

Chairman; Mr John Day; Ms Eleni Evangel; Ms Rita Saffioti; Mr David Templeman; Mr Sean L'Estrange; Ms Simone McGurk; Mr Paul Miles

Division 36: Planning, \$44 832 000 —

Mr I.M. Britza, Chairman.

Mr J.H.D. Day, Minister for Planning.

Mr N. Thomson, Assistant Director General, Strategic Corporate Support.

Mr K.H. Wilson, Chief Finance Officer.

Mr T.M. Hillyard, Manager, Strategic Property Unit.

Ms S.J. Burrows, Executive Director, Perth and Peel Planning.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 30 August 2013. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

[Witnesses introduced.]

Mr J.H.D. DAY: I will explain at the outset that the director general, Eric Lumsden, is not here because he is on leave for three weeks. His leave was approved prior to the election and he had no idea—nor did I—that the budget would be presented in August this year. His leave was long-planned, booked well in advance and, as I said, approved before the election, so that is the reason that he is not here. I have no doubt the officers who are here will be able to assist.

The CHAIRMAN: The first question is from the member for Perth.

Ms E. EVANGEL: I refer to page 437 of the *Budget Statements* under "Spending Changes" and note \$500 000 is allocated in 2013–14 for the Bentley Curtin Specialised Centre Structure Plan. Can the minister outline where planning for the Bentley Curtin Specialised Activity Centre is up to, what the funds will be spent on and when the plan will be released?

Mr J.H.D. DAY: The Technology Park Bentley precinct is a very important area for research and innovation. It is also adjacent to Curtin University and there are big opportunities for bigger developments in the area. The Department of Commerce has formal responsibility for the technology park area, but there is agreement between the Department of Planning and the Department of Commerce for the Department of Planning to provide advice on and undertake the necessary structure plan investigations. The Department of Commerce has provided some funding for that to occur.

In brief, the intention is to provide a movement network that integrates public transport and pedestrian cycling activity and to facilitate a built environment that encourages interaction between science and innovation organisations within the centre, including cafes, restaurants and small scale retail. We expect that there will be a draft plan for public consultation in the middle of 2014. As I said, the site is adjacent to Curtin University and it has been undertaking quite a major planning exercise for what it would like to occur on the campus, including some commercial activity and some residential activity, bearing in mind that its core business is, of course, tertiary education and research. That needs to be guaranteed for the future. That is an overview of what is happening in that area.

Ms R. SAFFIOTI: My question relates to the staffing of the department. I refer to page 442 of the *Budget Statements* on which it is stated that the number of employees fell from 384 to 329 under service delivery 2, and page 441 in which it is stated that the number of employees fell from 181 to 155 under service delivery 1. I estimate that this is a staff reduction of 80 during 2012–13. In which parts and what areas were those cuts implemented?

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Mr J.H.D. DAY: As I recall, this goes back to the decision by the government in about September last year after there was quite a substantial change in the financial circumstances —

Ms R. SAFFIOTI: When was that—September last year?

Mr J.H.D. DAY: Yes. A decision was made to remove the funding that was notionally, or theoretically, allocated to various agencies within government for unfilled positions within their approved FTE cap. The Department of Planning had an FTE approved level of 565 and approximately 80 of those positions were unfilled. That explains why there has been a reduction of 80 employees. I will ask Neil Thomson to add more.

Mr N. Thomson: The FTE caps for the Department of Planning were derived from the separation of the Department of Planning and Infrastructure. Traditionally, they have always been a lot higher than the actual FTE number. The actual number of staff who were on deck at the time the government made the decision to take the existing staff complement and set it as the limit was 484. That figure was calculated on a given pay day. Although it would appear to be an apparent reduction in staffing numbers, there was no reduction in the staffing numbers; it was more a legacy issue from the separation of the Department of Planning and Infrastructure to the Department of Planning.

Ms R. SAFFIOTI: Further, the department's budget was cut by \$8.24 million in 2012–13, so it was a real cut. It was money that was there and was cut; therefore, the positions were cut. As I understand, the director general said in estimates last year that that has an impact on the department's ability to do its job, to service the WAPC, to get the approvals and make the plans available to councils and the private sector in a timely way. What areas were understaffed and what areas were exposed to the cuts in the most significant way?

[7.40 pm]

Mr J.H.D. DAY: The \$8 million reduction is accounted for by those roughly 80 positions, which were not filled, so it has not meant that the department has lost staff. They were not taken away from any particular area of the department. The explanation was just given of how that figure was arrived at.

The department is performing well. I would never argue that the department could not do with more. That is probably the case with just about every government agency, but the amount of subdivision approvals, for example, that are being approved within the required statutory 90-day period is about 95 per cent. The amount of planning scheme amendments being dealt with in a timely manner is also a very high proportion. Some have been outstanding for quite some time because they have greater complexities and further information is required from the proponents or from the local governments involved. However, generally speaking, planning scheme amendments are dealt with in a timely way, as are subdivision applications. I will ask Sue to add more about that process.

Ms S.J. Burrows: We are aware of a small number of amendments that have not been processed within a year and we are dealing with those. We have 118 amendments with the amendments section. They are being processed. Some delays occur just because the department is awaiting further information from the local government or the applicant. Other than that, we continue to communicate with our stakeholders in trying to process the amendments through to the minister for consideration as quickly as possible.

Ms R. SAFFIOTI: What areas were understaffed and, therefore, had full-time position allocations taken away?

Mr J.H.D. DAY: Not all those 80 positions were filled.

Ms R. SAFFIOTI: I know. They were allocated to some areas though, as I understand budgets. The FTEs were allocated according to areas, so in which areas were they understaffed and in which areas were they cut?

Mr J.H.D. DAY: I am reminded that \$6.148 million was added back in 2012–13. That is shown on the second line from the bottom of page 437 as “Supplementation to Meet Existing Commitments”. That was to ensure that salaries were paid to staff.

Mr N. Thomson: There were 484 staff members in the department and a decision —

Ms R. SAFFIOTI: As at what date?

Mr N. Thomson: It was as at 13 September. There was this calculation for a reduction, which is in the budget papers as \$8.24 million as part of the efficiency dividend. However, the department continued to operate and supplementary funding of \$6.14 million was given to fund the shortfall. It is incorrect to characterise it as being an \$8.24 million reduction.

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Ms R. SAFFIOTI: This contradicts what the minister just said. The budget papers show that the number of FTE positions fell by 80 in 2012–13, which corresponds exactly with the \$8.2 million cut. Did the department employ another 60 people; and, if so, are they in the budget papers? What did that \$6.2 million fund?

Mr J.H.D. DAY: As I understand it, it ensured that the department was able to continue to pay the salaries of the staff it had as at September last year. People were not taken away from the department, but it was not able to go out and recruit a whole lot more. It was to ensure that it had adequate funding to pay the staff it had in September last year. The member for West Swan may well understand the process of Treasury better than me. I know it seems convoluted and hard to understand.

Ms R. SAFFIOTI: Normally I do, but this one has thrown me. The budget was cut by \$8.2 million.

Mr J.H.D. DAY: Then \$6.21 million was added back in. Another \$2.4 million is referred to on page 437 for the salary shortfall.

Ms R. SAFFIOTI: Let us go through this so that we can absolutely understand it. The budget was cut by \$8.2 million. The department was unable to meet those cuts, so supplementary funding was provided through 2012–13, which was \$6.2 million, and then the salary shortfall of \$2.4 million. How does the minister explain that reduction of 80 full-time staff in 2013?

Mr J.H.D. DAY: It was a reduction in the approved FTE level. The approved FTE cap was previously 80 more than the department's actual number of FTEs. As was explained earlier, I understand that that goes back to the split of the former Department for Planning and Infrastructure into the Departments of Transport, Lands and Planning. They were theoretical positions; they were not actual bodies. It was a notional approved FTE cap, as I said, which was reduced.

Ms R. SAFFIOTI: Page 442 refers to "Employees (Full Time Equivalents)". I always understood that to be actual FTEs, not just allocations. It shows the number of FTE positions goes from 384 to 329. Is the minister saying that 384 was not the number of actual FTEs, but an allocation that was not funded?

Mr N. Thomson: That 384 was based on the 565, I think it was, with some proportion of the 565 for that service. It included those notional positions.

Ms R. SAFFIOTI: It was an allocation that was not funded. I am sure the minister will not mind if Mr Thomson tells us the truth.

Mr J.H.D. DAY: As I said, the department had about 80 positions that were notionally allocated, but not funded; that is correct.

Ms R. SAFFIOTI: I would not have expected the budget papers to represent that. Should the department not represent just its funded FTEs, especially since this is looking at 2012–13 retrospectively? It is not normal to put FTEs that were never funded in the budget.

Mr J.H.D. DAY: I presume what is presented in here accords with usual Treasury processes determined through the Treasury portfolio and not through the planning portfolio. The simple explanation is that these 80 positions were not filled. The decision was made in September last year to remove from the departments funding for unfilled positions. The problem was that the Department of Planning never had the funding for those positions. In simple terms, the funds were taken away and then added back in by way of supplementation to ensure that the department could pay its staff. The supplementation was provided before the end of the last financial year so that the department could pay its bills, in short.

Ms R. SAFFIOTI: I have one last question because the minister has confused me again. I understand that the \$8.2 million was for positions that were not there. Did the department cut \$8.2 million for positions that were not allocated, but still had a shortfall of \$8 million to fund the positions that were there?

Mr J.H.D. DAY: The experts are nodding. Yes, the member is right.

Mr D.A. TEMPLEMAN: It is very intriguing. Minister, I am looking at "Significant Issues Impacting the Agency" on page 438. The first dot point refers to the population growth of Western Australia and the role that the department has in ensuring that there is a ready supply of land. Can the minister provide details of the housing lots available currently and the number expected to be made available? How many new lots additional to those currently available for development are expected to be added for this coming financial year?

[7.50 pm]

Mr J.H.D. DAY: Yes. The growth rate referred to on page 438 of 3.5 per cent is quite high. As indicated for 2012–13, the growth rate is expected to be lower for the next 12 months—nevertheless it will be significant, and certainly above two per cent. The latest summary of lots and housing availability data as at 15 August indicates

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that the number of lots currently available in the Perth metro area, not including Peel, is 2 751. The number of new lots developed in the quarter to the end of June this year was 3 959, which, from memory, is the highest number produced in a quarter since 2007.

Ms S.J. Burrows: Yes.

Mr J.H.D. DAY: The number of lots under construction by Urban Development Institute of Australia members for release in the next 12 months is 5 325. The number of residential lots with conditional subdivision approval in the metropolitan area is close to 47 000. Therefore, not all of those will be developed because about 47 000 are approved for subdivision. There is therefore no shortage of actual land available. If there is any shortage, it is because of a lag in the development sector in meeting demand, because of either the time taken to construct houses on the lots or the difficulties the developers have had in getting finance approval to undertake their works. Sue might want to add a little more to that.

Ms S.J. Burrows: I am aware that we have still over 20 years' supply of zoned land for development in the metropolitan area. The department can react only to the industry itself in processing applications for subdivision and therefore final clearance of those subdivision lots.

Mr D.A. TEMPLEMAN: I have a final question on this growth and land availability. Ms Burrows mentioned that land for supply is not short for the next 20 years.

Ms S.J. Burrows: Zoned land—yes.

Mr D.A. TEMPLEMAN: Yes, zoned land. I want to ask a question specifically about the Keralup proposal: where is the department at currently on that proposal? Does it remain a live project for future residential development for the department?

Mr J.H.D. DAY: There is a metropolitan region scheme amendment for part of the Keralup area that is still going through the process.

Ms S.J. Burrows: Yes.

Mr J.H.D. DAY: The remainder of the land is being included within the strategic assessment of the Perth and Peel regions, which is being coordinated by the Department of the Premier and Cabinet but involves the Department of Planning and the Department of Environment Regulation in conjunction with the federal government. No decision has been made not to proceed further with development at Keralup, but any development there is probably still quite some time away and there are significant challenges, as the member is aware. However, if development does occur there, it is potentially the site for a very large residential development.

Mr D.A. TEMPLEMAN: I have a further question on the growth aspect and I refer to significant issues. All the planning documentation, particularly Directions 2031 documentation and others, includes the Peel region as a significant deliverer of future residential land. In that context, what is the department's projected proportion of the population growth, in figures, for the Perth metro area and for Peel? What additional population in the Peel region is the minister talking about for all the land the minister's department has earmarked for residential development under the Peel region scheme? If we are talking about a 20-year program of land, what additional population do the minister's planners say will be accommodated in the Peel? The reason I ask this is that a couple of local government authorities, including the Shire of Murray, have contested some of the department's modelling on population projections and so on. I am interested in getting an update from the minister about where he foresees Peel's accommodation in the growth of the Perth metro area.

Mr J.H.D. DAY: Perth metro and Peel are considered as contiguous areas obviously. The overall planning being done under Directions 2031 includes both regions, and Peel is a significant contributor to future residential and industrial land development. Landowners and, as the member said, local governments in the area are keen for further development. Some are keen for that to occur in advance of when it is logical to do so—for example, in advance of the ability to provide the necessary infrastructure through the Water Corporation or Western Power. It is also very important to have adequate industrial land development in the area to provide employment for people. The Nambelup area is undergoing a quite detailed assessment at the moment and I think it is getting close to the end of the process. Certainly landowners and the local government there—if I remember, it is the Shire of Murray—are very keen for that area to be rezoned, but significant issues need to be dealt with. In relation to the projected number of residential lots for people in the Peel region, I will ask Sue to add some more information and make general comments about what is happening in Peel, to build on what I have said.

Ms S.J. Burrows: I do not have an exact projected figure at this time. The strategic assessment still being undertaken will change that figure from the figure previously predicted. Until that process is finalised, it is difficult at this stage to determine the growth factor for the Peel area in particular. However, from the data that

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we have assessed, growth to 3.5 million can be accommodated having regard to Directions 2031 initiatives in the consolidated city form.

Mr J.H.D. DAY: That is 3.5 million in the whole state?

Ms S.J. Burrows: It is in the metro area.

Mr J.H.D. DAY: I am sorry—in the metro by 2031?

Ms S.J. Burrows: Yes, and beyond, but it is about what form the urban form will take after the strategic assessment and the subregional structure planning documents are completed, which are expected to be delivered to government towards the end of this year.

Mr D.A. TEMPLEMAN: As part of the strategic assessment process and/or government policy assessment, has the minister brought or contemplated bringing the Peel region itself as an entity into the metropolitan regional planning scheme; and, if so, is that the minister's intention?

[8.00 pm]

Mr J.H.D. DAY: If the member would like to advocate for that, we would listen very carefully!

Mr D.A. TEMPLEMAN: I am asking whether the minister will!

Mr J.H.D. DAY: No, there is no proposal to do so.

Mr S.K. L'ESTRANGE: On page 439 of budget paper No 1, the second bullet point refers to the electronic lodgement of applications improving processing times for subdivisions. Can the minister outline how much has been cut from processing times; and, what is planned for similar future improvements?

Mr J.H.D. DAY: The electronic processing of applications is a success story in the Department of Planning. Just to go back a bit, the previous government allocated around \$24 million for the electronic land development program. The initial stages of that were gone through and it was put out to tender just before we came into government. The advice that came back was that it was highly uncertain whether the project could be delivered for the amount of funding provided and that what would actually occur was quite problematic. I do not criticise the previous government at all for allocating that funding. A decision was made after we came into government in changed financial circumstances and a lot of the funding was removed, but \$3 million remained for the further development of software and engaging the private sector.

More recently, with further investigation, the IT people in the department, with some outside advice, have developed a process using so-called off-the-shelf software to develop a system that is much more efficient and cuts processing times for form 1C applications—that is, standard subdivision applications—from an average of 15 days to about two days. We expect that may save about \$30 million of inbuilt costs to the industry, which will hopefully be passed on to land buyers, assuming there is sufficient competition around. More work is being done to take the project further so that we can extend it to other planning applications. I ask Neil Thomson to add a bit more information because he has been overseeing this process. As I said, this has been a big success story within the department and it has been able to do what was originally contemplated at far less cost to taxpayers.

Mr N. Thomson: As the minister alluded, the use of out-of-the-box solutions has been the strategy we have adopted in the department in recent times. We have entered into a partnership with Microsoft using a special project funding grant from the Department of Finance. That has enabled us in this calendar year to develop a preproduction pilot of form 1A applications—the first part of the subdivision process. The minister referred to form 1C, which is clearances for subdivisions at the final stage. We would like to take this process through a building-block approach; that is, extend it right through all the statutory processes. The next process we have on the radar is form 1A. We want to bring that into production so that developers can lodge online. Processing can occur to a large extent through an automated system in the organisation, linking it to our geospatial viewers and enabling the referral of material in and out of the department so that referrals, which occur in the subdivision process, going through, say, the Water Corporation or Western Power or other agencies, can occur electronically and come back into the organisation. We expect that form 1A process to be in production early next year, along with the production version of structured planning processes. We will then take on some of the other application processes into the following period. That is the progress we are making.

Mr P.T. MILES: Further to that, could it be suggested that local structure plans could be going onto that?

Mr N. Thomson: We are using the Microsoft platform, which is common to local governments and is a common platform across just about all agencies. That is the reason that we have taken this approach using a product called CRM, based on a SharePoint platform. We are designing it so it can not only interface with local governments so they can lodge structure plans for the development structure demands, but also they would have some degree of editing capacity within our system and interface with their own systems. The aim is to offer local governments

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services through our system or to provide them the intellectual property of the configuration of the system so that they too could implement that if they wanted to. I guess the short answer to the member's question is yes, this will be available for local government structure planning processes. They initiate the structure planning process and then it comes into the organisation and is processed through the Department of Planning.

Ms S.F. McGURK: Is any work being done by this department with the Fremantle Port Authority with any development under the port authority's responsibility?

Mr J.H.D. DAY: There was in the past, and there was a small committee chaired by the former chairman of the planning commission, Simon Dawkins. The ING company was going to undertake a development at Victoria Quay but, as the member would be aware, that has fallen away. I am not aware whether there is any further work being done.

Ms S.J. Burrows: Not to my knowledge; we would have to take that on notice.

Mr J.H.D. DAY: We are not aware of it at the moment, but if a proposal came forward, the department would be happy to engage with the port authority or anybody from the private sector with a serious proposal.

The CHAIRMAN: Is the member for Fremantle asking for supplementary information?

Ms S.F. McGURK: If there is any information available, I would be interested to hear it. I know the port authority is doing some work on developing Victoria Quay, but I do not know whether the Department of Planning has been involved. If there is any information, I would appreciate it.

Mr J.H.D. DAY: We will seek to provide by way of supplementary information anything we can about engagement with the Department of Planning by the Fremantle Port Authority regarding development within the port area. There was a metropolitan region scheme amendment recently in relation to industrial land in North Fremantle; I think it was a year or so ago, and as far as I recall it has been finalised. I think the member is talking about anything in the future.

[Supplementary Information No A18.]

Ms R. SAFFIOTI: My question relates to the increase in fees and the impact that has on the Department of Planning's budget. First of all, as I understand it, fees are worth about \$22 million over the budget year and in the forward estimates. Could the minister please go through the line item on page 437 under "Expenses" relating to the total cost of services and the net cost of services? Why is there such a dramatic fall in the total cost of services from the 2013-14 budget to the 2016-17 forward estimates? That will be the first part of my question: what will be the reductions in services, and why is there a reduction?

[8.10 pm]

Mr J.H.D. DAY: It goes down from about \$72.2 million to \$60.4 million.

Ms R. SAFFIOTI: Yes. It jumps around a bit, but it ends up at \$60.4 million.

Mr J.H.D. DAY: This is the forward estimates, of course, and a lot can happen between now and three or four years' time.

Ms R. SAFFIOTI: I know, but please do not use the Premier's line. Let us talk seriously about the budget.

Mr J.H.D. DAY: It is true that a lot can happen.

Ms R. SAFFIOTI: Of course.

Mr J.H.D. DAY: But there must be some explanation for the current expectation in that reduction. Kevin Wilson will explain further.

Mr K.H. Wilson: The biggest impact on the total cost of service is royalties for regions money coming out of the system. That is about \$8 million that we were getting, and that is the biggest drop.

Ms R. SAFFIOTI: Is the royalties for regions money for the northern towns development fund?

Mr K.H. Wilson: It is the northern towns development fund, the Pilbara Cities and a bit of SuperTowns' money.

Ms R. SAFFIOTI: Has someone else undertaken that role or have those sorts of ideas gone by the wayside?

Mr K.H. Wilson: I am not sure, but that is just the completion of the agreement that we have at this stage. We are not aware at this point in time whether a new agreement has come on board.

Ms R. SAFFIOTI: Was that money to undertake planning work for those initiatives, and is that what the department was tasked to do?

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Mr J.H.D. DAY: That is correct.

Ms R. SAFFIOTI: The net cost of service is also falling. I will try to understand the flow of this additional revenue coming through the Western Australian Planning Commission fees. What impact does it have on the Department of Planning's budget? The net cost seems to drop and, therefore, as I understand it, that has been netted off the total cost. Is the department retaining some of that revenue?

Mr J.H.D. DAY: Yes, if the member looks to the line "Cash Assets", she will see that increases over four years quite significantly.

Ms R. SAFFIOTI: The statement of the financial position?

Mr J.H.D. DAY: No; I am on page 437 and the line "Cash Assets". That amount increases quite significantly, which reflects the increase in fees being charged. As the member would recall, the increase in fees was agreed to following a quite detailed study of the real cost of processing applications. Effectively, it was determined that the applicants were being significantly subsidised by taxpayers more generally. It was considered appropriate to move more to full cost recovery from people who are benefitting from subdivision applications and mainly subdivisions. Those funds are being accumulated. Approval has not been given at this stage through the wider budget process—the Economic and Expenditure Reform Committee process and the cabinet process—to actually expend those additional funds. Obviously, accumulating the funds has a beneficial impact on the overall position of state debt, but the funds are being quarantined for the Department of Planning, which is why the cash assets amount is increasing quite substantially. Discussions between the Department of Planning and Treasury will continue to actually make use of those funds at some stage.

Ms R. SAFFIOTI: Can the minister confirm that the increased revenue will be sitting in the Department of Planning's asset balance sheet as cash assets?

Mr J.H.D. DAY: Yes.

Ms R. SAFFIOTI: Therefore, is the department's recurrent appropriation not falling by the same amount—that is, by the increase in revenue each year?

Mr J.H.D. DAY: No.

Ms R. SAFFIOTI: There has not been a reduction in the department's appropriation, but Treasury has not confirmed that the minister's department could spend it yet because of the impact it has on state debt.

Mr J.H.D. DAY: Presumably that is the reason, yes. Expenditure approval has not been given at this stage.

Ms R. SAFFIOTI: Is the minister's department now at full cost recovery after the significant increase for those relevant fees?

Mr J.H.D. DAY: Yes.

Ms R. SAFFIOTI: In determining full cost recovery and the full-time equivalents, which FTEs did the minister use? Was it the allocated FTE or the funded FTE?

Mr N. Thomson: At the beginning of the last financial year we felt there needed to be less granularity in the calculation of the costs going into statutory applications. Therefore, we introduced a time-sheeting system for officers working on statutory applications. We also introduced a costing model to calculate the rolled-up costs of the directed effort of officers. That work was adopted well by the officers. All the planning officers recorded their time against their effort. For example, if they were doing a form 1A application for so many hours a day, that would be recorded. That information, with the costing model, rolling up all the on-costs and overheads, was then used to justify the fee increase. This was the first time in the Department of Planning that that level of inquiry had been undertaken. We believe that we received the most accurate information the department has ever had. That was the basis for arguing for a fee increase, which was accepted by Treasury and resulted in this increase.

Ms R. SAFFIOTI: When does the minister expect to finalise negotiations on the expenditure of that additional revenue? Will there be a special EERC next week, minister?

Mr J.H.D. DAY: No, I do not expect that.

Mr P.T. MILES: I refer the minister to the second dot point on page 453 of the *Budget Statements*. Planning reform is a significant issue.

Ms R. SAFFIOTI: Sorry, I do not want to be rude, but that is the wrong division.

The CHAIRMAN: Sorry, member for Wanneroo.

Mr P.T. MILES: I thought we were doing it all together.

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Ms R. SAFFIOTI: We have not had that discussion.

The CHAIRMAN: We are still in division 36. If the member's question relates to division 37, he will have to hold it over. Does the member have a question that relates to division 36?

Mr P.T. MILES: I will do my off-the-cuff dorothy dixer of asking the minister —

Mr J.H.D. DAY: It sounds dangerous!

Mr P.T. MILES: It will be! The department's expenses do not list the legal costs of the department. Can the minister highlight how much it is costing the Department of Planning in legal fees on an ongoing basis?

Mr J.H.D. DAY: Having high-quality legal advice available to the department is obviously very important. That is normally provided by the State Solicitor's Office. The rate charged is about half of what it would be for the private sector and, from my experience, very high quality advice and assistance is provided. I should also say that there are four in-house Department of Planning solicitors who are also very important in the planning system. Outside of those solicitors, advice is normally provided by the State Solicitor's Office. In 2012–13, the total cost of advice for the Department of Planning for Supreme Court appeals was \$28 346; general legal advice for the Department of Planning was \$66 288, which are fairly modest amounts for the department specifically. The cost of appeals for the Western Australian Planning Commission—it is important to look at both of those together—was \$19 313, and for general legal advice, it was \$1.720 million. That is the cost from the State Solicitor's Office and is in addition to the in-house lawyers, as I said.

[8.20 pm]

Ms S.F. McGURK: I refer to the third last item in the table on page 440 and to the average lot size in the Perth metropolitan region. There has been a steady increase in the average lot size since 2011–12. Is that contrary to the government's intention to increase density, and is the minister concerned about that increase in lot size? There is a note at the bottom of the page that states that the lot size target has been exceeded as there is a demand. Surely the government would not be driven just by demand, but would be trying to influence the average size of blocks.

Mr J.H.D. DAY: Yes, that is an important point. As it states here, there is still clearly a demand for larger lots for greenfields developments. That is an important part of land provision and housing development generally in Western Australia and specifically in the Perth metropolitan region, but it is certainly the case that we need to move towards more urban consolidation and more urban infill projects. That is happening quite cooperatively and voluntarily in some local government areas; in other local government areas there is a lot more resistance. We now have greater abilities through planning legislation to require changes to be made, even though it takes longer than ideal sometimes. Given the trend that is occurring, it is a little surprising that the average lot size has increased, according to these figures.

Ms R. SAFFIOTI: It is in the budget, minister, so it is not "apparently"; it has.

Mr J.H.D. DAY: It is not a monetary issue; it is a question of how these things are measured. I assume that it is all very precise and accurate.

Ms R. SAFFIOTI: I assume that the budget is right, and particularly the minister's.

Mr J.H.D. DAY: Indeed.

The member's point is taken. We are moving towards more urban consolidation in the City of Fremantle, in the member's area. The city has been quite progressive in the last couple of years with a couple of significant scheme amendments that I have agreed to. There has been a bit of local opposition, as the member would be aware, but they have now been agreed to.

Ms S.F. McGURK: We are doing our bit for the cause.

Mr J.H.D. DAY: Absolutely. The development now needs to occur, so I hope the private sector takes up the opportunities and undertakes the higher density development that will add to the amenity and the amount of activity in Fremantle. I very much hope it succeeds.

Ms R. SAFFIOTI: My question relates to one of the policy aspects that the Department of Planning administers—that is, developer contribution plans. There have been some significant issues with DCPs in my electorate. Is the department reviewing how it handles DCPs, in particular how it costs the relative infrastructure and determines what should be contained in DCPs?

Mr J.H.D. DAY: In short, yes, a review of the state planning policy on developer contributions is underway. It is a complex area and there are some reasonably strong views on both sides of the argument; from local

Chairman; Mr John Day; Ms Eleni Evangel; Ms Rita Saffioti; Mr David Templeman; Mr Sean L'Estrange; Ms Simone McGurk; Mr Paul Miles

governments on the one hand and from the private sector on the other hand. I will ask Sue to add some more information about what is underway and to make some comments about some of the issues involved.

Ms S.J. Burrows: We are preparing some guidelines to go with the policy position just to give further guidance to the development industry, as well as local government. Where we see large costs within DCPs is generally where large land acquisition has to occur—generally public open space or district open space. There has also been comment about the soft infrastructure, which is the community infrastructure on sites. We are trying to put some guidelines and more framework around what is acceptable within DCPs. We are working with stakeholders on that and we will soon consult more directly with industry on its comments, with the release of the guidelines.

Ms R. SAFFIOTI: I refer to the review of the Swan Valley Planning Act. A paper was released last September. Where is the government at in making a final recommendation and final decisions on land use in the Swan Valley?

Mr J.H.D. DAY: Yes, there has been a —

Ms R. SAFFIOTI: A review of land use, if not the act.

Mr J.H.D. DAY: Yes; correct. There were 163 public submissions received, and a report on those submissions has been prepared by the department, which is close to coming to me. I have not seen it yet, but I hope to in the next couple of weeks or so. Once I have had a look at the report, we can decide where we go from there. I am advised that the majority of submissions generally supported the retention of the Swan Valley for rural land uses and rural activities, which is not surprising. The largest group of submissions recommended protection of, and support for, viticulture. A smaller proportion of submissions recommended support for agritourism more broadly and also for equestrian activities. As the member well knows, there is pressure from some people who would like to undertake some degree of subdivision in the existing designated area. We need to make a judgement on whether that is appropriate, but, as I have said in this place previously, the protection of viticulture and viticulture-related activities needs to be the primary focus. I think just about everybody supports that. There is certainly no intention to approve any large-scale urbanisation or even large-scale subdivision within the Swan Valley area. We need to carefully consider whether some changes need to be put in place. One of the aspects that also needs to be considered is how we can better protect the visual landscapes of the area. Quite a few people, including me, have a view that a lot of what has happened in the last few years has not been very aesthetic and has not been very much in keeping with the character of the area. It would be a good thing if we could have some stronger protections and controls over the type of development that occurs and the visual appearance of it, including some of the signage that has appeared.

Ms R. SAFFIOTI: Is there an expected date for government decisions on the review?

Mr J.H.D. DAY: I hope to see it within the next few weeks, as I said. We will work out from there what to do, and I would expect to put out the report for public information and work out whether we should make changes to the act or whether there should be some planning changes. Obviously, there would need to be further adequate consultation if there were to be any changes to the City of Swan's planning scheme or to the act. The general theme of what needs to be done is what I have expressed in my view.

The appropriation was recommended.