

Draft Perth and Peel Green Growth Plan for 3.5 million  
Department of the Premier and Cabinet  
Locked Bag 3001  
WEST PERTH WA 6872

To whom it may concern,

**Re: Perth and Peel Green Growth Plan for 3.5 Million**

The Property Council of Australia welcomes the opportunity to provide comment on the draft *Perth and Peel Green Growth Plan for 3.5 Million* for supporting the growth of Perth while protecting its unique natural environment.

The Property Council of Australia is the peak industry body for the property development and investment sectors in WA. In regards to the proposed Green Growth Plan, the Property Council's members include major businesses with a particular interest in urban and industrial development and infrastructure development impacted by the proposed plan.

The Property Council supports the need for a strategic assessment of the Perth and Peel region to overcome the roadblock to orderly development created by the confusing dual state and federal environmental approvals processes. It is pleasing that the proposed Green Growth Plan incorporates an effective strategic assessment of the Perth and Peel region.

We have consulted extensively with our members to determine the impact of the proposed changes within the Green Growth Plan and on balance; we support the proposal. However, we do have some improvements that will make the program more effective and better support the principles of *Perth and Peel @ 3.5 million*.

The proposed changes will deliver greater certainty by streamlining the environmental approvals regime while stimulating infill development as outlined in *Perth and Peel @ 3.5 Million*.

We do, however, have concerns surrounding a number of gaps within the proposals that have ramifications for our members and would like to suggest some recommendations. These include:

- **Release a detailed review of options on the funding mechanism for the Green Growth Plan**
- **Compensation for land owners for land taken or rendered undevelopable by created conservation areas**
- **Ensure alignment between Perth and Peel @3.5 million and Perth and Peel Green Growth Plan for 3.5 million**
- **Release the methodology behind the spatial mapping**
- **Introduce a mechanism to reclassify land**

**Funding /Offset Mechanism**

According to the draft proposals, the *Perth and Peel Green Growth Plan for 3.5 Million* is expected to cost \$1 billion over the next 30 years. Within the proposals, there is no clarity or methodology given to how the strategic assessment will be funded. There is a real risk that the draft strategy will lose credibility unless the development industry has an opportunity to engage and consult with Government on a funding model that works for all parties. The development industry is calling on Government to commit to engage on this issue. This is critical to give the industry confidence about development and investment into the future.

The State Government must implement a funding model which is broad, equitable and does not place an unfair burden on developers. The Property Council would like to see Government introduce a model that shares the burden. By sharing the costs fairly the Government will not unfairly penalise developers in the urban fringe and will ease concerns around the feasibility of Greenfield development.

A 'Habitat Compensation Layer' would be beneficial for developers and landowners as it would help them understand how ecological costs for land parcels will be determined and enable the proper assessment of land (i.e. the extent of habitat mapping) by landowners to calculate and budget for the payment of offsets.

The Property Council would welcome staged payments as opposed to a requirement that offset costs be met in full prior to work starting. It would be completely unreasonable to call for up front funds which requires developers to borrow bring funding forward of development cash flows.

#### **Recommendation**

- **Release a detailed review of options on the funding mechanism for the Green Growth Plan**

#### **Compensation for landowners**

The Property Council maintains a position that land taken or rendered undevelopable by conservation areas should be compensated. The *Perth and Peel Green Growth Plan for 3.5 Million* does not adequately deal with land acquisition, sterilisation and compensation issues. It is not equitable that property owners have no right to compensation for land that the state acquires for environmental protection. For the broader community good, the State Government should exercise caution when identifying land for offsets in order not to sterilise future development opportunities.

Under the Victorian BCS, landowners are compensated for land acquired under the program. This occurs under a Public Acquisition Overlay (PAO), Voluntary negotiated sale and Voluntary

land transfer for a habitat compensation obligation reduction<sup>1</sup>. Compensation is based on the Valuer-General's official valuation of the land. In addition to compensation for land acquired, the Victorian model also provides for compensation for developers or landowners who have applied for a planning permit to develop land and it is refused on the basis that the land is required for a public purpose.

In NSW, the *Strategic Assessment Western Sydney Growth Centres* is underpinned by *State Environmental Planning Policy (Sydney Region Growth Centres) 2006*. As part of this policy, if land is required to be acquired for conservation, a landowner is able to receive 'just compensation'<sup>2</sup>. This is in accordance with the Land Acquisition (Just Terms Compensation) Act 1991.

The Property Council implores the State Government to include similar landowner protection in the Perth and Peel Green Growth Plan for 3.5 Million. This could be achieved by including all conservation areas in a Public Acquisition Overlay, similar to the system practiced in Victoria. This would allow affected landowners the normal protections associated with land acquisition. Furthermore, this would act as an incentive for landowners to protect the environmental values of their land before the Strategic Assessment decisions are made.

#### **Recommendation**

- **Establish a formal compensation mechanism for land owners for land taken or rendered undevelopable by created conservation areas**

#### **Alignment between Perth and Peel @3.5 million and Perth and Peel Green Growth Plan for 3.5 million**

Since the release of the draft *Perth and Peel Green Growth Plan @ 3.5 million* it is evident that there is some inconsistency with the principles of *Perth and Peel @ 3.5 million*. *Perth and Peel @ 3.5 million* specifically identifies key land for Greenfield developments which is necessary to meet predicted population growth. At the time *Perth and Peel @ 3.5 million* was released, the Property Council raised concerns about how the strategic assessment of Perth and Peel would be integrated into the sub regional plans as well as the fragmented nature of identified Greenfield opportunities. Furthermore, some of the Greenfield opportunities identified in *Perth and Peel @ 3.5 million* lack the scale necessary to make Greenfield development feasible.

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<sup>1</sup> Habitat compensation under the Biodiversity Conservation Strategy: Melbourne Strategic Assessment, 2013, Victorian Government

<sup>2</sup> State Environmental Planning Policy (Sydney Region Growth Centres) 2006, New Souths Wales Government

The Property Council is particularly concerned that much of the land that has been identified for urban expansion and investigation in *Perth and Peel @ 3.5 million* is highly fragmented which makes timely development sensitive due to the difficult nature of dealing with multiple land owners and aggregating land to provide meaningful scale. *Perth and Peel @ 3.5 million* also quarantines large swathes of land due to environmental issues impacting land use, but fails to provide detailed explanation or justification.

The *Perth and Peel Green Growth Plan @ 3.5 million* puts further pressure on the feasibility of Greenfield development by sterilising 3000 hectares of land that is ideal for development. This contradicts the Greenfield growth targets set out in *Perth and Peel @ 3.5 million* and puts at further risk urban fringe developments which are necessary in driving the supply of housing.

It is inequitable that developers, who operate in urban fringe development and will most likely bear the brunt of the costs of the *Perth and Peel Green Growth Plan @ 3.5 million*, will be further hit with areas earmarked for further development being sterilised. Greater consideration needs to be given to how WA will meet the housing needs of Perth's expected population growth, as outlined in *Perth and Peel @3.5 million*, when land identified for development is being taken away.

#### **Recommendation**

- **Ensure alignment between Perth and Peel @3.5 million and Perth and Peel Green Growth Plan for 3.5 million**

#### **Research behind mapping and power to reclassify land**

The release of the detailed mapping is welcome as it provides the opportunity for all landowners and project proponents to better understand how their land or project area will be affected by the Green Growth Plan.

Despite the release of the mapping, developers and land owners still have concerns around the consistency of the mapping and whether or not the mapping is a true reflection of what actually exists in specific areas today. Developers and landowners would find it beneficial if the Government would release the methodology and research behind the mapping. This would improve transparency and deliver certainty.

Furthermore, the Property Council would like Government to include a mechanism in the Green Growth Plan for land to be reclassified if it is identified as being better suited for urban development or other uses.

#### **Recommendations**

- **Release the methodology behind the spatial mapping**



- **Introduce a mechanism to reclassify land**

## **Conclusion**

The Property Council recognises the need to manage excessive pressure on the environment and supports the need for a strategic assessment of the Perth and Peel region. The program proposes to overcome the roadblock to orderly development created by the confusing dual state and federal environmental approvals processes.

The Property Council supports the intent of the *Perth and Peel Green Growth Plan for 3.5 million* and it pleased to see that the proposed program incorporates an effective strategic assessment of the Perth and Peel region. However, we do have concerns surrounding a number of gaps within the proposals that have ramifications for our members.

To ensure that the proposed program is effective and supported by industry, the Property Council implores the State Government to consider the recommendations put forward in this submission. These changes are necessary to ensure that program delivers greater certainty by streamlining the environmental approvals regime while stimulating infill development as outlined in *Perth and Peel @ 3.5 Million*.

The Property Council is appreciative of the opportunity to present our submission for the *Perth and Peel Green Growth Plan @ 3.5 Million*. We look forward to continuing our dialogue regarding the key priorities outlined in this submission.

Kind regards,

Lino Iacomella  
**Executive Director**