

Ms. Gail McGowan
The Department of Planning
Gordon Stephen House
140 William Street
Perth, WA

Submitted via Email: LNreview@planning.wa.gov.au

13th November 2015

Dear Ms. McGowan,

Liveable Neighbourhoods Review

The Property Council of Australia welcomes the opportunity to provide comment on the *Draft 2015 Liveable Neighbourhoods* operational policy (Draft LN Policy) for design and assessment of structure plans and subdivision to guide the future development of Perth and Peel and the State's regional centres.

The Property Council of Australia is the peak body representing property developers, investors and businesses that provide professional services to the industry. By way of background, the property sector is a significant contributor to the State's economy, paying \$6.4 billion in taxes, directly accounting for 12 percent of WA's economic activity and providing more than 200,000 direct jobs.

The Property Council's members are mostly interested in the role of LN in meeting the challenges of Perth and Peel @ 3.5 million, particularly the target for 47% infill by 2050.

The Property Council of Australia's comments are guided by our industry's vision for a thriving industry, creating prosperity, jobs and strong communities. The Liveable Neighbourhoods policy has a fundamental role in the industry's capacity to achieve these outcomes.

The Property Council has consulted widely in the development and consulting industry with a view to determining the impact of the proposed changes to LN, particularly the impact on development viability, quality of project work and meeting the challenge of strategic planning policies like *Perth and Peel @3.5 million*. On balance, the Property Council has found that the proposed changes in the Draft LN Policy fail in meeting its key objectives and will require reconsideration to be fully supported by the industry.

The following are comments that relate to areas of particular concern for the property development industry:

Comment on Key Changes between LN 2009 and 2015

Consultation with the development industry reveals that there have been significant changes made to the Draft LN Policy that increases the development red tape with limited explanation as to why these changes are necessary, or why the 2009 LN policy falls short in delivering the desired liveability outcome. These changes add costs to development processes and limit innovation, ultimately serving to constrain housing supply, housing diversity and will erode housing affordability.

The development industry is uncertain and frustrated over how key changes in the Draft LN Policy have emerged and is particularly concerned with the resulting reduction in overall capacity of development areas.

The background information document identified major changes that have been made to the existing version of Liveable neighbourhoods, to which the development industry makes the following comments:

- **Restructure from eight to six elements to improve integration and application of revised objectives and requirements.**

Reducing the number of elements does not improve the integration and application of the revised objectives and requirements in the Draft LN Policy. Consultation with members revealed that the Draft LN Policy is too wordy and complex and needs simplification if it is to be a document that can be easily referred to in the development process.

- **Content has been removed that is provided elsewhere or conflicts with more recent WAPC policies.**
- **Relevant policy content from existing WAPC policies has been included.**

The key changes between LN 2009 and the Draft LN Policy contradict each other and this raises the question as to how the LN policy relates to the WAPC planning framework.

A review of the Draft LN Policy indicates that there is significant overlap, inconsistency and/or conflict with other planning policies or documents relating to structure planning, sub-division and development control. This indicates that the Draft LN Policy has not been satisfactorily restructured to resolve policy conflict and duplication particularly with key provisions of existing WAPC development control policies.

The Draft LN Policy states that it replaces existing development control policies and, should the policies conflict, LN would take precedence. However, some requirements in the Draft LN Policy do not align with structure plan frameworks. The Property Council strongly recommends that policies that are no longer relevant be removed and all requirements of LN be consistent with other WAPC policies to avoid confusion.

- **Inclusion of guidance on implementation, revised graphics and photos to demonstrate best practice.**

The Draft LN Policy does not clearly distinguish between Element ‘requirements’ for a developer and the explanatory text used to provide context to the requirements. This lack of clarity limits the usability and ease of reference of the Draft LN Policy. There is also confusion as to what are the requirements of the policy, and if these are in fact statutory requirements. The Property Council is concerned that this will create confusion at the developer’s expense and recommends that the content related to LN Policy ‘requirements’ be clearly defined.

- **Liveable Neighbourhoods objectives have been rewritten and separated into those to be applied at higher level strategic planning and design principles to be applied generally through structure plans and sub-division.**

The introduction of highly prescriptive requirements, and limited use of performance criteria, for each of the identified Elements ignores current market trends, limits innovation and reduces development potential. The Property Council is concerned that the overly prescriptive requirements will limit the development industry’s ability to quickly respond to changes in market demand or deal with site-specific constraints.

The following are additional comments on the Elements identified in the draft LN Policy:

Element One: Community Design

The property industry is generally supportive of the 47% infill development target in strategic state planning policy for Perth and is gearing up to meet this challenge. However, the Draft LN Policy does not provide enough support for the industry to meet the infill challenge in Perth.

The Draft LN Policy states that the requirements are applicable to both greenfield and large brownfield sites. However, the policy does not recognise the unique constraints that are faced when developing brownfield sites, even those of scale. Unlike greenfield development, infill development proposals have to take into account pre-existing infrastructure, the established built environment, current movement networks and fragmented ownership that limit the ability to meet prescriptive requirements.

The Property Council believes that the Draft LN Policy fails to provide the appropriate guidance on the development of infill sites and, as such, will constrain the development industry’s ability to deliver 47% infill development in Perth. The Property Council recommends that a separate policy for the design and assessment of structure plans and sub-division on infill sites be developed, in which the unique constraints of infill development are acknowledged and accounted for.

Element Two: Movement Networks

The changes to the requirements for *Element Two: Movement Network* dramatically increases the development requirements without a satisfactory explanation as to why the changes are necessary.

Wider movement networks required in the Draft LN Policy will result in a reduced development capacity and less housing diversity. Every one-metre increase in movement network width requirements implies a loss of approximately 4% of the site for residential development and adds incrementally to the infrastructure cost. The resulting increase in development cost and reduced dwelling yield will constrain supply and make housing less affordable.

For example, the requirement to increase street verges to 5 metres to accommodate sufficient tree planting and utility services is not adequately justified. In particular, the Draft LN Policy fails to provide a satisfactory explanation as to why the current reserves are not delivering the desired outcomes of 'a safer, more pleasant environment'. This change, ultimately, only serves to reduce the yield of a site, create smaller lots and limit the capacity for the development industry to supply diverse housing options, including small and larger dwellings.

There are alternative solutions to meet the desired outcome without increasing the movement network width requirements. Consultation with members revealed that the current LN requirements would deliver this outcome if different tree typology is considered.

The Property Council questions the need for the proposed changes that reduce the developable area and strongly recommends that each change be accompanied by a sufficient explanation to justify why change is necessary. Until an explanation is provided, the movement network requirements should revert to those of the 2009 LN Policy.

Element Three: Activity Centres

The Property Council supports SPP 4.2 Activity Centres policy; particularly the lifting of restrictions on centre size that has succeeded in incentivising much needed centre development in Perth. However, the proposed changes are not adequately aligned with SPP 4.2 and may limit the continuing success of this policy.

The Property Council questions the overlap and inconsistencies between the Draft LN Policy and SPP 4.2. For example, the Draft LN policy has a strong focus on main streets, yet SPP 4.2 does not refer to main streets at all. The Property Council recommends that any overlap and inconsistencies be removed from the Draft LN Policy.

The Draft LN Policy has proposed such prescriptive movement and layout requirements for activity centres that they will lack the intimacy and walkability for which activated streets are known. Increasing requirements will not only limit the activation of the street, but will impact project viability as there will be less developable land.

The Property Council is very concerned that both the current and the Draft LN Policy ignore the commercial realities of the current retail environment for local/neighbourhood centres. The contemporary retail environment; encompassing larger centres, more liberalised trading hours and more retail competition, is increasing demand for larger lifestyle-based regional centres and smaller convenience-based local centres.

The already challenging provision in LN that mandates 'main streets' for smaller neighbourhood centres has been made even more challenging. These changes have missed the opportunity to address an existing problem with the requirement that mandates activated street development of local/ neighbourhood centres. The experience of applying the existing LN policy is that the 'main street' format is not practical for all local/ neighbourhood centres and the industry is looking for a more flexible provision in the Draft LN Policy to enable a hybrid activated street and traditional mall format to be applied. This is because the utilisation of neighbourhood centres in many suburban areas is primarily convenience-based with an emphasis on visible car parking.

A better outcome would be an LN policy that distinguishes between centre hierarchy in terms of street activation provisions, for example a street activation emphasis is more practical and suitable for district centres and above. The Draft LN Policy should also reconsider the proposed wider street widths around centres to encourage true street activation and ease of crossing.

Element Four: Lot design

The Property Council believes that the prescriptive lot types outlined by the Draft LN Policy will deliver poor built form outcomes as it limits the developer's opportunity to respond to changing market demands, trends in construction, and innovative designs. The Property Council would question why the draft LN Policy focuses on site responsive design rather than dwelling responsive design.

The stringent focus on prescriptive measurements, in opposition to performance-based, 'built form outcomes' limits the feasibility of projects and will result in 'cookie-cutter' neighbourhoods are identical in form, layout and cost. Furthermore, prescriptive requirements will soon date, with a need to constantly update, the policy to incorporate emerging development trends.

The Property Council would also question how the highly prescriptive criteria would be applied to multi-unit dwellings and infill areas.

Limiting the opportunities available to the developer will stifle innovation without necessarily improving built-form outcomes. When the opportunities for development are stifled, the viability of projects is limited.

Element Five: Public Open Space

The Property Council believes that the requirements for public open space (POS) in the Draft LN Policy are overly prescriptive without any clear amenity benefit to the community.

The POS is determined by the local government based on the level of required maintenance rather than the contribution POS makes to the amenity of the area. The Property Council is aware that the local government POS policies have previously conflicted with LN policies and, in some cases, local governments do not have a POS strategy at all. The introduction of a POS Management Plan at the structure plan stage introduces a layer of costs and approvals that do not align with the current structure-planning framework and require an unnecessary level of detail early in the development process.

The Property Council is concerned that the requirements for larger POS will constrain the attractiveness of infill and higher density developments. Smaller and a greater number of POS, like micro-parks, attracts higher density development because residents are more likely to trade off smaller living areas for easy access to POS.

The POS requirements add additional, unnecessary planning red tape to the development process with limited amenity benefits to the community.

Conclusion

The Property Council has consulted widely in the development and consulting industry with a view to determining the impact of the proposed changes to LN, particularly the impact on development viability, quality of project work and meeting the challenge of strategic planning policies like *Perth and Peel @3.5 million*. On balance, the Property Council has found that the



proposed changes in the Draft LN Policy fail in meeting its key objectives and will require significant reconsideration to be supported by the development industry.

The Property Council would like an early opportunity to meet with Department of Planning officers to discuss our concerns with the Draft LN Policy with a view to making it a truly integrated policy for the challenges of *Perth and Peel @ 3.5 million*.

If you would like further information, please contact Deputy Executive Director Lino Iacomella on 94261200 or liacomella@propertycouncil.com.au

Regards,

Joe Lenzo
Executive Director