

**COMMUNITY DEVELOPMENT AND JUSTICE
STANDING COMMITTEE**

**INQUIRY INTO THE ADEQUACY AND FUTURE DIRECTIONS OF
SOCIAL HOUSING IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 15 JUNE 2011**

Members

**Mr A.P. O’Gorman (Chairman)
Mr A.P. Jacob (Deputy Chairman)
Ms M.M. Quirk
Mr I.M. Britza
Mr T.G. Stephens**

Hearing commenced at 9.59 am**LUMSDEN, MR ERIC****Director General, Department of Planning, examined:**

The CHAIRMAN: Good morning Eric. I will introduce the committee. On my right is Mr Albert Jacob; he is the Deputy Chairman of the committee and the member for Ocean Reef. Margaret Quirk is the member for Girrawheen, Ian Britza is the member for Morley and Tom Stephens is the member for Pilbara. You have met Brian Gordon and Jovita Hogan; they are the committee staff. I am Tony O’Gorman and I am the member for Joondalup.

I thank you for coming in this morning. Before we start, there is an official bit to read to you and a couple of questions for you to answer. Could answer them verbally rather than with a nod or a shake so that Hansard can get your comments. This committee hearing is a proceeding of Parliament and warrants the same respect of proceedings that the house itself demands. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as contempt of Parliament. Have you completed a Details of Witness form?

Mr Lumsden: Yes, I have.

The CHAIRMAN: Did you understand the notes at the bottom of the form?

Mr Lumsden: Yes, I did.

The CHAIRMAN: Did you receive and read an information for witnesses briefing sheet regarding giving evidence before a parliamentary committee?

Mr Lumsden: Yes, I did.

The CHAIRMAN: Do you have any questions relating to your appearance before the committee this morning?

Mr Lumsden: None whatsoever.

The CHAIRMAN: Is there anything you would like to say to the committee before we start? You have not put in a submission.

Mr Lumsden: I have got some notes, which I am quite happy to make available to the committee. I have also been recently advised, prior to coming here, that we have been doing some detailed work and have had a report done on achieving affordable housing in WA, which I am quite happy to make available to the committee as well.

The CHAIRMAN: So we will just get into it if we can. I will ask the first question and then we will let members have a look.

The Department of Housing advises that it is currently undertaking a series of intended adjustments to the planning system to facilitate better management of the state’s economic growth. Can you tell us what the nature of those adjustments is?

Mr Lumsden: The nature of those adjustments are in terms of not only their approach from their own policy regime but also, as I understand it, working with a number of my staff to look at changes or additions to our current planning policies to facilitate what I will call affordable housing. Our perspective is that affordable housing is not just housing supplied by the Department of Housing. We are looking at it from an expanded viewpoint rather than what I may call social housing under the Department of Housing, and into a wider context of affordability.

The CHAIRMAN: Eric, do you have a definition of what you aim for as affordable? Are you talking about housing or are you talking about the lots?

Mr Lumsden: I am talking about the housing. Land availability is only one part of the equation. It is about the housing itself, the new actual rental, which as it is picked, and you can have a number of stratas of rental, as I call it. That is actually covered quite well in that report I have just given Dr Gordon. I think there are four stratas there to look at from low, low, low affordability, to low affordability and perhaps moderate affordability. Also, it is not only just the land; it is also the location in terms of the costs to the people travelling, their proximity to relevant services and supportive services, and those types of aspects.

The CHAIRMAN: Eric, can you tell us what the relationship is between the Department of Housing and the Department of Planning?

Mr Lumsden: We work closely with the Department of Housing in facilitating rezoning and/or the subdivision of land for their requirements. We also give them advice as required in terms of their potential programs, and we also work closely with them in terms of facilitating statutory processes, which may be required under the Planning and Development Act.

The CHAIRMAN: Is that the same with LandCorp?

Mr Lumsden: Yes, it is.

The CHAIRMAN: The Productivity Commission has recently reported that WA planners may need to refer the rezoning and planning scheme amendment decisions to up to four bodies for consideration of the impacts on the environment, and all four bodies can refuse the rezoning or planning scheme amendment. Is this correct? Is there a need for all four bodies or is there a way to streamline that, because as you said the release of blocks on the market is a major element of the affordability.

Mr Lumsden: When they say four bodies, I would like to know what those four bodies are. I could imagine one is the Environmental Protection Authority and/or the Department of Environment. The other one is obviously the Western Australian Planning Commission, which the Department of Planning serves. We operate under delegated authority from that Planning Commission in terms of subdivision approvals. There may be other approval bodies such as the Water Corporation. It would depend on the issues. We are looking forward to facilitate the planning approval systems, but the advice to me is that one of the major, I suppose, agencies which can cause delays in approvals is the Department of Environment. We are trying to work with them to increase their delegation so that we do not have to refer applications to them to the degree we do now. I know the Environmental Protection Authority—that is the authority itself compared with the Department of Environment—is adopting a risk management approach. I think that approach could go further within the Department of Environment to free up, I will call it, the planning system by a risk management approach so we can minimise those referrals. We are required under the planning and environment acts to refer to the appropriate body, so it is a matter of how you smooth those mechanisms to either remove the referrals, where possible, acting under delegation. They can delegate authority or they can give us more discretion to use my planning officer's judgements for approvals to ensure that if there is a need to make a referral it can be acted on quickly. Referral responses have improved overall from other agencies, but I would have to say that most of the delays we have in terms of responses are with the Water Corporation, the Department of Water on occasions, Main Roads WA and, of course, the Department of Environment and Conservation.

The CHAIRMAN: What is the average time it takes to get out?

Mr Lumsden: I would have to take that on notice. It depends on the issues. I can get you that information.

Mr A.P. JACOB: Can I just take you onto a slightly different tack? It was mentioned last week in estimates that the R codes review is going to be happening over the next 21 months. What sort of

direction do you envisage that review taking? Is it just a review or do you think it might tighten them up or perhaps even loosen them in some ways? What is the driver behind that then? Which way do you see it going?

Mr Lumsden: Well there are two points Mr Jacob. First of all, we have brought out the multiple unit code as a first stage in freeing up that aspect of the R codes, particularly to facilitate more subdivision on the larger lots. The second component is that we wish to review the R codes. We wish to put in there a major component, which I will call an affordable housing component, and that is one of the reasons why we commissioned that report on affordable housing, which I have just given to Dr Gordon, as a major input into that review. Our studies show, and that is also in the paper that I have given to Dr Gordon, that affordability of housing is becoming a critical issue right across the Perth and Peel metropolitan regions, and we wish to address that in a number of ways. First of all, in reference to your question, by ensuring that there is a significant component reflecting that in the residential planning codes, but also reinforcing that most likely, because I cannot pre-empt the commission's decision, a clear state planning policy on affordable housing.

Mr A.P. JACOB: Do you envisage that could include density bonuses and the like, as you have for aged care dwellings?

Mr Lumsden: Correct.

Mr A.P. JACOB: It has been a while since I have worked around that document, and one thing that impacted—I know from my time on council—is the definition of grouped and multiple dwellings, and one not being allowed to be on top of the other. That is where, while at the same time we are trying to relax some of the R codes in line with directions 2031, and some of them make them more affordable, alternative options were not actually available.

Mr Lumsden: Our intent is to build, where we can, more flexibility into those aspects for affordable housing. We are well aware of those constraints and that has been raised as with us as an issue not only through the private sector but also the not-for-profit sector.

[10.10 am]

Ms M.M. QUIRK: One of the complaints we hear from developers, Eric, is about the unexpected impact of various obscure regulations and the substantial added costs to development; and in some cases, they affect the viability of a development. There has been an idea about the development of regulatory impact statements before any new legislation comes into effect, which might impact on the development of affordable housing. Where is that at? Is that being seriously considered? And has any modelling being done on the compliance costs associated with some of these regulatory requirements?

Mr Lumsden: I understand why regulatory impact assessments have been set up. But again, I think I would like to see a risk management approach to that because it can delay the process quite significantly. The other aspect, in terms of modelling, other than anecdotal evidence that we have had conveyed to us, we do not have any definitive, hard empirical evidence, although, from examples that I have seen, there are obviously issues depending on where the proposal is being proposed as well as other aspects such as the specific nature of the proposal.

Ms M.M. QUIRK: If I can, I will give one example.

Mr Lumsden: Sure.

Ms M.M. QUIRK: It was for the extra provision for noise abatement because of a predicted road development in three decades time; in which case existing house would be bulldozed.

Mr Lumsden: Yes; I know it well.

Ms M.M. QUIRK: My other question is: is there a problem with the regulatory impact statement given that you deal a lot with subordinate legislation at a local level? How effective is that going to be, in any event?

Mr Lumsden: To answer the first question: I understand that was a condition put on by Main Roads WA. I find it unfortunate that this was not brought back by the applicant to the department for review. The department has an independent planning reviewer who reports directly to me. Whilst I can understand the general nature of the condition, because to be fair to the agency concerned, where subdivision has taken place close to, I will call it, a major road, invariably complaints of noise arise. The issue is really whether it is a fair and reasonable condition, if the requirement driving that condition is so far in advance. I think that in that instance, in my personal view, it should have been reviewed. It was probably an inappropriate condition having regard for the long time frame. Obviously, if a major road were planned for in five years, it may have been a different issue. Those things do have an impact. I am sorry, but I have forgotten your second question.

Ms M.M. QUIRK: The one about the regulatory impact statement given that you are dealing with a multiplicity of laws; that is, not only non-delegated legislation, regulations and local laws. How could that be pulled together, in any event?

Mr Lumsden: I think that part of the issue is—whether it is the planning process or just simply the regulatory environment—that a lot of the regulations that have occurred over time have been driven, probably, by need and often in response to public concern. However, I think we get so many regulatory layers over time that people forget the broader objective of the legislation and the context needs to be brought back. That is something that I am trying to do with our planning legislation. We are trying to encourage local governments to be more, shall I call it, holistic in their approach—rather than too narrow in their focus.

Ms M.M. QUIRK: I have a view that this goes back in effect to the drafting process and that if there were a different form of drafting, for example some statements of policy intent, decisions could be made within the broader framework rather than in the very prescriptive style of legislation that we have.

Mr Lumsden: I think that you have hit the nail on the head. Basically, I was saying that people have forgotten the intent of the legislation and in the policy environment there often is a disconnect between the overall policy statement and what is being implemented on the ground—albeit under policy. Instead of going back and checking whether what is being implemented will work or will complement the intent—as well as being in line with the intent—that disconnect is often not linked back to the policy itself.

I might add that that happens in local and state government.

Ms M.M. QUIRK: Indeed.

The CHAIRMAN: Eric, the Urban Development Institute of Australia has specifically called for statutory time frames to be imposed on referral bodies as is the case for local councils. Is there a reason there are no such statutory time frames, and do you have a view on their introduction or otherwise?

Mr Lumsden: The reason that they have not been introduced is that they are not supported by government agencies. The agencies say it is too hard to have a generic approach. My view is that there should be one, but I will qualify that: there should be one unless the agency can give a good reason why it requires a bit of extra time. I would say that for the majority of applications, there should be a process within the agencies by which that time frame can be met. But there will obviously be on occasion an application that requires more research or more, I will call it, due diligence and that should be allowed to be done. You do not want to make a bad decision. However,

a risk management approach needs to be applied rather than a total risk avoidance approach, which is different.

Mr A.P. JACOB: What would you say is a good ramification for exceeding that?

Mr Lumsden: For what—sorry?

Mr A.P. JACOB: For exceeding the time frame, if it were to be applied?

Mr Lumsden: Well, the ramifications—I suppose you would have to think this through, but one is—that the commission or officers acting under the commission’s delegated authority would issue the decision and if there were a problem the commission would not wear it—the agency wears it. Often we get that served up to us—whether it is an agency of the state or a local government body. They say, “Well, if you do this, you wear the consequences, because the commission is the final authority.” So you would have to putting some buffer so that if the commission made a decision and someone did not like it, the commission is protected in some way—because it is facilitating the process; it has made a risk management assessment—rather than the agency using that against the commission if there is an issue down the track. A good one would be the example Ms Quirk used in terms of the 30-year time frame on a road.

The CHAIRMAN: Eric, you keep using the terms “risk management” and “risk avoidance”. Can you define the terms risk management and risk avoidance for us in your terms so that we can get an idea—

Mr Lumsden: In most cases, government agencies, including my own department, are reluctant to make a decision unless they have all the information before them and are satisfied that there is no possibility of the decision being challenged or being seen as wrong. That is total risk avoidance, and that attitude means you dot all the i’s and cross all the t’s and make sure regardless of the nature and scope of the issue that you pin it down. Risk management, in my mind, is saying that if I am to make a decision on the information before me, what is a reasonable amount of information for me to feel comfortable that the decision I am going to make—although there may be some risk—is not going to present an unacceptable risk in terms of implications. Risk management approaches are conducted in a range of areas—from engineering design to road maintenance to building maintenance to general decision making. As I mentioned, the EPA has been looking at that approach.

From our planning perspective, I can give you a good example. Often we will have a condition or a recommendation made by a local government that has no relevance in terms of policy or has no broad community impact, but there may be a very specific condition that the local government feels appropriate for that site.

[10.20 am]

There are two ways we can approach that. We can say, well, we will investigate this down to its nth degree before the commission makes a decision or we could take the approach of saying the commission will accept that recommendation, but only on the basis that if there is an issue, the local government wears it because it is their requirement. That is an example of how I would apply it.

Mr I.M. BRITZA: That would lead to the question of: should a failure of an agency or a local government to meet the referral time limit be deemed approval, as it is in some other states? Would you agree with that?

Mr Lumsden: You could only put it in the context that they have no objection to it, that agency, because we might have seven referrals, tick from six and no from the seventh, so we would have to take that into account. But we would not have a situation where if you have got, say, six of the seven referrals back and you are waiting for the seventh, you cannot make a decision. You would make a decision on the basis of what is before you.

Mr I.M. BRITZA: At the time limit?

Mr Lumsden: Yes.

Ms M.M. QUIRK: Eric, we have had evidence from a range of people and also particularly interstate about the 15 per cent affordable housing quota within any development approvals. What is your view on that? Is that a blunt instrument or is that something you think you are keen to advance?

Mr Lumsden: I do not think it is a blunt instrument. I think it is a necessary instrument. What I am querying now through officers in the department is whether that is too low and, again, getting back in terms of the various stratas of affordability.

Ms M.M. QUIRK: What mechanisms does that have to go through to be able to implement that? Is that just a policy decision or would legislative changes be required?

Mr Lumsden: It would require at least a policy decision. Again reflecting my previous comments, the nature and the scope and the issue now before us is that that should at least be a state planning policy component. Whether that goes beyond that will be up to the government of the day. The other aspect is that I would like to see that perhaps far more defined than just a 15 per cent and what other mechanisms are appropriate. You could perhaps give developers bonuses. Alternatively, depending on the nature and extent of the site, there may be a requirement for a broad estate planning approach, as I call it, rather than a piecemeal approach. It also may even get back to where locations are stipulated; for instance, around an activity centre or a regional centre, because serviceability is there and the type of transport ability, there needs to be a mixture of housing which picks up the affordability aspect. Let me just say, we have tried to reflect it certainly in the Midland area through the Midland Redevelopment Authority, and to a lesser degree in the East Perth Redevelopment Authority approach.

Ms M.M. QUIRK: That is a nice segue way to the question I want to ask given that in my electorate, for example, there is no overriding redevelopment authority. Quite often land is affordable because there is no other great community infrastructure there. In a way that is unfortunate; we get more and more pressure on the areas where there is less infrastructure. Affordable housing, you get greater populations moving in there and more and more demand for the absent infrastructure. Once that infrastructure gets in there, of course, the property is less affordable, so it is a major issue.

Mr Lumsden: In terms of trying to address that, you would be aware last year Parliament passed a Planning and Development Act amendments bill. Part of that included not only the ability for the commission to continue with improvement plans, but also improvement schemes. One of the major issues in what I call greenfields development, which I think you are referring to, is to ensure that we do not just have the normal suburban approach and that, particularly around areas like train stations and other key centres of activity, we build in not only appropriate density or range of density but also range of housing. One of the tools we now have in the commission is not only to put an improvement plan over that area, but also an improvement scheme, which would ensure those types of things happen.

The CHAIRMAN: In the 15 per cent affordable, does that include social or is it 15 per cent social housing with an affordability element on top of that?

Mr Lumsden: I think that is a very good question. I think in the way it is administered, it is a mixture.

The CHAIRMAN: So it is 15 per cent including social?

Mr Lumsden: Yes.

The CHAIRMAN: So it is really a very small percentage of the total housing area?

Mr Lumsden: It certainly could be and I think in some cases it is.

The CHAIRMAN: Do you think government, the department, defines well enough to the general public what “affordable” is and what “affordability” means and what “social housing” means?

Mr Lumsden: There is a broad definition, if I get it right, about “affordable housing” being something with which a person can get into housing as long as it does not use more than 30 per cent of their gross household income. The paper I gave to Dr Brian Gordon says that is maybe the current definition, but we need to examine and drill down on those layers of affordability and see whether or not that definition is correct. Even if you did accept that definition within that scope or framework of that percentage, there are various degrees of affordability which are of issue that have to be met. I do not think it could just be generally met by a broad policy statement of 30 per cent income.

I just might add we are looking at that issue also in terms of—this builds into Ms Quirk’s question—affordability not only from the commission policies, but also from our urban development program. We are monitoring not only the development or rollout of land and subdivisions, but also the actual housing component and the nature of the housing. Again, that may be reflected in these other policy reviews we have been discussing this morning.

The CHAIRMAN: Can you tell us about the electronic land development program that is being rolled out next year? How will it change approvals? It comes from page 17 of “Planning Makes it Happen: A Blueprint for Planning Reform”.

Mr Lumsden: I could tell you, but it is not being rolled out now. Whilst we put it up for government funding, it was not agreed to by Treasury and then by estimates committee. It was accepted as still a very good project to do, but because the funding was not available for me to roll it out, it is not being rolled out.

Mr A.P. JACOB: Is that part of the ongoing IT costing that we discussed, or separate?

Mr Lumsden: It was rolled into that; it was part of that.

The CHAIRMAN: Can you tell us exactly what it was going to be?

Mr Lumsden: As its name implies, it meant that we could have an electronic lodgement system that could be expanded that linked into not only other government agencies in terms of referrals, but also with Landgate. So the private sector could simply lodge through a number of portals an application, which goes through to the commission, and we would process it electronically as well as issuing the various approvals.

The CHAIRMAN: Would that have the affect of speeding up the approvals?

Mr Lumsden: Yes.

The CHAIRMAN: Because all the departments have access at one time; they did not have to wait for one area, then the next, then the next?

Mr Lumsden: It is also what I call the “transmission of paper” in terms of the conventional mailing system rather than an electronic mailing system. That is why we looked at that process. We are well aware other states use that process and some of the larger local governments, such as the City of Cockburn, use that process now for their own building licence lodgements. We introduced—when I say “we”, I mean in my past life at the City of Swan—electronic lodgements for building licences and associations for major builders, such as Dale Alcock Homes and the like, and that worked very successfully.

[10.30 am]

The CHAIRMAN: Have you got an estimate, first, of the cost of doing that and, second, how much —

Mr Lumsden: It was a progressive cost so I can give you that information.

The CHAIRMAN: Good, and how much would it speed up the approvals process from bare land to planning to actually getting a subdivision on the ground?

Mr Lumsden: I am sure we have got that in one of the working papers, but we are happy to make that available to the committee.

Mr T.G. STEPHENS: Were there savings as well as costs?

Mr Lumsden: Yes, time savings. Over time, Mr Stephens, those costs would have been eliminated because of the other efficiencies that come into place.

Mr T.G. STEPHENS: And the status of the project now is that it is just postponed.

Mr Lumsden: It is on hold.

Mr T.G. STEPHENS: For another budget —

Mr Lumsden: We did the business case, all that type of thing, as required. To be fair to the minister, he did put it up but it was not successful through the estimate review process.

Mr T.G. STEPHENS: Did the reform have the support of industry?

Mr Lumsden: Certainly the stakeholder support, we received. We did consult with industry, such as the Urban Development Institute of Australia et cetera, it was supported by that.

Mr T.G. STEPHENS: And were there any opponents to change?

Mr Lumsden: Not that I can recall, Mr Stephens.

Ms M.M. QUIRK: Just further to that, we all understand how things fall by the wayside and you have to go to Treasury, but was part of the issue that effectively the savings were to bodies or individuals outside of government, so it was not necessarily possible to demonstrate savings, productivity or efficiencies within government, it was more a question that external bodies would be the ones that are benefiting rather than government itself?

Mr Lumsden: That is not my understanding. I did not see the full report of Treasury; I was not privy to that. My understanding is that it was purely a funding issue of priorities across government.

The CHAIRMAN: Can you comment on the fact that we have had information that some 20 or 30 years ago infrastructure costs were not charged up-front; they were charged on the user-pays principle but repaid over time through rates and taxes. Now we are hearing that the reason the cost of land has gone up is because you are paying for your infrastructure up-front on the cost of the land, whereas previously that was recouped over the life of the property.

Mr Lumsden: Well, I started in the planning business in 1972 as a planning officer. I believe at that time certainly there was a requirement to pay headworks per hectare—in those days it was acres—of land, that type of thing, to contribute to roads. Demands might have changed a bit because of various issues over time where it is environmental or through local government, but generally those broader cost issues were there when I started in 1972, so they are going back a fair way.

The CHAIRMAN: Eric, can you tell us if you know anything about a scheme they have got in the United States known as tax increment financing, which allows the state or local government to take tax revenues derived from increases in property values within a prescribed development area and those incremental tax revenues fund the infrastructure renewal projects that led, or at least significantly contributed, to property appreciation? That would allow the state to amortise the infrastructure cost rather than loading it up-front on the land price. Have you heard of this scheme?

Mr Lumsden: I have heard of various schemes but I do not know the specifics of this.

Ms M.M. QUIRK: When we go to the regions, we tend to get a reasonably one-dimensional response to what they see the problem is in terms of developing affordable housing in regional areas. They tend to point the finger at LandCorp and that is it: “LandCorp’s not releasing enough land”. I suspect the issue is a little more complex and multilayered than that. What other things do

you think are impediments to greater release and land development in the regions? Obviously, it is different; Merredin is different from Karratha, but just some of the other issues that you think are key to address.

Mr Lumsden: I do not think in the regions it is necessarily the cost of land because the majority of land is government land, if I could use that expression, so it is within government holding at the moment. The issues are the cost of infrastructure, and with infrastructure it is often that the level of infrastructure has to jump a significant threshold. For instance, in some regional areas I am aware of, the Water Corporation has limitations on its servicing ability, as you need perhaps a new wastewater treatment plant or an upgrade to water mains. It is also general costs of building construction and those elements up there. The previous boom affected it, even in Perth, when a lot of labour had been quarantined up in the north west, so it not only generated delays in Perth but also increased costs. There are those components, for sure, other than just land.

Mr I.M. BRITZA: I do not know whether it is a question or just a statement, but depending on whom we have been interviewing, it has been of great interest to me to hear the response to the question, "Is the land available?" In your submission under point 4 you dealt with certain myths, which I found fairly interesting. I wonder whether you could give a comment on that please, because for certain developers, it is a lack of a release of land, to others it is developers not doing their part and whatever have you, and never the two seem to meet. I was interested in that particular presentation you gave there.

Mr Lumsden: The issues depend on where it is. I mean, in the regions you can bring land on very quickly through LandCorp or the Department of Regional Development and Lands making it available through state lands. The issue is there are impediments in terms of the land being developed, if I could use that expression, such as servicing. In the Perth metropolitan area we have been tracking that quite intensely now for some time. There is no doubt that whilst land is being made available and being given at least conditional approval to subdivide, in my view, some developers have been sitting on it for a period of time; in other words, not clearing the conditions and sitting on it for various reasons, not necessarily just because the services cannot be provided. It is because perhaps they have bought the land at a higher rate and apart from the availability of finance now, which is a key issue across a range of different areas, they may make a conscious decision to sit on it until they are ready to either get the funding or alternatively they wait for a better environment for them to market a certain price. Also, there is no doubt that not only land developers but also a fair proportion of the community has bought properties and they are sitting on it. These are what I call small owners; they are not large developers. This has been of concern to the Water Corporation, particularly up in the north-west corridor, there is a lot of, I will call them, the general public who have bought up property, perhaps speculate, they are sitting on it and are not prepared to build on it or release and you have got a lot of infrastructure being put into the ground, which is not being utilised. So there are those different aspects of the issue, which you have referred to.

The CHAIRMAN: Is there a way of actually getting those people to move those pieces of property? Is there about 40 000 across the metro area?

Mr Lumsden: It is at least 30 000 to 35 000—it fluctuates. The market is probably increasing at the moment because people are not bringing it on. First of all, let us take it from a top level, from a zoning perspective. There are a number of areas that have been zoned, but not even subdivided, either zoned for urban or urban deferred. I use the expression "use it or lose it". That has been a technique I think overseas because you have got infrastructure sitting in the ground at expense to the general public purse, even though there may have been some contribution to it. That is sitting there and it is not being utilised, so you could say it is wasted money. Conditional subdivision approval was initially expanded from two years to three years, perhaps it should be brought back into a tighter time frame. Then there is the political issue, I suppose, in a broader context. If mum

and dad are just sitting on land—I am not even talking about housing, but certainly land—and they are not building on it within a certain period of time, which some developers do put on, you have got to build within two years, there is some penalty because it is becoming an issue where we are producing a lot of land and all the infrastructure at great cost. That is now starting to be a very significant social as well as an economic component to this issue.

[10.40 am]

The CHAIRMAN: There are two sides to that issue. On one side, if you have bought a piece of land, that is your piece of land and you are entitled to build on it whenever you see fit. The proposal is that you force those people to build within a certain amount of time. That happened around Joondalup when LandCorp sold that. A number of people did not fulfil that and LandCorp went back to subsume or resume the land—I think it was at the price they paid for it—which caused a lot of distress for some people because they were not in a position to build on it at the time. Are there ways of getting around when people have a financial difficulty, or should there be an appreciation of that land, where they are paid the market price on the day? What is the incentive for them to build?

Mr Lumsden: What is the incentive for them to build, other than increasing housing costs? I think that is a very vexed question. I do not know the immediate answer to that. I do know that it is becoming an issue to the wider community because they have stopped getting into the market. It gets back to this affordability equation. The issue is rising in intensity, not decreasing. That is part of the broader issue we have to wrestle with. The other aspect of course is that to some degree people buy land not to build on. It is speculation, and part of the issue, again reflected in that paper I have given Dr Gordon, is that people have an expectation the median price will rise, so they are sitting on it. That expectation has been around now in the current housing market, which has gone down compared with going up.

I can relate personally. I was trying to find some affordable housing for my son and daughter. I was actually amazed when I was looking at existing properties, going through with them, at the number of people who are blatantly speculating. They were going to rent and negative gear, that type of thing, but they had no intention of buying it for their own needs. That is certainly having a great deal of push in driving the market median price up. There is an expectation that if people come to sell the land, they will always make a profit. That is why a lot of people are hurting now, because for various different reasons it has dropped. I ended up helping my son and daughter into the property market. It was a modest house—around \$340 000. They would not get that for it now, and it is in a prime position in South Lake, right next to Cockburn Central—transport, shopping centre, it has three primary schools, four childcare centres, plus a recreation centre and ovals.

Ms M.M. QUIRK: You have touched tangentially on the role of regional development authorities. I do not want to put words in your mouth, but I gather you think the advantage is it is more outcomes focused and you are pulling all the relevant agencies together. You are obviously a fan of the model. Do you envisage that it should be expanded? Are there areas where there should be regional development authorities where there are not? Can we get a bit about your views on these issues?

Mr Lumsden: When you say I am a fan of a model, it is horses for courses. I think the model works very well when there are very significant land constraints. There are other mechanisms we can use with the department—commission working with agencies like LandCorp; even the private sector under an improvement plan and improvement scheme. The commission has those powers, if it wishes to use them—which it has probably not been prepared to do in the past. Redevelopment authorities like Midland and EPRA have been focusing on areas that really require urban regeneration, Ms Quirk. I do not see that model as being a necessary solution to everything, but it has its use. What I am arguing is that you use a suite of planning tools where appropriate. That was part of the intent for amendments to the Planning and Development Act.

Mr A.P. JACOB: To a certain extent is there a merger of those redevelopment authorities?

Mr Lumsden: I think the Premier has made an announcement he intends to merge those authorities. We have prepared legislation. I understand a bill will be introduced and first read in this session of Parliament; the second reading in the spring session.

Ms M.M. QUIRK: What is the rationale?

Mr Lumsden: First of all, if you want to create a new redevelopment authority now, you have to do a separate act of Parliament. That obviously has its own issues with it. The rationale is to consolidate to get what I call corporate and governance efficiencies in terms of the use of current resources; also to use not only existing staff but where we use consultants more effectively in terms of a governance approach, as well as being able to move a lot quicker into an area, using the redevelopment authority model, to set up a local regional committee which addresses a key issue within a certain geographic area. That will be information we give to the Parliament over the next few weeks.

The CHAIRMAN: Can we ask you about your blueprint for planning reform?

Mr Lumsden: Certainly.

The CHAIRMAN: Can you talk about the establishment of a lead agency governance framework to streamline and fast track the approvals process? Can you tell us how that is working out in practice? Is the Department of Housing the lead agency in relation to land and housing supply?

Mr Lumsden: It certainly made significant improvements to the practice where the Department of Planning is the lead agency in terms of the planning component. In terms of housing supply, in terms of the parameters given by the Department of Housing, that is the lead agency in terms of providing that government housing, if I can use that expression. For instance, down in Golden Bay, where the Department of Housing has some significant development, we have facilitated approval processes there because the Department of Housing has indicated they want to bring plans on the market a lot quicker in that area. It is their land, they actually have their objective to bring land onto the market. They lead that, but we will then do the supportive areas. What we are trying to do as a lead planning agency is address this broader, not only land supply issue and land approval issue, or subdivisional approval issue, but also to reflect, in our planning strategies and policies, the need for a variety and range of housing of which one component is supplied at this time by the Department of Housing. I hope that answers your question.

Mr A.P. JACOB: As a more general question, for my own interest: from my observation it seems that the overarching design philosophy in Western Australia lends itself more and more to new urbanism. It seems to have taken hold quite strongly here.

Mr Lumsden: New urbanism, which includes urban regeneration?

Mr A.P. JACOB: Yes.

Mr Lumsden: Yes.

Mr A.P. JACOB: Both in greenfields and brownfields. Most of our greenfields developments seem to have a strong bent towards that as well. Is that a bottom-up drive or is that also a —

Mr Lumsden: I think it is a bit of both—top down and bottom up. My experience in looking at learnings over time, whether it is from redevelopment authorities' proposals or the private sector, there have been some very good initiatives by the private sector through some leading planning consultants. Mind you, those learnings have also come to them by them seeing what is being done mainly overseas, not necessarily the eastern states. In a number of areas we lead the eastern states. Certainly these issues which are facing Western Australia and Australia generally are issues certainly facing the United States of America, and in particular some areas of Canada.

[10.50 am]

The CHAIRMAN: Still on your departmental blueprint for planning reform, you talked about growth management strategies being prepared for the six planning areas of metropolitan Perth and Peel.

Mr Lumsden: Correct.

The CHAIRMAN: Can you tell us whether they have been prepared and what are the priorities within the strategies?

Mr Lumsden: They are currently being prepared and should be completed by the end of the year. There is a central strategy, an outer growth strategy. The outer growth strategy is broken down into the four corridors: north west, north east, south east, south west et cetera. They are the strategies we are rolling out under the “directions 2031 and beyond” document, which we have received public submissions on. They have been taken on board and we are working out through those strategies not only ensuring we have a land supply over 25 to 30 years, but also looking at appropriate staging of those areas and including the infrastructure components. Within those strategies as well there are also some very strong statements coming out in terms of developing the activity centre framework, which ranges from your larger centres such as Joondalup down to your smaller centres such as perhaps Bayswater. So, they are in the process of being prepared now. We have had a lot of discussions with government agencies including the Department of Housing on those strategies so that we can come up with a final blueprint which can be used by government for not only land release but also reflecting other planning policies that the private sector will have to address.

The CHAIRMAN: Can you tell us how the department’s planning is impacted by issues such as climate change?

Mr Lumsden: The commission has brought out a new statement on climate change; I think it was three or four months ago. That has to be taken into account in terms of the studies I have just mentioned, Mr Chairman. The climate change component is reflected in those studies and the proposals which came out from that. Other aspects, of course, of climate change will have to be picked up by respective local governments because the delegation of development control is largely to local governments, and they will have to pick that up through their own local planning schemes as well as the development control approval processes.

Ms M.M. QUIRK: I think you are probably uniquely placed, given your background and where you are now, but given the distance you have now got, are there any issues in terms of local government and where you think they are letting the side down, if you like, or where there is a lack of coordination or whatever?

Mr Lumsden: Perhaps I can go from the minutiae back-up, if that is okay.

Ms M.M. QUIRK: Yes.

Mr Lumsden: I have concerns about a number of the conditions of subdivision local government is putting on. Local governments argue very strongly that they should have beyond what we call our model subdivision conditions and for a lot more flexibility. Unfortunately, at times I think it can be misused to have conditions on which really have no broad community benefit and are very specific. Also local government at the moment is part of a planning approval process. Often before a subdivision can be lodged, they require either what is known as the structure plan or an outline development plan to be lodged. On the structure plans, local governments often require detailed work done by the private sector and also will often require legal agreements where there is no head of power to do so. Often I have seen between the structure plans, which is the broad structure—major roads, primary school sites et cetera—and detailed subdivisional plans, outline development plans which are that close to the subdivisional plan it is ridiculous; so, they are putting in layers beyond what was originally required. That has caused us and some private sector people some very difficult issues.

The CHAIRMAN: Is that part of their risk avoidance thing?

Mr Lumsden: Yes.

The CHAIRMAN: And covering their backsides?

Mr Lumsden: It is part of not only risk avoidance, but also—how can I put this?—using a process which locks a developer into a position whilst denying them the right of appeal to the state appeal tribunal, because conditions of subdivision are appealable via the commission. If the commission puts a condition on a subdivision, which we agree is required after referral to local government, local government has still got to support the commission in defending the appeal in the state appeals tribunal. My concern is that often there can be some instances where they say, “We won’t approve your subdivision until you’ve entered an agreement on the structure plan that these things are to be provided”, and I think that is a misuse of the system as well as what I call denying people a natural justice right of appealing on a discretionary decision.

The other issue which is concerning me is that a number of these issues which perhaps were not considered regional issues in the past—by “regional” I mean issues statewide that involves all the communities—a lot of local issues are now regional and also a lot of regional issues have to be translated into local action. In other words, these issues are transcending local government boundaries whether they are infrastructure issues or whether they are housing issues. I think there are a number of opportunities throughout the Perth metropolitan area and Peel which can be utilised to address these issues provided that you have proactive local governments. Having said all I have said, there are a number of proactive local governments which are becoming aware of the issue and they work very well, and certainly are strongly supported by their respective planning officers. But there are occasions when, even when a site obviously has potential and there is really no massive impact on amenity, there is an attitude within the council sometimes, which I will call the elected member level, and equally at the planning level, when this is too hard. And even if we think it is a good planning outcome, they do, as I said before, the risk avoidance, and I think we cannot keep ducking around those issues. There is going to be a need for some hard decisions to be made. The commission and/or governments past and present have perhaps been a bit reluctant to do that, but I think these issues are now becoming so significant that if you are going to bring in a policy with intent, you have got to make sure that, where appropriate and on the basis of reasonableness, it can be carried out rather than people being frustrated in addressing those issues, as well as maximising where infrastructure is.

Ms M.M. QUIRK: This is slightly off the topic but —

Mr Lumsden: It is a roundabout way of answering, but there is a whole spectrum on that question.

Ms M.M. QUIRK: I was not saying your answer was, but the one I am about to ask you.

Mr Lumsden: Okay.

Ms M.M. QUIRK: Developing any sort of affordable housing means changing, I think, the general public perception about things. For example, I remember years ago the precinct planning process in Joondalup, which I think was very innovative and got absolutely howled down because people did not understand the long-term implications to their amenity and they were to some extent somewhat nimby in their attitude. It seems to me that there needs to be some broader community education if we are going to successfully implement some of these policies that we have been talking about.

Mr Lumsden: I could not agree more. I think people are well aware of local issues but, as I have said before, these local issues are now being reflected in a broader regional context, so we have to communicate these issues better. We also have to give people an understanding of how needs change. What I have observed over time is that often people’s attitudes depend on where they are in their life. I will give you a good example. When I was the CEO at the City of Melville, we saw some opportunities for increased development as well as density. The City of Melville does have a strategy. For instance, Willagee is not what I call a very wealthy demographic and people were quite accepting of intensification around the shopping centres or even a small area; in other areas

they did not. We did a general community survey. The first general question done through project consultants and in a scientific way was: “Are you prepared to accept an increase in density?” The answer to the general question was no, but when we asked follow-up questions the results were, “We want to stay in the area as we get older. We don’t want to retain our big house or property. We want to keep our social contacts, which mean all those supporting mechanisms we use.” I am well aware of that because that is one of the reasons why my family lived in their suburb and did not want to move out, even though they probably would have been wise to move out, but they had all their social contacts and doctors there.

[11.00 am]

Another question was: in order to meet these needs, would you be prepared to accept, subject to the appropriate considerations and amenity, a variety of housing and increased density, and the answer was yes. At one end of the spectrum the answer was no but when they thought about what their needs were, their answer was yes. They want to retain their amenity, which is fair enough, and that is the approach that must be taken. The other sleeper that was highlighted is that a lot of people are asset rich but are not necessarily well equipped for retirement. We found that in wealthy communities—I should use the term “well off” rather than the word “wealthy”—their superannuation is very poor. That is another sleeper.

The CHAIRMAN: It is all in their property.

Mr Lumsden: Not only is it all in their property, but also they do not have much superannuation. The figures coming out of the superannuation funds are an issue. That is the other sleeper for affordability. I urge the committee to get some data on that because I think it is a big sleeper, particularly if the ageing demographic—a lot of people will have to do part-time work not only because we need people to work, but also they will need to supplement their super. That is an issue in the affordability equation.

Ms M.M. QUIRK: Is the community survey generally available?

Mr Lumsden: I am sure that the City of Melville could make it available to you.

Mr A.P. JACOB: When was it done?

Mr Lumsden: Three or four years ago. The community services or community development directorate should be able to make it available.

The CHAIRMAN: You made an interesting comment about people being asset rich and the affordability of housing. In Joondalup, for example, the majority of houses—the fair share of them—are four-by-two. Those properties are sitting at around the upper limits of the median house price and a bit higher. To move out of that into smaller accommodation, such as an apartment or town house, there is not much difference in the price. People are being forced to move out of the area once they reach retirement age. That is what you are addressing. They should be able to move within their local area and downsize but at a cheaper price than people are paying for a four-by-two.

Mr Lumsden: I have said that that is a very important planning objective.

The CHAIRMAN: How do you think you can achieve that? The apartments that the developers in Joondalup are building all have gyms and swimming pools and other extra costs. Even the city requires there to be two car parking spots in most of those areas. My view—I do not know whether it will work out this way—is that when I retire, one car should be more than sufficient.

Mr Lumsden: That is correct, and the data shows that. Apart from getting back to the community education, I mentioned earlier that some hard decisions will need to be made. That will have to be driven by planning and housing policies to ensure that that type of diversity of housing is provided. The minister and I have just come back from a trip to Vancouver in the United States. In central Vancouver they have that type of approach. Right in the centre of the city is mixed-use housing from what I call low-rise buildings of three or four storeys to buildings that are 10 to 12 storeys.

There is not only mixed use at the ground level, but also a variety of housing available. The developers are required by statute to offset that. That must be constructed so that the costs are spread in order for that to occur. The developers have to make available a certain percentage of the development for affordable housing.

The CHAIRMAN: Is the only way to do it by statute?

Mr Lumsden: Some developers are looking at that. I have been told by representatives from Stockland and Australind that they can do that quite effectively in the right location. Another issue is that because this is becoming an increasing component of the housing market, to some degree the private sector will, I hope, see niches and start addressing that issue. I can assure you that this issue is not isolated to Western Australia; it is occurring right across all Australian states and cities. Other than what I call the cottage builders—your Dale Alcocks—the other large builders with expertise such as Stockland and Australind are keen to address those issues. To what degree they can effectively do that, I do not know.

The CHAIRMAN: That leads into a question we have asked just about everyone who has come before us. We seem to have a vacuum of people who can build multistorey developments, and that is what drives up the prices. From your point of view, do you think that is the case? Do we have just cottage builders who are not keen to build to a different format? The arguments that have been put to us are that other costs are adding to it and that it is just not feasible to do that. It is not just a matter of not having the tradespeople to do it.

Mr Lumsden: There are a number of components to that. First of all, the number of cottage builders in Western Australia is relatively small compared with the eastern states. We have 20 main players and the eastern states may have 50 or 70. Secondly, the cottage builders have been doing very good business for a long time in traditional building. The question in their defence is why should they change their good product? Because the nature of housing in Western Australia has been largely ongoing greenfield development with a bit of infill, which is still cottage building, there has not been a demand for that degree of expertise, or only a very limited demand, whereas in some cases in the eastern states, particularly Victoria and New South Wales, there has been a greater demand so that national companies like Stockland and Australind have built up expertise in that area in which they have seen a niche. They have made a conscious decision. Although Stockland is a land developer, it is not a land developer and builder of greenfields sites. The cottage developers are saying that they are out of that game and are now looking at being a developer and a builder of what I call more apartment multi-unit density approaches. The niche is opening up to more players.

The other part of the chairman's questions was on infrastructure costs. Again, that is an interesting policy question. People often say that infill development in terms of the total economic equation is a lot more expensive than greenfields. The data coming out of the eastern states is quite the opposite; it is the reverse. It is how the breakdown of those costs is applied to the person developing the site. I get mixed messages on that. On some sites, because of the nature of the site, it might be quite expensive and in other cases it cannot be done because the Water Corporation says that the capacity is not there for that site. In other sites people can make it work with the relevant expertise and building construction. It is still an issue, or could be an issue, with labour. Certainly the north-west sector hit us hard in years gone by and it could hit us again because of the lack of trades. Tradesmen are coming across from the eastern states.

The CHAIRMAN: What you are saying is that if you have a hectare of land and you can build a 10 or 12-storey development on it, it stands to reason that the land is the expensive part. Once you have paid for the land, it should be relatively cheap to build 100 storeys rather than try to build 50 houses on the same level.

Mr Lumsden: Your building costs go up.

[11.10 am]

The CHAIRMAN: But that should not be the way, should it?

Mr Lumsden: No.

The CHAIRMAN: Given the overall costs—that is, the land and the building—it should be cheaper to build those high density or multistorey buildings.

Mr Lumsden: My question on that is; I do not know the answer: why is it cheaper to build medium density developments in the United States and Canada and not here?

The CHAIRMAN: That is the question we are asking as well.

Mr Lumsden: If I knew the answer, I would give it to you.

Ms M.M. QUIRK: What status does this paper have that you have done? Actually, it is a submission to us.

Mr Lumsden: I brought that along. The other paper, by Dr Judith Stubbs, is a recent paper we have had done. There are more appendices for that, which I can give you, as an input in terms of our urban development program, which addresses housing affordability, as well as an input into our review of residential planning codes that Mr Jacob arranged.

Ms M.M. QUIRK: How much input did your department have in the government policy on affordable housing that was released?

Mr Lumsden: By the Department of Housing?

Ms M.M. QUIRK: Yes.

Mr Lumsden: We certainly had an input in that area where we could.

Ms M.M. QUIRK: Is there anything missing from that that should have been there?

Mr Lumsden: I am not aware of anything at this time. I see it as a work in process. It was developed particularly from the point of view of the role of the Department of Housing.

Mr T.G. STEPHENS: The tone of the submissions that we have received from developers and others is that planning and the apparatus of planning, the commission and the department, had the effect of destroying opportunity for affordable housing in particular but also for the expeditious release of land and the processes simply stand in the way of community ambitions for those values of access to affordable housing and access to affordable land. Do you have a way of articulating to the committee the beneficial role of planning and the agencies of planning that can construct a defence of the apparatus in the face of that type of critique?

Mr Lumsden: I will get to the nub of your point. I had an interview with the chief executive officer of the Urban Land Institute today who said planning or the environmental processes are not our issue. I have managed to turn our approach around. Having said that, depending where the comments come from, a number of developers and/or local governments want development at any cost but it will be a huge cost to the community in terms of segregation and fragmentation of approach with infrastructure as well as more of the same. We are trying to be very focused on planning policy outcomes that generate a response to the issues and demands faced by the government and the communities such as land supply. I do not accept that there is a land supply problem. The figures I have given you reflect that. Certainly there have been problems in approval processes and we have been leading change to that but we are dependent to some degree on the agencies following that because we cannot tell another agency what to do.

From my experience, if anyone wanted to throw out the planning system, it would not be long before you were putting it back together again because of the total community costs and issues. We try to be not only an honest initiator but also an honest mediator between issues in a number of areas. I challenge those people to come up with specific broad range concerns that I cannot defeat.

The planning system has always been built on the basis of a wider community good. It obviously started off with health issues. It has also been there to protect and enhance amenity, even prior to the Environmental Protection Act being in place, by having appropriate regional open space, which is parks, and also coordination of infrastructure, which has been an issue and we are trying to address that. Up until the past three years there has been no direct focus, except recently through the Department of Planning and the WA Planning Commission on the planning of infrastructure and coordination. Every agency was doing its own thing. We seem to be refereeing more, not in terms of our approval process or decisions we make but we seem to be getting more involved in refereeing on behalf of applicants with agencies, such as Main Roads WA or the Water Corp. If they say we are blocking the process, in a number of instances I have had it investigated. As I said, I have introduced an independent planning reviewer who reports directly to me. That person can have a quiet talk to local government and government agencies to try to break through the system. In the major issues where there has been a stumbling block to development in many cases, not all cases, other than trying to sort out agencies, it is because their own approach does not address the issues that are required to be addressed for the community good. If the committee wants me to give a response to specific cases, I am happy to do it.

I will say now as a member of the community—forget me as director general—that if you throw out the planning system, there is no way I will vote for any government that does it because I reckon you will end up with a bloody big hotchpotch. We are trying to not only refine the system but enhance the system at the moment. Sure, any system has problems in it, whether it is local government or government. We have to try to address those key issues where we can. Often the issues with developers are responding to a section of the community, a bit like we see in Joondalup. That is also an issue we try to referee. Often they expect us to approve things but there are times when the community raises valid points. The community wants a system that is not only for community good but also listens and reacts to issues where appropriate. We often get that bind.

The last comment I would make is that we do not lose many appeals in the SAT now because of our review process. The feedback I have from Justice Chaney is that the processes introduced over time have been very good. We put in mediation processes at great expense to the department, trying to resolve things. Our hit rate in the SAT, which is the final judgement in terms of decisions under planning law, is very good. We lose very few now. I cannot answer any more specifically without giving specific examples.

Mr T.G. STEPHENS: Would you be able to pinpoint for us a paragraph or a page that defends the concept of planning in the face of that type of industry critique of the use of planning?

Mr Lumsden: I could probably give you one. I could go back to the architect of PlanningWA, Professor Gordon Stephenson. You would not have your road system at the moment, let alone opportunities for the Perth to Mandurah line, unless that planning was put in place. I think the major issue we have at the moment is getting back to bring all the agencies on board so that they are giving back to legally planning frameworks so the agencies fall into line with our planning so you do not have a plan going up in one direction compared to another direction. I have a good example. I have issues in the north west corridor, which has been zoned urban for ages. It goes back to minister Lewis's time. You would think it was all planned.

[11.20 am]

There are still areas zoned urban—they have been urban for many years—where the Water Corp cannot supply. That is not a fault of the planning system in the sense of the Department of Planning or its predecessors. Land was there; it was earmarked for urban. Everybody knows that it is going to go urban, so why, when the developer wants to bring on land, can the water not be made available? It is not the Department of Planning's job to plan the water supply. The guidelines were there, but there have been constant issues up in the north west corridor.

Ms M.M. QUIRK: Is there a sticking point, for example, with the Water Corp saying, “Well, development is unsustainable there. It should never have been zoned urban.”?

Mr Lumsden: If they are saying that now, it is a bit late after 20 years.

Ms M.M. QUIRK: Okay.

Mr Lumsden: That is what we are trying to prevent, in terms of going back to the question of the chairman, without reasonable strategies. We want to get all the agencies on board because, on the one hand, Water Corp says to us, “You’ve got to give us planning direction.” Okay. But, then, if you give them planning direction, they do not bring their planning processes for provision of water into alignment, which includes their financial planning. Not much is achieved. At the end of the day, it is the outcome on the ground we are interested in.

The CHAIRMAN: Is that because they are an independent corporation and they work on a commercial basis; and, if it is not commercially viable, they will not do it?

Mr Lumsden: To be fair, I will say possibly, but, to also be fair to the corporation, they are being very cooperative with us at the moment, as is Main Roads WA and all that type of thing. There have been arguments in the past that planning was purely transport led, and yet transport uses land.

The CHAIRMAN: Can I ask you a question then—this is probably a question for Albert and me, more so than for anybody else. In planning, you mentioned the north west corridor, which is where we operate and live. The big issue at the moment is transport —

Mr Lumsden: Yes.

The CHAIRMAN: — and getting people from those far reaches, particularly Yanchep and so on, and, once they get to Kinross, onto the freeway into the city. Yet we turn around and we put a rail line straight to Mandurah, and a freeway straight to Mandurah, with little or no urban development around them. The ideal situation is the Mandurah freeway and a Mandurah line where now the development can come in around them—you have the major feeders into the city—whereas in the northern suburbs we are filling that in post the urban development. So what went wrong?

Mr A.P. JACOB: Yes, we are doing the urban development before the infrastructure, as opposed to the infrastructure before the development.

The CHAIRMAN: Yes. So how did that fall down and how did that not get done right? There is another issue I want to come back to—it is a question that I have asked a few times—which is that right along that transport node, particularly in my electorate, in Kingsley and Hillarys, we have got a graveyard.

Mr Lumsden: A graveyard?

The CHAIRMAN: A graveyard, Pinnaroo. They are dead people; they do not use transport. We have got Craigie bushland, which again is not urban development. On the other side of the freeway, we have got Woodvale, which is a DEC site—I cannot remember exactly what it is called—and then we have got Beenyup waste water treatment plant, all taking up prime land close to the —

Mr T.G. STEPHENS: People visit graves and people go to funerals.

The CHAIRMAN: Yes, I know.

Mr A.P. JACOB: I do not think many catch the train to go to the graves. That is just an anecdotal observation.

The CHAIRMAN: How did that sort of thing fall off? I know that it is all planning, but we seem to have done it right to the south, where we have put the major transport infrastructure in there, and we fill in after it. In the north west corridor, we kind of stuffed it a bit, to be perfectly honest.

Mr Lumsden: Apart from the environmental issue, I think with a lot of that other stuff like the waste water treatment plant, that land was bought up, even knowing there was a freeway there,

without wider consequences. Again, it gets back to the need for a more integrated, holistic approach to infrastructure planning and coordination.

Mr A.P. JACOB: On that point, can I say that when most of this was done, infrastructure and transport were one department. For a lot of the decisions in recent years, they were actually together.

Mr Lumsden: No, no. That is a myth; sorry. My view of the Department for Planning and Infrastructure is that, if you look at the infrastructure side and if you take out what I call the licensing unit, with 700 people—when I got to the Department for Planning and Infrastructure, there was some focus on what I call transport policy, but that is what I call it in terms of operational policy, not planning policy. That is why I have been trying to beef up the transport planning aspects. That is another story I will have to tell you out of session. But when I went into the department there was no real, what I call, infrastructure planning and the coordination of that infrastructure planning across agencies. That is why we put in a division to do it. In the past, whilst that process went into broad planning, the detailed planning was left to other agencies. So the Metropolitan Cemeteries Board went and bought land, or got it allocated. I do not know how it happened; it was well before my time. The Water Corp said, “Oh, this is going to be a good site”, so they did it, and there was no process to say, “No, that’s not the case.” What we are arguing now, and because of the specific issues with the north west corridor, given what you have said, is that the train line should be advanced to be more in advance of the urban front than has perhaps been the case before. Certainly, in my view—I declare a bias because I live in Mandurah—the Perth–Mandurah rail line is great. I would not be working in Perth if I could not get the train like I do every day. With those issues, there was a road mentality as well: all roads lead to Perth and you will always have capacity. Well, there is always going to be congestion on our roads now; we are jumping those thresholds. It is how you manage that congestion that is important, but also to not repeat the mistakes of the past.

Mr A.P. JACOB: What do you mean by not repeating the mistakes of the past?

Mr Lumsden: There has to be infrastructure funding ahead, where possible, or in close alignment, rather than waiting five or 10 years to pick up.

The CHAIRMAN: There is another issue that you have with that. We had it in 2005 when we did try to put the freeway through, and there was a suburb backing onto it. They had major issues with the fact that the freeway was going to go through, even though they knew it was going to go there when they purchased their land. That is one of those issues.

Mr Lumsden: Again, my response to that is: buyer beware. That is part of the planning. If you have a reservation there —

The CHAIRMAN: With all due respect, you can do that, but, as a politician up there at the time, I could not tell them that.

Mr Lumsden: As a member of the public, I look at those things, and I make sure where. You are told you have a major road reservation there. If you buy a bit of land on the basis that you are never going to have a road there, you are pretty naive. I appreciate your position, but I do not think it is the right of the public to say —

Mr A.P. JACOB: Can I say one thing on that very quickly: planning may be able to have a much stronger influence, because we tend to have a very Perth city-centric focus on a lot of what we do, and some of that may have been successive government policy as well. But we actually have very, very good transport infrastructure. It is just all trying to go the same way in the morning and it is all trying to go the same way in the evening.

Mr Lumsden: Yes. And, to be fair, the Department of Transport is trying to look at that from an operational point of view.

Mr A.P. JACOB: It is not so much them, because they actually would have more than enough to handle the flow if it was balanced up a little bit.

Mr Lumsden: That is why we are trying to promote these activity centres, other than Joondalup and Alkimos, to have that focus. It has always been talked about, trying to reduce the traffic flow all into Perth, but you require centres that people not only live around, but also work in.

The CHAIRMAN: Eric, thanks very much for your contribution this morning. A transcript of the hearing will be forwarded to you for correction of minor errors. Would you please make these corrections and return the transcript within 10 working days of the date of the covering letter. If the transcript is not returned within this period, we will deem it to be correct. New material cannot be introduced via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on a particular point, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Again, thanks very much for your evidence this morning.

Mr Lumsden: Thank you, Mr Chairman and members.

Hearing concluded at 11.29 am
