

Modernising Western Australia's Planning System Green paper concepts for a strategically-led system

RAC Response, July 2018





Modernising Western Australia's Planning System

We thank the State Government for the opportunity to provide comment on the 'Green paper concepts for a strategically-led system' (the Green Paper), which is an important step in modernising Western Australia's (WA's) planning system. We also commend the Government for undertaking this independent review of the planning system, which will play a crucial role in supporting the future liveability and productivity of Perth and the State.

About RAC

RAC represents the interests of more than one million Western Australians and is the leading advocate on the mobility issues and challenges facing WA. RAC works collaboratively with all levels of Government to ensure Western Australians have access to safe, easier and more sustainable mobility options.

About our submission

The Perth and Peel regions are set to grow substantially, with the population to rise to over 3.5 million by 2050. This growth presents many challenges, not least how best to accommodate it while responding to the increasing pressures being placed on our transport system, as well as Government's capacity to deliver essential infrastructure and services to support it. What we do now, and in the coming years, to plan for this will therefore be crucial. For WA to remain productive and liveable, it will be essential to improve integration of land use and transport and seek to ensure successful outcomes from planning and development for the community, industry and Government alike.

Urban expansion through development of previously undeveloped 'greenfield' sites in the outer suburbs and on the fringes of the metropolitan area, which are not well served by public transport, has tended to be the typical pattern of development. It is widely accepted that this cannot be allowed to continue. The aspiration of current strategic planning for Perth and Peel is to drive a shift towards a more compact, connected and sustainable city form providing opportunities for higher density mixed-use development around activity centres and station precincts, and along high-frequency public transport routes. Without such strategic direction being reflected and ingrained throughout each level of the WA planning system how can we expect resultant planning, development and infrastructure investment decisions to move us towards this desired future?

The overarching intent of the Green Paper to refocus the WA planning system to ensure it is strategically-led and has community participation at the heart, as has already been done by many jurisdictions in Australia and internationally, is considered to be crucial in shaping the future of the State.

RAC also supports the broader modernisation of the planning system, guided by the reform principles of 'Fairness', 'Transparency', 'Integrity' and 'Efficiency', to enable better planning and development outcomes.

Our submission focusses on the following key themes:

- › Creating a compact, connected City;
- › Empowering an engaged community; and
- › Enabling effective delivery.

However, our high level comments on the five key reform areas are:

› Key reform 1: A strategically-led system

RAC strongly agrees with the statement in the Green Paper that "if it is accepted that strategic planning is the essence of good planning in Western Australia, then it should be made the centrepiece of the PD Act" [page 18]. The proposals to amend the *Planning and Development Act 2005* (PD Act) to emphasise 'strategic planning', and define 'sustainability' within state planning policy is therefore supported. These concepts should flow through all major decisions around housing and employment distribution, transport infrastructure and placement of key social infrastructure and facilities across the State.



Analysis previously conducted by RAC¹ using data from the 2011 Census revealed that at that time only one sub-region in Perth and Peel was on track to meet the employment self-sufficiency targets (reflecting the desired balance of people and jobs in an area) set out in *Directions 2031 and Beyond*. This provides an example of the challenges with the current planning system in effectively implementing the intent of strategic planning.

As a general comment, while it is understood and appreciated that there is rationale for a focus on adapting the planning system for urban infill, the challenges and needs of communities in regional WA cannot be overlooked when embedding the intent of strategic planning, to guide future growth.

› **Key reform 2: A legible planning system**

The Green Paper proposes the creation of a number of new State Planning Policies (SPPs) and at the same time the reorganisation and consolidation of all SPPs into a single 'State Planning Policy Framework' structured into planning topics or 'elements'.

While RAC is broadly supportive of the intent of the new SPPs, it is assumed the principles would be embedded as policy statements across relevant elements of the Framework rather than new SPPs being created (with "every State Planning Policy" to follow the common elements [page 26]).

Streamlining the full suite of planning documents through the Framework, coupled with the proposed 'Comprehensive Local Planning Scheme', provides a unique opportunity to ensure stronger strategic alignment throughout all stages of the planning and development process. This will also enhance legibility and transparency for all users and reduce uncertainty caused by overlapping and interrelated policy content across different planning documents. However, it will be essential to ensure sufficient strategic direction across all key planning elements whilst maintaining brevity and this will be a challenge. Likewise, it will also be important to strike an appropriate balance between the proposed supplementary technical documents providing adequate guidance to aid effective implementation of the Framework and streamlining these to avoid another layer of complexity in the suite of planning documents. Further clarity will be required around the creation of these important documents.

› **Key reform 3: A transparent planning system**

As acknowledged by the Green Paper, "the essence of integrity in the planning process is that the community has a say in the making of strategies and plans, and understands therefore why plans and decisions are made" [page 39]. The introduction of mechanisms within the WA planning system to enable participatory planning is fundamental. Likewise, the benefits of living with higher densities, such as the enhancements in health, wellbeing and social connectedness arising from the creation of more walkable mixed-use neighbourhoods must be made apparent to the community. The proposed development of a Community Engagement Charter and the requirement for planning authorities to communicate the reasoning behind planning decisions are therefore welcomed. Refer to 'Empowering an engaged community' for more specific comments.

› **Key reform 4: An efficient planning system**

The creation of the State Planning Policy Framework and the Comprehensive Local Planning Scheme, set within the context of a strategically-led system, will help to drive efficiencies. This will facilitate the acceleration of the development approval process because the strategic alignment of applications will be more apparent.

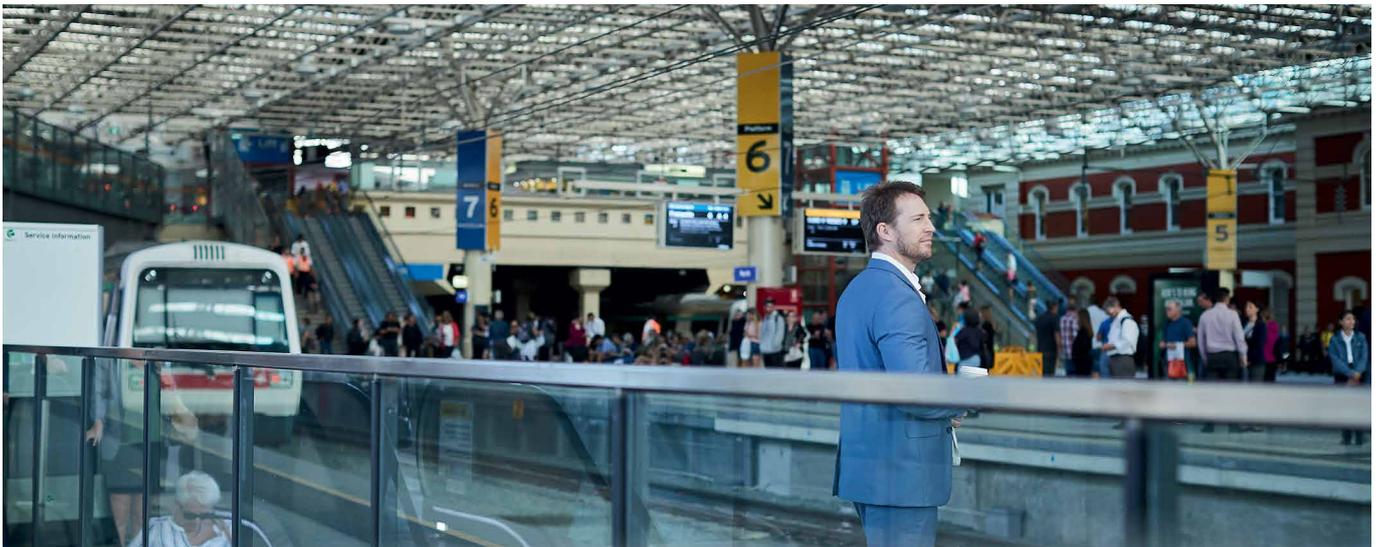
Planning referrals to Government departments and agencies, and imposed conditions on approvals, while an essential part of the process in seeking to ensure good planning and development outcomes, can cause unnecessary delays and even result in less than desirable outcomes. The proposal to develop and incorporate a framework for referrals in regulations will help to streamline the process and minimise undue or excessive influence on planning decisions, particularly in relation to less complex proposals.

This will be aided by the proposal to create a 'track-based approach to planning activity and proposals', allowing resources to be focussed on the assessment of more complex proposals and fast-tracking of lower risk or impact proposals. However, to ensure effectiveness, it will be essential to review technical guidance and requirements around the assessment of subdivisions, development applications and structure plans to ensure they are put onto the appropriate track. For example, there are limitations with the current Transport Impact Assessment (TIA) Guidelines, not least the outdated data and approach used to determine trip generation which can hinder robust assessment of the cumulative impacts of infill development.

› **Key reform 5: Planning for consolidated, connected and smart growth**

As acknowledged in the Green Paper, the Metropolitan Regional Scheme (MRS) which underpins *Perth and Peel @ 3.5 million* has remained largely unchanged since its conception in the early 1960s and a review of the road reservations is long overdue. Likewise the existing growth management policies (such as *SPP 3 - Urban Growth and Settlement* and *Development Control Policy 1.6 - Planning to Support Transit Use and Transit Oriented Development*, as well as *SPP 4.2 - Activity Centres for Perth and Peel* which is a noticeable omission in the Green Paper) require review.

The proposals to include 'Urban Corridor' as a category of Reserved Road in the MRS, along with state planning policies relating to 'Consolidated and Connected Smart Growth' and 'Liveable Neighbourhoods' are supported to ensure better planning practices which promote more integrated land use and transport planning. Refer to 'Creating a compact, connected City' and 'Enabling delivery' for more specific comments.



Creating a compact, connected city

Good urban planning and well-designed communities enable people to access employment and education opportunities, essential community services and local amenities by a range of transport modes.

While it is agreed that the “essence of planning is the distribution of population and housing across the region and the need for areas to be developed for further housing and infill” [page 21], this must of course be considered within the context of the distribution of the places and activities people want and need access to.

! Based on analysis commissioned by RAC², 13 of Perth's 34 strategic activity centres (hubs where growth is proposed to be focussed) exhibit low accessibility by public transport³, highlighting the current scale of the challenge and need for increased residential densities in and around these centres to be coupled with employment opportunities, as well as commensurate improvements to public transport.

As the Green Paper highlights, the Western Australia Planning Commission (WAPC) has previously exercised its strategic planning function in stipulating infill housing (as well as employment) targets for different local government areas through *Directions 2031 and Beyond* (and more recently *Perth and Peel @ 3.5 million*). While it is understood, and supported, that local governments and communities need to accept a fair share of diverse dwelling types (including affordable housing options) of various densities to support sustainable population

growth, it is essential that density is ‘done well’ so thinking shifts from ‘NIMBY’ to ‘QIMBY’ (‘Quality in My Backyard’)⁴.

The location, type, scale and design of infill development must be appropriate for, and sensitive to the character and nature of the areas where it is proposed. It must also be right for the needs of the current and future community. This should be guided by the planning system at a strategic level but local governments, industry and communities must also be empowered to deliver (and embrace) it.

At the State level, the inclusion of smart growth principles and updated growth management policies in the proposed State Planning Policy Framework will be crucial. The proposed common planning elements for the Framework are broadly agreeable but given the importance of the transport system in enabling and supporting development and the critical need for better integration, consideration should be given to transport being addressed as a separate element to ‘infrastructure’. Further, while promoting healthy, physically active and socially connected communities is inherent to effective planning, it will be essential for this to be made explicit in the Framework to reflect its importance.

Although the more detailed planning issues will be dealt with at the local government level, it will be essential to ensure the Framework (and the supplementary technical guidance) provides sufficient strategic policy direction around planning and transport matters to support and facilitate smart growth. This should include an increased focus on modal shift and travel demand management policies, initiatives and infrastructure requirements. Parking supply in new developments and threshold-based mandatory travel planning are key instruments within the planning system which could be used more effectively.

²RAC (2016), “Transport accessibility of Perth's activity centres”, <https://rac.com.au/-/media/files/rac-website/about-rac/community-programs/publications/reports/2016/transport-accessibility-of-perths-activity-centresfinal.pdf?1a=en&hash=A7845C62E3F36D75E35ECD8E8AC6BB91F09BA277>

³The true measure of accessibility is the number of people and jobs that are reachable within a specified travel time or distance from a location (so in the case of public transport accessibility, it is not only a function of the coverage of the network).

⁴Future Bayswater (2018), “Quality of design & Sense of place”, <https://futurebayswater.com/qualitydesign/>

A review of the MRS road reservations, and the inclusion of 'Urban Corridor' as a category of Reserved Road, will also be important in helping to guide future corridor planning, particularly for development along high frequency public transport routes. This should prioritise planning for the movement of people (i.e. considering all modes of transport and not just cars) supported by adjacent mixed-use development of higher densities, which should be reflected in the Framework. Likewise, a staged approach to developing land around the corridors, transit nodes and activity centre should be promoted to meet community needs as they evolve over time. This could include consideration of developing air space above stations to provide higher density mixed-use development in the medium to longer term.

At the local level, the lack of explanation around how growth targets were derived for different local government areas or guidance on how this level of growth can be accommodated hampers success. The proposal for the inclusion of a Local Housing Strategy in Local Planning Strategies is therefore supported, as is the preparation of advice by the DPLH to guide local governments in developing this.



RAC recommendations to create a compact, connected city:

- › As part of a strategically-led planning system, in monitoring progress against infill housing and employment targets for different areas, it will be crucial for increased local government and industry involvement in any revisions to ensure these are appropriate and achievable based on local conditions and needs.
- › Transport should be a mandatory planning element, separate from infrastructure, in the suite of State, regional and local planning documents to ensure sufficient strategic policy direction around integrated transport and land use planning to enable smart and sustainable growth. This should include an increased focus on modal shift and travel demand management policies, initiatives and infrastructure requirements to encourage more efficient and sustainable movement patterns.
- › Clear direction around the requirements for planning and developing 'Urban Corridors' should be considered as part of the proposed 'Consolidated and Connected Smart Growth' policy, embedded within the relevant elements of the State Planning Policy Framework.
- › The Department of Transport (DoT), with its strategic transport planning function, should be given sufficient authority / powers to make the final call on any conflicting matters in coordinating a whole of transport portfolio response on planning proposals to ensure the most optimal outcomes for these corridors.
- › It should be a requirement for local governments to engage the development industry, as well as the community in preparing local housing strategies to ensure they can be delivered upon and the community is brought along on the journey.
- › These strategies should analyse a broad range of factors beyond those listed in the Green Paper, including other drivers influencing where people choose to live (such as access to transport options and employment opportunities) to ensure an appropriate housing mix for the needs of the current and future community of the area. They must also consider how best to communicate the benefits of living with density.

Empowering an engaged community

Planning and development decisions can have major repercussions for local communities, but broader than that, they greatly influence where people live and work, the way they travel, their level of social connectedness and general health and wellbeing for instance. As such, it is vital that everyone who could be impacted by these decisions has an opportunity to have a say – at an appropriate stage in the process.

Often, communities are opposed to, or may even fear development within their local area, particularly higher density infill in established suburbs. While there can be many reasons for this, insufficient information explaining the rationale for, and benefits of living with density plays a part, as does lack of opportunity to contribute towards the overall vision for growth and to help shape development. The targets-driven approach taken by the WAPC, as discussed previously, has not helped to bring the community along on the journey.

Empowering an engaged community through the planning system is essential to enhance the outcomes of planning and development at a neighbourhood and local level. This in turn will be crucial in enabling sustainable growth of the Perth and Peel regions.

However, while there have been some good examples of community engagement (such as during the development of the *Network City Plan* in 2003, which included a public involvement process called 'Dialogue with the City'), as noted in the Green Paper, this level of participatory planning rarely occurs in WA. The PD Act contains outdated requirements for consultation on State planning policies and local planning schemes and amendments, which in effect are principally about providing public notice / advertising these changes rather than engaging the community in formulating them. Local governments are currently required to make 'reasonable endeavours to consult'.

The community, industry and other stakeholders should have some level of involvement at each stage of the planning process, starting with the strategic land use and transport planning documents that set the direction for growth. Likewise, they have a right to know how their feedback has been taken into account and the reasoning for particular decisions having been made, yet this is also rarely done.

The process undertaken for the revised *State Planning Policy 36 – Development Contributions for Infrastructure* is one example where, despite being released for public comment in late 2016, the WAPC has provided no response to the comments received or information as to the next steps in the process.

Likewise, *Transport @ 3.5 million* was intended to provide a clear direction to shape Perth and Peel's transport system to support a vibrant, connected and productive city of 3.5 million people and as such engagement should have been a prerequisite. However, while it was developed by the Transport Portfolio, in collaboration with other Government departments, over many years this was with minimal input from political leaders, industry and the community. Following a short public

comment period, within which many stakeholders provided extensive feedback, it was adopted with minimal changes and without any response. It has now subsequently been replaced with *Perth and Peel@3.5 million – The Transport Network* (which had no public consultation process).

Failure to take into account consultation responses is unfortunately an all too common occurrence, which can give the community and industry the perception that such processes are just a 'tick box' exercise which can result in disengagement.

The proposal to develop a Community Engagement Charter, with the principles of which being embedded within the PD Act and planning regulations is strongly supported to ensure the community has an opportunity to be actively engaged in the planning process, if they wish to be. In this context, 'community' is taken to be all encompassing, and it is therefore expected that consideration would also be given to formal engagement processes for industry and other stakeholders. To uphold the transparency of the planning system, it will be essential for the outcomes of engagement processes and the resultant planning and development decisions to be effectively communicated to the community, industry and other stakeholders.

More effective engagement, including discussions with industry and key stakeholders throughout the process could help to expedite planning decisions and approvals and reduce the frequency of referrals for independent review (e.g. to Development Assessment Panels or Joint Development Assessment Panels). This can be costly and create significant delays to the affected parties.

Other jurisdictions nationally and internationally have explored and adopted approaches to entrench community engagement within the planning system to align local interests with strategic intent and to demonstrate to local communities the benefits of accepting and supporting growth.

The Localism Act (2011) was introduced by the UK Government to facilitate the devolution of decision-making powers from central government control to individuals and communities. It introduced a range of incentives including the Community Right to Build (CRtB) Orders and the Community Infrastructure Levy (CIL), a proportion of the funds from which are channelled back into the communities where growth takes place. The CRtB Orders provide neighbourhoods with the ability to promote and build the type of development they want in their area and if a community organisation decides to also undertake the development then any resultant profits must stay within the community, delivering further benefits. The New Homes Bonus (NHB) was also introduced to encourage local governments to grant planning permissions for new houses in return for additional revenue.

RAC recommendations to empower an engaged community:

- › The Community Engagement Charter should stipulate requirements around:
 - › the nature, method and duration of engagement at each stage of the planning process;
 - › performance outcomes and measures – what does successful engagement look like and how will this be determined?
 - › how authorities will be required to take account of responses received and provide feedback on the extent of, and reasoning for changes (or absence thereof).
- › Industry and stakeholder engagement must also be central to the planning system and the requirements should be reflected in the engagement charter.
- › Initiatives and incentives to empower communities to be more actively engaged in the planning process should be explored to support the achievement of infill targets.

Enabling effective delivery Infrastructure coordination and funding

An opportunity exists in exploring innovative funding and financing mechanisms to help deliver the types of housing and transport services that Western Australians want and need.

There is currently limited discussion around infrastructure funding, as it relates to planning and development, in the Green Paper despite some key challenges being highlighted. It makes mention to the fact that land developers are only responsible for standard infrastructure items which can be required as a condition of subdivision, noting however that other infrastructure (such as roads) may still be “essential for a new development area” [page 68]. While it also sets out proposals for the WAPC to ensure arrangements are in place for the provision of State infrastructure to enable development there is no discussion around overcoming challenges in funding this.

In regards to coordination of infrastructure for land development, the review proposal suggests “provision be made for advice on the forward planning of State infrastructure” [page 68] but it is not clear what this would entail. It is also unclear how this will be impacted by the establishment of Infrastructure WA, despite this being identified as a key matter requiring attention to plan for growth.

There is a need for greater consideration of how to maximise and encourage private investment in and funding towards

infrastructure to enable growth. While this will, in part, be supported through the proposals to create increased certainty and reduce delays in the approvals process, alternative funding approaches including Public Private Partnerships, value capture, and other planning based mechanisms, etc. also need to be explored.

The Green Paper does consider some of the current limitations with Development Contribution Plans (DCPs), noting that *State Planning Policy 3.6 – Development Contributions for Infrastructure* has been under review by the DPLH to improve the effective operation of contributions for the provision of infrastructure in new and established areas. However, neither that review nor the proposals set out in the Green Paper seek to address the lack of strategic alignment which remains inherent within SPP 3.6.

In responding to the revised *SPP 3.6* in late 2016⁵, RAC raised concerns with the lack of importance being placed on ensuring access to a range of transport options, in enabling infill and enhancing liveability, mobility and lifestyle choices. Currently, *SPP 3.6* prioritises road infrastructure over all other forms of transport-related infrastructure, and is also better suited to application for greenfield development.

RAC's response was informed by independent expert advice⁶ on arrangements in WA for securing Development Contributions towards transport. The purpose of the study was to evaluate WA's framework, focusing on the extent to which it, and communication of the policy and protocols, supports the delivery of local and regional transport-related infrastructure, services and initiatives. Opportunities identified in the consultant's report included both a number of ‘quick-wins’ to improve the application of the existing framework such as a ‘toolkit’ of resources for local government and transparency and accountability measures. It also identified more significant changes such as:

- › an infill development charge;
- › a public transport levy administered and pooled by the State Government;
- › standardisation of charges; and
- › a value capture approach relating to uplift in land values resulting from planning decisions.

In regards to its application for infill development, the Local Planning Scheme Regulations 2015 currently stipulate that local governments must prepare a DCP for each area identified as a Development Contributions area in a local planning scheme. The DCP process is very involved and expensive, so to do this for every area subject to infill development would be impractical and therefore presents a barrier to securing contributions towards essential infrastructure and upgrades to support infill. While it would be undesirable to impose charges at a level that would discourage infill development, or make it unviable, given the inwards focus of planning our future city the cumulative impacts of infill development on our transport system could be significant.

⁵RAC (2016), “Revised State Planning Policy 3.6 – Development Contributions for Infrastructure”, https://rac.com.au/-/media/files/rac-website/about-rac/community-programs/publications/reports/2017/15753-08--publicpolicy_state-planning-submissions_ebook.pdf?1a=en&hash=A92A86C5783D4F41F7DFED24A848F5886D4428B8

⁶Acil Allen Consulting (2014), “Development contributions and transport – Review of arrangements in Western Australia”.

Fostering innovation

The Green Paper acknowledges that "Planning systems should not be static and they should be continually improved to maintain an effective system" [page 15]. It also outlines one approach to using technology to enhance the system in accordance with the reform principles, which is the proposed online interactive planning portal. This is supported to enhance the legibility of the Comprehensive Local Planning Scheme but there may also be other opportunities which could be explored to support (or maximise the benefits of) innovation and continuous improvement. This would align with a number of the identified reform areas.

In Queensland, the Planning Act 2016 provides opportunities for State-wide planning innovation and improvement through an Innovation and Improvement Fund. The \$4.5 million fund, announced in 2017, offers local governments the chance to apply for funding towards new and improved ways of delivering planning (this could be enhancements to their planning schemes and policies or providing ways to engage communities about planning). The City of Ipswich Council for example received \$16,500 for the development of an infrastructure charges calculator to determine levied charges in line with the state infrastructure planning and charging framework, as well as the Ipswich Planning Scheme and adopted infrastructure charges resolution⁷.

Some local governments in WA are already using innovative solutions to support stakeholder and community engagement and enable smart, efficient decision-making such as the City of Perth with its next-generation 3D City Model to support future planning⁸. This is something that should be encouraged further, at local and State level.

Monitoring and review

Understanding the performance of planning and development matters is of vital importance in evaluating the effectiveness of the planning system. It also helps to identify opportunities for continuous improvement in working towards the infill housing and employment targets, and ultimately the achievement of smart growth.

The proposed performance measures outlined in the Green Paper (quantity and value, timeliness of dealing with applications, currency of planning schemes and strategies, types of development activity, consistency with standards and delegations of development applications) are supported. However, consideration could also be given to evaluating the quality of

planning decisions and the level of community and industry engagement and support. Having measures embedded as mandatory reporting requirements for local governments and WAPC / DPHL is supported.

Regular reviews of the proposed State Planning Policy Framework and supporting technical documents, in addition to the Comprehensive Local Planning Schemes will be important to ensure the policies remain fit-for-purpose and can respond to the changing social, economic and technological environment. As an example, it is understood that the DoT's Transport Planning Guidelines⁹ were developed to fulfil a need for additional guidance to local governments, developers and consultants around transport planning for activity centres and major developments in advance of amendments to *SPP 4.2* and the review of *Liveable Neighbourhoods*. While the intent and content of these documents is generally supported, they currently have no foundation in the planning system as they are not linked with legislation.

Resourcing

The retention of a (sufficiently resourced) planning reform team within DPHL to implement the review proposals and to facilitate ongoing reforms to the planning system will be essential for effective delivery.

RAC recommendations to create a compact, connected city:

- › Consideration should be to exploring planning and development related opportunities for securing funding towards essential transport infrastructure to enable growth.
- › In incorporating *SPP 3.6* within the State Planning Policy Framework consideration should be given to ensuring strategic alignment, to strengthen its role in supporting the evolution of a more compact and connected city. This should include consideration of an equitable way to allow Development Contributions to be captured in association with infill development, where appropriate, for transport related items. This will likely require amendments to the Local Planning Scheme Regulations.
- › The role of and relationship with Infrastructure WA, in the context of coordination of infrastructure for land development, will need to be clearly defined.
- › Further consideration could be given to how the WA planning system can benefit from and / or support innovation and embrace technology.
- › Further consideration should be given to monitoring and review requirements for the planning system.

⁷Department of Infrastructure, Local Government and Planning (2017), "Innovation and Improvement Fund", <https://dilgprdr.blob.core.windows.net/general/innovation-and-improvement-fund-approved-funding-project-list-round1.pdf>

⁸City of Perth (2018), "Building and Development Applications Approved - 3D City Model", <https://www.perthwa.gov.au/planning-development/planning-and-building-tools/building-and-development-applications-approved-3d>

⁹Department of Transport (2018), "Transport Planning Guidelines", <https://www.transport.wa.gov.au/projects/transport-planning-guidelines.asp>

Moving forward

We thank the State Government for this opportunity to provide input into the WA Planning System reform, which we envisage will be of crucial importance in ensuring planning, development and transport infrastructure decisions support the sustainable growth of Perth and the State.

Further, to build on this initiative, an opportunity also exists for an independent review into transport planning to ensure stronger alignment with strategic land use planning.

This will be essential to support growth, while facilitating more efficient and sustainable movement patterns.

We trust RAC's response will be of use to the Planning Reform Team in progressing to the next stage in the process and we look forward to further consultation.



For further information please
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