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Draft State Planning Strategy

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Shelter WA

Shelter WA is the peak body for affordable housing and homelessness in Western Australia. It was founded in 1979 as an independent community based organisation committed to accessible, affordable and secure housing for every Western Australian. Shelter WA provides a link between government and the community, through consultation, research, systemic advocacy, policy advice and development. Our role is to provide an independent voice on housing rights and options in the state along the housing continuum, and our work focuses on promoting the development of appropriate affordable housing options for people on low to moderate incomes, or those who are otherwise disadvantaged in the housing market.

Shelter WA promotes a diverse range of affordable housing options including social housing, housing within the private rental market and affordable home ownership. Shelter WA also provides community education, and advice to governments on housing policy issues. Our development of policy recommendations is based on sound research and consultation with housing consumers and community based organisations working on housing and related issues.

Introduction

Shelter WA welcomes the opportunity to comment on the 'Draft State Planning Strategy' (Department of Planning, 2012). Shelter WA understands the importance of this state-wide strategic document for the future growth and success of Western Australia. Shelter WA is aware of the integral role that this strategy plays in informing decisions relating not only to physical infrastructure, such as housing; but also social, economic development, community planning, regional development and governance. Once finalised it will be the lead strategic planning document within Government. It therefore must be approached carefully, because it needs to accurately guide a sustainable future till its expiry date in 2050 (Department of Planning, 2012)

In the Draft State Planning Strategy, the Western Australian Planning Commission (WAPC) and Department of Planning (DoP) have identified some key issues relating to the provision of affordable housing including demographical change and population growth which must be planned for adequately to ensure continued prosperity in Western Australia. Shelter WA agrees with the draft strategy statement that in order to be effective it will need supporting State Government Strategies and Policies; Regional Planning Strategies, Scheme Frameworks; Local Planning Strategies, Schemes, Structure Plans and Growth Plans to actually facilitate change locally (Department of Planning, 2012).

Shelter WA's response

Population growth, demographical change and its effect on housing

The 'Draft State Planning Strategy' suggests that the population of Western Australia could increase significantly to more than 5.4 million by 2056 (Department of Planning, 2012). The 'Draft State Planning Strategy' also states that "over the next 40 years the proportion of the population of age 65 and over is likely to increase from 13 to 22%" (Department of Planning, 2012, p. 10). Therefore the population growth is likely to be combined with a demographical change, due to the ageing of the 'baby boomer' generation.

There will also be a change in demographics due to net migration, which has been heavily influenced by the resource industry. Migration of workers to this industry has been occurring since the 1970's, but only recently has put pressure on housing and infrastructure in rural areas. The 'Draft State Planning Strategy' states that "In 2011 the Regional Prices Index for WA indicated that the cost of housing in the Kimberly is 33.1% and in the Pilbara 99.8% higher than in Perth" (Department of Planning, 2012, p. 69). Fluctuated housing costs have led to the displacement of families, especially the indigenous population.

The recent influx of migrant workers and temporary skilled workers can be attributed to the effect of the 'mining boom'. The sudden increase in population to remote and regional centres due to the resource industry, coupled with tight housing supply has inflated both the purchase prices and the cost of rent in those areas. Many resource towns now suffer from a lack of key workers, government officers, and workers providing social, community and essential services due to the high cost of housing and living in those towns. In some regional areas, particularly in mining towns, housing can be prohibitively expensive for long-term residents of the community. In other areas, housing may be in short supply or in substandard condition. There are often fewer support services available in regional areas for people needing assistance to maintain their housing and prevent homelessness. To emphasize this, the Kimberley, Gascoyne and Goldfields are some of the nation's worst areas for homelessness. The Kimberley has a homelessness rate of 5.39% or 1877 persons (Trigger, 2013). There are next to no rental houses affordable to minimum wage earners, and due to an undersupply of social housing, the North-West of WA experiences a shortage of affordable dwellings.

Housing in many remote communities is substandard and there is a high rate of overcrowding. For example, 29.2% of Indigenous households in remote or very remote areas are overcrowded compared to 11.3% of Indigenous households in major cities (Tually, Beer, Rowley, McKenzie, & Birdsall-Jones, 2010). A study of housing affordability in resource boom towns found that Aboriginal communities were pushed out of Karratha due to the high cost of housing. Once forced out, these communities have had to relocate to areas with lower standards of living and less job opportunities, therefore 'the cycle of poverty continues for many low-income households, despite the affluence created by mining activities' (McKenzie, Phillips, Rowley, Brereton, & Birdsall-Jones, 2009).

The detrimental effect the resource boom is having on housing in regional locations is undeniable, and Shelter WA's research indicates that more needs to be done at a state and local level to combat this problem. The 'Draft State Planning Strategy' addresses some of the housing issues in these areas; although more solid policies need to be enacted and enforced to adequately address the housing crisis in resource towns in WA.

As stated in the 'Draft State Planning Strategy', the proportion of the population over 65 is set to increase to 22% by 2050. The change in demographics, caused by the aging of the 'baby boomer' generation needs to be planned for effectively. Strategies should cater to the needs of different groups of seniors. For some seniors, strategies should allow financial mobility out of larger family housing into retirement accommodation. This can free up accommodation that would otherwise not be available. Other seniors will require strategies to help them 'age in place', allowing them to maintain their social networks, but also reduce displacement. Seniors will require a range of housing options based on their particular circumstances.

Compact settlements, transit orientated development and affordable living

A key component of the 'Draft State Planning Strategy' is the implementation of a compact settlement structure and spatial planning goals. Increased densities will be implemented especially around transport nodes; referred to as transit orientated development. This can be seen in other recent planning documents such as the *Murdoch Specialised Activity Centre: Draft Structure Plan* and *Scarborough Beach Road Activity Corridor Framework: A Land Use and Transport Vision*, both of which Shelter WA commented on. The mixture of land uses is also promoted in the 'Draft State Planning Strategy'. These incentives once properly implemented should lead to more affordable housing options.

The 'Draft State Planning Strategy' states that "In 1976, housing loan repayments consumed a quarter of average full-time income. Recent figures show that housing loan repayments consume about one third of the median household income" (Department of Planning, 2012, p. 69) (Department of Planning, 2012, p. 69). Housing stress is usually defined as households in the bottom 40 per cent of income distribution who are paying more than 30 per cent of their gross household income on housing costs (Disney, 2007). This is significant because households in housing stress are at a higher chance of displacement and therefore homelessness.

The doubling of the population to 5.4 million by 2056 will create many challenges for Western Australia, especially in the Perth metropolitan region. As outlined in the 'Draft State Planning Strategy' housing affordability has reduced since the 1840's making the 'Australian dream' of home ownership less attainable. This is due to the increase in land values, coupled with dwelling size increases. Only in recent times has there been a promotion of reduced lot sizing and mixed use developments. *Directions 2031* outlines an infill

development target of 47% which can be achieved with more compact settlement structures; combining this with transport orientation targets is an initiative Shelter WA supports.

As Perth moves towards transit-orientated development, there will be an influx of a diverse range of households in these areas, especially single person households due to strong transport links and education facilities (Department of Planning, 2010). A diverse range of housing options therefore needs to be provided. This need can be provided by a reduction in restrictions for persons to reside in ancillary dwellings, as these have been effective in other areas to accommodate students, for example the City of South Perth and the City of Subiaco (Greive & McKenzie, 2009). Options for the elderly population also needs to be explored, specifically mechanisms that allow older persons to downsize, and that also allow them to 'age in place'.

A report by the National Centre for Social and Economic Modelling found that 60% of first time homebuyers pay more than 30% of their after-tax income on housing (NATSEM, 2011). Younger households are taking on significantly more debt than the previous generation and/or are foregoing homeownership and remaining in the rental market for longer periods of time, adding pressure to the rental market. These households are stuck in rental housing which has generally less energy-efficient features, increasing cost of living pressures through higher energy consumption. In the 'Draft State Planning Strategy' one component of the housing agenda is to achieve 'resource efficient design'; it states that this will achieve "sustainable building techniques that minimise natural resource consumption to relieve pressures on housing construction and running costs" (Department of Planning, 2012, p. 70). More sustainable and cheaper housing options would have a definite benefit for low to middle income earners, but there needs to be a mechanism put in place so that the lower income earners are the ones occupying these dwellings.

In the 'Draft State Planning Strategy' the DoP states that they will aspire to creating "Innovative housing tenures such as housing cooperatives and community titling" (Department of Planning, 2012, p. 70). Shelter WA supports implementation of alternative tenure models such as Community Land Trusts, community titling and land rent options to increase housing affordability for low and moderate income earners. We urge these initiatives to be targeted at low to moderate income earners, as this is where they will have the biggest impact on housing affordability.

The distribution of housing and affordability will be an important part of planning for WA's future. Clear planning mechanisms are needed to ensure that increased supply is affordable to low and moderate income households. Without specific provisions for additional dwellings to target these households, there is a risk of increasing density without increasing the social and economic mix needed for the health and vitality of our communities. The WAPC and the DoP will need to provide detailed guidelines for local governments to supply affordable housing as part of their housing targets. Such guidelines could include fee discounts for affordable housing developments, planning bonuses for developments

containing affordable housing and inclusionary zoning targets. One of these bonuses could be tailored to the use of 'mixed use zoning' which is detailed in the 'Draft State Planning Strategy'. For example, mixed use zoning could be permitted in an area which is normally only singularly zoned for buildings or sites where a combination of commercial, educational, or community service facilities are combined with affordable housing.

Recently, Shelter WA released its *Local Government Guide to Developing an Affordable Housing Strategy* to assist local councils in developing strategic documents. Affordable Housing Strategies should be used in combination with Local Planning Strategies to guide future development within a locality. The Local Government Guide has the ability to impact positively on the creation of affordable housing at a local government level; if followed entirely it can facilitate housing options that are tailored specifically to the local housing market. The guide provides all the information needed to create dynamic strategies that are relevant to the target market. This includes a complete demographical assessment; successful planning mechanisms to facilitate affordable housing; and policy commitments local councils need to rectify.

Collaboration between government and a consistent vision

The 'Draft State Planning Strategy' states "a collaborative governance framework is needed to coordinate all tiers of government in creating community specific and outcome focused social infrastructure" (Department of Planning, 2012, p. 64) (Department of Planning, 2012, p. 64). Co-ordination and co-operation between these different tiers of government is significant as development of local government policies must be consistent with State objectives. When there is a lack of co-ordination policies are generally ineffective in achieving effective housing outcomes (Greive & McKenzie, 2009).

Shelter WA conducted a review of Local Planning Schemes and identified a lack of co-ordination and appropriate planning as a key issue. Through this review, it can be seen that local governments have wide and varying views on affordable housing and different commitments within their policies and strategies. Many local governments also have strategies and policies which are outdated and obviously cannot facilitate new sustainable development (Greive & McKenzie, 2009). Co-ordination and guidance that will facilitate more sustainable housing outcomes must filter down from a State level and give local governments a better framework to assist with policy creation. This has been lacking in recent years. To support the 'Draft State Planning Strategy' initiative, Shelter WA also recommends that all local governments develop Affordable Housing Strategies to meet the current and future community needs, including the need for housing affordability.

Shelter WA also urges the appointment of a single Minister for Housing, Homelessness and Urban Development/Planning with responsibility for coordinating housing-related policy decisions across agencies, to ensure the effectiveness of the housing system across the whole continuum.

Conclusion

In conclusion, Shelter WA commends the Department of Planning on their 'Draft State Planning Strategy'. The paper clearly recognises the importance of effectively planning the growth in our State over the course of the next 40 years. It promotes initiatives which Shelter WA is very supportive of, including: compact settlements; transit orientated development, and mixed-use zoning; resource efficient design; community land trusts and community titling; and government collaboration. Shelter WA supports these initiatives and the different approaches that will facilitate the creation of more affordable housing.

The State of Western Australia, especially Perth, has so much opportunity and potential to grow into a well planned place. Shelter WA hopes that the finalised document will reflect the future housing needs of the community and take advantage of these growth opportunities.

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