

PLANNING AND DEVELOPMENT AMENDMENT BILL 2023

Second Reading

Resumed from 14 November.

HON NEIL THOMSON (Mining and Pastoral) [2.52 pm]: Thank you for the opportunity to speak on this bill. I am leading this bill and I assume I will get a bit more time. I need extra time on this bill. Members opposite may find this a little more exciting than the tone of the Western Australian Marine Amendment Bill 2023, which we previously considered.

We are not opposing the Planning and Development Amendment Bill 2023. There are elements within this bill that we support. There are elements we have questions about. It is something I think warrants further discussion, particularly given the hype of this bill in terms of its presentation to the community. I speak to people in the industry and we constantly hear commentary around reform. We often talk about reform and yet, in Western Australia, we have a situation that is outlined very capably by a number of reports across various stakeholder bodies, including the Urban Development Institute of Western Australia and the Property Council of Australia. We are facing a challenging time with the delivery of affordable housing. We need reform within the system, which is why we do not oppose this. There are always opportunities to make things better, but I think there is a limit to the effectiveness of legislative changes and how they might make things better. There is always a risk of making things worse. I have what could be considered a traditionalist view about the planning system. I think the role of the executive government should be one of setting the rules and making sure that we have an efficient system, in which the processes within our government agencies are efficient, and that sometimes involves the deployment of technology, for example, and ensuring we hold our directors general and staff to account. As someone who spent some years on the other side of the fence, I know what that feels like, and I think staff in those agencies, who may be listening to this second reading debate today, will understand what I mean. It is not meant with ill will, but there is a sense that government agencies need to be empowered through the provision of important resources and leadership within those agencies to deliver efficient processing within our regulatory system. The government's role is to ensure the rules are clear, which they are, I think, to a certain extent. There is a level of complexity within the planning system, which could be subjected to a more profound review than what has been put forward. I think that is important. The other role for the executive is making sure that there is a vision for the city and the regions. While 75 per cent of our home owners are in the metropolitan region, there is an ongoing shortage of land and housing in our regional cities. We must have a vision. That vision is set within the strategic framework. Sometimes we have a case of "set and forget". I think that is part of the challenge we have with *Perth and Peel* @ 3.5 million. In my view, we are setting ourselves up for failure in the long run in relation to a whole range of targets around those important infill targets and greenfield developments.

The focus of the Planning and Development Amendment Bill 2023 is on the margins of processes that are already in play. The significant development pathway has been amended to some extent. The development assessment panel process has been changed somewhat. The approvals delegations for planning approvals for offices within local government authorities are being changed. There seems to be a single-minded focus of this government to keep changing it. I have been here only two and a half years and I have seen a number of changes like this come through this place. Whether it was the COVID provisions, the subsequent changes or now these changes, they seem to focus on what I would call, in a broad sense, the development application part of the process. The government seems to be focusing on that endpoint and thinks that by moving the deckchairs around a bit, we are going to get a more effective system. My concern is that a lot of the constraint is happening at the front end of the process. We have to take a step back and look at some of the big issues that are affecting housing affordability, particularly rental affordability, in Western Australia at the moment, and emerging trends that will impact housing and rental affordability into the future. To some extent, Western Australia remains a relatively affordable jurisdiction compared with Sydney or other capital cities around Australia. Our median house price is lower than in those cities. Somebody with that important housing dream who is starting out can still acquire a home in the order of \$500 000—the half-a-million-dollar mark—depending on the quality of the home they are looking for. That is a lot of money in the current interest rate environment. It puts people under a lot of pressure but, compared with Sydney or Melbourne, it is certainly a lower price. To some extent we are blessed with employment opportunities in Western Australia. People can choose to get involved in the resources sector for a period in their lives and they can build up that important asset.

To some extent, the housing dream is still available in Western Australia unlike in some other states. However, I think this bill fails to really set the framework for the generational change that will stop us falling off the cliff in the next year or two. Certainly, the predictions I have heard from people in the industry are that we are heading for a very severe shortage of residential land and a shortage of apartments. Some fundamental issues are driving this and this government has failed to address them. Some things have been done to attempt to touch it up at the edges and ensure we can tidy things up. We saw the establishment of the special hit squad in one of the agencies

to do special work. It reminds me of the days when I was in the micro-economic reform unit at Treasury. A very similar situation occurred in which we were facing the cliff. The last time the Labor government was in power, from 2004 to 2007, we saw unprecedented increases in property values in Western Australia because there were shortages. In about 2007, there was almost a panic that gripped the government, particularly as we saw some massive challenges in places like Karratha and other parts of the state. There simply was not enough land and we were starting to really struggle. It is important to reflect on these things as we come into this because I think the Minister for Planning; Lands has made the wrong diagnosis. I think we have the wrong diagnosis. We are not opposing this legislation because we think there is some merit in some of the changes, but it is an opportunity to reflect on significant factors that are affecting our housing and apartment markets in Western Australia.

The facts speak for themselves. The *UDIA state of the land 2023: National residential greenfield and apartment market study*, which was released in March 2023, has a comprehensive assessment of greenfields market activity. We have seen a massive decline in lot sales from a peak in 2013 during the Barnett era, when work was done to ensure that land was released and the department of housing was involved in joint ventures to deliver land supply. A massive amount of work went into delivering that. It dropped off in 2015 as the market contracted. In 2016, it got to what we thought was a low point because there was a bit of a contraction in the resources sector around that point. We know that it impacted the market to some extent. Despite growth in the resources sector and the strength of our economy in Western Australia, we continued to see low levels of lot sales rolling through. There was a bit of a peak around 2020 but now, at the beginning of 2023, we are down to probably record lows according to the report.

That is problematic because it will not necessarily have an impact straight away but, if we are not selling lots, and people are not going out and buying house and land packages, we are building up to a shortage of housing stock. All the data is showing we are well below the requirements for population growth. I was talking to people in the industry recently and I met with people at the Property Council of Australia. They said there is some level of absorption within the market. Rooms are starting to fill up or people may stay with their parents a bit longer or do a bit of working it out. That also impacts our rental market. Our rental market is white hot at the moment. It is absolutely white hot and vacancy rates are at unprecedentedly low levels. This is really having an impact on rental values and that impacts on people who can least afford it. I saw a case on Channel Nine or one of the mainstream news outlets only yesterday when I was watching. Someone had a rental increase in the order of \$200. This is happening right across our state and across the country. There are massive challenges in rental affordability because of the contraction in the building and construction industry and in lot delivery.

I believe we are facing the cliff because the state is not doing enough in the strategic planning piece. It is not focusing on the piece it should be. It is not focusing on streamlining those very important, complex processes that occur before construction starts. We seem to have a constant fixation by the minister on the development application path—the end path. That is the last thing that happens, going forward. To some extent, he is hoping that by changing the development application panel process, somehow we are going to get more apartments built and that will somehow take off the pressure. It is simply not going to be enough. Ultimately, despite the government's view on infill and the densification of Perth—we all agree with that; it is a given that everybody in the state, bar one or two people, agree that there should be more infill and more density—the vast majority of new homes in Western Australia are still going to be delivered through greenfields development and expansion of our city. We are talking massive numbers. *Perth and Peel@3.5 million*, which is based on *Directions 2031: Draft spatial framework for Perth and Peel*, talks about a city of 3.5 million inhabitants. We currently have about 2.1 million or 2.2 million inhabitants in Perth, so we have to find in the order of not far short of a million new households in Perth in that time frame. Sorry, I keep referring to *Directions 2031*, but it is the *Perth and Peel@3.5 million* report that was released in March 2018. Despite that report being a bit of a case of set-and-forget, it was presented. What I do not see is the state doing enough work around the contingencies as the population change situation rapidly evolves. Before the COVID pandemic, who would have known that our border was going to be closed for as long as it was and that our population growth would effectively grind to a halt for that period? Then who would have predicted the massive rebound that is now occurring as we go into the post-COVID environment and we have this massive rebound in population? Who knows what will happen tomorrow? What we do know is that all the analysis on those greenfield block production numbers are well short of what was projected in order to achieve *Perth and Peel@3.5 million*. We are banking up a shortfall that is going to have a massive impact on affordability at some point. At the end of the day, those dynamics of supply and demand will kick in. At the end of the day, those dynamics will have such an effect that I think we will see a massive increase in the price of housing in Western Australia, and that is the last thing we need, given that we all want our children, the next generation and the generation after to still aspire to home ownership going forward.

The *Perth and Peel@3.5 million* provided scenarios of the type of city that might exist. It outlined how the city has grown and provided an excellent background for that growth, but it also laid out how the city might expand. The key elements of it are stated at page 13 of the report, which states —

- increasing housing diversity and affordability

- 800,000 new homes are required to accommodate 1.5 million extra people
- 380,000 of these will be predominantly in strategic infill locations

I will come back to that in a minute, because 380 000 is an aspirational target, but it is still a minority target. It is still not the main element. We have to have a strategy. I do not believe that we have done enough work with our development sector to ensure those important greenfield developments can continue.

It is not just the development of greenfield sites. I went online today and checked on realestate.com, and one can still buy a block down towards Armadale and Oakford, for example—that important growth corridor as we head southeast. Certainly, in my mind, that growth corridor will eventually be the land buffer for Western Australia’s capital city, because notwithstanding some of the environmental challenges with its watertable, it is largely clear. There is a lot of cleared land through there. We know that the extension of the city along the coastline into the banksia woodland to the north of our city cannot continue forever because of the challenges particularly with the Carnaby’s black-cockatoo habitat and so forth. There are limitations to where the city can grow. Ultimately, we are going to have to bite the bullet until we can fundamentally resolve the problem with the economics of apartment development in Western Australia. That is the number one issue constraining us from going forward to a denser city.

I spoke to the Property Council of Australia about this. It cannot—excuse the pun—get apartments to stack up. I am talking about the economics of apartment development. We can still buy an apartment, but the prices are rapidly increasing. In the last 12 months, the value of second-hand apartments has gone up quite considerably. Not that long ago, someone could buy an apartment for around the high \$300 000s in the CBD; now, those small apartments might be sitting around the \$400 000, \$450 000 or \$500 000 mark. They are escalating quickly. Almost every day we watch that apartment price increase. We do not want that price to increase because it makes apartments less accessible for young people. The bottom line is that in building those apartments, we just cannot get it to stack up at that price. I am talking about diverse housing forms. A family living in an apartment might need a three-bedroomed apartment. Two by twos are quite common in Western Australia, but if our families are going to start living in apartments and not in the detached building components that we are so comfortable and familiar with, we are going to have to see more diversity with our apartment composition. The bottom line is to build apartments around the Metronet stations to make sure we get the full value of that Metronet investment, which is everyone’s goal, and we need to find a way to deliver those apartments at affordable rates. The industry is really struggling with that challenge.

I suppose that comes to the heart of some of the concerns that might be raised by those who do not wish to see density. It is not something I am necessarily in support of, but some people might be worried about the ad hoc density that seems to be developing in some of the more affluent suburbs in a way that might not conform with the scheme. That is problematic in itself. That is the issue. That is where the return can occur. That is the only place in which developers can get apartments to stack up, because it might cost \$800 000 to build an apartment there, but the developer can sell it for \$900 000 or \$1 million. That is because that market is available. The apartment might have views over the river or the coast. The problem is that we are struggling to address the affordability issue in the apartment market because our construction costs in particular are so expensive in Western Australia, particularly for those high-rise developments.

I come back to the other component of this detached and greenfield development. It is not just the land. We are not developing enough land in Western Australia. We are not focusing enough on making sure that land is going through an efficient process of going from other zonings such as urban deferred through to urban and then getting to subdivision. We are not doing that efficiently enough. Even when we have that land, we have all these problems in the construction element. We are seeing building companies struggling under the weight of the cost of labour and materials. I think this has greatly impacted confidence within the market, which is again a serious issue that needs to be addressed. I say to the government that it is all very well to come back and make these changes. Most of my speech was going to be on the things that I think are important that have been missed and not addressed by this government, such as making sure that the land is available, there is security in the construction industry and those apartments can be delivered in an affordable and timely way. Instead, we are fixing up the composition of that. We are making changes and moving the deckchairs around on the Western Australian Planning Commission, as though that will make anything different. Quite frankly, I think the changes to the Western Australian Planning Commission will make it worse. That is my contention. I certainly do not have any expectation that the changes that we do support within this bill will have any material impact on overall strategic positioning or the affordability of our housing market in Western Australia. We need a government with vision that can actually make sure that we have affordability going forward. I hope that the boffins who will come together—maybe some from Treasury—will be willing to put up some difficult recommendations around the taxation arrangements relating to housing. I am sure Hon Dr Steve Thomas will have some other comments to make about that.

I commend the Property Council of Australia for undertaking *Taxes and charges on new housing*, an important piece of work that was released on 7 June 2018. The housing industry is a money-making machine for the state

government. This is part of the problem in creating affordability, because when a tax is put on housing, it simply underpins the value of housing, makes it harder for people to get into housing and constrains the supply of housing. That makes it harder for the civil construction sector to make it stack up. These issues need to be addressed thoughtfully and in balance with the revenue requirements of the state. The report undertaken by Acil Allen Consulting looked at every capital city. It was a comprehensive piece of work. The report states that the median price of housing in Western Australia for greenfields developments—it has increased a little since then—was \$569 500, with \$112 400 of that being government taxes and charges. Government taxes and charges are a huge component of that. Some of that was GST on materials and so forth, and I am not suggesting that we should abolish GST on materials for housing. What I am saying is that, given the government's current budget situation, there is an opportunity for the government to look seriously at the taxation arrangements in relation to housing across Western Australia. For infill developments, there was a median unit price of \$511 000, of which \$94 800 was government taxes and charges. Members of the Property Council to whom I spoke recently suggested that the apartment market might now be more heavily taxed than the greenfields market. I do not have any evidence to support that, but I do have this report from the Property Council—it is on its website—called *Taxes and charges on new housing*. These are the things that are slowing down our housing market and having a debilitating effect on the ability to deliver affordable homes and for the next generation to achieve the great Australian dream.

I talked about the rental market. A member of the real estate sector recently came to me with an issue around stamp duty on insurance. Insurance is impacting severely on the rental market in places like my home town of Broome and Karratha, because it represents between \$200 and \$250 a week in costs for an average four-bedroom home. Before someone even gets started with a rental, they are up for that cost, and then of course the mortgage, interest rates and so forth, as well as the risk in those parts of the world that the market might not stay up. It is very difficult for investors to make sure that the rental market stacks up. That is the problem we have. We end up with median rental prices for a four-bedroom home in places like Broome of almost \$1 000 a week. How can someone afford that if they are on \$70 000 or \$80 000 a year? They cannot. This is a serious issue. Critical workers, essential workers and retail workers do not have the scope to get into those communities. Although I do not have the data in front of me, it worried me significantly when some data was sent to me today about the state government putting up the rent for the essential workers' accommodation in Port Hedland. We will have some more to say about that later this week. That is increasing by not just a small amount; it is a considerable amount. There are some serious considerations.

The boffins will come together in a special squad. That seems like *deja vu*, because I was a member of one of those groups when Eric Ripper was Treasurer. I remember sitting in the meetings with Alannah MacTiernan. I am experiencing *deja vu*, as this government is also sitting on the hose of regulatory reform at the strategic level and not having a vision for the future. It is just tinkering around at the margins and saying, "Look at us! We're wonderful. We're making these reforms all the time." Quite frankly, I think the government is failing. I am getting *deja vu*, remembering the Gallop–Carpenter years. In 2001, at the end of the Court years, Western Australia had the most affordable housing, but within the space of seven years, WA had the most unaffordable housing in Australia because the government took its eye off the ball. I could add to that: the government has completely failed on social housing. I have spoken many times in this place about the challenges with social housing. The Australian Bureau of Statistics provides information under the category of government-built homes; it provides the gross number of homes built by the public sector as opposed to the private sector. We saw a massive drop-off during the McGowan years. I have not checked those figures in the last few months, but I hope there has been a bit of an uptick. That is where the massive shortage was created. It will not be solved by adding a couple more storeys to developments in Mosman Park or by having a few more ad hoc developments along Marine Parade in Cottesloe. I do not want to say whether that is bad or good, but we should not rely on those schemes. As I said, I am a traditionalist in the sense that I believe that the role of the minister is to oversee the strategic framework. The minister needs to make sure that it is being delivered in a timely way, that the agency is doing its job and that we have a vision for Western Australia. The minister needs to make sure that we are taking serious measures, whether through taxation or other incentives, to provide whatever levers we can to ensure that we do not end up in the situation that we are currently ending up in, with shortages becoming very apparent in our housing sector. That is what he should be doing. That is what the Western Australian Planning Commission should be doing.

On that issue, I think the Planning Commission's job has been confounded to a large extent. I spoke about it when we talked about the introduction of the State Development Assessment Unit. I think the Planning Commission's job has been confounded and that it now has more of a development application assessment and approval role, as opposed to a strategic planning role. I think that is bad for Western Australia; I do not think it is a good thing. We need to make sure that the Planning Commission focuses all its energy on delivering the strategic framework and bringing together the often recalcitrant agencies. The government talks about recalcitrant local governments, but I can tell members that I have evidence of the recalcitrance of some of the agencies. This is no reflection on staff; they are just doing their job. They probably have a budget and objectives that they have to meet, but they cannot actually deliver on some of the requirements.

Let us take the minutes from the Development Services Committee meeting of 20 February 2023 for the schedule of submissions proposed for the Kelmscott District Centre Precinct Structure Plan. That is right at the heart of the reforms that should be going on in Western Australia. Let us see what is being done. That 380 000 figure that I quoted earlier is from *Perth and Peel@3.5 million*. Everyone says that is the pinnacle of our aspiration—the 380 000—but which we all want to make 480 000. We believe that it will have to be millions in the future because the city will not stop at a 3.5 million. The way we are going, Perth will keep growing. Let us see what happened. The hardworking City of Armadale got out there. The government loves to pick on local government. The previous Minister for Planning made an absolute sport of it. I think the current Minister for Planning has forgotten his heritage in local government and the things that he said when he was a local government councillor. He conveniently forgets because he is hooked on the kneejerk sporting reaction of the former Minister for Planning who used to love to pick on local governments and pick up on the negatives of local government.

Let us see the submissions that were put forward. This is a massive piece of work. The City of Armadale's Development Services Committee had to go through a massive piece of work on 20 February to lay out the Kelmscott structure plan to get a nine-storey development around a Metronet train station. That is absolutely what we should be doing. This is absolutely what we want to occur so that we do not slip on that figure of 380 000 and have to develop all the way down the coast to Capel and have our city become a megalopolis or one of those massive urban sprawls because that is the only way that we can keep housing affordable.

Submission 27 is a submission by the Water Corporation, and it was a late submission. It refers to sewerage and a whole range of things. The Water Corporation's submission was late. There is a very long piece about what it put in and it refers to what it contributed to that. The council could not support one of the Water Corporation's recommendations because the city was not proposing cost-sharing arrangements through a development contribution plan. The state agencies and corporations should match infrastructure investment. I refer to the state government's infill station precinct development objectives. This highlights a key issue. This is a problem. The Water Corporation is trying to throw off the costs. We know that to get nine-storey developments built we will need support in and around the delivery of sewerage. The submission was late and its recommendation was not supported.

Another submission was from Main Roads. That was also late. There is a conflict between the city and the recommendation from that committee. There are a whole range of things in the submission about the roads and achieving the functions and safety of the road network. All those considerations by Main Roads imposed on the future development at that site. The city said that the vehicle access strategy was not supported and it referred to a discussion and a report. The city proposed a balanced approach to maintain access in the interim. Future development will need to accord with *PLN 5.1 highway development*. Car parking location has been considered through the precinct structure plan. The comments were noted. There is a conflict within our state agencies with respect to transport.

Another state agency put in a submission. These are the so-called recalcitrant governments trying to do the work the state government should be doing because the Kelmscott District Centre Precinct Structure Plan is part of a critical and strategic node to deliver an infill opportunity at the state level after the \$13 billion—and rising—investment in Metronet. We have to get an outcome.

There was a late submission by the Department of Fire and Emergency Services. Again, that was not supported. The submission refers to vegetation on private and public land that is best characterised as very low. That is all about the Bushfire Attack Level factor. Looking at the whole issue, it would appear to add more costs to the development in such a way that the city is having to address it because it believes there are other ways to manage that issue to achieve the infill development that it is trying to achieve. It is trying to do the state government's job.

Let us look at another state agency. I could keep going. The state agencies are failing because the ministers are not keeping on top of it. I would have thought that if the Minister for Planning had any authority at all—the former minister has gone on to become the Treasurer—he would be banging heads together and bringing together people in our planning system to achieve the goals that we need to achieve. We would not then need the constant parade of distractions and minor tweaking of the Planning and Development Act and the minister would be dealing with some of the fundamental issues. I am not saying that some of the changes are not good, but the government is completely failing on some of the key issues. All its members do is get up and constantly bag local government. All they do is say that the local governments are recalcitrant. We have seen a parade of initiatives to take this power and that power off local governments. The single dwelling delegations issue is a tiny fraction of what is required, if it is not done that way already. It is a complete distraction. Yes, we support that element, but the key is that it will not solve the problem. The massive problem that I am talking about is the cliff of housing affordability and housing availability, and the cliff of rental vacancies to the point at which there are virtual bidding wars at the doors of rental properties as people try to get into those homes because we do not have enough roofs to put over the heads of Western Australians. That is the point at which this government has failed.

The next agency that had to put in a submission was the Department of Biodiversity, Conservation and Attractions. Again, its submission was late. I would have thought that it was a basic issue for agencies to get their submissions

in on time to the City of Armadale, which is trying to do the job of the Western Australian government through its Development Services Committee meetings. Again, the submission refers a lot to issues with bushfires, the setback in relation to the Swan River and a whole range of things. We know that these are complex issues, but do members know what? If the ministers were worth anything, instead of sitting on their backsides in their offices, they would be getting off their backsides to talk to the agency heads and make sure that they get their submissions in on time and that they are properly resourced to do the job.

I will come back to the issue of the Western Australian Planning Commission. It has a critical role in infrastructure coordination. The Planning Commission has a critical role in making sure that the approvals through the Department of Water and Environmental Regulation are actually delivered in sympathy with the strategic goals of the Minister for Planning. The commission plays a critical role. Main Roads and the Department of Transport have a critical role in ensuring that our future city will not be gridlocked, that it will be efficient and sustainable, and that we will have a transport network that works. Technology and a range of things are coming along that will improve, dare I say, even the motor vehicle industry. It is not all bad to have cars driving around the roads. We have this \$13 billion asset. It is not all bad, particularly as we move to sustainable fuels like hydrogen and, obviously, battery-powered cars. It is a matter of managing the traffic flow. That will become a thing. Main Roads can be very good at that.

However, the state is saying that it is not very important to have those heads of departments in the Western Australian Planning Commission. In fact, the government will not even make them members of the Planning Commission. Are we to say that members of the Planning Commission are not wanted there anymore; they can turn up if they want to? That is what is happening; it has now become a voluntary thing. It is not surprising because when I looked through the Planning Commission's annual report, I saw that the commission had about 22 meetings, and the average attendance of the heads of departments when added up was 2.5 meetings over that period. Clearly, it is not valued.

I have asked questions in this place about the infrastructure coordinating committee. It was a little while back now. As far as I recall, I do not think it even met; maybe it met once or twice. But it is not a focus of this government. That is the issue, folks. If you want to deliver affordable housing, you have to get serious about infrastructure delivery. It is quite interesting that on 22 February, after the minutes of that meeting came out in Kelmscott, we saw ministers roar down to Kelmscott to announce an \$80 million or something infrastructure headworks fund. Was it \$40 million? I am not sure what the response was. With great embarrassment, ministers saw these late submissions, saw that nothing was going to happen and thought that they had better get down there because they probably had a furious City of Armadale. It was all too hard. The City of Armadale is doing the terribly difficult job of trying to do the state's work regarding the important train station and density. I think they put in \$40 million for the regions and \$40 million for the city, but that will be a drop in the ocean in terms of what is needed.

I am not saying that the solution is always money, but the key here is to find solutions. We have to bang heads together. We must have a vision. The chair of the Planning Commission should have vision and should be banging heads together. I am sure that the chair is a perfectly good person and has entirely good motives, but I do not see the commission having the capacity to have the status it should have. The commission should have that status. There should at least be something in here about the heads of departments. I would feel a lot more comfortable if these chambers ensured that there was still some circuit breaker and some other committee was established under statute to ensure heads of department came together. Maybe some of the other heads of departments who are not on the Planning Commission at the moment could be brought in, because that is vital to ensure that lot development and infill occurs going forward.

We support elements of this legislation. I can assure members that, as the next Minister for Planning, I will get on with the job and forensically assess every aspect that is holding us back. I tell industry and the people of Western Australia who are worried about their future this: I will be very forensic and assess every aspect that is holding up our state's housing and planning development. I will work with my cabinet colleagues in the Mettam government in 2025. We will work together to ensure we deliver affordable housing in the future. We will not be about cherry-picking a few developments here and there. I am certainly not opposed to high-rise in certain parts of the western suburbs, but I tell members what: I would love to see a strategic plan to do that.

I sat down with the Town of Mosman Park the other day, and it talked about the need for some infrastructure. I am trying to recall the name of the street, but it is near one of the train stations just south of Cottesloe. South of that, a train station needs to be moved. Leighton Beach is along that area. A whole area of land could be developed with incredible high-rise looking out across the bay, and it would be incredibly valuable and add value to the state if we got on with it, but it needs some serious infrastructure development. It needs the building of subways under the train line and potentially moving the train station. We have seen a focus on spreading the city out in every direction when there are huge opportunities for infill, which I would support. Going forward, that will be an incredible strategic focus of the Mettam government in the western suburbs. We will not have a casual, half-pie approach: "We will just add a few more storeys over and above." That approach would remove community confidence in ongoing consultation in the development of local planning schemes. If local planning schemes are not being

developed on time, I would not be afraid to intervene, unlike the previous minister. Under the previous minister, we saw a complete decline in the number of local planning schemes presented to the Environmental Protection Authority for consideration. The Department of Water and Environmental Regulation website outlines those numbers and how they collapsed. I do not know whether Hon Rita Saffioti even believed in those structure plans and local planning schemes. She did not think they were important, but that is how to get the confidence of the community. You work with the community, develop the local planning schemes and make sure that people are engaged at the early stage of the planning process, when you should consult. As the Minister for Planning, I will never support the last-minute third-party appeal rights that are thrown in to frustrate development once they have done all the hard work on the plans within the context of the scheme. We would set the rules and send it up to the independent arbiter, being either the development assessment panels or the local government planning committee. That would be the independent arbiter, as long as it could follow the context of the scheme and rationalise and explain it. Obviously, there are some very limited appeal processes through the State Administrative Tribunal, but that would be the appropriate way to do it because it would provide certainty going forward. We have to create certainty in the investment market, and that is what we should be focusing on. All this government is doing is undermining that certainty, undermining the strategic role of the Western Australian Planning Commission and ignoring the gaping problem of no strategic vision for Western Australia in how it could be the most affordable jurisdiction for housing.

We understand the pressures on the state as Perth becomes a global city and Western Australia becomes a global centre for energy and resources. That is what we should be doing. The pressures on the city will continue to come, folks, whether we like it or not. Western Australia will be the world centre for the production of hydrogen; this will happen. We must be the world leader with the lowest carbon footprint in the delivery of our natural gas, whether it is through carbon sequestration, carbon capture and storage, or other mechanisms of capturing it at the end use, bringing it back and re-injecting it. There will have to be solutions to all this because Western Australia's natural resources are such that the state will position itself to continue to grow. The City of Perth will continue to grow, probably at a much greater and faster rate than we expect. We will have to make some hard choices. As the next Minister for Planning, I will be prepared to make those hard choices to ensure an ongoing stream of land availability.

My colleague Hon Steve Martin, who will be in the housing portfolio at that time, will be able to make sure that the agency is delivering important social and affordable housing into our community. My colleague Hon Dr Steve Thomas will make sure that we have a streamlined taxation system, and, for commerce matters, make sure that we have a robust and reliable construction centre and not overcook the civil construction industry to such an extent that developers cannot find civil construction contractors to deliver important developments like ONE Subiaco in Western Australia. We had a recent discussion with Mr Blackburne and other people, and they said how hard it is to find contractors to deal with their future plans to deliver the transport-oriented development we want to achieve. This is what real reform is about, folks. It comes from the Liberal Party. We are a party that believes in rules. We are a party that sets efficient rules. We are a party that will ensure that the independent umpire gets on with the job, without interference, and lets the market do its job. That is what the Liberal Party is about. Instead, we have this government floundering around. Yes, it has come up with a few things. The best it can come up with are a few reforms, which are fine. As I said, I will go through them relatively quickly. I will make a very important point: we are failing Western Australian people on housing affordability. We are failing the development sector on making sure those strategic planning processes are efficient and guided by a strategic vision. We are failing on that. That is what I stand for. I will go into a lot of this in detail in committee. We do not oppose this bill. More will be said during the committee stage.

HON DR BRAD PETTITT (South Metropolitan) [3.51 pm]: I am pleased to stand to respond to the second reading speech on the Planning and Development Amendment Bill 2023.

The Minister for Agriculture and Food started her second reading speech in this house with a lot of what the government is doing on housing. It is fair to say that it is on the public record that I support many of the things that were spoken about, be it encouraging build-to-rent developments, stamp duty relief for apartment purchases and those kinds of things, but that is not what is actually in this bill. There was also a lot of talk during the second reading speech about how this legislation will accelerate housing supply, but, as I will make clear in my speech, this bill will neither sustainably do that nor lead to better planning decisions. In fact, my fear is that this bill will most likely entrench what can only be called Perth's poor planning outcomes, which, frankly, have characterised development in Perth for many decades. There is a real danger that this bill will entrench business-as-usual, status quo planning, with lots of sprawl and unstable housing. In the second reading speech, the minister almost bragged about that fact. I quote from the second reading speech —

In August this year, the Minister for Planning announced the resolution of the last two planning investigation areas, which will open a further 835 hectares for future urban development in the Perth region and is expected to deliver approximately 9 000 dwellings ...

It goes on —

... 15 planning investigation areas ... 6 400 hectares of land will ... deliver around 85 000 additional dwellings to plan for growth across the Perth and Peel regions ...

I double-down on my concern about what is at the heart of this bill—that is, a failure to plan. We are seeing too much planning that is more about fast tracking what we are doing, and that is at the heart of my critique of this bill. To be brutal, we could call this bill an anti-planning bill because it is almost as though we are giving up on good planning. This bill will do two key things. It will take away from communities and local governments most of the key planning decisions and centralise them in state-dominated development assessment panels and the Western Australian Planning Commission. With the most significant developments, it will also undermine planning schemes, which should be at the heart of planning to give certainty.

If the state were doing really good planning and if we had a great reputation for doing some of the best planning in the world, I would back this in, but for decades in this state we have been creating the longest city in the world, at 150 kilometres now. It is extraordinary that we have the lowest population density of any city in the world but we are the longest city. Document after document has been put together by planning agencies that support the view that we have to turn this around. Do members know what? We have not turned this around! Over the last few years, almost three-quarters of new dwellings have added to that sprawl. We are failing planning because we have not implemented the good planning that is in some of those documents. We are letting the business-as-usual sprawl continue. As we do that, we bulldoze our way through one of the world's 35 biodiversity hotspots. It is a place rich with species unique to this part of the planet. We bulldoze those areas and replace them with largely treeless suburban streets. In places such as Butler, tree canopy cover is literally at 1.6 per cent. Some of the places that we are creating with the planning that this bill wants to double-down on are some of the hottest and least well-planned places we can imagine. That is why Perth has the lowest tree canopy cover of all the capital cities. The percentage of suburbs that are meeting the tree canopy cover target is 22 per cent, which is well below the other capital cities.

We are doing good planning in some of the older suburbs, which have good tree canopy cover, but some of the new suburbs are planning out trees. There is no room to put them on verges because of the Western Australian Planning Commission road width requirements. There is no room to put them on our blocks because of the way we do housing approvals. I am not talking about the medium density code now, but I will go to it for a second. It has been put on the back burner. It was meant to encourage good medium-density housing with canopy cover, but it has been sidelined for business as usual. Once again, we lack confidence in the government doing good planning going forward.

On top of that, we are creating suburbs with some of the lowest active use and public transport use of any city and some of the highest car use. Recently, I asked a question in this place, which was backed up by data from the 2021 census. Public transport use was about 10 per cent, active transport use was 2.6 per cent, but 87 per cent of us are forced, by lack of choice and bad planning, to move around by car. To add a final layer on top of that, we are building some of the biggest energy-hungry houses on the planet, at 250 square metres.

The government's planning has created a city that is sprawling in an uncontrolled way and it is bulldozing biodiversity hotspots and replacing them with low canopy cover suburbs. We have really high car ownership and dependency and low public transport and active transport use, and giant energy-hungry houses. You know what? With that list, we would say that the government was failing at planning. That is what we are doing in this city and this state. We are failing at planning. In response to that, we have this planning amendment bill. Will this bill correct any of those key failures of planning? No, it will not. All it will do is fast track and centralise planning approvals with a state government that is, frankly, responsible for these planning failures. This is at the heart of my critique today. Seriously, this planning amendment bill should be a great disappointment because it is administrivia in the face of serious planning failure. If we are serious about creating proper planning in this state, merely consolidating the planning with DAPs and other state government agencies that want to fast track it is not the way to do it. Let me unpack this.

Let us start with development assessment panels. Part 2 of the Planning and Development Amendment Bill 2023 will reduce the number of development assessment panels from five to three—one for the inner metro, one for the outer metro and a regional panel—and appoint fixed-term, full-time DAP members. It will remove the mandatory threshold of \$20 million that applies to Perth and the \$10 million that applies to the rest of the state and the provision that applies to projects of less than 10 multiple or group dwellings. Pretty much everything—everything except a single house just about—will become captured by a DAP. Guess what? Single houses—I will come to this in a minute—will no longer be dealt with by elected local government members. The fundamental question is: with the passing of this bill, what will be the point of local governments? It is a legitimate question to ask. Why would people run for local government when local government will literally have no planning role? Local government may have a planning role in putting together schemes—I will come to that in a minute—but given the way that is done, that role could be overturned. There are serious questions about this bill, some of which I will ask during the Committee of the Whole. Why is the government excluding local government involvement in DAP decisions? DAPs were introduced when I was the Mayor of the City of Fremantle; the council did not support them. One of

the ways we made sure that our community had a say in the planning decisions that impacted them was to take DAP recommendations to the council so that the community could comment on them. We made sure that those comments were inputted into the process. My understanding is that that will no longer be allowed. Why is this government so intent on pushing the community out and not providing proper community say and involvement in the planning decisions that will impact them?

To be clear, the DAPs will comprise three paid members and two local government members. From my experience on the Fremantle council, I can say that my Fremantle council colleagues made much better planning decisions, frankly, than did the DAP members. Of course, there are many other questions about this. Local governments will continue to write reports for DAPs. Who will pay for this? Why should local ratepayers pay local government staff to write planning reports for DAPs? Local planning fees do not even come close to covering those costs. If the state government thinks that this is such a great idea, maybe it should cover the costs of this new process. I will be asking a lot of questions as we go through.

The next key point is community consultation. I had to have a bit of a chuckle about this. The bill has this strange assumption, which, I do not think, adds up to any kind of scrutiny, that the community consultation that the state government does is somehow better than that of local government. The second reading speech refers to setting a benchmark. There are some sensible reforms in the bill, including extending the minimum advertising period for structure plans from 28 days to 42 days and those kinds of things. The second reading speech also states that the government has prepared a planning engagement toolkit that provides state government agencies, local governments et cetera with clear and consistent principles, guidance and tools for designing and delivering best practice consultation and engagement. Where is this best practice consultation engagement that state agencies have been running? I will provide one example that comes to mind, which is, again, a bit of comparison from my experience on the Fremantle council. When the City of Fremantle undertook a major development of its town—the \$250 million redevelopment of Kings Square—it spent months co-designing with the community, doing walking tours and holding an international architecture competition. It undertook months and months of engagement and round tables with the community as it went on the journey of redesigning the civic centre. The civic centre part of it was a \$50 million project and involved a long and major community engagement and co-design process. We can compare that with the Fremantle District Police Complex that was approved by the Western Australian Planning Commission in the last month or so, on which there was no proactive community consultation. In fact, the only consultation was when, of its own initiative, the Fremantle council asked for community feedback. The Fremantle council got a bunch of community feedback. From memory—I cannot remember the exact numbers—it received either 420 or 240 submissions and, of those, 100 per cent were against and zero were for it. That was quite a rational response because it is an inappropriate building for that location and it fundamentally undermines the good and orderly redevelopment of the Fremantle Oval precinct. Not a single person wrote a submission in favour of it, but it sailed through and was approved. Where is this top-notch consultation that was referred to in the second reading speech?

Another example is the process around rezoning the Roe 9 land from road reserve to an urban redevelopment zone. Everybody supports that, but how that was done is the fundamental question. The Department of Planning, Lands and Heritage undertook the process and it was chaotic and shambolic. Posters pinned to a wall at a local community hall, with people being able to ask questions, versus a co-designed process that the community and my office ended up running around what it could look like. I do not see any examples of this government showing what proper community engagement looks like, except the really good one undertaken by former minister Alannah MacTiernan with the network city plan, but that was about 20 years ago. That is an example of proper community engagement and design. That is how you do it. I do not think there has been another example since then. There certainly has not been one since I have been around. If the government is serious about where we are going with planning, that is what it should look like. That community engagement and design resulted in a very good document with, interestingly, much more ambitious density targets than we have today. It resulted in a 60 per cent density target for our city, which was reduced to 47 per cent. We are currently tracking at 21 per cent. There are good reasons to ask whether community engagement and consultation will be better as a result of this amendment bill.

The next point is really important—it highlights, fundamentally, some of the problems that I have with this bill and is the basis for an amendment that I will move later as we go through the committee stage—and it concerns the significant development pathway. This bill will make permanent a COVID-19 provision that was done under the guise of an emergency and wanting to stimulate the economy during COVID. The pathway for significant developments will be to go through to the WAPC as the decision-maker. The criteria for that will be pretty low. It will be \$20 million, which is not that significant, frankly, and \$5 million in the regions. It is hard to imagine any apartment developments being worth less than \$20 million. These days, some houses cost close to that. The significant development pathway eligibility criteria are pretty low. That matters, because attached to it is the provision that anything that meets the criteria for a significant development pathway does not have to abide by the local planning scheme.

At the heart of the narrative for this bill is the idea that local governments need to get out of the weeds, stop approving houses and apartments and those kinds of things, and focus on their planning schemes, because that is their job: they need to get their planning schemes right. However, any development worth more than \$20 million—which is frankly every development of any significance; not state significance, but even local significance—will now have a whole bunch of reasons why it will not have to abide by the planning schemes that we are asking local governments to focus on.

That is a slight improvement on what we had before; it would be fair to say that the COVID legislation was even looser than this, but this is still pretty loose. One could drive a truck through most of it. To give some examples, if the commission is of the opinion that an application raises issues of state or regional importance, or that the determination is in the public interest, the development will not have to be consistent with the local planning instrument. “Public interest” is pretty vague. If a local planning scheme is older than five years, again, the development will not have to be consistent with it.

There are so many ways and options for developments to get around local planning schemes through the significant development pathway that I kind of wonder: what is the point? Why bother with them? Apparently this government wants local governments to focus on developing really good, robust local planning schemes; but then, if it is in the public interest, or if a local planning scheme is older than five years, then any development beyond a two-storey walk-up will be able to get around local planning schemes. They can also be ignored if, in the opinion of the commission, the determination is consistent with the state planning code.

This is a fundamental inconsistency in the approach to planning in this state, which is why I said this is anti-planning legislation. We are now moving in a direction in which planning in this state is being increasingly sidelined. We are, to be frank and brutal, seeing ad hoc, developer-led planning on a project-by-project basis that will give us uneven results. As someone who is passionate about density and good planning in cities, my fear is that this legislation will create a density hangover—one that will waste a good opportunity for cities to work out what we need to do to create good density in the right places: around transit corridors and train stations, to create transit-oriented developments. We see none of that in this legislation; in fact, it is in real danger of being undermined.

I find this legislation frankly bizarre and pointless; it feels like it is a bill that is designed to make the government look like it is doing something in planning when, in fact, all the big-picture things I talked about at the beginning of my contribution are not where they should be. Instead, we have the government saying that local governments should not make decisions about single houses; those decisions should be made by the CEO instead. I will say that, frankly, that is largely what happens anyway. It is rare for it not to happen, and for good reason, when the CEO or the planning director says, “You know what? There’s a real on-balance decision here as to whether this should be approved or not.” There is value in the community and elected members having a say in that. That is why councils are elected. I think that will be a great loss. It will do nothing to speed up approvals and housing supply if this is taken away from local governments. It is an odd, petty and not particularly good move.

I will give another example of why it is not a good move. I quote the minister from her second reading speech in this place —

... the City of Stirling, an exceptional council for planning development —

The minister was holding up the City of Stirling as a good illustration for why these decisions should be taken away from local governments. Let me explain why that is an absurd idea. The City of Stirling is highlighted in plenty of other planning documents as being ground zero for some of the most appalling losses of canopy and for literally creating the worst kind of unsustainable infill—the very kind that the Department of Planning, Lands and Heritage, in its medium density code, went out of its way to highlight needed to be stopped. Despite that, we had the minister in this place referring to it as “an exceptional council for planning development”. Really? The City of Stirling should be the poster child for the kinds of infill and planning development that need to be halted, but instead the government is doubling down on that.

The government admits in its own planning documents that every development in the City of Stirling requires a state subsidy in the tens of thousands of dollars because it is so treeless and unsustainable and meets so few criteria. Ultimately, we are subsidising this terrible infill. It is probably second only to the \$75 000 to \$95 000 per-dwelling subsidy we give to developments on the urban fringe; but either way, the planning outcomes that this bill will perpetuate are of the low, unsustainable kind.

That is not to say that there are not some sensible things in this bill; there are. I think there are some amendments that we can all agree are just logical. I even think the reforms to the Western Australian Planning Commission are largely good ones, because hopefully they will mean that we get the right people rather than, as Hon Neil Thomson pointed out, directors general who appear only some of the time. That would be an important change.

However, as we are focusing on the Western Australian Planning Commission, that leads to a fundamental issue. At the heart of this legislation it is saying that local governments should get on and do their planning schemes and

get them right. I met with a range of local governments in the lead-up to the debate on this bill, and I heard story after story from local governments saying, “We’ve had stuff with the planning commission for two and a half years. We haven’t had a response in a year on whether we can advertise.” Apparently this bill is going to put more responsibility onto the Western Australian Planning Commission—a planning commission that literally cannot even keep up and do its job. The block on good planning and housing development is not the fault of local government; it is state agencies and the Western Australian Planning Commission failing to do that, and it is frankly just bad planning. The idea that this is going to somehow work is fundamentally flawed.

In summary, this bill can be described in two ways. Firstly, it is a lost opportunity. One would hope that a Labor government with a huge majority in both houses would give us progressive amending legislation that would fix the planning blight that is the majority of planning in this state, but it does not. All this bill will do is double-down on this. In fact, I would say that, in many ways, it is a step in the wrong direction.

Imagine instead what a proper planning amendment bill could look like. Imagine a bill that said that it is time we put an urban growth boundary in place. No-one is saying that we should cut off developments on the urban fringe tomorrow, but let us be clear and define what is urban now. There are probably 30 more years in that, but that would be it. Let us get serious about infill. Imagine a bill that defined that. Imagine a bill that said that here is where we are going to put people. I went to the most extraordinary talk by Professor Rob Adams last week. For those members who do not know who Professor Adams is, he was the chief planner at the City of Melbourne from 1985 until a few years ago. He was awarded a Member of the Order of Australia for his work. I love his presentations. When he took over the job, *The Age* had just put “Melbourne: the empty city” on its front page. In 1985, there were no people in the centre of Melbourne on the weekends. Of course, anyone who goes to Melbourne now will know that finding space on the footpath is more of a challenge, because it is now one of the most buzzing, vibrant cities. That shows how infill can be done well.

Professor Adams gave an amazing presentation about the lessons that he learnt from his many decades in Melbourne and said that places like Perth could do all the infill they need in the next 50 years on 7.5 per cent of the land—on the existing urban fabric. That can be done by identifying train stations, activity centres and transit corridors and then incentivising and upping densities along those key nodes. The other 92.5 per cent of the suburbs can be left alone, without the random, ad hoc, terrible infill that we are seeing happen. Imagine if this planning amendment bill mapped out that kind of vision for Perth—a vision of a properly planned city, with every train station having density around it and our key activity centres being filled with people. Imagine Armadale, Midland, Joondalup and Fremantle being vibrant centres because thousands of people have been incentivised by the state government to live in and around them. Imagine that we were not clearing up and down our urban fringe in an uncontrolled, unplanned and, it seems, unending manner. Is it only when we reach Bunbury that we will stop? I do not know, because there does not seem to be a plan. Imagine a planning amendment bill that incentivised transport options so that people could move around on trackless trams or light rail or on a properly finished connected network of protected bike lanes and walking paths. Imagine that we had a planning amendment bill that encouraged diverse dwellings, instead of, on average, the biggest houses on the planet with the fewest number of people in them. And we wonder why we have an affordability crisis! Imagine that we incentivised diverse housing types and sizes to meet the requirements of our current times. Instead, we have a planning amendment bill that will, frankly, do none of that. All it will do is try to fast-track the poor planning decisions that have blighted this city for the last decade.

I will be moving amendments during the Committee of the Whole stage. I think we should all be disappointed with this bill. It is not one that is particularly good or that we should be proud of.

HON WILSON TUCKER (Mining and Pastoral) [4.24 pm]: I felt compelled to weigh in on the housing debate and share my experience as a renter and someone who is trying to enter the property market for the first time and become a first home owner. If we look at all the disclosures of members in this chamber, I think we will find that I am the only renter in this space. I would not say that it gives me moral authority to speak on the situation, but it is certainly a lot of applicable on-the-ground experience given the situation facing a lot of people who are trying to break out of the rental market and become first home owners. I can confirm that it is a terrible situation right now and one that is hard to navigate.

When I first came back to Perth, one of the advantages that I thought I would have as part of that move was access to the relatively affordable houses here. With the relaxed lifestyle we have here, I thought I would come back, buy a surfboard and get into the property market. It is certainly affordable relative to the markets in Melbourne and Sydney. I left in late 2016 or early 2017. I think the slowest growth we have had in about a decade was in 2018. That is when we bottomed out and it was certainly a buyer’s market. That is what I was indexing it on when I thought I would just swan back in and buy a house. Of course, the reality in 2021 was certainly a lot different. When I first landed here, I went to the pub with my old man and one of the first things he said to me was: “Wilson, there are three things that don’t exist in WA right now: caravans—you can’t find them; four-wheel drives—you can’t get one for love or money; and houses—there are no houses in WA.” I think he was being a little facetious, but I do not think he was too far off the mark. I was not in the market at the time for a four-wheel drive or a caravan, but I certainly was in the market for a house. Given the exchange rate and the increase in house prices that we were

experiencing, I put my dream of home ownership on hold for a while and looked at the immediate concern, which was navigating the rental market. That was hard enough in and of itself, but, obviously, I used being a member of this place as a bit of a background check. People would see that I was a member of the Legislative Council and assume that I was an upstanding citizen, so it helped me secure a rental. Obviously, I also had a decent income.

Hon Stephen Dawson: Little did they know!

Hon WILSON TUCKER: Exactly, minister—little did they know! As bad as that sounds, having a decent income allows people to, in a sense, outcompete or outbid other people. We know that rent bidding was happening at the time, and it is still happening now. It was difficult finding a rental. It took a number of weeks. An article was published around that time in 2021 and the title was quite facetious. It said that it was easier for Wilson Tucker to pick up a seat in the Legislative Council than it was to find a rental. I can confirm that both were extremely difficult, but I think that picking up a seat edged it out. Finding a rental was certainly very difficult as well.

Hon Darren West: Better housemates in a rental!

Hon WILSON TUCKER: Yes, exactly!

It was not an easy experience at all, but I managed to navigate it and I put the dream of home ownership on the backburner for a number of years. We know that the situation facing renters in 2021 has only gotten worse in 2023. WA has one of the tightest rental markets in the country right now. According to a recent Anglicare report, there are zero rentals in WA available for people on government subsidies or with low incomes. Recently, I have given up on the hope that housing prices are going to go backwards anytime soon. I would not say that the situation we are facing in Western Australia is irreversible, but the supply and demand equation is certainly entrenched in the short-term, so I have decided to try to navigate the situation and become a first home owner.

Debate interrupted, pursuant to standing orders.

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