

Stakehill Road Transport-oriented Urban Development Alliance
(SR-TUDA)

Submission to the Public Infrastructure Issues Paper
Productivity Commission

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This submission prepared for the
Stakehill Road Transport-oriented Urban Development Alliance

by Professor Ray Wills and Neil Prentice

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Stakehill Road Transport-oriented Urban Development Alliance (SR-TUDA)

Stakehill Road Transport-oriented Urban Development Alliance (SR-TUDA) has developed from the Stakehill Road Action Group, formed 15 years ago to progress planning for the area and to facilitate rezoning of the land for a higher purpose. SR-TUDA has 23 members comprising more than 50% of land and of landholders within the City of Rockingham's rural Planning Area 4. SR-TUDA, Perth Metropolitan Region of Western Australia, represents the interests of these landowners in proposing future land use of the area in line with the key purposes of the Western Australian Government Directions 2031 strategy.

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Duda&Wills is consultancy providing a range of professional services including strategic advice on energy, market development, policy and planning processes, sustainability and transport.

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Executive Summary

The Stakehill Road Transport-oriented Urban Development Alliance (SR-TUDA) was created by a group of landholders in the area of Stakehill Road in the Peel region of Western Australia and arose from a need for planning reform.

SR-TUDA supports the broad adoption of planning principles and practices that create strategic sustainable development. It is SR-TUDA's view that markets, guided by appropriate outcomes-based regulation, will deliver the sustainable urban development, and this extends to public infrastructure provision.

Planning reform must embrace the changes and trends occurring across the world that delivers liveable and vibrant modern communities for 21st Century cities.

Reforms to planning and infrastructure provision must ensure new developments in Australia are innovative investments in the future, and not cement in planning that delivers developments that belong in the past.

Introduction

The Stakehill Road Transport-oriented Urban Development Alliance (SR-TUDA) offers this submission to the Productivity Commission's Public Infrastructure Issues Paper (PC 2013) to the Commission.

SR-TUDA supports the review process and understands the necessity to incorporate a broad range of inputs into the review. SR-TUDA urges greater ambition in developing a visionary and flexible planning process to deliver both public and private infrastructure - and potentially privately-funded public infrastructure.

SR-TUDA supports the Western Australian Government's Delivering Directions 2031 goals and the guiding principles to make Perth and Regional areas more Liveable, Prosperous, Accessible and Sustainable (WAPC 2010), and recommends this on to the Commission.

The Directions 2031 identified three structural elements that form the basis of the spatial framework:

- activity centres network - a network and hierarchy of centres that provide a more equitable distribution of jobs and amenity throughout the city.
- movement network - an integrated system of public and private transport networks that are designed to support and reinforce the activity centres network.
- green network - a network of parks, reserves and conservation areas that support biodiversity, preserve natural amenity and protect valuable natural resources.

Directions 2031 recognises the benefits of a more consolidated city and the framework sets goals to promote housing affordability, a key part of which is to better use of existing infrastructure and to provide for a more sustainable city (WAPC 2010), a view supported by SR-TUDA, and optimising utilisation and enhancing existing public infrastructure is clearly relevant to the Commission's review.

Further, for any planning vision to be successful, it must be in tune with the aspirations of both residents and business, and it is SR-TUDA's view that this, too, applies to public infrastructure.

SR-TUDA makes a case for continuing reform in the planning arena for less prescriptive and more outcomes-based planning to allow innovative approaches and to let our cities more rapidly evolve through consumer demand. It is SR-TUDA's view that markets, guided by appropriate outcomes-based regulation, are allied with, and more likely to deliver, sustainable outcomes in urban developments.

Data from multiple jurisdictions show increasing numbers of people are looking for accommodation close to employment centres with good public infrastructure, particularly transport (APTA 2007, WAPC 2010a).

Urban transport energy efficiency policies can be grouped into the “avoid, shift and improve” approach (GTZ 2004): those that allow travel to be “avoided”; those that “shift” travel to more efficient modes; and those that “improve” the efficiency of vehicle and fuel technologies (IEA 2013).

The latest data on driving patterns from the US confirms ‘peak driving’, with 7.6% fewer miles today than when per-capita driving peaked in 2004 (US PIRG 2013). Urbanised areas are seeing sustained increases in public transit use and bicycle commuting and a decreasing share of households owning a car. US experience is repeated in Australia as congestion increases on the roads in Australia's major cities, would-be purchasers are ever keener to leave the car at home and catch a train, tram or bus to work and to the city centres (PCA 2013, Wellings 2013).

Australian house prices are among the highest in the world, both in absolute terms and relative to income (Kohler 2013), and Western Australia's homes are among the most expensive (Farcic 2013, Shilson-Josling 2013), with the median house price now exceeding \$535 000 with prices being driven by a shortage of dwellings (Gribbin 2013).

New developments must invest in the future, not cement in ideas from the past.

SR-TUDA advocates that regional planning must be both visionary and flexible. Planning reform must embrace the evident changes and trends documented across the world that define the elements in development delivering liveable and vibrant modern communities and 21st Century cities, and this must be reflected in the utilisation of existing public infrastructure and the delivery of new public infrastructure.

Guided by those principles, SR-TUDA will raise a range of matters that impact the development of public infrastructure essential to support to the supply of land and improve the delivery of housing, particularly for Western Australia. As a priority, it is the Alliance's view that all lands currently zoned Rural in Metropolitan Regional Schemes adjacent to transport corridors and similar infrastructure should be rezoned to ‘Urban’ to reflect the intent of the Metropolitan Regional Strategy (MRS) and to better use existing infrastructure.

SR-TUDA will draw on examples within the Stakehill Road area to make a strong case in support of significant reform in the delivery of public infrastructure.

SR-TUDA vision for the Stakehill Road precinct – new and existing public infrastructure

With the Stakehill Road precinct connections to Secret Harbour, the Lark Hill Sporting Complex and a potential future expanded race track, as well as its location in proximity to the mooted train station adjacent to Stakehill Road, we see an opportunity for a versatile solution for the area. Locating a train station and related public infrastructures in this area offers an ideal target for a transport-oriented development, with 360° catchment, and the potential for a novel, privately developed

multiuser development of retail, commercial, and residential tower incorporating a public transport hub of train and bus station servicing Secret Harbor, Port Kennedy, Karnup and Baldivis and surrounding environs.

The dilemma in development is always which comes first, the chicken or the egg. To achieve this proposed transport-oriented development (TOD), the area needs to be zoned for medium to high density/commercial/retail that allows private development to occur in the absence of government support.

SR-TUDA advocates an integrated planning approach that not only addresses the need for more residential accommodation in Perth's southern corridor, but that also creates retail and commercial opportunities in the region. However, decisions by incumbent administrators who seem not to accept the reality of change, and lean to policy and investment decisions that lock in old planning approaches, will lead to urban developments that create an expensive legacy that could last for many decades. This creates disincentive for private investment in these areas, particularly in public or mixed public-private use supported by private investment.

SR-TUDA sees a vision for the future of this area as a sustainable, integrated transport-oriented development that could, within 5 years, be a burgeoning residential area contributing to the solution of accommodation needs in the Perth Metropolitan Region. The area will further evolve over time and act as a bridge area between Secret Harbour, Port Kennedy, Karnup, Baldivis and other developed and proposed areas of Karnup. Furthermore, SR-TUDA contends that, to stimulate diversified private investment in projects, within 5 years, all land within the City of Rockingham currently zoned 'Rural' in the Metropolitan Regional Scheme, west of the Kwinana Freeway, should be zoned 'Urban' to bring about development around and better use existing infrastructure.

Within the next 15 years, SR-TUDA sees the Stakehill Road precinct as a location that can support mixed residential, aged care and retail/commercial use and bring about demand for local public transport including light rail, for the area, and become a public transport hub with interchanges for heavy rail connections for onward connections. A station at this point logically breaks up the 22 km distance between the Mandurah and Warnbro stations.

The proposed development of the Stakehill Road precinct would also allow maximising the use of existing infrastructure already in place within the region (e.g. sewerage, rail etc.) without the requirement for significant additional capital investment from government utilities, and bring rare opportunity for a high quality outcome for a greenfield site.

Impediments hampering sustainable development

A range of issues present barriers to the innovative development of public infrastructure. Overcoming impediments and the search for opportunities must be multi-faceted, integrated, and consistent and be across all levels of Government – Federal, State and Local.

To remove barriers:

- the need for planning to incorporate integrated, collaborative and coordinated cross-portfolio approaches from Government agencies and entities in planning;
- strategies must ensure best value, not just lowest up-front cost delivered through spill over benefits that are otherwise ignored;

- good legislative support eliminating perverse legislation and perverse ‘subsidies’ that act to prevent or reduce innovation in new developments;
- regulatory, or at least agreed policy-based, approaches that reduce prescriptive planning and reward developments going beyond minimum performance standards for all new projects, buildings, infrastructure, and other cost points;
- willingness to introduce innovative development approaches such as shared funding for needed infrastructure, particularly for higher density mixed use developments focussed on transport-oriented design, by dealing with and overcoming old prescriptive planning lock-in; and
- review all planning schemes at local level to remove disincentives in approvals process, aiming for consistency in consent conditions to allow for cost predictability, and add incentives if best practice values – such as those enunciated in Directions 2031 – are exceeded.

Policies and regulations must support integrated development into new public and private developments, and bring about outcomes based planning to free innovation and support inspired creativity and urban design.

The traditional “urban first, facilities second” approach limits the size of opportunities for businesses and the need to create scale for local industry development by actively supporting market growth in local markets to both expand and to reach a sustainable level of operation. A key role of government in supporting precinct developments is matching potential technology to SMEs as well as major investors. This approach can also limit or prevent future public infrastructure development and create ‘choke points’ which reduce the value and utility of existing infrastructure.

Beyond the planning departments and across government, agency structures continue to impede cross-portfolio decision-making that is required for more sustainable outcomes, particularly as perverse competing demands between agencies and budgets impact on the budget process. This creates significant uncertainty for those wishing to develop areas with a long-term sustainable approach, and is a disincentive to move beyond meeting minimum requirements and retaining the status quo in planning and development. Without increasing both short and long term certainty across government structures, businesses, unless already dominant in the marketplace, face significant disincentives to invest and innovate to meet future planning needs.

Government business case assessment from Treasury needs an economic analysis that is life cycle based, inclusive of non-economic cost-benefit analysis, and marginal abatement curves need to be cradle to cradle. Budget management processes must be examined on a whole of life basis, not just focused on the capital works component, especially in community (taxpayer) funded projects, where taxpayer funds pay for on-going operating as well as capital cost. As such, project planning (including budget documents, government budget commitments) must be inclusive of a total estimate of combined capital expenditure and operating expenditure, not simply a capital works estimate. Current processes encourage minimising upfront capital with any consequent higher operating costs in the future being a hidden component that can outweigh capital savings.

In the undertaking of reviews and reports which include a component of public comment, there is often a perception that the outcomes are often pre-determined by the draft stage, or merely by its scope, and that the public commentary does not have any material impact on the final position and recommendations. This issue impacts

all levels of government involved in planning and the research of issues surrounding it across government functions (planning, environmental, transport, infrastructure etc.) and that once a decision is made, even at a draft level, it becomes difficult to change.

Further information

The Productivity Commission's review of Public Infrastructure must ensure new developments in Australia are innovative investments in the future, and not cemented in planning that delivers developments that belong in the past.

Stakehill Road Transport-oriented Urban Development Alliance (SR-TUDA) would be pleased to provide additional information, and meet with the Productivity Commission during this review to further discuss our submission.

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