

Response to the City of Perth Local Planning Strategy

Summary of Submission

The Property Council of Australia welcomes the opportunity to respond to and assist in elevating the outcomes produced by the City of Perth Local Planning Strategy ("the Strategy"). As our city and state grows, we must focus on delivering high quality, innovative and connected communities. To do this, we must effectively utilise space to deliver higher density opportunity hubs and transport corridors to meet the needs of current and future residents of Perth.

We recognise that the City of Perth prepared the Strategy; however, through WAPC and Ministerial endorsement, it also represents a commitment by the state government. To this end, the Strategy is an opportunity to crystallise and confirm commitments by both state and local governments for the future of the City of Perth. It is, therefore, an opportunity for alignment.

As acknowledged in the Strategy, "Perth city is a focal point of economic activity in Western Australia. It provides services, facilities, and development opportunities to a broad range of stakeholders including residents, businesses, workers, students and local, national and international visitors"¹. Enabling, supporting, and encouraging the private sector to continue to develop new property assets is essential to ensuring that Perth can meet its potential as a global destination city with a thriving residential population.

The submission identifies welcome opportunities within the Strategy to provide an adaptive framework and structures to deliver a vision for Perth that successfully curates a thriving residential community, drives investment, and sets Perth apart as a world-class capital city economy. The submission also highlights critical challenges concerning governance and connectivity.

The Property Council of Australia

The Property Council of Australia is the peak industry body representing the whole of the property industry. In Australia, the Property industry employs more than 1.4 million Australians and shapes the future of our communities and cities.

As industry leaders, we support smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings that underpin the contribution our members make to Australia's economic prosperity and social well-being.

¹ City of Perth. "Local Planning Strategy, Part One – The Strategy." Accessed March 23, 2022. [URL LINK](#).

The Property Council WA membership consists of more than 290 member companies, representing architects, urban designers, town planners, builders, investors and developers. Our members conceive of, invest in, design, build and manage the places that matter most – our homes, retirement living communities, shopping centres, office buildings, education, research and health precincts, tourism and hospitality venues.

This submission is informed by the Property Council's key member representatives and expert committee members.

Delivering a thriving Perth CBD

A strategic vision for Perth, which sets the CBD and its surrounding precincts apart as the capital city of WA is crucial to driving business investment. While the Strategy in its current form is not objectionable, the Property Council believe a bolder vision for Perth with a more robust strategic focus is needed to ensure Perth is a "prosperous, globally competitive economic, social, cultural and civic centre"².

As the peak planning document in the most important economic centre of the state, our capital city planning strategy should demonstrate how it coordinates and aligns the various influences on our city and delivers a compelling vision that attracts prosperity, investment, and liveability.

Strategies for capital cities have an obligation to be exceptional – even bold - in normal circumstances, and more so in abnormal circumstances. The impacts of COVID-19, border closures and the economic hardship felt by the conclusion of the mining boom are strongly reflected in the current CBD economy.

Similarly, it should be recognised that Perth is in a moment of generational opportunity. Perth is exceptionally well-positioned to recover from COVID with a significant, create a positive legacy and an elevated position nationally and internationally, with the Perth City Deal agreed and under implementation, the state government finances exceptionally buoyant, and commodity prices high. All parties need to align with a shared vision to generate shared prosperity.

Perth finds itself in the position of competing for investment against strong regional centres and development hubs. In the absence of a compelling vision supported by well-understood actions and commitments, the current plan appears to reflect the existing state of play in Perth rather than a compelling plan or growth for the future, which should include competing with other major cities in Australia and South-East Asia.

The Property Council does not believe the current Strategy is sufficient or ambitious enough to set the City of Perth apart as the capital of WA and a global city.

² Ibid.

Attracting Private Sector Investment

Private sector investment is essential to achieving the infrastructure, development, business attraction, and population targets outlined in the Strategy. In its current form, the Strategy does not set a clear plan for private sector investment or provide a vision for the infrastructure needed to achieve the ambitions of the neighbourhoods within the municipal area.

The Property Council proposes the Strategy include a clear plan for investment attraction and a list of clearly identifiable essential public infrastructure items desired to be delivered. It would also assist in investment attraction to identify a date by which it is hoped the infrastructure will be delivered, acknowledging that many of the items will rely on partnering with state government (and, for the Perth City Deal, the Commonwealth government) to be realised.

Leveraging the Perth City Deal

The current economic settings in Perth, including the tri-partisan investment in the city through the Perth City Deal, represents an intergenerational opportunity. The Strategy should more clearly articulate the opportunities and investments detailed in the City Deal and align opportunities with the visions for the neighbourhoods.

Additionally, the Strategy should speak to the opportunities for private and public sector investment adjacent to the City Deal investment and provide a vision to best leverage and coordinate interlinking neighbourhoods and sites to achieve the highest and best use outcomes.

Supporting a residential population in the CBD

Over many years, the Property Council has championed the importance of the Perth CBD as both a thriving, connected, experience centre and a highly desirable location for a robust residential community, including through its research report 'Project 90K'³.

A consistent theme in the research is the intrinsic link between amenity and residential population attraction. This necessary link is highlighted by significant price variation in the average apartment price when comparing the Perth CBD to surrounding precincts.

What the below table also demonstrates is that affordability is not a significant enough trigger to stimulate buyer investment in the CBD. Consequently, as the cost of development increases, as has been witnessed over the past two years, ensuring that CBD residential projects are feasible, has become more challenging.

³ Property Council of Australia and Urbis. "Project 90K." Accessed March 23, 2022.
<https://urbis.com.au/app/uploads/2020/03/P0020295-PCA-Perth-City-Deal-4PP-Documents-V11.pdf>.

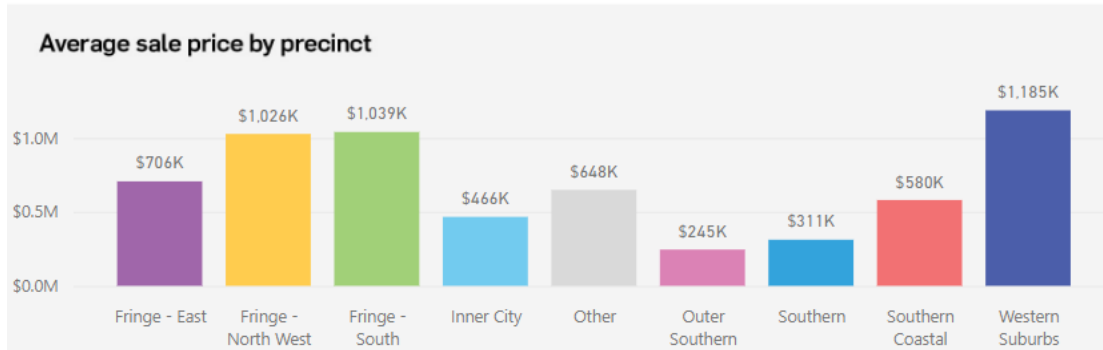


Image: Urbis Apartment Essentials Q1 2022

Engagement with state government and Development WA

A substantial portion of Perth's growth will be accommodated within Development WA's redevelopment areas. The Strategy is silent on how Development WA specific site objectives align and are to deliver a coordinated strategic approach with the strategic basis of the proposed Local Planning Strategy and, importantly, how it will interplay with the development ambitions of the City of Perth.

Improving the legibility of the CBD

More broadly, the Strategy should acknowledge and engage with adjacent state government development assets and leverage the opportunities arising from these redevelopments to enhance the City of Perth by creating a rich and thriving urban fabric surrounding these precincts. In this context, the Strategy should consider how to improve legibility and permeability to improve the engagement of the CBD core with the significant adjacent city features, notably the river and Elizabeth Quay to the south, the Northbridge Link and Cultural Centre area to the north and the Concert Hall and Garden areas to the east and Kings Park to the west.

It is recommended that the City of Perth focus on high quality planning and design, rather than introduce further view corridor protections.

Readability of the Strategy

We recognise that WAPC largely mandates the structure and format of the Strategy, and what can be included in the Strategy is limited due to the streamlining of formatting requirements.

However, the Property Council is concerned that the Strategy does not vary significantly from existing conditions in the city and provides a limited vision for future growth in its current form.

In general, the Property Council supports the standardisation of strategy documents. However, the CBD and the CBD planning framework should be allowed to look beyond

standard templates, enabling a clear vision for capital city growth and development and attraction of investment.

The Property Council believes the document in its current form lacks the readability to engage all invested stakeholders strongly. Observations by Property Council members included that the Background Materials are more valuable than the Strategy document and highlight concerns that there does not appear to be a strong correlation between the commentary and the actions.

Similarly, it is understood that the Strategy is proposed to align with several other strategic plans currently under development. Yet, there is no clear guidance around how the strategies will intersect with these documents or the governance structures that will enable the Strategy's success. A clear nexus is required across documents, and the state government, to ensure alignment towards a shared goal.

In summary, the Strategy provides a piecemeal approach (reiterated by the fragmentation and opacity of actions in the Strategy) that does not vary significantly from existing conditions in the city and offers a limited vision for future growth.

Noting there may be constraints on this, the City of Perth should strengthen two key elements of the Strategy– more explicit alignment with other state and local policies and strategies, and a schedule of actions, governance arrangements and commitments that provides sufficient clarity and certainty to attract investment to the city.

There is a clear need to provide clarity and guidance around how these assets intersect with the Strategy to give confidence to investors. The *City of Perth Act 2016* created the City of Perth Committee as a formal means of collaboration. This powerful committee includes the Premier or their delegate, the Minister for Local Government and the Director-General of the Department of Local Government, Sport and Cultural Industries and the City of Perth's leadership team, including the Lord Mayor, Deputy Lord Mayor, and CEO. **This committee could provide the leadership needed to drive strong planning outcomes across the City of Perth and should, therefore, reconvene regular meetings as a priority.**

Response to themes proposed in the Strategy

2.0 To what extent do you support the content and actions of the 'Capital City' theme (Section 4.2)?

The Property Council supports the theme titles in section 4.2. However, it does not believe the content and actions flow into the document. For example, both the Capital City Waterfront and City Deal themes do not appear to be reflected in the Strategy content and do not feature in *4.3.8 Planning Directions and Actions*.

Section 4.2 appears to include several motherhood statements rather than set out clear actions.

3.0 To what extent do you support the content and actions of the 'Community, Urban Growth and Settlement' theme (Section 4.3)?

The Property Council supports the focus on population growth and is supportive of the notion of reviewing plot ratios to accommodate residential growth targets.

In 2020, the Property Council proposed a vision for the City of Perth at 90,000 people. Project 90K was a "call to action for a series of infrastructure, planning, governance and policy changes required to lay the foundations to ensure the ambitious 90,000 person target becomes a reality".

The Property Council supports the City of Perth's ongoing commitment to achieving a residential population of 90,000. This population target should be a minimum goal, with an aspiration for an even more robust population in 2050.

To achieve this population target, the Strategy needs to be more aggressive in incentivising residential development and attracting residents to the CBD by focusing on liveability and amenity.

While the Strategy focuses on ensuring sufficient volume of housing stock for population targets, it also needs to focus on attracting residents to drive demand for that housing supply, particularly through providing appropriate social, cultural, and civic infrastructure.

Currently, the City of Perth has paused consideration of scheme amendments which the Strategy is being developed. This freeze on amendments is highly problematic, as it inhibits the progression of projects that have the potential to support targets outlined in the Strategy for an unknown period. Investment is not static. Opportunities requiring a scheme amendment that do not progress during this period may be lost forever if that capital is reallocated to another project.

Given the practical timelines for adopting a new scheme by the City of Perth (based on precedent timelines for this process for the City), a moratorium on amendments is considered premature. There should be no reason why an amendment, aligning with the provisions or objectives of the seriously entertained Local Planning Strategy, should not be initiated. Given the message this sends to prospective investors and rising holding costs, the imposition of a moratorium at a time of generational opportunity is considered harmful to the City of Perth's interests in growth and prosperity.

There is significant current momentum in the residential market and prohibiting scheme amendments during this period may have the unintended consequence of diverting residential investment away from the city.

The City of Perth needs to provide pathways for scheme amendments to be initiated at least until the new town planning scheme is granted consent to advertise.

In response to the actions proposed in Table 5, the Property Council makes the following comments:

Action	Property Council Position
CUG1	This action alone will be insufficient to support the ambition of residential growth in the city. A clear plan for structured residential densification around key amenity and social infrastructure will have a greater immediate impact on demand. Consideration should be given to removing restrictive plot area ratios in strategic areas to give greater opportunities for high-rise and infill, given residential supply is a key objective of the Strategy.
CUG2	The focus on plot ratio bonuses as a methodology for incentivising housing diversity is inherently fraught. Data shows that housing in the City of Perth is already substantially more affordable than in the surrounding suburbs ⁴ . More focus needs to be placed on how residential communities and typologies of housing typologies fit into different areas. Consideration should be given to how to incentivise first-mover advantage, such as rates or tax relief could be considered.
CUG3	The Property Council strongly opposes the idea that the City of Perth has a 'Capital City Activity Spine'. The concept of a spine is not a good reflection of the city now or a valuable growth plan for the future. The purpose of the spine is not articulated in the document. Instead of a spine, the Strategy should talk about permeability and legibility to the city core, with solid north-south and east-west connectivity. Strengthened connectivity could be achieved through curating a walkable network of destinations, experience and activation mapping, and a clearer vision for engagement with the river.
CUG4	The Property Council and the development industry recognise the intrinsic value in supporting more sustainable development. Increased sustainability in built form is already required by State Planning Legislation and various building codes. To maintain the currency for the Strategy, the Property Council proposes the Strategy does not set requirements beyond what is already required by law.

⁴ Urbis. "Urbis Apartment Essentials." Accessed March 23, 2022. <https://urbis.com.au/projects/urbis-apartment-essentials/>.

CUG5	There is a risk in too strongly regulating heritage and including heritage features out of obligation. Indigenous heritage, in particular, can be an extremely valuable element of the city's fabric and appeal as a destination. However, regulating cultural elements rarely leads to richness and authenticity.
CUG6	<p>The Strategy does not appear to provide clear guidance that aligns Public Open Space requirements and infill targets. As such, the Strategy runs the risk of not being able to meet the statement of what it is trying to achieve. The Property Council is concerned this objective is inconsistent with the objective outlined in CUG4.</p> <p>If the City intends to seek private sector contributions towards delivering Public Open Space, an audit demonstrating the need and a clear nexus between the delivery of space and the development site should be established. Alternatively, seeking contribution would merely act as a tax on development and disincentivise future development.</p>
CUG7	<p>The Property Council believes the Strategy has an obligation to be more assertive around the need for greater collaboration with state government on how state-owned assets are managed and therefore accommodated into the Strategy and capitalise on the trilateral Perth City Deal.</p> <p>There needs to be a precise alignment and articulation of what community infrastructure the City of Perth believes needs to be delivered by the state government to ensure the Strategy's success and a timeline for delivery.</p> <p>Limiting the infrastructure in this section of future schools is too restrictive. This action should also speak to the future plans for other significant public infrastructure, such as healthcare and recreational infrastructure.</p>

4.0 To what extent do you support the content and actions of the 'Economy and Employment' theme (Section 4.4)?

The Perth CBD has faced significant headwinds for several years as general economic conditions, an evolving retail landscape, the COVID-19 pandemic, and challenges with antisocial behaviour have combined to limit growth.

Despite challenging conditions, the Perth office market has rebounded in the second half of 2021 and into 2022⁵, with businesses expanding and seeking to cement a more substantial

⁵ Property Council of Australia. "2022 Office Market Insight Perth CBD." Accessed March 23, 2022. [URL LINK](#).

presence in the Perth CBD. Despite this, the substance of Perth's recovery is still unclear. The future economic role of Perth is uncertain. Support of investment should therefore be nimble.

The Strategy speaks to several Activity Focus Areas. The purpose of these areas is unclear and the value of the areas as a strategic planning tool, and as they are currently defined, is questionable. In fact, in some instances, the proposed actions to support the Areas are counterproductive to existing uses in adjacent areas and counterproductive to the creation of successful mixed use precincts which lead to the creation of a thriving CBD. For instance, the Capital City Retail zone does not include a number of important and highly successful retail areas, and does not recognise the potential for adaptive re-use of some of the building stock within the precinct for uses other than retail.

The Capital City Office zone contains a number of retail uses and may lend itself to a range of alternative potential uses to offices to facilitate extended activation of the CBD core, particularly in relation to older building stock. The areas also do not recognise the extensive range of cultural and community assets that exist in different parts of the CBD. It is recommended that a more fine grained approach to the definition of areas is applied, and that the terminology applied to the different areas is adjusted to reflect that certain areas may have a predominant use, but that other uses do exist and are permitted depending on the merits of the use proposal in relation to encouraging the development of a thriving city.

The Strategy presents an opportunity to bolster existing positive swings in the office population by providing a clear employment creation and curation plan. The keystone of any strategy for boosting office and the residential population is making places attractive and liveable to people.

The Property Council proposes the Strategy provides more direction on:

- The connection between employment areas and infrastructure;
- Opportunities to leveraging the Perth City Deal;
- Set actions to support employment attraction across the Activity Focus Areas;
- Define what is needed in each Activity Focus Area for it to be successful;
- Outlines how to leverage major existing infrastructure and economic engines;
- Clearly articulates what infrastructure will be required to support developing or future uses; and
- An outcomes driven approach to development in the City, specifically more consideration around how the City would respond to unexpected investment opportunities or market led proposals.

5.0 To what extent do you support the content and actions of the 'Environment' theme (Section 4.5)?

While the Property Council generally supports the content and actions of the theme, we propose more consideration should be given to the linkages of the city with the river and Kings Park. Walkability is one factor that should be prioritised more in the Strategy. Improving walkability requires upgrading linkages and curating points of interest that encourage a more engaging environment for walkability.

The appeal of walking is not simply about direct and efficient connections but about the pedestrian experience, points of interest and vitality on the street. These elements need not be provided by the City of Perth but should be supported as part of enriching the pedestrian experience (and thereby improving the liveability and appeal of the city for residents and businesses also).

The Property Council is aware that the City of Perth is currently developing a sustainability strategy. It is not clear from either document how the strategies will intersect. **It is vital that the Strategy does not go further than already required by law, as per CUG4.**

It is also essential that the requirements in both the planning and sustainability strategies are consistent so that no conflicting information could create ambiguity or complicate decision making.

One item not noted in the Strategy is healthy buildings. There is an opportunity for the Strategy to take some leadership in promoting healthy buildings. This could be included as a trigger for development bonuses, given it would increase the appeal of Perth as a destination for residential development.

Another opportunity to improve the legibility, accessibility and connectivity of the city is through supporting investigations into mid-tier transport options to create a more extensive transport network, and better service locations that cannot be supported by existing CAT bus networks. Supporting investigations into mini-bus transport, e-scooters and other mid-tier network options would be highly desirable.

There appears to be a knowledge barrier around the CAT bus network and utility, and regularly the services do not run at capacity. The Strategy should also consider how development intersect with existing transport offerings and look for opportunities to improve patronage of such services.

6.0 To what extent do you support the content and actions of the 'Infrastructure' theme (Section 4.6)?

The Property Council believes the content and actions in the infrastructure theme do not provide a clear strategic direction to support private sector investment and ensure infrastructure services the population.

The Strategy needs to demonstrate a pathway in the delivery of prosperous residential neighbourhoods if density targets are to be achieved and the Perth city is to be perceived as a true residential offering.

Prosperous residential neighbourhoods require a balanced mix of land uses, diverse public spaces, housing choice, active public domain, and retail offerings that provide, not just for activity and entertainment, but look to cater to residents' day-to-day needs.

With fragmented land ownership in many of the urban investigation areas identified, the orderly delivery of this social and physical infrastructure should not solely rely on the private sector. Instead, the Strategy should demonstrate the delivery pathway for how these spaces will evolve to promote active development and offer a true residential lifestyle offering.

The Property Council proposes the Strategy provides a clear direction for coordination and governance for delivering critical infrastructure.

7.0 To what extent do you support the content and actions for the Central Perth neighbourhood (Section 5.1)?

The Property Council believes the content and actions for the Central Perth neighbourhood are too simplistic and compromise the ability of the City of Perth to attract strategic development.

Secondly, the Property Council opposes the concept of a 'Central City Spine'. This concept is not a good reflection of the city, and it seems there is no point to it. Instead of a spine, the Strategy needs to talk about permeability, with strong north-south and east-west connections.

The residential density objective in this neighbourhood is far too low. To achieve the density objectives and population targets, there should be minimal constraints on supply and requires a plot area ratio comparable to Sydney or Melbourne. Notably, the Property Council is not aware of any other city with a maximum plot area ratio of less than 10. As Perth needs residents more than most capital cities, the planning systems must not inhibit the supply of residential dwellings.

Additionally, the absolute height limit for the CBD should be abolished.

8.0 To what extent do you support the content and actions for the Northbridge neighbourhood (Section 5.2)?

The Property Council believes the population target set out for Northbridge does not align with the neighbourhood's ambition.

The ambition for Northbridge to be an entertainment capital requires a strong and diverse embedded population. The Property Council proposes greater focus could be placed on targeting student accommodation and diversifying the housing typology mix in this neighbourhood.

Additionally, there is a need to actively manage expectations of incoming residents to Northbridge, to reduce risk to the important entertainment function of the neighbourhood that may arise from conflict and residents' complaints. Incoming residents should be fully informed about Northbridge's entertainment function and treated as if they are fully informed.

9.0 To what extent do you support the content and actions for the East Perth neighbourhood (Section 5.3)?

The East Perth neighbourhood content and actions do not appear to address existing concerns regarding vibrancy.

The Property Council recommends the Strategy provides a stronger focus on how the East Perth neighbourhood connects with other neighbourhoods and provides stronger guidance on opportunities for activation.

The Property Council seeks guidance on what the arrows on the neighbourhood map are intended to represent.

Concerning the ambitions for commercial floor space, the Property Council proposes more considerable thought be given to what commercial identity is desired in the neighbourhood. Given vacancy rates in the CBD continue to trend higher than in other major capital cities, the Property Council view it is necessary to prioritise reaching a high-capacity state in the CBD before seeking to develop an office market in East Perth.

Given the current residential focus over much of the East Perth neighbourhood, there is an excellent opportunity to boost appeal for residential development in this area by improving liveability.

Other considerations which could be included in East Perth are:

- Unlock underused car parks, including through the ongoing review of the Chevron Hilton Act;

- Use the Strategy to provide a clear vision for the WACA and Gloucester Park;
- Better address the river and interface with major attractions on the Burswood Peninsula; and
- Consider indigenous tourism opportunities and experiences on Heirisson Island.

The existing residential population presents a substantial opportunity for East Perth to be the preferred site for a primary school.

10.0 To what extent do you support the content and actions for the Claisebrook neighbourhood (Section 5.4)?

The Property Council is concerned that the Strategy identifies Claisebrook as the preferred destination for a primary school. It is essential that the location being considered for the school aligns with the highest density of residential population. It would appear from the population targets set out in the Strategy that East Perth would be a more appropriate location.

The actions and content for Claisebrook should have a stronger focus on walkability.

11.0 To what extent do you support the content and actions for the West Perth neighbourhood (Section 5.5)?

Similarly, to the comments above concerning East Perth, greater consideration needs to be given to the desire to expand the office market in West Perth.

The aggressive target for an increased residential population for West Perth is supported, noting the need for supporting land uses and public investment to realise this aspiration.

12.0 To what extent do you support the content and actions for the Crawley-Nedlands neighbourhood (Section 5.6)?

The neighbourhood of Crawley-Nedlands poses some unique challenges. In particular, there has been a growing resistance from bordering councils to support infill to boost the residential population.

The boundary of Crawley-Nedlands means this section of the city is restricted in development and residential population growth.

However, this location has a significant opportunity to promote investment in medical and education sectors – two key exports for Western Australia. Boosting investment could be achieved by using bold concessions to promote investment aggressively.

The existing infrastructure, history and riverine setting is highly appealing and should be capitalised upon for substantial economic benefit to Perth and Western Australia.

Clearer action is required to encourage more development on state government land and bolster the level of connectivity to East Perth.

Next Steps

We look forward to supporting the City of Perth to achieve its aspirations to be a focal point of economic activity in Western Australia, with a robust residential population.

If you require further information or clarification, please contact Emily Young, Deputy Executive Director at eyoung@propertycouncil.com.au.

Yours sincerely,

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Property Council of Australia