Minister for Planning and Infrastructure, to facilitate and expedite land and housing supply throughout Western Australia. This position would initially be created for 18 months.

¹¹ *Planning Process Review Study*, BSD Consultants for UDIA and Property Council WA, March 2004.

4.2 Department for Planning and Infrastructure and the Western Australian Planning Commission

DPI services the WAPC as the statutory body responsible for approvals. Both agencies are referred to where there are statutory implications for the WAPC under its legislation.

The *Planning and Development Act 2005* came into effect in April 2006 and introduced a number of improvements to the subdivision process. An increase in the validity time of approvals from three to four years was applied to all approvals over five lots valid at 9 April 2006. This has increased the pool of approved lots and given developers with large lot approvals more time to complete works. The 2005 Act also provides that when land is zoned Urban under the Metropolitan Region Scheme, it can, on the local government's request and WAPC's approval, be automatically amended to be included in an urban development zone in the local town planning scheme. These initiatives have the potential to result in significant time savings in the conversion of zoned land to serviced residential lots.

Other Act improvements affecting subdivision provisions include exempting all subdivision works indicated on a subdivision plan from separate development approval.

Prioritising Land Supply

Role of DPI and WAPC

A core function of DPI and WAPC should be to ensure an adequate supply of land and housing. This is critical to economic, social and environmental sustainability objectives. DPI and WAPC have been issuing conditional approvals for residential lots at levels exceeding 17,000 pa for the last five years; however, the conversion of conditional to final approvals has not been occurring fast enough to address short-term demand. DPI should review its priorities and resources allocated to dealing with land supply; in particular, measures that enable it to respond to peaks in lot demand and assist the development industry in expediting clearances. WAPC priorities also need to be clearly focused on the provision of land and dwelling supply.

Prioritising Major Subdivision and Infill Housing Proposals and Clearances

DPI should prioritise subdivision proposals and clearances of 30 lots or more in addition to major infill housing and development projects. Sections of DPI external to statutory planning also need to prioritise resolution of outstanding subdivision issues including Bush Forever, and regional road alignment and access issues. Internal referrals and clearances should be subject to timeframes as a Key Performance Indicator.

Monitoring corridor land releases and expediting major subdivision and structure plan approvals will be a key role of the five new corridor planning coordinators. However, resource allocation within DPI also needs to be focused on major housing approvals including large infill projects, or 'brownfields' developments.

Introduction of Timelines

Timelines for Clearances

There are often delays in obtaining clearances from referral agencies, local government and internal non-statutory planning sections of DPI. Timelines need to be applied to state and local government clearance requests. Timelines will require DPI to more actively manage the clearance process, a task that has been undertaken to date by the development industry. The WAPC is likely to be increasingly called upon to clear conditions, as the new *Planning and Development Act* introduced a time period of 30 days for the WAPC to endorse a diagram of survey, after which application can be made to SAT for a review. A nominal timeframe of six months to complete works and clear conditions is suggested, but will require additional staff resources to implement. Applying timeframes to clearances requires the active cooperation of the development industry to undertake required works and tasks in a timely manner. The absence of a tracking system is an impediment to the introduction of timelines.

Timelines for Structure Plans and Rezoning

Timelines should be attached to the land development approval processes upstream of subdivision, specifically to local scheme rezonings, structure plan approvals and subdivision advice. The timeframes needed to turn broadacre land into subdivided and serviced lots need to be significantly reduced. Major land developers in liaison with WAPC and relevant agencies should establish programs for major land release areas to ensure that approvals and subdivision works are complied with in time to meet lot supply targets. Priority is likely to be given to developers who require purchasers to construct within a specified time, to ensure that the speedy conversion of serviced land to owner occupier or investor housing occurs.

Statutory Approval Processes and Practices

Joint Structure Plan and Subdivision Assessment, Consultant Reports to Government Format

To reduce timelines and workload, a practice of joint structure plan and subdivision assessment is being trialled by DPI and WAPC in conjunction with local government. This trial should be extended. Reporting by qualified and experienced planning consultants to standardised Council and WAPC report formats should also be encouraged to reduce approval times.

Model Subdivision Conditions

DPI/WAPC has adopted a set of model conditions that are applied to ensure uniformity of subdivision requirements. However, there is a difference of professional opinion between the need for more specific, less generic conditions (with set requirements for the four-year life of an approval) against the use of model conditions that allow flexibility in negotiation with clearance agencies.

WAPC and DPI have allowed other agencies, particularly the Department of Environment and Conservation, the Department of Water and local government to apply model conditions without any clarity or consistency as to the requirements necessary to fulfil those conditions. The WAPC and DPI should ensure that model conditions are supported by clear and consistent requirements as to the works necessary to meet conditions (see also Sections 4.3 and 4.4).

Referral agencies are reluctant to clear conditions if the condition attached to the approval is not specifically as the agency has requested. WAPC/DPI responsibility is to evaluate requested condition requests against planning and policy requirements, and accepted 'tests' as to the validity of conditions. There may be a case to vary requested conditions, but this can cause clearance delays.

It is also recommended that WAPC/DPI issue a Planning Bulletin on guidance for the imposition of planning conditions. A Bulletin should be supplemented by regular DPI/WAPC sponsored training for DPI, local government and other government agency staff.

Number of Conditions

A review of subdivision approvals indicates that an average of 30 conditions are applied to major (>30 lot) subdivisions, with resultant long timeframes to obtain all clearances. Few approvals (and generally those for over 500 lots) have over 45 conditions. The multiplicity and complexity of conditions means that the process of obtaining clearances is becoming more difficult and time consuming. Subdivisions where over 30 conditions are proposed should be scrutinised to ensure that there is a need for all conditions proposed and to avoid any conditions that will be controlled by a separate approval (eg development approval).

Joint Clearing Agencies

Reference to joint clearance agencies sometimes occurs, causing uncertainty as to which agency has prime responsibility for clearance. Uncertainties in responsibilities occur in areas such as drainage planning and inclusion of conservation assets in local open space, especially if a state government agency is setting requirements but local government has to monitor and maintain works. Clearance responsibilities should be resolved at the subdivision approval stage. Where there are joint clearing agencies in existing approvals, a decision on clearance responsibilities needs to be made early in the clearance process. DPI staff have been instructed to avoid reference to joint clearing agencies. An analysis of subdivision approvals issued in the last six months of 2006 indicates that the practice is declining.

Policy Environment

The operational and strategic policies used to assess and determine subdivision approvals need to be clear, easy to understand and avoid duplication. Resolution of the Development Control and Liveable Neighbourhoods policies into a single policy suite is a priority, and is now underway. DPI statutory planners advise that the continuous addition of new WAPC policies further complicates and delays structure plan and subdivision application and assessment. Tighter management by the WAPC of new policies that impact on land development is necessary.

Gas Pipeline Policy

Resolution of subdivisions adjacent to high-pressure gas pipelines is currently problematic. It is understood that guidance to clarify setback and subdivision requirements has been delayed due to differences of opinion among regulators, owners/operators of the pipelines and industry, as to the appropriate planning requirements and approval processes. The WAPC is now prioritising release of a planning bulletin to clarify the situation.

Minor Process Improvements

Continuous business improvement initiatives are being implemented by DPI and ongoing review will be necessary to streamline processes, track workload and develop process initiatives. A number of minor process improvements are proposed at Appendix 2 that would complement the work currently underway in statutory process improvements. Monitoring of the number of *lots* determined within statutory timeframes, in addition to the number of *applications* determined is a critical measure that will enable lot supply to be prioritised.

Timely Strategic Planning

Lack of Issue Resolution Prior to Subdivision Approval/Clearance

The development industry maintains that a number of conditional subdivision approvals require resolution of planning, environmental and infrastructure issues before the clearance process can commence, and are therefore 'sterilised' approvals. It is acknowledged that there are such approvals; however, their number has not been quantified by the industry.

To ensure that this does not occur in future, there is a need to update the corridor plans for Perth and Peel, most now some 10 years old, by the preparation of growth management strategies based on Network City principles. The provision of up-to-date corridor plans and associated district structure plans with clear implementation frameworks would ensure that constraints are addressed for land three to five years out from subdivision, so subdivision approvals can be acted on. Gaps in district level planning may be the result of the historic separation in DPI of strategic planning (focused at broad regional level) and statutory planning, focused on subdivision level. Consideration should be given to integrating strategic and statutory planning. Reviews of corridor structure plans for the north-west corridor and Peel are overdue and should be given tight timeframes for finalisation by the WAPC. Delivery of all strategic plans should be subject to timeframes and staff subject to performance measurement.

It should be noted that deferral of issues to their resolution at the subdivision stage may be driven by the developer/landowner seeking approval in advance of the necessary structure planning and (occasionally) zoning processes. Planners within government advise that there is often pressure from proponents to approve structure plans with outstanding issues, on the basis that issues will be resolved during the subdivision process.

A key task of the five appointed corridor coordinators will be to identify and coordinate resolution of the planning impediments in current conditional approvals.

Infrastructure Coordinating Committee

The Land Summit identified the need for the WAPC's Infrastructure Coordinating Committee to lead the coordination of infrastructure and funding priorities. Five-year strategic infrastructure plans should be developed for the growth corridors to accompany the growth management strategies, and to provide a basis for infrastructure funding. The Infrastructure Coordinating Committee needs to be provided with appropriate technical support staff to do this.

Metropolitan Development Program and more timely data on land and housing demand and supply

The Infrastructure Coordinating Committee should also coordinate the production of the Metropolitan Development Program (MDP) to be an indicator of major land and housing releases and more effective in identifying the provision and programming of infrastructure. The MDP sources developer intentions data from the development industry and releases an annual report. However, development intentions submitted by the industry are not always acted on, affecting data reliability, and there is a time lag with data. DPI is currently undertaking a structure plan capture process to provide more accurate data on subdivision timing and this should improve the accuracy of forward planning by the service agencies, particularly Western Power and Water Corporation.

In addition, more frequent reporting (notionally six monthly) of land supply and dwelling data with more timely information was recommended at the Land Summit and is being progressed by DPI at present. DPI has also commissioned an independent review of the Perth housing outlook for the next five years. The Housing Industry Forecasting Group at the Department of Housing and Works last reported in May 2006 and should be re-energised to provide forecasting information (see also Section 5).

A major gap in data collection has been information on the current numbers of interstate migrants. At present, migration is tracked by Medicare records; however, DPI as part of a national initiative is investigating using Australia Post redirected mail as a more accurate indicator.

Staffing and Resources

Attracting and Retaining Planning Staff

The turnover within the Statutory Planning Division at DPI has been high over the last five years as outlined in the Auditor General's report of June 2006¹² with a 27 per cent annual separation rate of urban and regional planners in 2005. There have been difficulties in filling vacancies, particularly senior and experienced staff in statutory planning due to the heavy and demanding workload, and competition particularly from planning consulting firms able to offer more attractive work conditions and salary packages. This has adversely impacted on the rate of subdivision approvals.

There is also a need to adequately resource strategic planning and planning reform activities in DPI. Strategic planning is necessary to ensure growth management strategies are up-to-date for Perth and Peel.

Special incentives are necessary to retain and attract experienced, qualified and energetic staff. Temporary annual market allowances, funded from WAPC fees and charges, should be considered for statutory planners but would need to be linked to performance targets. Overseas recruitment, particularly of expatriate planners in the UK should be considered. The funding package provided by Cabinet to DPI was also to provide administrative support to enable professional planning staff to focus on core planning tasks.

¹² *Help wanted: Public Sector Workforce Management*, Office of the Auditor General, 21 June 2006.

Monitoring and Tracking

Electronic Land Development Process

With some 300 current conditional subdivision approvals of over 30 lots and an average of around 30 approval conditions each at October 2006, the greatest impediment to the Land Release Coordinator has been the lack of an electronic land approvals system that would allow the identification of which of the approximately 9,000 conditions in current approvals are causing delays in subdivision clearance.

The electronic land development process, eLDP, developed by DPI in conjunction with other government agencies and based on the SLIP (shared land information platform), is estimated at \$25 million capital cost and further \$12m recurrent component cost over 10 years. Funding for eLDP will be considered in the 2007 budget round. While eLDP will not be fully delivered until 2011, it is critical to ensure that in the longer term, the approval referral, processing and monitoring system is upgraded and integrated with the titling process.

Interim Tracking System

To identify any delays and attach timeframes to clearances, an interim tracking system for conditional approvals is being developed by the Land Release Coordinator in liaison with DPI and Water Corporation.

This Excel-based system provides a 'snapshot' of clearances and is proposed to include:

- the electronic transfer of approval letters to referral agencies. These are currently only transferred in paper form;
- development and updating of a 'conditions matrix' that identifies which agencies have conditions to clear. This is currently not monitored;
- updating of a conditional and final approvals list monthly to summarise the number of valid approvals and lots; and
- import of Water Corporation 'start' dates to identify active and inactive approvals, enable government to assist those moving through clearance, and identify the reasons for, or impediments to, inactive approvals progressing.

Accurate Lot Data

The absence of an electronic land development process results in subdivision approvals having to be manually checked to confirm residential final approval numbers and eliminate overlapping approvals. There is a resultant time lag of some six months before confirmed final approvals data is available. This problem would be addressed by the eLDP process, and would enable more timely and accurate release and monitoring of final approvals data.

Recommendations

Twenty major recommendations to expedite the subdivision and clearance process are proposed in Section 8 of this report. Subsidiary recommendations that support the major recommendations, but are specific to DPI and WAPC, are provided below in priority order.

DPI/WAPC should:

In the short term:

- Prioritise subdivision applications and clearance requests for 30 lots and over and major housing development projects. (*Major Recommendations 1 and 4*)
- Introduce timelines to the state and local government clearance processes (notionally six months) to improve land supply. Timelines would be from the date of lodgement of the Diagram of Survey and clearance request by the developer. Procedures to process clearances if timelines are not being met would need to be put in place, including the WAPC clearing conditions as provided for under s145 of the *Planning and Development Act 2005*. The introduction of timelines for developers to lodge clearance information following the commencement of the clearance process will also be required. A tracking system is required to enable timelines to be monitored. (*Major Recommendation 6*)
- Develop an interim tracking system for subdivision clearances in conjunction with other government agencies particularly Water Corporation, pending introduction of eLDP, to enable quicker identification of clearance delays. (*Major Recommendation 18*)
- Investigate incentives to retain and attract experienced statutory planning, strategic planning and planning reform staff to DPI, including temporary market allowances. (*Major Recommendation 15*)
- Continue business improvement initiatives and revised practices that can expedite land supply, particularly with regard to model conditions, dual clearance agencies, revised plans, internal clearances and the issues summarised in Appendix 2. (*Major Recommendation 8*)
- Adopt a practice of joint WAPC/DPI and local government structure plan and subdivision assessment to expedite approvals. (*Major Recommendation 8*)
- Provide regular training for DPI and other state and local government staff on policies, procedures and practices relating to subdivision condition setting and the clearance process. Release two new Planning Bulletins: on guidance for the imposition on subdivision conditions and on the subdivision clearance process and proposed initiatives. (*Major Recommendation 12*)
- Prioritise funding of the electronic land development process in the 2007 budget round. (*Major Recommendation 17*)
- Provide more timely (quarterly) information on lot and dwelling supply and lead indicators of population and housing demand, including reviewing the source of migration data. (*Major Recommendation 20*)

- Resolve the dual policy environment currently existing with Liveable Neighbourhoods and the Development Control policy, so policy requirements are clear, and audit new policies against their impact on land release. (*Major Recommendation 8*)

In the long term:

- Attach timelines to the land development approval processes upstream of subdivision, specifically to rezonings, structure plan approvals and subdivision advice. Land developers in liaison with WAPC and relevant government agencies should establish programs for major land release areas to ensure that the necessary approvals and subdivision works are complied with by all parties in time to meet lot supply targets. (*Major Recommendation 7*)
- Update growth management strategies for the major growth areas to ensure constraints are identified and addressed in advance of local structure plan preparation and subdivision application lodgement. Ensure strategic planning staff are subject to and measured on performance timeframes for the preparation and finalisation of strategic plans. (*Major Recommendation 14*)
- Reinvigorate and resource the WAPC's Infrastructure Coordinating Committee to provide leadership in co-ordinating infrastructure and preparing five-year strategic infrastructure plans as a component of the growth management strategies for the four metropolitan corridors and Peel. (*Major Recommendation 14*)

4.3 Department of Environment and Conservation

The development industry has identified delays and uncertainty of environmental requirements by the Department of Environment and Conservation (DEC) and environmental assessment processes of the Environmental Protection Authority (EPA) as major impediments to land supply. Many issues raised relate to the upstream rezoning and subdivision approval process and EPA approvals, although outstanding environmental issues may delay clearances. Many of the issues raised here reflect those documented by the UDIA in its Environmental Process Review 2005.

DEC provides advice to DPI/WAPC on referred subdivisions and clearance of conditions, although DEC has no statutory obligation to deal with these matters. However, formal referral and assessment by the EPA may be required pursuant to the *Environmental Protection Act*. The *Environmental Protection Act* provides the legislative framework for dealing with environmental issues, with provisions for the formal assessment of projects (s38) and Town Planning Schemes and amendments (s48).

The introduction in August 1996 of the formal assessment of schemes and amendments under S48 of the *Environmental Protection Act* was intended to ensure that land use changes underwent both planning and environmental evaluation at an early stage of the development process.

However, there are significant areas of land that were zoned Urban or Urban Deferred prior to late 1996 that have not been formally assessed and may be subject to environmental referral and assessment as specific proposals under S38 of the *Environmental Protection Act* at later stages of the land development process. The EPA must meet its statutory obligations and undertake an assessment if the environmental impacts are likely to be significant. In such cases, legislation does not provide a mechanism to balance environmental considerations against economic and social sustainability objectives, including the timely provision of residential lots.

DEC was formed on July 1 2006 from the amalgamation of the Department of Conservation and Land Management (CALM) and the Department of Environmental Protection (DEP). In January 2006, the Department of Water was split from DEP. There are uncertainties regarding responsibilities arising from the split/amalgamation of these agencies. In addition, offices are regionalised and there is evidence of communication issues between regional and Perth-based staff.

Subdivision conditions with DEC as the clearing agency include vegetation protection, erosion control, acid sulphate soil management, soil contamination, dust control, contaminated sites remediation and wetland protection. Areas where both DEC and the Department of Water may share responsibilities include watercourse protection, ground and surface water baseline monitoring, urban water management strategy/plan preparation and /or compliance.

It should also be noted, that while the planning processes are completed once final approval is issued, environmental conditions may be set by the EPA that require long-term monitoring and management of land subdivision by the original developers.

Other approvals outside the subdivision/clearance process that impact on land supply were also raised. For example, vegetation clearing permits for major roads or sand and limestone extraction, earthworks in advance of subdivision approval, and

requirements under contaminated sites legislation were cited as further adding delay and uncertainty to the land development process.

It is also possible for assessment issues to be 'deferred', that is, to be further considered at a later stage of the approvals process, when more information or detail of the proposal will be available. A further potential source of delay is that any change from an assessed proposal generally requires the proposal to be reassessed.

Prioritising Land Supply

Complex Policy Environment

The areas of Perth and Peel that are now subject to development pressures are increasingly subject to environmental constraints, including groundwater, wetlands, acid sulphate soils, and local bushland issues, including declared rare flora and threatened ecological communities. This has arisen because development is occurring in more constrained areas, and environmental policy requirements have expanded in response to community concerns. A high level of commitment from DEC staff to resolving environmental issues impacting on land supply, and recognition that the 20,000 lot target is a State Government objective, are necessary to streamline lot creation.

Requirements arising from the introduction of the Contaminated Sites legislation from 1 December 2006 are likely to be a further source of delay to lot creation if not appropriately managed.

Environmental Coordinator

Within DEC an 'Environmental Coordinator' has now been appointed on a trial basis to provide a circuit breaking role in resolving environmental issues that impact on clearances, and as a first point of contact for the development industry. It is recommended that this position be formalised and also deal with upstream approvals such as structure plans. DEC should also consider introducing an Urban Development Advisory Committee, similar to that established by Water Corporation, to provide a forum to discuss issues and problems related to land release with the development and housing sectors.

Prioritisation of Large Subdivision and Housing Approvals and Large Clearance Stages

DEC should set priorities for the provision of referral advice and clearances for subdivisions of 30 lots and over and major housing developments proposals that contribute to land and housing supply.

Introduction of Timelines

Assessment and Clearance Timeframes

DEC has no statutory obligations to deal with informal subdivision referrals and clearances, and it has been difficult for the agency to prioritise and undertake this work. In September 2006, a specific funding allocation was provided by the State Government to DEC for additional staff to deal with subdivision clearances and acid sulphate soil issues. It is therefore appropriate that DEC staff adopt decision timeframes for dealing with subdivision and clearances.

The contaminated sites branch currently uses a 45-day turnaround period for clearances. A similar or shorter timeframe (ideally 42 days as per the WAPC's statutory referral period for subdivision) should be introduced as practice in other branches of DEC dealing with land supply. It should be noted that this relies on developers submitting complete information to allow clearance to occur. DEC procedures will rely on early advice to developers if information is incomplete, and an internal tracking system to monitor performance.

Statutory Approval Processes and Practices

Clarifying Subdivision and Clearance Requirements, consistency of advice from agency officers.

The development industry has indicated uncertainty as to the specific requirements necessary to meet the model (environmental) conditions applied by the WAPC. There are also concerns that verbal advice provided at officer level may be inconsistent, that it may contradict advice and agreement provided earlier in the planning process (for example at structure planning stage), and that clearance may be viewed by some officers as an opportunity to renegotiate environmental outcomes.

The Department of Environment and Conservation should prepare and publish operational guidelines/business rules in conjunction with the WAPC that provide clear and valid advice as to the requirements necessary to meet (model) subdivision conditions. Requirements should be applied consistently by all DEC offices to improve certainty for the development industry. It appears that DEC's regionalised structure is not facilitating consistent decision making.

Administrative Agreement on Referrals and Relationships

DPI requires clarity and consistency as to which subdivision applications require formal or informal referral to EPA or DEC for assessment or advice. There is a particular lack of information as to which sites may have Declared Rare Flora or Threatened Ecological Communities present, and therefore require referral. How applications requiring informal referral are determined is being clarified and the current Administrative Agreement between the DPI and DEC is currently being updated.

Vegetation Clearing Permits

There is some confusion as to the requirements for vegetation clearing permits for subdivision works. Recent changes to the *Planning and Development Act 2005* exempt all subdivision works from development approval, provided works are shown on the approved plan of subdivision or unless specifically excluded from exemption by the WAPC. There appears to be some uncertainty as to the relation of the new Act provisions to Schedule 6 of the *Environmental Protection Act*. This issue requires clarification, particularly with regard to vegetation clearing outside residential lots (specifically on proposed public open space).

Clear and Streamlined Internal Processes and Responsibilities

Identification of clear responsibilities within DEC is necessary. There is a particular issue with regard to urban water management requirements due to the overlap between the wetlands, acid sulphate soil and groundwater licensing sections within DEC and the Department of Water. Water Corporation, the Department of Water and the Department of Environment and Conservation are currently clarifying responsibilities within and between their agencies in relation to drainage planning and water management. Issue of a joint bulletin for the development industry, local

government and other state government agencies clarifying responsibilities is recommended.

Clearance Responsibilities for Existing Approvals

With the amalgamation of Conservation and Land Management and Department of the Environment to form DEC, and the creation of the new Department of Water, historic but valid approvals still refer to CALM and DEP as clearing agencies. There is a need to resolve who has clearance responsibilities within current approvals. This will be possible when an interim tracking system is established.

A More Rigorous and Consultative Approach to DEC Policy Changes and Initiatives

There have been concerns expressed about DEC applying draft policy that has not been through formal consultation and adoption processes including advertising, opportunity to comment, consideration of submissions and modification where necessary. The recent draft *Identification and Investigation of Acid Sulphate Soil Guidelines* (May 2006) was an example cited by consulting industry representatives. A more rigorous and consultative approach in the formulation, approval and amendment of DEC policies, similar to that applied to WAPC policies and tested through SAT, should be adopted.

Commonwealth Department of Environment and Heritage Requirements

Two subdivision approvals in Peel with over 800 lots in total have been brought to the attention of the Land Release Coordinator as being unable to be acted on due to Commonwealth referral under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). Referral is due to the existence of the endangered Carnaby's black cockatoo (*Calyptorhynchus latirostris*).

The EPBC Act provides that any actions that will have an impact on a matter of national environmental significance (such as nationally listed threatened species or ecological communities) are likely to be significant under the Act and should be referred to the Commonwealth Minister for the Environment by the person proposing to undertake the action. There are significant fines for non (self) referral.

The Commonwealth Minister decides if an action requires approval, and environmental assessment of the action must then be carried out. Should a bilateral agreement be in place, the action may be assessed by the state (or territory) in which the action is to be undertaken¹³.

There is a bilateral agreement in place between the Commonwealth and WA that provides for joint assessment where both the State and the Commonwealth decide the impacts are significant - warranting assessment. However, the Commonwealth is able to assess a proposal even if the State resolves that the matter does not require formal (state level) assessment. It appears that the EPBC Act is being applied by the Commonwealth at subdivision level, rather than at a strategic level, and this late engagement is delaying land releases in Peel and south-west WA. A more strategic and cooperative approach from the Commonwealth would appear to be warranted.

¹³ Environmental Protection and Biodiversity Conservation Act Policy Statement 1.1; *Significant Impact Guidelines. Matters of National Environmental Significance*, May 2006. Australian Government Department of the Environment and Heritage.

Timely Strategic Planning

Current Land Release Areas

As discussed at the beginning of this section, there are a number of environmental constraints that are unresolved in current major land release areas, particularly those that have not been formally assessed under S48 of the EP Act, introduced in 1996. Developers may seek to defer environmental issues to later approvals, usually subdivision, which makes it difficult for the EPA to discharge its obligations under the Act and causes delays at subdivision approval stage.

Environmental issues requiring resolution range from Bush Forever and wetlands sites in Southern River, to vegetation clearing permits to allow Marmion Avenue to be extended through to Yanchep.

In ensuring that growth management strategies for the major growth areas are updated, DPI in conjunction with DEC needs to review, prioritise and address constraints, particularly wetland and bushland issues. This should occur in advance of local structure planning and subdivision application. However, the short-term focus will need to be on identifying any subdivision clearances delayed by outstanding environmental conditions. There are likely be delays in bringing such areas into urban development unless timelines are attached to the upstream approvals process as outlined in Section 4.2, environmental assessment requirements clearly defined, and developers and landowners commit to undertaking work required in a timely manner. This work should occur as part of the preparation of growth management strategies for the five corridors, as outlined in Section 4.2.

The amount of MRS and TPS zoned land in Perth and Peel zoned prior to 1996 that has not been the subject of formal section 48 assessment under the *Environmental Protection Act* also needs to be quantified. There may need to be agreement at Ministerial level as to how balanced environmental, social and economic assessment of development for these areas might progress, within the scope of current legislation.

Wetlands

Protection of high environmental value wetlands, particularly on the Swan coastal plain, has been an ongoing State Government election commitment. However, there is a lack of certainty as to the planning requirements relating to wetlands, specifically: the criteria for wetland evaluation, classification and use, buffer and setback requirements to urban development, and urban water flows into wetlands. The draft Environmental Protection (Swan Coastal Plains Wetlands) Policy 2006 (referred to as the draft Wetlands EPP) proposed the introduction of a register to protect some 3,500 wetlands and an assessment and registration process. However, the policy was not accepted by the Minister for the Environment. There is now the likelihood that any wetlands in growth areas, including lower order Resource Enhancement and Multiple Use wetlands and the setback areas to EPP/Conservation Category wetlands in subdivision proposals may be referred for formal EPA assessment, delaying land release.

Associated issues requiring resolution are the lack of mechanisms other than WAPC reservation and acquisition to acquire wetlands and the use of public open space to secure setback areas. Wetland setbacks may undermine other public open space and urban design objectives. DEC and DPI/WAPC also have policy differences in their approach to wetland setbacks, with DEC generally insisting on a 50 metre minimum, and the WAPC having in the past accepted 30 metres.

In the short-term, DEC with DPI input needs to develop a consistent approach to dealing with all wetlands in land release areas. In the longer term, DEC with DOW and DPI assistance needs to develop guidelines to ensure wetland protection that could be progressed as an EPP but would necessarily include a broader package of complementary measures including incentives, land purchase and education.¹⁴

Basic Raw Materials Approvals

The Civil Contractors Federation has drawn attention to emerging shortages of sand and limestone in the metropolitan region and particularly the south-west of WA. Sand is required for fill and limestone is necessary for retaining walls and acid sulphate soil remediation. Fill levels of one metre are not uncommon in the Shire of Murray for example. Urban development may also be competing with other major projects (including the Perth-Bunbury Highway) for sand supplies. Priority needs to be given to extractive industry licences and vegetation clearing permits to provide adequate sand and limestone for urban development. This should occur in a strategic context that prioritises resource extraction on areas of low environmental significance. A senior officers group, led by DPI, is currently addressing basic raw materials supplies for the south-west in particular. This group should also ensure that the WAPC's Statement of Planning Policy 2.4, Basic Raw Materials (2000) is being implemented.

Management Implications of Environmental Features

As part of subdivision negotiation and approval, developers may provide in excess of the 10 per cent public open space contribution to include wetlands and their setback areas, Bush Forever sites, and areas required for urban water management. It is generally intended that these areas be transferred to the Crown and managed and maintained by local government, rather than included in regional reservations or State parks. Management and maintenance of such areas are perceived by a number of local governments as a significant financial burden on ratepayers and local governments may not automatically agree to the transfer and to the management of public open space reserves, instead treating each vesting case on its merits.

Alternative funding models may need to be explored for such environmental assets.

Acid Sulphate Soils

Acid sulphate soils (ASS) are an emerging and potentially serious environmental issue impacting on much of the north-east, south-east and Peel urban corridors. Release of acid and metals as a result of the disturbance of acid sulphate soils has the potential to cause significant harm to the environment and infrastructure¹⁵. Subdivision engineering practices that involve disturbance of ASS by site dewatering require extensive pre-construction bore testing, management measures and post construction monitoring, and there is industry concern about the resultant approval timeframes. DEC is increasingly concerned about staged development of subdivision approvals where there is long-term de-watering. Subdivision areas with ASS problems are likely to be classified as contaminated sites due to the poor quality of groundwater if extracted. ASS remediation is likely to be a significant cause of delay in the north-east, south-east and Peel corridors in 2007. DEC staff advise that ASS disturbance can be minimised by the use of alternative technologies; however, these are not widely utilised locally.

¹⁴ As proposed in the draft Swan Coastal Plain wetlands EPP Regulatory Impact Assessment Panel report to the then Minister for the Environment, Dr Edwards on 30 June 2005

¹⁵ Risk areas are shown in the WAPC's Planning Bulletin 64, November 2003

DEC has organised a forum for early April 2007 with the development industry and engineering consultants to provide current advice on ASS issues, identify ASS approval and management processes and practices that are delaying land release, and share advice on alternative technologies and approaches that minimise disturbance. It is noted that the pickup of sites with potential problems requires validation, that there is no recent mapping of ASS sites and that DEC has sought funding to undertake an infill mapping project. Consideration by the development industry of alternative engineering approaches, and by government of alternative ways of controlling groundwater extraction other than by imposing contaminated sites memorials on title, is also recommended.

Staffing and Resources

As with staffing at DPI, DEC has identified the need to ensure salary levels are adequate to attract new staff and retain experienced technical staff. Consideration of special incentives may be necessary.

Monitoring and Tracking

Internal Tracking Systems

Internal tracking systems for clearances within DEC are currently being improved, but are exacerbated by the lack of an eLDP and regionalised offices. The interim tracking system proposed at DPI should assist with current initiatives in DEC to monitor and track clearance.

Recommendations

Twenty major recommendations are proposed in Section 8 of this report to expedite the subdivision and clearance process. Subsidiary recommendations that support the major recommendations but are specific to DEC and the EPA, are provided below in priority order.

DEC and the EPA should:

In the short term:

- Ensure priority is given to environmental approvals for land subdivision and clearance applications of 30 lots and over and major housing development projects. (*Major Recommendations 1 and 4*)
- Appoint an Environmental Coordinator to provide a circuit breaking role in resolving environmental issues that impact on land supply, and as a first point of contact for the development industry. (*Major Recommendation 1*)
- Implement business practices to adopt timeframes for decisions on referrals and clearances to: ensure consistent advice on clearance requirements; tracking and monitor rezonings, structure plans, subdivision and clearances applications; and establish clearance responsibilities. (*Major Recommendations 6 and 19*)
- In consultation with the development industry, key engineering and environmental consultant groups and the Department of Water, convene a forum on acid sulphate soils to review how process and practice issues impacting on land supply and groundwater contamination could be streamlined. (*Major Recommendation 10*)

- Prepare and publish operational guidelines/business rules providing clear, consistent and valid advice as to the requirements necessary to meet (environmental) subdivision conditions. *(Major Recommendation 10)*
- Develop a consistent approach to dealing with wetlands in land release areas. *(Major Recommendations 1 and 10)*
- With DPI, and through the established senior officers group, develop a strategic approach to the provision of basic raw materials for urban development to ensure adequate supplies of sand and limestone, balanced against environmental objectives. *(Major Recommendation 1)*
- In conjunction with the Department of Water, clarify responsibilities within and between agencies in relation to drainage planning and water management, and issue a joint bulletin. *(Major Recommendation 9)*
- Prioritise completion of the revised Administrative Agreement with DPI to ensure clarity on referrals and advice between the two agencies. *(Major Recommendation 8)*

In the long term:

- Actively assist DPI in the review and updating of growth management strategies for the major corridors to identify and prioritise constraints in advance of local structure plan preparation and subdivision application lodgement. This includes consideration of approaches to dealing with land zoned prior to 1996 that has not been formally assessed under S48 of the EP Act. *(Major Recommendation 14)*
- Review the processes for advertising of policies and the practice of applying draft policies prior to formal consultation processes. *(Major Recommendation 10)*
- Consider introducing an Urban Development Advisory Committee, similar to that established by Water Corporation, to provide a forum to discuss issues and solutions related to environmental constraints to land release. *(Major Recommendation 1)*
- Prioritise the preparation of a bilateral agreement between the Commonwealth Minister for the Environment and the State to deal with referrals under the *Environment Protection and Biodiversity Conservation Act 1999*. *(Major Recommendation 1)*

4.4 Department of Water

The Department of Water (DoW) was formed on January 2nd 2006 from elements of the Water and Rivers Commission and Department of Environmental Protection, and is responsible for water resource management in the State.

Subdivision conditions with DoW as the clearing agency are not yet clearly divided from DEC but may include watercourse protection, ground and surface water baseline monitoring, and urban water management strategy/plan endorsement and compliance.

Much of the land now being developed in Perth has water management issues, mainly associated with high groundwater levels or potential impact on environmental features such as wetlands and the Swan and Canning Rivers. New broadacre residential development in most corridors requires advance arterial water modelling to determine long-term groundwater levels and environmental flows; however, this work is considered to be lagging and has been an impediment to land release, as discussed below.

The delivery of water conservation and best practice urban water management are important government objectives, particularly in WA's drying climate. Improved clarity of requirements and more timely decisions from DoW would assist the development industry in implementing best practice water management in new urban areas.

Prioritising Land Supply

Complex Policy Environment

A high level of commitment from DoW staff to resolving issues impacting on land supply, and recognition that the 20,000 lot target is a State Government objective, are necessary to streamline lot creation.

Environmental Coordinator

It is recommended that within the Department of Water, a 'Development Coordinator' be appointed to provide a circuit breaking role in resolving water management issues that impact on land supply, and as a first point of contact for the development industry.

Prioritisation of Large Subdivision Applications and Clearance Stages

DoW should prioritise providing referral advice and clearances for subdivisions of 30 lots and over and major housing developments proposals that contribute to land and housing supply.

Introduction of Timelines

It is appropriate that decision timeframes be adopted for dealing with subdivision referrals, advice on urban water management plans and clearances. Given that the WAPC requires advice on subdivision referrals at 42 days, a similar timeframe should be adopted. DoW procedures will rely on early advice to developers if information is incomplete, cooperation from developers in providing advice in a timely manner and an internal tracking system to monitor performance.

Statutory Approval Processes and Practices

Clarifying Roles and Responsibilities

There are significant uncertainties as to agency responsibilities between the Department of Water, Water Corporation, and the Department of Environment and Conservation. These agencies should clarify responsibilities in relation to drainage planning and water management, and issue a joint bulletin.

Uncertainty as to Best Management Practice

There is a lack of clarity as to what constitutes 'best management practice' in urban water management and there is inadequate guidance to land developers. The DoW's Stormwater Management Manual has been incomplete for a number of years, but has now been prioritised for finalisation and release in mid-2007. Finalisation needs to occur with input from the development industry and local government, and training and education with local government on the specifics of best practice approaches including current examples, are also necessary. There also appear to be technical conflicts between Water Corporation and DoW as to what constitutes 'best practice' that require resolution.

Current subdivision approvals contain historic requirements for a variety of water management plans, including integrated urban water management plans, drainage and nutrient management plans and drainage management plans. While there is improving consistency in the WAPC's application of uniform urban water conditions, there is a lack of clarity from the Department of Water as to the requirements of each type of plan and the performance standards to be met. It is understood that guidelines and a checklist of requirements for an Urban Water Management Plan will be released in mid-2007.

Due to the lack of clarity on current practices and requirements, the Department of Water and Department of Environment and Conservation in consultation with Water Corporation should prepare and publish operational guidelines/business rules providing clear, consistent and valid advice as to the requirements necessary to meet subdivision conditions relating to water management.

Clarifying Clearance Responsibilities

Due to uncertainty as to agency roles and responsibilities, major and complex clearances are circulated between DEC and DoW officers and conflicts arise within agencies as to priorities and clearance requirements. This needs to be resolved and clearance timeframes adopted. The development of a condition matrix, as part of the introduction of an interim tracking system, will allow clearance responsibilities to be clarified.

Requirement for Plans to be Prepared Prior to Commencement of Site Works

The development industry advises that it has difficulty with subdivision conditions that require the preparation and implementation of an urban water management plan prior to the commencement of site works, as they maintain that this results in delays. It is understood that DPI no longer uses this condition but it remains in older approvals and DoW should provide some flexibility its application. Early preparation of plans should also be prioritised by the development industry, but may be reliant on arterial water management plans being completed.

Applications to be Referred by DPI

DoW is currently preparing a GIS data set to clarify which subdivision applications DPI should refer for advice and conditions. DPI and DoW are also preparing an Administrative Agreement to clarify referral arrangements and clearance responsibilities.

Timely Strategic Planning

Arterial Urban Water Management Planning

In several land release areas, subdivision and development has been delayed by the lack of strategic drainage and urban water planning and management. Examples are Southern River/North Forrestdale, Byford and South Jandakot. The Department of Water needs to prioritise or advise landowners of the advance modelling required to enable preparation of water management strategies, and provide clear guidance for later structure planning and subdivision.

The Land Release Coordinator and DoW in conjunction with DPI undertook an analysis of the status of arterial urban water management strategies and planning approvals in mid-2006. The Department has now brought forward three arterial (district level) Urban Water Management Plans to 2006-07 to 2007-08: Byford/Mundijong/Whitby, Rockingham/North Mandurah and Pinjarra/Murray.

The DoW with technical assistance from Water Corporation and DPI needs to develop a program to monitor and address any lag in strategic arterial drainage planning, to ensure both adequate short-term lot supply and appropriate standards of environmental and water management.

Staffing and Resources

Shortage of Technical Staff Including in Consulting Sector

The DoW is impeded by a shortage of experienced technical staff. It is also understood that groundwater modelling work for the Jandakot and Rockingham arterial water management strategies is being undertaken by the Brisbane branch of an engineering consulting firm, and that no tenders were received to undertake the required environmental studies. Technical specialists from the eastern states should be targeted if local firms are not available.

Review of Funding Models for Drainage Implementation and Management

Local government sees the funding of urban water management and monitoring as an increasing financial burden. DoW has identified the need to review funding models, and an across gency senior officers group has commenced this task.

Monitoring and Tracking

Integrate Tracking System with DEC

DoW has developed an internal tracking system for clearances, and is in the process of integrating this with DEC's tracking system, as pre-2006 approvals do not specify DoW as a clearance agency. The interim tracking system proposed for DPI should assist DoW in monitoring and tracking clearances.

Recommendations

Twenty major recommendations are proposed in Section 8 of this report to expedite the subdivision and clearance process. Subsidiary recommendations that support the major recommendations but are specific to the Department of Water are provided below in priority order.

The Department of Water should:

In the short term:

- Ensure priority is given to approvals for land subdivision and clearance applications of 30 lots and over and major housing development projects. (*Major Recommendations 1 and 4*)
- Consider appointing a Development Coordinator to provide a circuit breaking role in resolving urban water management issues that impact on land supply, and a first point of contact for the development industry. (*Major Recommendation 1*)
- Implement business practices to adopt timeframes for decisions on referrals and clearances, consistent advice on clearance requirements, tracking and monitoring of rezoning, structure plan, subdivision and clearances applications. (*Major Recommendations 6 and 19*)
- Prepare and publish operational guidelines/business rules providing clear, consistent and valid advice as to the requirements necessary to meet subdivision conditions. This will include prioritising finalisation of the Stormwater Management Manual in consultation with local government and the development industry. (*Major Recommendation 10*)
- In conjunction with the Department of Environment and Conservation and Water Corporation, clarify responsibilities within and between agencies in relation to drainage planning and water management, and issue a joint bulletin. (*Major Recommendation 9*)
- Review existing approvals and clarify clearance responsibilities with the Department of Environment and Conservation. (*Major Recommendation 9*)
- Provide DPI with a GIS data set to clarify which subdivision applications require referral and finalise an Administrative Agreement with DPI to clarify referrals and advice. (*Major Recommendation 8*)
- With technical assistance from Water Corporation and DPI, continue to develop a program to address the lag in strategic arterial drainage planning. (*Major Recommendation 13*)

In the long term:

- Provide input into the proposed DPI/WAPC growth management strategies and the accompanying five-year strategic infrastructure plans to be prepared by the WAPC's Infrastructure Coordinating Committee. (*Major Recommendation 14*)

4.5 Western Power

Subdivision conditions with Western Power as the clearing agency relate to the provision of underground electricity supply to lots, lot connection, setting aside of land or easements for supply, transmission or distribution network infrastructure, and removal/relocation of infrastructure.

Western Power is currently involved in three key areas of subdivision: design, construction and provision of materials. To date, Western Power has provided developers with two construction options for provision of power: under Option A works are undertaken by Western Power contractors, under Option B works are undertaken by the developers' contractors.

In general, a subdivider applies for a design information package (DIP) once subdivision approval has been granted by the WAPC. The DIP establishes the design parameters for the detailed design of power supply to the specific subdivision. Once a design has been prepared, a design review process called Design Conformance Review (DCR) is undertaken. Site energisation works then proceed, although Western Power may clear relevant subdivision conditions in advance of works being complete by accepting a 'bond' (refer Section 6). On works completion, a final inspection is required to ensure works are to standard.

Significant improvements have been made in power supply to new residential areas since a November 2005 review of the Subdivision Energisation Process by Western Power and the UDIA.¹⁶ Initiatives arising from this review include process improvements and the proposed cessation of Option A in 2007 with transfer of all construction to the development sector. It is understood that Western Power and the development industry continue to meet to implement process reforms.

There appears to be an ongoing problem with subdivisional power supply in regional WA.

Prioritising Land Supply

Prioritisation of Large Subdivision Applications and Clearance stages

Western Power should prioritise providing referral advice and clearances for subdivisions of 30 lots and over and major housing developments proposals that contribute to land and housing supply.

Escalation Processes

An escalation process established within Western Power in early 2006 enables liaison with the land development industry to allow impediments to development to be resolved more quickly than previously. Ensuring that all developers are aware of this escalation process is necessary.

¹⁶ *Subdivision Energisation Process Review Joint study by Western Power and UDIA*, UWA Integral Leadership Centre Pty Ltd, November 2005

Introduction of Timelines

Delays in Quoting, DIP Packages and DCR Phase

Significant delays were being experienced in obtaining quotations, providing DIPs and undertaking DCRs from 2005 to mid 006 in particular. In early 2006, Western Power contracted a consulting firm to provide support design staff to address the backlog of work. Over a six month period processing time was reduced from 60 days to 41 days. Processing time is targeted for 33 days by March 2007. It is understood that Western Power will consider continuing the practice of using consultants to supplement staffing and minimise backlogs with DIP and DCR processing. This approach is recommended to meet and sustain the 33-day target.

Statutory Approval Processes and Practices

Termination of Option A and Transition Arrangements

The termination of Option A involves replacing bonding with a non-refundable \$150 per-lot fee, an accreditation program for designers to overcome the need for the Design Conformance Review process, a materials communication program and stimulation of the construction market. Each of these initiatives is currently being developed and Western Power is understood to be working with industry to devise the best approach to phase in these initiatives and withdraw from construction work. A gradual and monitored phasing out of Option A is recommended through 2007 to ensure that transition occurs in a way that minimises negative impact or delay on land supply, and that enough accredited designers are available to deal with design demand.

Commencement of DIP Packages Prior to Subdivision Approval

Western Power does not commence design work on a subdivision application until a subdivision approval is issued. Elements of the development industry would prefer that design work begin while applications are being processed. However given the high level of demand for design work at present, the potential for subdivision design to be altered through the planning approval process and the proportion of conditional approvals that are not acted on, a change from the current practice is not considered to be justified.

Materials Supply

In 2005 and early 2006, supply of materials, particularly underground power cabling and generators, were major delay factors. Western Power process improvements have seen the underground materials availability rate improved to over 96 per cent since July 2006. At early December 2006 there was \$4 million of materials being warehoused at Western Power's Jandakot warehouse, and a proportion of this material had been in stock for over three months.

Several complaints were made to the Land Release Coordinator by developers and project managers regarding delays with materials. Follow up indicated that in some cases, materials were in stock and awaiting collection by contractors. There appear to be some communication problems between project managers, contractors and the Western Power supply warehouse that need to be brought to the attention of the development industry. In the past year, lot creation may have been expedited by the Government maintaining a stock of materials to reduce delays; however, this no longer appears to be justified.

Bonding Current and Future

Bonding is dealt with in more detail in Section 6. Bonding has been used to facilitate early clearances and issue of title in advance of subdivision works being completed, but has negative aspects if landowners are unable to start house construction because servicing is incomplete. If current levels of demand continue, the cessation of Western Power Option A and the introduction of a non-refundable \$150 per lot fee to allow clearance is likely to contribute to developers progressing lots to title without lot servicing being completed. It is recommended that Western Power introduce a timeframe for completion of works after clearances are issued and monitor completion times to ensure that construction delays do not become excessive.

Underground Distribution Schemes (UDS) Manual

An outcome of the Subdivision Energisation Process review was the review of the Underground Distribution Schemes manual. This is ongoing and is expected to be finalised in early 2007. Completion of the review is critical to ensure that accredited designers have clarity of design requirements.

Timely Strategic Planning

As discussed in Section 4.2, five-year infrastructure plans should be prepared as a component of the growth management strategies for each of the urban corridors by the WAPC's Infrastructure Coordinating Committee. Western Power will need to provide input on strategic power provision.

Staffing and Resources

Improved Timeframes on DIP and DCR Works

With regard to improving timeframes and expediting land supply, Western Power advises that the critical resource constraint is skilled people, and both design and construction staff. A similar issue is being experienced across government. Active recruitment and strategies to retain senior staff in the public sector should be considered.

Jointing Qualifications

Members of the Civil Contractors Federation (CCF) raised concerns about Western Power's increase in qualification requirements for cable jointers. The CCF believes that the higher qualifications and increased training time has resulted in delays in lot creation, particularly as staff, once qualified, seek more rewarding work. It is recommended that Western Power review its qualification requirements for cable jointers in conjunction with the CCF.

Monitoring and Tracking

Western Power currently maintains a tracking process for subdivision, but this would be facilitated by the electronic transfer of subdivision approvals by the WAPC.

Recommendations

Twenty major recommendations are proposed in Section 8 of this report to expedite the subdivision and clearance process. Subsidiary recommendations that support the major recommendations but are specific to Western Power are provided below in priority order.

Western Power should:

In the short term:

- Ensure priority is given to approvals for land subdivision and clearance applications of 30 lots and over and major housing development projects. (*Major Recommendation 1 and 4*)
- Continue with process and practice improvements and industry liaison introduced by Western Power in consultation with UDIA, to reduce timeframes for Design Information Package production and Design Conformance Review processing to meet and sustain the 33-day target. (*Major Recommendation 1*)
- Ensure that the transition to cessation of Option A is managed so delays in lot completion and issue of titles are minimised. (*Major Recommendation 11*)
- Under the new power infrastructure construction arrangements, monitor the lag between payment of the per lot fee (and clearance of conditions) and completion of construction and consider imposing and monitoring a maximum timeframe to completion of works. (*Major Recommendation 11*)
- Review its qualification requirements for cable jointers in conjunction with the Civil Contractors Federation. (*Major Recommendation 15*)
- Publicise the escalation process more widely to the development industry, particularly so that there is greater awareness of materials availability. (*Major Recommendation 4*)

In the long term:

- Provide input into the proposed five-year strategic infrastructure plans to be prepared by the WAPC's Infrastructure Coordinating Committee. (*Major Recommendation 14*)

4.6 Water Corporation

In the metropolitan area, subdivision conditions with Water Corporation as the clearing Agency relate to the provision of potable water, sewer and drainage (where the Corporation has responsibility) and land for infrastructure. Water Corporation undertakes planning, design, construction, operation, maintenance and protection roles. With regard to drainage, the Department of Water generally has responsibility for the planning and administration of arterial drainage; however Water Corporation may construct and maintain drainage works within drainage districts and dispose of surplus water.¹⁷

Following subdivision approval, Water Corporation is proactive in notifying proponents of clearance requirements. Water Corporation process stages include generating agreements, asset design submission and design acceptance, asset delivery, clearance and asset handover.

Water Corporation advises that it has been facilitating subdivision by the pre-funding of major infrastructure, bonding of works, allowing developers to fund temporary works where headworks infrastructure may be lagging, allowing tankering of effluent, and entering into general and special agreements.

Water Corporation's customer service approach to the land development industry was used as the model for the Western Power/UDIA process review.

Prioritising Land Supply

Prioritisation of Large Subdivision Applications and Clearance Stages

The Water Corporation should prioritise the provision of referral advice and clearances for subdivisions of 30 lots and over and major housing developments proposals.

Responsibility for Infrastructure Provision

A view expressed by members of the development and housing industries was that the Government, particularly Water Corporation should be more proactive in designing and constructing infrastructure, particularly trunk sewer and water, as a way of stimulating and directing land release in greenfields areas.

The respective roles of the public and private sector in infrastructure provision would appear to warrant review as part of the preparation of the State Infrastructure Strategy. In particular, consideration could be given to government subsidising special headworks levies to facilitate more timely development. However, given the high proportion of inactive approvals, including those that are never acted on, this should only occur where developers commit to specified rates of lot release to achieve land supply targets.

¹⁷ Part IX *Metropolitan Water Authority Act 1982*, *Land Drainage Act 1925*, *Water Agencies (Powers) Act 1984*, *Water Corporation Act 1995*. Water Corporation has under its control some 74 main drains, 202 branch drains and nine rural drains; around 928 km in total.

Resolving Sterilised Approvals

Water Corporation staff confirm the view expressed by some developers, that a number of subdivisions with conditional approvals are 'sterilised' as strategic drainage and servicing issues have not been resolved at rezoning or structure planning stage. As noted previously, resolution of planning issues impacting on land three to five years out from development has been lagging and a key role of the five planning corridor coordinators will be to work with agencies including Water Corporation to identify and address such approvals and conditions. A particular case cited was the proposed MRS rezoning of land at Baldivis to Urban, despite waste water capacity constraints in the East Rockingham area and a lack of arterial drainage planning.

In the longer term, Water Corporation will need to assist the Infrastructure Coordinating Committee in the preparation of the recommended five-year strategic infrastructure plans as a component of the growth management strategies for each of the metropolitan corridors.

Introduction of Timelines

Clearance Performance

Water Corporation monitors clearance performance and advises that it has achieved an annual 91 per cent or greater rate of clearance relative to its internal timeframes since 1997-98. There are, however, some concerns expressed by the development industry on turnaround times for review of (industry) design work on major infrastructure such as pump stations.

Statutory Approval Processes and Practices

Clarifying Drainage Responsibilities

As noted previously, there are significant uncertainties as to agency responsibilities with regard to drainage between the Department of Water, Water Corporation and the Department of Environment and Conservation. These agencies should clarify responsibilities in relation to drainage planning and water management, and issue a joint bulletin.

Agreed Whole-of-Government Approach to Strategic Drainage and Water Planning

As discussed in Section 4.4, there appear to be technical conflicts between Water Corporation and DoW as to what constitutes 'best practice' urban water management. These conflicts appear to stem from a different focus on priorities (flood management v groundwater recharge) and on technical solutions. Water Corporation should provide input where relevant to the Department of Water in developing operational guidelines that provide clear, consistent and valid advice as to the urban water requirements necessary to meet subdivision conditions. Better integration between agencies has been initiated by the formation of a Land Supply Drainage Group with Department of Water, Water Corporation and DPI membership.

Development in New Sewer Catchments

The development industry expressed concerns that Water Corporation's practices applying to the design and installation of major infrastructure to service new catchments may be delaying clearances for early stages of large lot subdivisions. The Land Release Coordinator was advised that Water Corporation practice is to require

pump stations and pressure mains to be at a stage where a contract to construct has been awarded, rather than a bond accepted, prior to issuing clearances for early stages of subdivision. It is understood that this is to avoid long periods of tankering wastewater off site. Water Corporation funds major pump stations but relies on the development industry to organise catchment planning and design.

The time required to undertake design review, environmental approvals, works agreements and consultation to enable contracts to be issued for major infrastructure is longer than the construction times for the first stage of a subdivision and has the potential to delay early lot release.

Limited design capacity in the consulting engineering sector, and late commissioning of design work by the development sector appear to be contributory factors. Developers should be initiating design work for major infrastructure no later than the time when application for conditional subdivision approval is sought. The structure plan capture process underway by DPI should also assist and expedite catchment planning. The extent of bonding that may result from delayed infrastructure works is of concern and is discussed below.

Timely Strategic Planning

Assist in Addressing Arterial Drainage Planning Backlog

Arterial drainage planning has not been Water Corporation's responsibility for some years; however the backlog of such work has resulted in the Corporation being required to assist in managing studies and assisting in resolving outstanding issues. Until the backlog is addressed, it will be necessary for Water Corporation to continue to assist the Department of Water in undertaking arterial drainage studies to avoid further impediments to land supply, particularly in Perth's southern corridors and Peel.

Need for Access to Current Approvals and Developer Intention

Water Corporation undertakes preliminary catchment planning, but generally leaves more detailed planning to the development industry to undertake once developers decide to act on conditional approvals. Water Corporation's ability to undertake more accurate catchment planning would be assisted by the preparation of growth management strategies for the development corridors that are accompanied by five-year infrastructure plans, and by the provision of more accurate information by developers into the Metropolitan Development Plan.

Staffing and Resources

Managing Bonding

In mid-2006, Water Corporation advised that it was holding bonding of \$58 million on almost 6,000 lots, up from \$14m in 2003-04. By February 2007 this was estimated to have increased to around \$64 million. This is a significant increase in the practice of bonding, indicating that it is no longer being used in exceptional circumstances to overcome short delays prior to issue of title. The Corporation has a practice that the time between condition clearance and completion of works should not exceed six months, but it appears this timeframe is being exceeded in some cases. Bonding has advantages in advancing final approvals and issue of title, but also has negative consequences. Bonding is a clear indication of construction capacity constraints. A forum on bonding practices to review the practice is proposed (refer Section 6).

Monitoring and Tracking

Information for DPI interim tracking system

Water Corporation monitors the progress of staged clearances in detail. The agency has the potential to become the custodian and provider to DPI of subdivision statistics in real time, and it is recommended that access to this information be pursued by DPI and the Land Release Coordinator as part of the development of an interim tracking system.

Recommendations

Twenty major recommendations are proposed in Section 8 of this report to expedite the subdivision and clearance process. Subsidiary recommendations that support the major recommendations but are specific to Water Corporation are provided below in priority order.

Water Corporation should:

In the short term:

- Ensure priority is given to referrals for land subdivision and clearance applications of 30 lots and over and major housing development projects. (*Major Recommendations 1 and 4*)
- Assist DPI in developing an interim tracking system, particularly by providing start dates and stage sizes. (*Major Recommendation 18*)
- Assist the Department of Water and Department for Planning and Infrastructure to develop a program to address the lag in strategic arterial drainage planning. (*Major Recommendation 13*)
- In conjunction with the Department of Environment and Conservation and Water Corporation, clarify responsibilities within and between agencies in relation to drainage planning and water management, and issue a joint bulletin. (*Major Recommendation 9*)
- Resolve technical conflicts with the Department of Water as to 'best practice' urban water management. (*Major Recommendation 10*)
- Develop practices with the development and consulting sector to ensure that lot release is not delayed, including approval and bonding practices and required time frames for the preparation of design work, especially for major infrastructure such as pump stations. (*Major Recommendations 4 and 11*)

In the long term:

- Consider options to facilitate land release, including subsidising special headworks levies in high growth areas. (*Major Recommendation 1*)
- Provide input into the proposed five-year strategic infrastructure plans to be prepared by the WAPC's Infrastructure Coordinating Committee. (*Major Recommendation 14*)

4.7 Local Government

The Land Release Coordinator has met with the Outer Metropolitan Growth Council CEOs and the clearance, planning and technical services officers of the major growth Council's - specifically Swan, Wanneroo, Joondalup, Stirling, Gosnells, Armadale, Serpentine - Jarrahdale, Kwinana, Rockingham, Cockburn, Mandurah and Murray.

Of the current conditional approvals of 30 or more lots, between 40 per cent and 60 per cent of conditions have local government as the clearance authority. Conditions include the provision of local drainage, drainage easements and fill, retaining walls and fences, public open space, roads, dual use paths, cycleways, and building and lot access controls. The developers' survey indicated that of those subdivisions where there were delays in confirming requirements or issuing clearances, the highest proportion were attributable to local government.

There are significant differences between local governments in terms of management of and resources committed to, the clearance process. However, local government appears to be the area most impacted by shortages of professional staff. There is also a view from local government that it is being asked to take on an increased responsibility for implementing state government environmental, water and planning policy and long-term monitoring and maintenance responsibilities, while it has a diminished capacity to do so.

Prioritising Land Supply

Urban fringe local governments have been struggling to manage the land development boom. While the WALGA CEOs group has recognised the importance of prioritising major land release projects, there is a need to look at ways of providing more staff and financial support to fringe local governments, and spreading the supply of new lots and dwellings throughout the Metropolitan area to share development pressures. A number of developers were also critical of a lack of leadership in local government, particularly with regard to timeframes, clarity of direction and commitment to larger development projects.

It also appears that a significant proportion of time and planning resources are devoted to planning approvals for single housing, due to requests for variations from the WAPC's Residential Development Codes, and the prevalence of detailed area plans and design guidelines, particularly for small lot and two-storey developments.

The absence of delegated authority to senior officers in some local governments may also delay decisions on subdivisions and structure plans, as decisions have to be made by full Council.

Prioritisation of Large Subdivision Applications and Clearance Stages

To expedite land supply and the provision of housing, local government should prioritise the provision of referral advice and clearances for subdivisions of 30 lots and over and major housing developments proposals that contribute to land and housing supply.

Avoiding Construction Delays

Local government may not allow earthworking of sites until WAPC subdivision approval has been obtained. Developers may have limited windows in which they may be able to earthwork due to summer moratoriums (to reduce dust) and the availability of contractors. Local government has been reducing delays by providing more flexibility in clearances, for example by allowing development approval for earthworks prior to WAPC subdivision approval on appropriately zoned land. It should be noted that earthworking in advance of subdivision approval may require vegetation clearing permits from DEC/EPA.

Introduction of Timelines

A number of local government representatives noted that there is no obligation on local government to clear conditions, and that the introduction of a clearance timeframe would be difficult to administer. The WAPC has the statutory power to clear conditions 'on behalf' of a LG; however, the Land Release Coordinator has discussed several such cases with local government staff who have indicated that there is the potential for Councils to refuse to accept the management of the relevant land areas with public infrastructure or public open space.

Statutory Approval Processes and Practices

Joint Assessments with DPI and Training Initiatives

Process and practice improvements have been discussed in relation to DPI (Section 4.2). To reduce timelines and workload, a practice of joint structure plan and subdivision assessment is recommended by DPI/WAPC and local government. Reporting by qualified and experienced planning consultants in standardised Council and WAPC report formats would also reduce approval times, and has been trialled by DPI in the Metropolitan south-west corridor. WAPC sponsorship of regular training sessions for local government officers in subdivision policies and practices and in the consistent use of Model Scheme provisions, has been recommended in Section 4.2.

Uniform Clearance Practices and Information Requirements

There is considerable variation in the way local government manages the clearance process. Large local governments have a clearance checklist that specifies all information required before clearances are processed¹⁸, use a clearance officer, manage clearances to a timeframe and track clearances issued (and in some cases, subsequent building permits). Other local governments have limited management of, and resources devoted to, the clearance process.

The Land Release Coordinator will conduct a forum with WALGA to develop a more uniform approach to clearances, particularly by standardising information requirements, tracking and turnaround times. Bonding practices vary across local government and a more uniform approach to bonding should also be examined.

Inconsistent Clearing Requirements Across Local Government

The specific requirements necessary to clear conditions vary considerably across local governments. More uniformity of requirements should be encouraged. The setting of

¹⁸ The City of Wanneroo's clearance checklist is available on the City's website at www.wanneroo.wa.gov.au, refer particularly to *Example Approval Condition Checklist* and *Clearance Application form*.

uniform standards of road width and construction by the WAPC is now accommodated by s169 of the *Planning and Development Act 2005* and should be progressed by DPI.

Uncertainty of Plan Currency

As there is no electronic transfer of approvals, reconsiderations and amended plans, there may be uncertainty in clearance agencies, particularly local government, as to whether the plan being reviewed is consistent with the approval and the plans being considered for clearance by other agencies. The introduction of eLDP is essential to overcome this uncertainty.

Project Management of Clearance by Landowners

Some developers/landowners consultants make multiple approaches to local governments to clear conditions. Not all the works may be complete and there may be poor management of the clearance process by the landowner or his representatives. Local government staff advise that it is not uncommon for a developer's project manager, consulting engineer, surveyor, planner, landscape architect and drainage consultant to all be making separate approaches to different sections of the local government for condition clearance. Early application by surveyors for clearance, at times prior to the commencement of site works, was noted as a particular aggravation. Liaison with the development industry is needed to ensure single point of contact and proper project management occurs.

Clearances in Small Stages

Submission of clearances in small stages can result in processing inefficiencies. The City of Mandurah for example, cites one developer with a significant number of lots in approvals that submits clearances in stages of 10 lots or less. A practice of prioritising large stage clearances (over 30 lots) should be considered by local government.

Excessive Maintenance and Management Obligations

An emerging issue that may be delaying clearances is the reluctance of local governments to take on some management and maintenance obligations relating to conservation, open space, infrastructure or urban water requirements imposed by state government agencies or agreed to at the developers' request by WAPC.

Subdivision proposals with high levels of open space amenity, including artificial water bodies and extensive landscaping, also have the potential to delay approvals and clearances, and are discussed in more detail in Section 5.

Staffing and Resources

Staffing

Local government is experiencing similar staff shortages to the State Government, particularly of experienced technical planning and engineering staff, and is now offering market allowances to planners and recruiting planning students for future employment. Local government through WALGA has been involved in overseas job fairs to recruit staff into WA, but with reportedly limited success.

Fees and Charges

Local government fees for subdivision clearances and other processes are set out in the Town Planning (Local Government Planning Fees Regulations 2000). Clearance

fees and charges have not been reviewed since their introduction and DPI is now reviewing the current fee structure to be at least in line with consumer price indexes and to provide additional resources to local government.

Focus on Core Issues

To allow experienced planning staff to focus on strategic land and dwelling supply issues, training of administrative support staff through introduction of a Certificate IV traineeship in Local Government (Planning) has been pursued by the Land Release Coordinator with WALGA and Central TAFE. Subject to staffing, this course should commence in mid-2007.

Monitoring and Tracking

Sharing of DPI tracking information with local government, and monthly reporting by local government clearance officers to DPI on clearance rates is proposed to assist in managing and monitoring land supply.

Recommendations

Twenty major recommendations are proposed in Section 8 of this report to expedite the subdivision and clearance process. Subsidiary recommendations that support the major recommendations but are specific to local government, are provided below in priority order.

Local government should:

In the short term:

- Ensure priority is given to referrals for land subdivision and clearance applications of 30 lots and over and major housing development projects, as a core local government function. *(Major Recommendation 1)*
- Introduce practices to improve the standard and processing of clearances, including guidelines for subdivision clearances, standard forms and information checklists for use by developers, a more uniform approach to bonding, and consistent turnaround times. *(Major Recommendations 6, 7 and 11)*
- Adopt a practice with WAPC/DPI of joint structure plan and subdivision assessment to expedite approvals. *(Major Recommendation 8)*
- Undertake with WAPC a review of the Town Planning (Local Government Planning Fees) Regulations 2000 with particular reference to fees for local government clearances. *(Major Recommendation 8)*
- Provide support to the TAFE Certificate IV traineeship in Local Government (Planning) to provide administrative support staff. *(Major Recommendation 15)*
- Assist DPI in updating growth management strategies for the major corridors to ensure constraints are addressed in advance of local structure plan preparation / subdivision application lodgement. *(Major Recommendation 14)*
- Provide monthly clearance reporting to DPI. *(Major Recommendation 18)*

5. DEVELOPMENT INDUSTRY

Background

The development industry is a key driver of land supply, as it determines when applications are lodged for subdivision approval and when the clearance process commences.

A number of broadacre land developers are members of the Urban Development Institute of Australia (UDIA) or Property Council of Australia. However there are also a large number of small developers in the State. The major lot producers in Perth include the Satterley Property Group, Peet and Company, Stockland, Australand, LWP Property Group, Mirvac, Cedar Woods and Multiplex.

The State Government through the Department of Housing and Works, Landcorp and to a lesser extent the four state redevelopment authorities are also contributors to land supply although estimated to represent less than 10 per cent of lots in current conditional approvals.

The level of experience and professionalism in land developers active in the Perth market varies widely. Large publicly listed firms with extensive and proven experience in land development, utilising a full range of consultants and project managers, and cognisant of government policies are at one end of the spectrum, with one time or new developers with limited knowledge of approval processes, reluctant to engage consultants and with limited capital resources at the other. The latter group is placing significant demands on local and state government, requiring greater time and assistance to achieve subdivision. This is delaying approvals for larger, more professional developers who are generally producing a greater numbers of lots. Large developers are also reporting difficulties in purchasing new broadacre land due to the high price expectations of broadacre landowners.

Whole of Government Approach to Residential Land Supply

The HIA expressed a wish to see the appointment of a senior position to the Department of Premier and Cabinet to give land and housing release priority within government. However, it is not considered desirable to establish a position outside the agencies responsible for land and housing supply. Instead, and to elevate land and housing issues to Ministerial level, a Ministerial Council for housing and land supply is recommended to ensure a cross-government approach to residential land and dwelling supply across the state. The Ministerial Council would investigate, among other things, housing affordability, taxation and training initiatives, native title resolution and liaison with local government (as discussed in Section 4.1).

It is proposed that this Council would be supported by an Urban Development Coordinator within the Office of the Minister for Planning and Infrastructure (effectively replacing the Land Release Coordinator but with a wider brief) for 18 months.

Prioritising Housing and Land Releases

High Proportion of Inactive Approvals

While DPI data shows that there are some 35,000 lots in conditional approvals of 30 lots and over, Water Corporation data indicates that 46 per cent of all conditionally approved subdivisions were inactive at 5 February 2007 (Figure 5). This level of inactivity was supported by the developers' survey that indicated that some 49 per cent of respondents reported that their subdivisions were active, covering just over 10,000 lots. Lots may be

inactive for reasons such as infrastructure extensions required through adjacent property, outstanding environmental approvals, or marketing programs or staging by developers.

Identification of those delays that are due to impediments under government control, or where they are due to developer timing will continue to be a focus of the Land Release Coordinator and the five corridor coordinators, although information is difficult to obtain due to the absence of a tracking system. Active developers should be prioritised. Developers that are redesigning areas to adapt to changed market conditions and/or government policies, for example by providing more diverse housing or introducing affordable housing product, should not be penalised.

Role of Government Landholdings in Influencing Supply

Government is responsible for land development through the Department of Housing and Works (DHW), Landcorp, and the four metropolitan redevelopment authorities: East Perth, Subiaco, Midland and Armadale. Accurate lot release data is still being compiled for the government land development agencies.

DHW advises that lot production across the State is estimated to be similar in 2006-07 to the 3,283 lots achieved in 2005-06. Some areas such as Clarkson are nearing completion. DHW landholdings such as Harrisdale in North Forrestdale, Golden Bay, Banksia Grove and Joondalup city centre have been progressing slowly. DHW and the Armadale Redevelopment Authority will need to prioritise approvals for Albion Town/Henley Brook and Brookdale/Wungong respectively to ensure land supply in the two to three year timeframe. Additional infrastructure funding by government and clarity and consistency of requirements by the EPA will be necessary to bring forward Brookdale/Wungong.

A critical issue is the role of government in the land and housing development sector. While there is the opportunity for government to increase lot release in the short-term, (subject to construction capacity), this has implications for the revenue returned to the consolidated fund and to fund public housing. The State Government should review the role of government land holdings, and particularly consider how government land releases might be managed to ensure an adequate supply of affordable land for housing to meet peak demand, particularly in the short-term.

A more coordinated cross government approach to government land releases, and to the development of surplus land released through the current government clearing house should be considered by the proposed Ministerial Council.

Prioritising Owner Occupiers

An important priority is to limit speculative purchasers who buy land in new subdivisions to on-sell for a quick profit or to hold for the medium- to longer- term with no intention of developing housing. Several of the major development companies introduced measures to encourage owner occupiers in 2006. The developers' survey indicated that strategies were in place in some 55 per cent of the total lots to which responses were provided, to encourage owner occupiers.

Investors who are buying to build rental accommodation should also be encouraged. Buyers intending to build should be prioritised by measures such as timeframes to commence building with enforced buy back clauses, incentives such as landscaping and fencing packages attached to housing construction, registrations of interest and conditions on ballots limiting nominees and company entities, and pre-approval letters for finance.

Such initiatives by the development industry should be encouraged and promoted. Prioritisation of sales to those building within a specified timeframe should be mandatory on Government joint venture holdings.

Statutory Approval Processes and Practices

Size of Clearance Stages

Several major developers advised that 60-80 lots is an optimal construction stage with a 12-16 week construction time, allowing the release of a 20-lot stage each month. A 300 lot approval being released in 20-lot stages would require 15 'passes' through the clearance process.

Water Corporation advises that the average clearance stage for 30 lots plus approvals is 22 lots. The Civil Contractors Federation advised that it believed additional lots could be created without construction resource constraints if stage sizes were increased. While developers may prefer to move to a 'just in time' approach with small and frequent stages, rather than holding a stock of titled lots, small stages increase the workload for state and local government. A practice of prioritising clearances of 30 lots or more should be adopted by DPI, DEC, DoW, Water Corporation, Western Power and local government.

Project Management Skills

As discussed in Section 4.7, local and state government officers have raised concern about poor management of the clearance process by some project managers and landowners. The development industry is experiencing the same shortages of experienced staff as government, with some less experienced project managers lacking understanding of approval processes and practices. If government is to require its agencies to adopt timelines for clearance requests, the development and consulting sectors will need to provide information and undertake works in a timely manner.

Consumer Demand for High Amenity Estates

WAPC policy generally provides for 10 per cent of land to be given up for public open space. Developers choose to landscape this area, although there has historically been no statutory obligation to do so. Consumers are driving demands for high amenity estates and developers are responding by providing extensive landscaping and an increasing range of facilities. As a result, approvals are becoming more complex. There needs to be a recognition by the development industry that subdivision proposals with artificial water bodies and high levels of landscaping and facilities may be subject to delay due to their additional approval requirements and management implications.

A forum was convened by the Land Release Coordinator with the UDIA, developers and consultants on 2 November 2006 to discuss approval processes for artificial water bodies in North Forrestdale due to potential approval delays. While the introduction of such facilities improves the amenity, liveability and value of new residential estates, local government is increasingly requesting long-term asset management plans to establish their management and replacement implications.

Alternative Approaches to Dewatering for Acid Sulphate Soils

Issues relating to the complex approval processes and site contamination implications for land with medium- to high-risk acid sulphate soils were raised in Section 4.3. Proactive evaluation and pursuit of alternatives to dewatering, including trenchless technology should be considered more seriously by the development and consulting industries. This report

recommends a forum be convened with DEC, DoW, the development industry and the consulting sector to discuss development approaches for acid sulphate soil affected sites.

Timely Strategic Planning

Timely Action to Undertake Required Structure Planning and Studies

Some planning, environmental and infrastructure issues may still be unresolved at subdivision stage. This may be because some developers prefer to obtain conditional subdivision approval and delay the commencement of site surveys, studies and resolution of outstanding issues until late in the subdivision process. For example, a spring survey may be required to establish if there is significant vegetation on the site, but survey work is deferred, resulting in delays at subdivision or clearance. An increasingly common occurrence is local structure plans being submitted concurrently with, rather than in advance of, subdivision applications.

As discussed in Section 4.2, developers in liaison with DPI/WAPC and relevant agencies should establish realistic programs for major land release areas to ensure that the necessary approvals and subdivision works are completed in time to meet lot supply targets.

Development Where Fragmented Ownership

In areas of fragmented land ownership, the coordination of planning and infrastructure provision is complex. Land may be zoned but not able to be bought into development until such time as large developers are able to assemble viable land parcels. Local government and service agencies need to assist in coordinating planning to ensure that land release is not impeded, but are limited by the large amount of time required to negotiate with multiple landowners.

Staffing and Resources

As noted above, the development and associated consulting industries are experiencing shortages of experienced staff. Consultant firms have expanded by offering attractive packages to senior and experienced staff in the public sector, exacerbating the government staffing situation.

Monitoring and tracking

The introduction of an interim tracking system in the short-term and eLDP in the longer-term will enable better monitoring of land release of individual developers, and identification of causes for delays.

Recommendations

Twenty major recommendations are proposed in Section 8 of this report to expedite the subdivision and clearance process. Subsidiary recommendations that support the major recommendations but are specific to the development industry, are provided below in priority order.

The development industry should:

In the short term:

- On government landholdings, accelerate the construction and release of land to assist in achieving the 20,000 lots target for 2006-07. *(Major Recommendation 3)*
- In conjunction with DPI/WAPC, establish realistic programs for major land release areas to ensure that the necessary approvals, subdivision works and infrastructure design are complied with in time to meet lot supply targets. *(Major Recommendation 7)*
- Ensure project managers are co-ordinating clearance requests to local and state government to provide adequate and timely information and avoid multiple approaches to staff. *(Major Recommendation 1)*
- Encourage owner occupiers and investors in rental properties and limit speculative buyers in periods of high land demand by measures such as timeframes to commence building with enforced buy back clauses, incentives such as landscaping and fencing packages attached to housing construction, registrations of interest, conditions on ballots such as no nominees, no company entities and pre-approval letters for finance. *(Major Recommendation 1)*
- Recognise that government will prioritise clearance stages of over 30 lots. *(Major Recommendation 4)*
- Consider alternative technologies and engineering approaches to deal the development of land with acid sulphate soil constraints. *(Major Recommendation 1)*
- Recognise and engage with State and local government on resolving the complex approval paths resulting from the development of estates with high maintenance and infrastructure requirements. *(Major Recommendation 1)*

6. BONDING OF WORKS AND SELLING OFF THE PLAN

Selling off the Plan

Traditionally, developers have sold lots following the issue of title. However, since 2005, land shortages have seen developers sell lots 'off the plan' so purchasers are able to secure a lot but may be waiting considerable periods of time for lot construction to be completed and title to be issued. This is known as pre-selling. Section 140 of the *Planning and Development Act 2005* allows developers to enter into an agreement to sell land up to three months in advance of subdivision application to the WAPC. Selling off the plan can therefore occur at four steps of the approval process: up to three months prior to application to the WAPC for subdivision approval; after subdivision application but prior to the issue of conditional approval; after conditional subdivision approval but prior to final approval; and after final approval but prior to the issue of title.

Pre-selling has advantages in that it may enable purchasers to arrange house plans and finance. However, where pre-selling occurs and there are significant delays in securing title, some contracts for sale have expired and lots have been reoffered to purchasers at significantly higher prices. Some developers appear to have not used their best endeavours to complete subdivision and clearance, thereby ensuring that contracts for sale lapse. The Department of Consumer and Employment Protection (DoCEP) released a *Buying Land or Property off the Plan* fact sheet in September 2006 due to the large number of consumer complaints about this issue, and has undertaken a number of investigations.

The Minister for Planning and Infrastructure has indicated that Section 140 of the Act should be reviewed.

When coupled with the practice of bonding, purchasers who buy off the plan are experiencing long lead times to acquire a completed, serviced block of land.

Bonding

Bonding has in the past been sought by developers where it is difficult to coordinate the completion of all subdivisional works. Where limited subdivisional works may take several extra weeks to complete, the clearing authority has accepted payment of a bond as a guarantee that works will be undertaken, and clears the condition so issue of title may proceed. In the past, works have generally been completed by the time that titles are issued.

Over the last 12-18 months requests for and agreement to bonding have become widespread and lots have been settled and titled, although completion of subdivisional works may be a month or more away. Some purchasers have been unable to finalise the price of a new house with builders, as the builder's survey is unable to be undertaken - the lot may not be pegged for identification and there may be no road access. Owners are not able to obtain a building permit until water, sewer, power, drainage and roads are completed, even though rates and land tax become payable when title issues. Local government acceptance of bonding varies and the legal basis of bonding is unclear.

The relationship of bonding and selling off the plan to the approvals process is shown in Appendix 3. The diagram indicates the approval process in black and construction process in blue, with bonding potentially extending construction completion time after issue of title. The impact of selling off the plan is shown in red, with the timeframes that contracts may be entered into before subdivision approval indicated.

As discussed in Section 4.6, Water Corporation advised in February 2007 that it was holding bonding on over 6,000 lots state-wide to a value of \$64m, although this may include major

infrastructure such as pump stations. The extent of bonding indicates a construction capacity constraint.

As discussed in Section 4.5, the issue of bonding may be exacerbated from July 2007 when Western Power will no longer offer the option that it will construct works in new residential estates. Instead, a flat per lot fee will be required by Western Power for clearance, and construction will be the developer's responsibility. It is not clear if Western Power will require a timeframe for completion of works. A forum on bonding, hosted by DPI and the Land Release Coordinator is scheduled for March 2007.

Recommendation

It is recommended that:

The Land Release Coordinator and DPI host a forum on bonding and selling off the plan in March 2007 to investigate options for reducing the extent of both across state and local government, but in a way that maintains land supply. In particular, review of S140 of the *Planning and Development Act 2005* is warranted. (*Major Recommendation 11*)

7. OTHER ISSUES

Housing Affordability

At the end of September 2006, the median house price in WA was \$491,000, an increase of 39 per cent from the same time in 2005²⁰. Affordability indices vary, however Perth is now considered to have the nation's second lowest housing affordability, with the average Perth house 5.6 times the average income compared with Sydney at 6.6²¹.

Housing affordability was outside the scope of the Land Release Coordinator's brief. Solely increasing the rate of land release on the urban fringe will not solve housing affordability. Measures such as the government's shared equity scheme, and increasing housing stock in the inner and middle areas where much of the demand is, will assist in addressing affordability.²²

Land Tax and Stamp Duty

The land development industry is a major contributor to state economic activity. The development industry has raised concerns about the taxation burden imposed on the development and housing industries, by both stamp duty and land tax in general and through specific provisions such as the removal of taxation exemptions to developers.

Until 2004, a land tax exemption was provided to developers who held unsold subdivided lots for 12 months. Tax was able to be levied on an 'en globo' (ie, unsubdivided) basis to ensure the smooth supply of land. The removal of this exemption has resulted in less lots being produced in June and early July, as final approvals and application for title are delayed until after the 1 July assessment date, with workload implications for DPI and Landgate. For example, lot production in May, June and July 2006 was 2606, 809 and 1,136 respectively. It appears that the development industry is effectively still being taxed on an 'en globo' rather than a subdivided basis, by avoiding holding a stock of subdivided lots mid-year.

It is understood that reviews of the impact of stamp duty and land tax on lot supply and housing affordability, consideration of reintroduction of the developers 12-month 'en globo' land tax exemption or alternative approaches to enable developers to rebuild lot buffer stocks are being considered as part of the State Taxation Review.

Lot synchronisation

Landgate (formerly the Department of Land Information) has noted that the titling process includes a stage termed 'in order for dealings' that allows a developer to hold land in the Landgate system after final approval by the WAPC but prior to title. This means that public infrastructure and roads that may be intended to be set aside on (Crown) land are not protected until the specific lot created by the subdivision progresses to title. It is recommended that the relevant legislation be reviewed to better synchronise final approval with title, and eliminate any interim stages in the titling process.

²⁰ REIWA market indicators at www.reiwa.com.au

²¹ Financial Review 9 November 2006 quoting Huw McKay Westpac Bank: Melbourne 5.1, Brisbane 5.0

²² Macquarie Research Strategy, (December 2006), Discussion Draft, *Thinking about the Big Drop in Australian Housing Affordability*

Building and Construction Industry Training Fund (BCITF)

The civil construction and housing industries raised concerns at the June Land Summit about the mining and petroleum industries being exempt from contributions to the Building and Construction Industry Training Fund. The civil construction and housing industries argue that a significant number of staff trained in their sector are 'poached' by the mining sector, exacerbating skills shortages and the capacity of the land/building sector to significantly increase the rate of residential lot creation and housing completions.

In July 2006, Cabinet considered and supported an increase in the levy, but not the removal of the exemption from the mining and petroleum sectors.

Housing Industry Forecasting Group

The Department of Housing and Works has undertaken housing activity forecasting through its Housing Industry Forecasting Group. This group last reported in May 2006 and should be re-energised to provide housing forecasting to the government and development sectors.

Recommendations

It is recommended that:

- As part of the State Taxation Review, stamp duty and land tax levels and measures be reviewed to facilitate lot supply and housing affordability. *(Major Recommendation 5)*
- The Housing Industry Forecasting Group provide six-monthly reporting to government on housing indicators and forward activity *(Major Recommendation 20)*
- Consideration be given to altering legislation and or practice to synchronise lot finalisation by eliminating the 'in order for dealings' stage of the title process through Landgate, so that application for final approval from WAPC occurs simultaneously with application for title. *(Major Recommendation 8)*

8. RECOMMENDATIONS

Detailed recommendations for improvements to the subdivision clearance process by government agencies have been proposed throughout this report. These have been summarised into twenty **Major Recommendations**, relating to the need to prioritise land supply, introduce timelines, improve processes and practices, develop better monitoring and tracking, and address staffing and resource issues. The recommendations contained in this report are focused on the clearance processes operational in Perth and Peel. Issues of housing affordability and land supply in regional Western Australia were beyond the scope of the Land Release Coordinator's brief.

Prioritising Land Supply

1. Delivery of residential land and housing to provide sufficient and affordable accommodation for West Australians is a critical economic and social sustainability objective. Government agencies need to give priority to land and dwelling supply as they do to major mining projects. Priority should be given to streamlining approvals for major residential subdivisions and development projects, in both 'greenfield' and 'brownfield' locations and by other measures, such as expediting infrastructure provision and government housing developments.
2. A Ministerial Council for housing and land supply should be established to ensure a cross-government approach to the provision of residential land and dwellings across the State, including investigating housing affordability, taxation and training initiatives, native title resolution, and liaison with local government. The Council should be supported by an Urban Development Coordinator's position, established within the Office of the Minister for Planning and Infrastructure, for the next 18 months.
3. To be in a position to expedite the rate of release of Urban-zoned government land to ensure adequate supply of affordable land for housing in periods of peak demand, the State Government should continue to acquire, develop and hold strategic land parcels for the longer term.
4. Government agencies, particularly the Department for Planning and Infrastructure and the Western Australian Planning Commission, should review their priorities and resources allocated to land and housing supply, to prioritise subdivision applications and clearances of 30 lots and over and major infill housing development projects.
5. The forthcoming State Taxation Review should examine any taxation impediments to the supply of adequate residential lots to the market and the conversion of lots into housing, particularly for owner occupiers.

Introduction of Timelines

6. Timelines should be introduced to the clearance process for local government and other referral agencies. Procedures are required to accelerate clearances if timelines are not being met.
7. Programs should be established by land developers in liaison with the Western Australian Planning Commission and relevant agencies, particularly the Department of Environment and Conservation, for major land release areas, and timeframes introduced to ensure that the necessary approvals and subdivision works are complied with in time to meet lot supply targets.

Statutory Approval Process and Practice Improvements

8. The Department for Planning and Infrastructure should continue to improve and reform its statutory approval processes and planning practices, particularly introducing joint rather than sequential assessment of subdivision and structure planning proposals with local government and Memoranda of Understanding with other government agencies; with the objective of expediting land supply.
9. Water Corporation, the Department of Water and the Department of Environment and Conservation should clarify responsibilities within and between their agencies in relation to drainage planning and water management, and issue a joint bulletin clarifying responsibilities.
10. The Department of Environment and Conservation and the Department of Water in consultation with Water Corporation should prepare and publish operational guidelines/business rules providing clear, consistent and valid advice as to the requirements necessary to meet subdivision conditions.
11. The practice of bonding and pre-selling of lots should be reviewed across government and in consultation with the development industry.
12. The Department for Planning and Infrastructure and the Western Australian Planning Commission should provide regular training to state and local government staff on the policies, procedures and practices related to subdivision condition setting and clearance processes.

Timely Strategic Planning

13. The Department of Water, with technical assistance from Water Corporation and the Department for Planning and Infrastructure, should develop a program to address the lag in strategic arterial drainage planning, to ensure that adequate short-term lot supply is balanced against appropriate standards of environmental and water management.
14. Growth management strategies for the major corridors should be updated by the Department for Planning and Infrastructure and any constraints, particularly environmental and infrastructure, should be reviewed and addressed in advance of local structure planning and subdivision. The Western Australian Planning Commission's Infrastructure Coordinating Committee should develop five-year strategic infrastructure plans for the major growth corridors to support the growth management strategies.

Staffing and Resourcing

15. Special incentives are necessary to retain and attract experienced technical staff to key areas of the land development and approvals process, including statutory and strategic planning and planning reform. Training and incentives are also necessary to attract and retain staff in the construction sectors.
16. Local government fees and charges relating to clearances should be reviewed and increased to allow an increase in staffing to expedite clearances.

Monitoring and Tracking

17. The subdivision approval process is currently a paper based system. Introduction of an electronic approvals system by the Department for Planning and Infrastructure that will allow tracking of applications, approval, clearance and title processes and critically, identify delays, is a land release priority. The proposed electronic land development process (eLDP) based on the Shared Land Information Platform (SLIP) should be funded with program delivery to 2011.
18. It will be necessary for the Department for Planning and Infrastructure in conjunction with other government agencies, particularly Water Corporation, to develop an interim tracking system for subdivision clearances pending delivery of the eClearance phase of eLDP. The interim tracking system should provide a monthly snapshot of clearance progress.
19. The Department of Environment and Conservation and the Department of Water need to implement business processes to track and monitor subdivision clearances.
20. The Department for Planning and Infrastructure and the Department for Housing and Works should review current arrangements with a view to providing more timely (quarterly or six-monthly) information on lot and dwelling supply and lead indicators of population and housing demand.

ABBREVIATIONS

ABS	Australian Bureau of Statistics
CALM	Department of Conservation and Land Management
CEO	Chief Executive Officer
DCR	Design Conformance Review
DEC	Department of Environment and Conservation
DIP	Design Information Package
DOW	Department of Water
DPI	Department for Planning and Infrastructure
eLDP	Electronic Land Development Process
EPP	Environmental Protection Policy
ICC	Infrastructure Co-ordinating Committee
MRS	Metropolitan Region Scheme
ODP	Outline Development Plan
REIWA	Real Estate Institute of Western Australia
SAT	State Administrative Tribunal
SLIP	Shared Land Information Platform
SPC	Statutory Planning Committee of the WAPC
UDIA	Urban Development Institute of Australia
UWMP	Urban Water Management Plan
WAPC	Western Australian Planning Commission

BIBLIOGRAPHY

Australian Government Department of the Environment and Heritage (2006): Environmental Protection and Biodiversity Conservation Act Policy Statement 1.1; *Significant Impact Guidelines. Matters of National Environmental Significance*.

BSD Consultants for UDIA and Property Council WA (2004): *Planning Process Review Study*.

City of Wanneroo (2004) clearance checklist: www.wanneroo.wa.gov.au, refer particularly Example Approval Condition Checklist and Clearance Application form.

Department of Consumer and Employment Protection, (2006) *Buying Land or Property off the Plan* fact sheet, September 2006.

Department of Environment and Conservation (May 2006), Identification and Investigation of Acid Sulphate Soils, Draft for Comment, May 2006.

Department of Treasury and Finance (2006), *Overview of State Taxes WA* (2006).

Department of Water, Stormwater Management Manual for Western Australia (2004-2006), chapters 1, 2, 6, 7, 8 complete. Chapters 3, 4, 5, 9, 10,11,12 incomplete.

(Draft) Swan Coastal Plain Wetlands EPP Regulatory Impact Assessment Panel report, (2005) to the Minister for the Environment, Dr Judy Edwards.

Housing Industry Projections 2005-06 & 2006-07 (May 2006) Housing Industry Forecasting Group, Department of Housing and Works.

Macroplan for the Residential Development Council of Australia (October 2006), Australian Broad Hectare Land Supply Study, Final Draft.

Macquarie Research / Rory Robertson (December 2006), *Thinking about the Big Drop in Australian Housing Affordability*, Discussion draft.

Public Accounts Committee, Legislative Assembly, Government of Western Australia (2004): *Inquiry into Developer Contributions for costs associated with land development*, Report no 8.

UWA Integral Leadership Centre Pty Ltd, (2005), *Subdivision Energisation Process Review: Joint study by Western Power and UDIA*.

Urban Development Institute of Western Australia (undated): *Environmental Approvals Process Review*.

Urban Development Institute of Western Australia (2005): *Economic Impact Study*.

Urban Development Institute of Western Australia (2006): WA Urban Development Index September quarter.

Urban Development Institute of Australia (2006): *The UDIA State of the Land*.

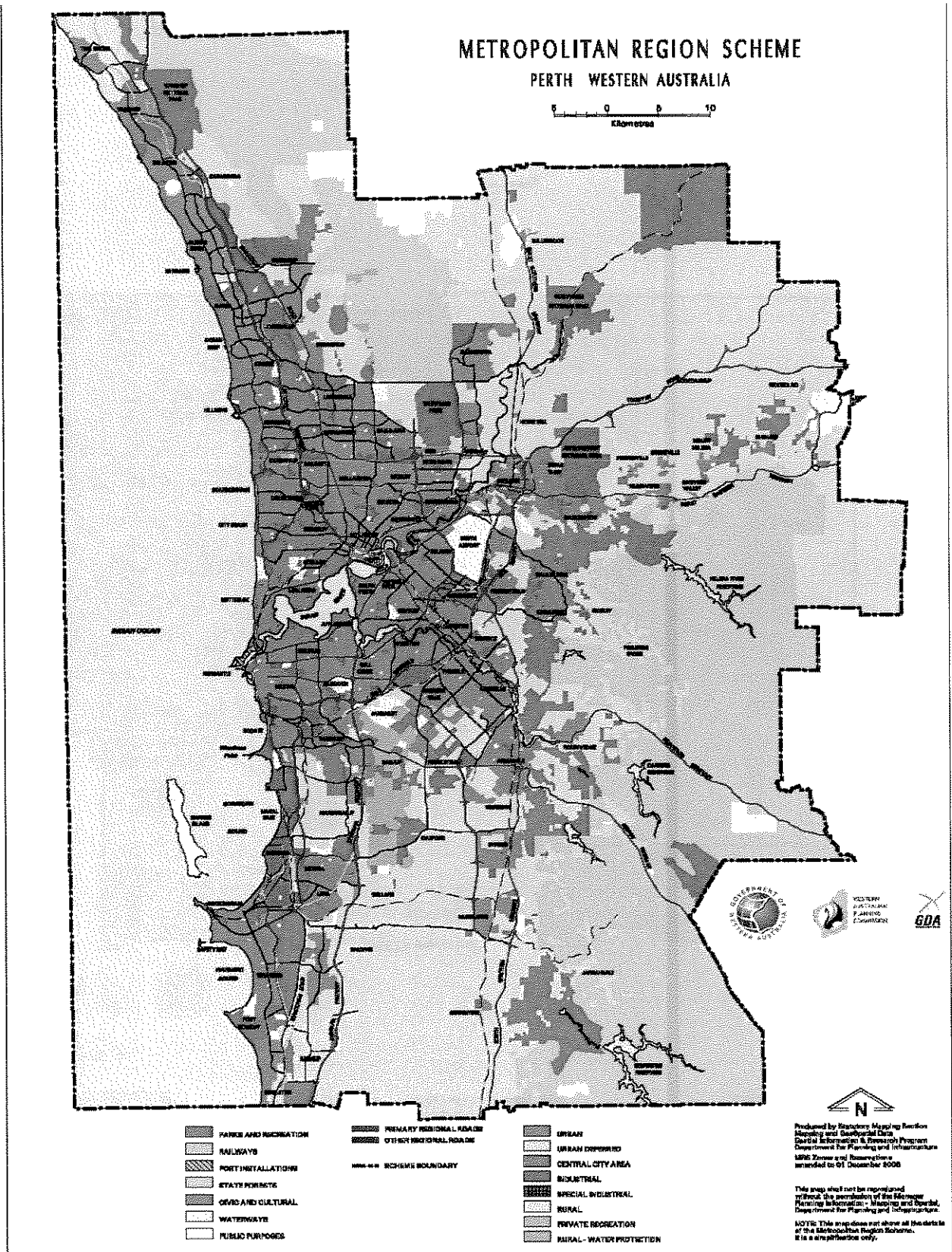
Western Australian Local Government Association, Outer Metropolitan Growth Council's Policy Forum (2006): *Submission to the State Infrastructure Strategy*.

Western Australian Planning Commission, Land Development Program (2006), State Lot Activity Bulletin, June quarter 2006.

Western Australian Planning Commission (January 2006), *Metropolitan Development Program*, 2005-06 to 2009-10.

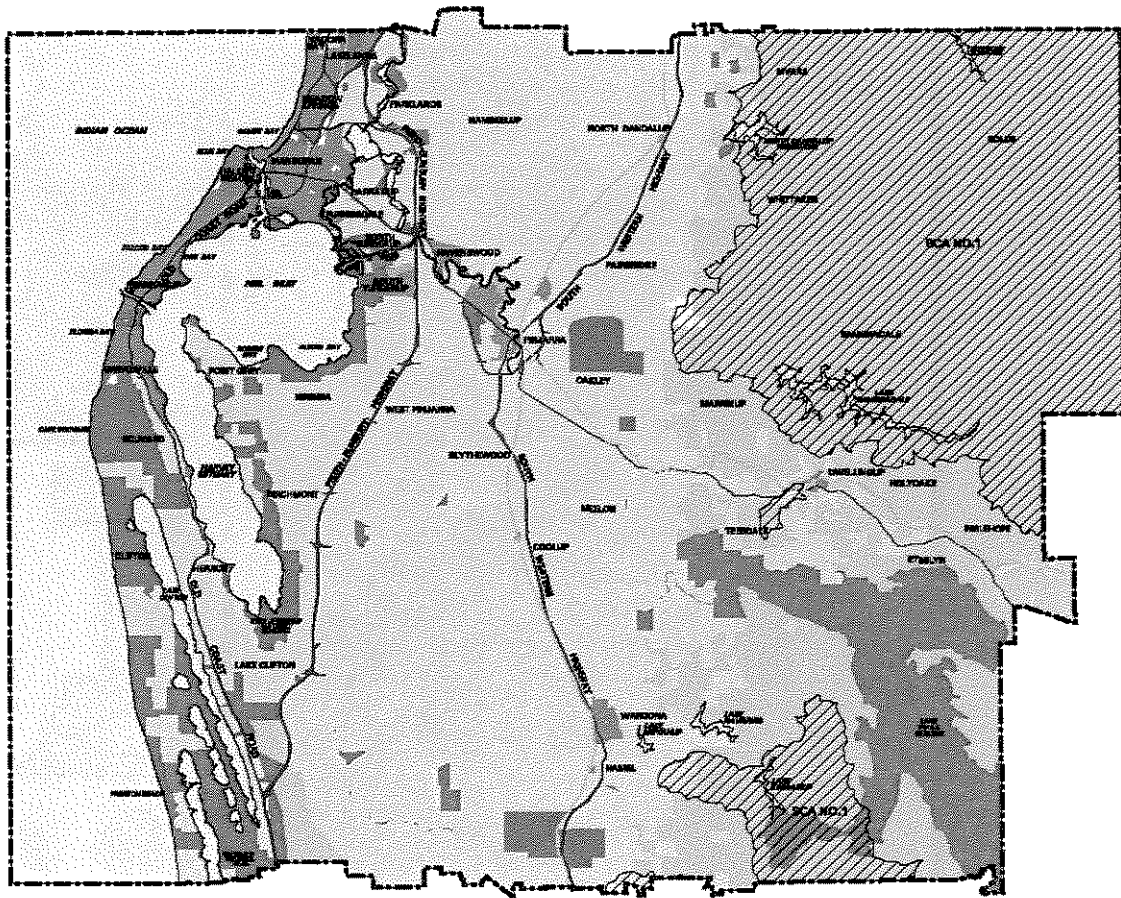
Western Australian Planning Commission Planning Bulletins: No 64, (2003) Acid Sulfate Soils; No 73 (2005) Statutory Planning Process Improvements; No 76 (2006) Planning and Development Act and related legislation.

APPENDIX 1



PEEL REGION SCHEME

PEEL REGION SCHEME
WESTERN AUSTRALIA



- | | | |
|---------------------|---|--------------------|
| REGIONAL OPEN SPACE | PRIMARY REGIONAL ROADS | URBAN |
| RAILWAYS | OTHER REGIONAL ROADS | URBAN DEFERRED |
| STATE FORESTS | SPECIAL CONTROL AREAS -
DENOTED AS FOLLOWS:
SCA NO. 1 | REGIONAL CENTRE |
| WATERWAYS | SCHEME BOUNDARY | INDUSTRIAL |
| PUBLIC PURPOSES | | RURAL |
| | | PRIVATE RECREATION |

Produced by Statutory Mapping Section
Mapping and Geomatics Centre
Spatial Information & Research Program
Department for Planning and Infrastructure
PRZ Zones and Restrictions
issued on 18 August 2008

This map shall not be reproduced
without the permission of the Manager
Planning Information - Mapping and Geomatics,
Department for Planning and Infrastructure.
NOTE: This map does not show all the details
of the Peel Region Scheme.
It is a simplification only.

SCHEDULE OF ZONED DEVELOPED AND REMAINING DEVELOPABLE LAND, PERTH AND PEEL, 2006.

The Schedule on the following page outlines the approximate amount of land zoned and still available for development in Perth and Peel in late 2006. Of the 98,000 hectares of Urban and Urban Deferred zoned land, 28,800 hectares remains undeveloped. Note that land set aside for low density residential purposes such as Special Rural lots have been excluded. While the chart reads MRS (Metropolitan Region Scheme) it does include land in Peel.

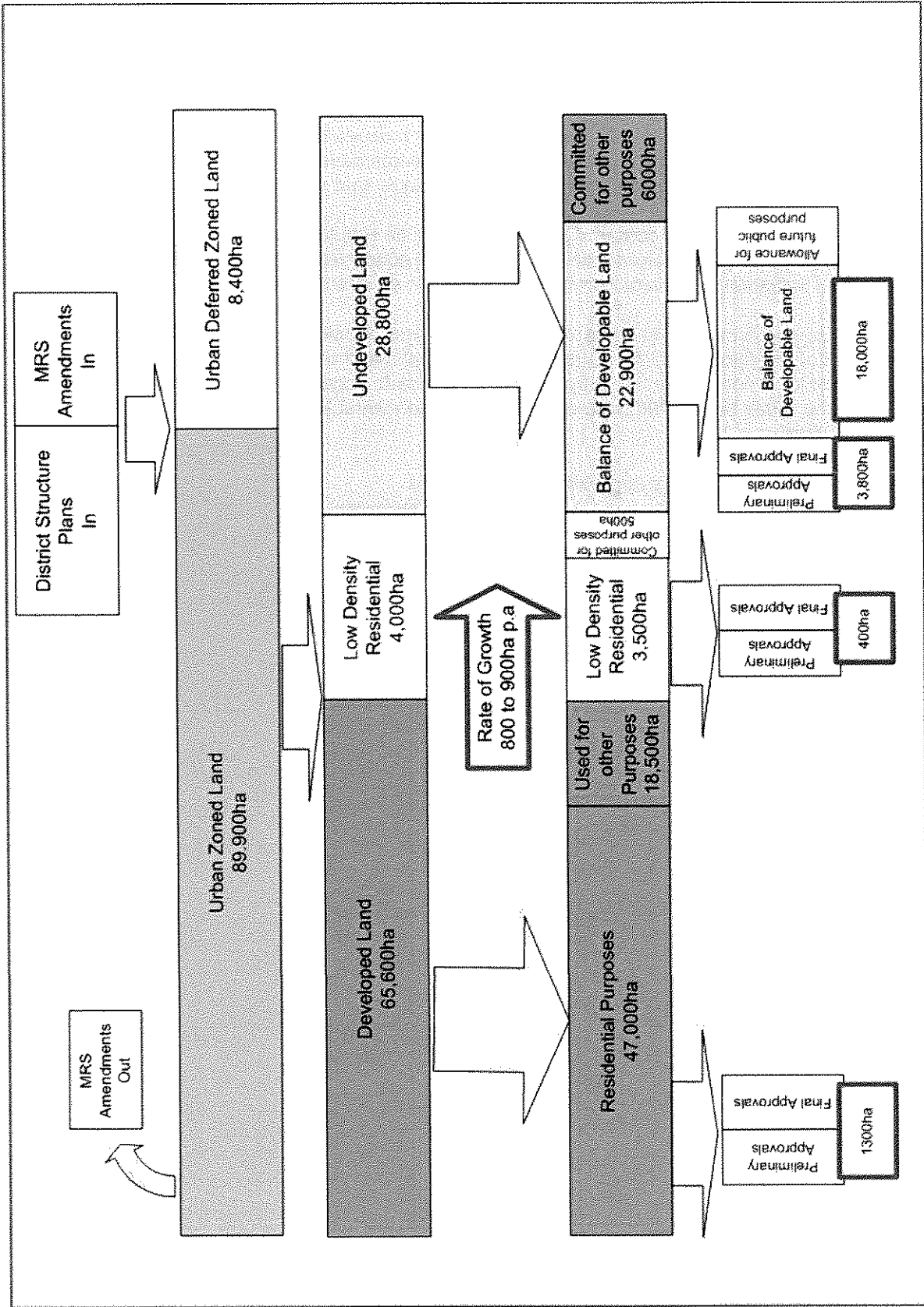
About 6,000 hectares of this remaining zoned land will be required for district level non-residential activities such as schools, commercial and large open space reserves. Note that the land zoned for strategic industrial and major commercial centres is separately zoned in the MRS.

This then leaves some 22,900 hectares available for new development. About 3,800 hectares are the subject of conditional and final subdivision approvals, and a further 1,000 hectares have been set aside for local non-residential purposes, such as roads, local open space and local education facilities. This gives the 18,000 hectares of vacant land available for residential development in Perth and Peel.

The breakdown by corridor is approximately as follows:

Inner Sector	100 ha
Middle Sector	80 ha
North-west Sector	7300 ha
Eastern Sector	2300ha
South-east Sector	3000 ha
South-west Sector	2800 ha
Peel (Mandurah and Murray only)	2600ha
TOTAL (rounded)	18,000 ha

SCHEDULE OF ZONED DEVELOPED AND REMAINING DEVELOPABLE LAND



APPENDIX 2 – DEPARTMENT FOR PLANNING AND INFRASTRUCTURE / WESTERN AUSTRALIAN PLANNING COMMISSION MINOR PROCESS IMPROVEMENTS

A number of minor statutory planning process improvements are suggested for consideration by the Department for Planning and Infrastructure and the WAPC. These improvements build on the process improvements currently underway and documented in the WAPC's Planning Bulletin 73 dated June 2005.

Release of Draft Conditions

DPI has a practice of forwarding draft conditions on major and complex subdivisions to the applicant for consideration prior to the issue of a formal decision, particularly where non-standard conditions are recommended. This can avoid the need for reconsideration or application for review of conditions that, following consultation, may be unnecessary or can be modified to address both applicant's concerns and the issues at hand. This practice should continue as a way of identifying and resolving issues early. Draft conditions should be automatically forwarded to applicants for subdivision approval of 30 lots or more. Release of draft conditions should be formalised as a business practice to ensure that it is applied consistently. It is recommended that where there is a substantial modification to a condition required by a local government, the local government also be forwarded draft conditions in these cases.

Key Performance Indicators (KPIs)

At present the focus of key performance indicators is applications determined within 90 days. From a land supply perspective, the critical key performance indicator is lots approved within 90 days and this should be adopted by the WAPC as an additional reportable measure of performance.

Referrals to EPA and DEC

There is some uncertainty at DPI as to which subdivision applications require formal or informal referral to EPA or DEC for assessment or advice. This has been compounded by the recent amalgamation of the former Departments of Environment and Conservation and Land Management (CALM) into the Department of Environment and Conservation (DEC). Referral arrangements between DPI and DEC should be clarified, incorporated into an updated Administrative Agreement between the two agencies and embedded in business rules. A clearer and agreed decision path is required where DPI officers refer applications to the EPA for formal assessment (refer also Section 4.3).

Enforcing Time Limits on Referrals

The *Planning and Development Act 2005* now provides that if a referral agency does not forward a response on a referred subdivision within 42 days, the WAPC may deem that that agency has no recommendations or objections. There is a need for the 42-day referral timeframes to be strictly enforced. DPI is currently sending out reminder letters one week prior to expiry of the 42 days. An impediment to meeting timeframes is that some local government officers do not have delegated authority and decisions on conditions need to be made by full Council.

Timeframes for Clearance of Subdivision Conditions

Sections of DPI outside statutory planning may be responsible for clearance of conditions; for example, relating to Bush Forever sites or coastal asset management issues. The DPI practice has been that internal clearances are addressed only after all external clearances have been

resolved. DPI clearance requests should be submitted by developers/landowners in advance of lodgement of Diagrams of Survey, and clearance turnaround times for officers within DPI subject to Key Performance Indicators.

Built Strata Approvals

Built strata applications under five lots are approved by local government by exemption rather than delegation from the WAPC under the Strata Titles General Regulations Part 3, S15 (1). This means that DPI/WAPC is not able to track and monitor the number of approvals and an underestimation of lot creation results. It is recommended that built strata approvals be delegated by the WAPC to local government to streamline approvals and to enable lot monitoring.

Tracking Assessed Schemes and Amendment Conditions

Obligations arising from Schemes and Scheme amendments assessed under the *Environment Protection Act* are not rigorously tracked and monitored by DPI to ensure that subdivision approvals have met environmental requirements and conditions set by assessment. Improved processes to capture and report on compliance conditions are recommended, particularly to ensure that the WAPC clearly determines that environmental conditions have been met.

Appendix 3 - Lot Approval, Construction and Sales Timing

