

DEVELOPMENT ASSESSMENT PANELS (DAP) REFORM



Department of Planning, Lands and Heritage
planningreform@dplh.wa.gov.au



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Western Australian Chapter



Australian
Institute of
Architects

ABOUT THE INSTITUTE

The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with around 13,000 members across Australia and overseas. The Institute exists to advance the interests of members, their professional standards and contemporary practice, and expand and advocate for the value of architects and architecture to the sustainable growth of our communities, economy and culture.

Architects are a key component of Australia's \$100 billion built environment sector and there are around 13,500 architectural businesses in Australia with around 40,000 employees. Approximately 25,000 people in the labour force hold architectural qualifications (Bachelor degree or higher) and architectural services in Australia in 2017-18 had revenue of \$6.1 billion and generated \$1.1 billion of profit.

The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design.

PURPOSE

- This submission is made by the Australian Institute of Architects (the Institute) and in response to the proposed *Planning and Development (Development Assessment Panels) Amendment Regulations 2022* published by the Department of Planning, Lands and Heritage (DPLH).
- At the time of this submission the Institute National President is Tony Giannone FRAIA, and the WA Chapter President is Sandy Anghie RAIA. The A/Chief Executive Officer is Barry Whitmore.

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COVER PHOTO

The Australian Institute of Architects' recipient of 2021 George Temple Poole Award, the John Septimus Rose Award for Urban Design and the Jeffrey Howlett Award for Public Architecture. WA Museum Boola Bardip. Hassell + OMA.

Photographer: Peter Bennetts.

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INTRODUCTION

The Institute generally supports the State's Planning Reform agenda to improve processes, design quality and built environment outcomes. However, on this occasion, we have significant reservations in relation to the proposed DAP Reforms and **the Institute does not support the proposed DAP Reforms as currently presented.**

The existing Planning and Development (Development Assessment Panels) Regulations, introduced in 2011 have been positively accepted by the architectural design industry as a balanced, independent decision-making system that encourages good design, innovation, and diversity within the Western Australian built environment.

We believe there is a strong risk that the proposed DAP Reforms will contradict the previously established benefits of the DAP systems. Our reasoning is as follows:

- Architects place a high value on good design and innovation. Good outcomes are likely to be undermined by the proposed reforms.
 - o Membership reforms to introduce employee members are likely to negatively impact the independence of DAP members.
 - o There is also a risk that employee members will lead to homogeneity of decisions in relation to the built environment. Homogeneity in urban settings does not adequately reflect the social and economic complexity of our State, with its diverse urban areas. Heterogeneity leads to more sustainable urbanities, with greater ability to anticipate future changes in existing environments.¹
 - o The removal of mandatory thresholds for District DAPs may result in several complex / large projects, not within the Special Matters DAP criteria, being reviewed by local councils. Many local councils may not have the skills and resources to adequately process these types of development applications.
- Architects deem Housing Affordability and Climate Change action as critical.
 - o Rates of housing stress and unaffordability in Western Australia today are well-known and documented.
 - o A planning system focussed on higher density urban and suburban development to reduce urban sprawl, manage the heat island effect, respond to stormwater, address transport and connectivity is vital in ensuring Western Australia's low-carbon future.²
 - o The proposed mandatory criteria and fees of the Special Matters DAP process will render many medium density / urban infill developments unaffordable and/or unfeasible.

¹ Schreurs, G. "Resilience in Homogeneous versus Heterogeneous Urban Waterfronts: The Case of New York City", University of Minnesota Press, Volume 12, Issue 2, Fall 2020, pp 58-81. Available:

<https://muse.jhu.edu/article/798403>

² Refer the Institute's SERS response, available: https://www.architecture.com.au/wp-content/uploads/211217-Aust_Inst_Architects_SERS-response-letter.pdf?_zs=Hh1Jm&_zl=3Je52

We look forward to continuing to support the Department to ensure the best practical outcome that can achieve the aims of the planning reform.

DETAILED RESPONSE

Implementation and Transitional Arrangements

The Institute proposes that under the transitional arrangements, the Department makes all reasonable and practical attempts to support all applications made under the current system being concluded within that system. In instances where applications are started within the current system but are deferred via the State Administrative Tribunal (SAT) process/mediation, we recommend a proposed period of no less than six months to transition these specific applications across into the new system. Further, the removal of mandatory thresholds for a fixed period of six months, allowing approval choice pathways will assist industry in transitioning to the new DAP system.

DAP Reform

Membership and DAP Amalgamation

The Department's aim of creating consistency through Planning Reform needs to be balanced with fostering innovation and good design within the built environment. The specialist member pool system has ensured a broad range of current expertise, skillsets and contextual familiarity (geographical and cultural understanding) can be accessed for the necessary understanding of the diverse, complex and large-scale developments assessed via the DAP process.

The proposed DAP membership reform - from a pool of members to an employee model (for two and possibly three specialist members) - will place a great deal of responsibility on a small group of employees to deliver the broad and current expertise and understanding of the existing pool system. It will be difficult for the Department to attract candidates with the diverse skillset required, and forward-thinking mindset, to replicate the competency of a large pool of people with just a few employees.. This impact will be exacerbated if the third specialist member is also in an employee arrangement.

The architectural design industry supports the current requirement of DAP members to disclose any interests that may affect impartiality as a proven system of alleviating conflicts of interest across all levels of government³.

A real risk of the proposed membership reforms is to negatively impact the independence and impartiality of DAP members through the employee arrangement. Further, coupled with the skillset depletion of the new minimised pool model and amalgamation of DAPs, there is also a risk of homogeneity across all planning decisions

³ <https://www.mhc.wa.gov.au/media/3124/mhec-att-4-charter-conflicts-of-interest-psc-guidelines.pdf>

(and thus the built environment outcomes), and a lack of understanding of cultural and geographical nuances.

Further, the Institute questions the ability of just a few panel members to handle the significant workload, and their ability to service the proposed DAPs effectively and in a timely manner.

Thresholds

There are potential unintended consequences of the proposed removal of mandatory thresholds for District DAPs, which may result in several complex / large projects, not within the Special Matters DAP criteria, being reviewed by local councils. Many local councils may not have the skills, expertise, and resources to adequately process these types of development applications, and are, potentially, more susceptible to external influence.

Many of our members have suggested that the opt-in thresholds can potentially be lowered to allow development teams more choice with approval pathways for medium density / infill development. The \$2 million opt-in threshold, in practice, has made the approval process more difficult in some jurisdictions for grouped townhouse developments⁴ than for apartments, due to the limited skillsets and resources available at some councils.

For the reasons outlined above, the Institute recommends the removal of mandatory thresholds as an effective transitional tool for the first six months of implementation of the proposed reforms, to allow industry to test and adjust to the new system, prior to re-introducing the mandatory thresholds.

Special Matters DAP

Membership and Timeframes

The Special Matters DAP, via its proposed membership structure, presents more expertise, and thus, built environment innovation opportunity. The proposed membership structure for the Special Matters DAP is therefore supported.

The regulatory timeframe for determinations of 120 calendar days is considered reasonable given the complex nature of developments reviewed by the Special Matters DAP and the time associated with the collation of responses from multiple agencies.

Further consideration needs to be given to the clearing of planning conditions. There is a recognized need for the creation of the DAP and Special Matters DAP approval pathway, which dedicates a high level of expertise and effectiveness of resources toward assessing complex and large-scale projects. However, under the reforms the clearing of conditions usually remains with local authorities, often with mixed ability to efficiently interpret clearance options.

⁴ Based on anecdotal evidence presented by the Institute's Urban Design Committee 2022

Criteria for selection

The project selection criteria for the Special Matters DAP, specifically those with low dwelling thresholds in lower socio-economic areas, appears unwarranted and counter-productive towards achieving greater urban density and limiting urban sprawl. Accordingly, this part of the reforms is not supported.

The extensive exclusions, specifically relating to public works and reserve land are questioned. The Institute recommends a mechanism for the Special Matters DAP to undertake systematic reviews of public works, to ensure that the State Planning Policy aims are achieved across all built environment outcomes. For example, the Western Australian Planning Commission and the Office of the Government Architect could select sample projects delivered by all agencies for review by the Special Matters DAP. There is great opportunity to improve sustainability and our built environment through the systemic review of infrastructure proposals.

Fees

Rates of housing stress and unaffordability in Western Australia, today are well-known and documented. The *WA Housing Strategy 2020-2030*⁵ aims to support housing affordability, diversity and improved liveability (good design) of housing and communities. The planning system needs to support the aims of the WA Housing Strategy by fostering affordable housing, housing diversity and increasing housing and community sustainability / efficiency (as reflected in the *Design WA* State Planning Policies).

Similarly, there is a planning system alignment necessity with the State's Sectoral Emissions Reduction Strategies and Climate Policy⁶. The Institute advocates for a zero-carbon construction industry by 2030 as our built environment accounts for 39% of all carbon emissions globally, with operational emissions accounting for 28%.⁷ The planning system needs to focus on higher density urban and suburban development to reduce urban sprawl, manage the heat island effect, respond to stormwater, address transport and connectivity, to ensure individual long-term housing affordability and alignment with Western Australia's low-carbon future.

The proposed fees, coupled with the strict selection criteria for the Special Matters DAP, appear counter-productive to the creation of affordable medium density / infill developments and ensuring low-carbon built environment. Instead, the proposed fees may lead to the propagation of urban sprawl.

Reviewing an example of low dwelling threshold in select METRONET precinct areas, the Special Matters DAP application and administration fee (of \$96,600) presents an

⁵ <https://www.wa.gov.au/government/document-collections/wa-housing-strategy-2020-2030>

⁶ Refer [WA Sectoral Emissions Strategies and Climate Policy](#) and the Institute's associated [response](#).

⁷ WorldGBC (2019). New report: the building and construction sector can reach net zero carbon emissions by 2050. Source: <https://www.worldgbc.org/news-media/WorldGBC-embodied-carbon-report-published>

additional cost of >\$10,000 per apartment⁸. Coupled with the current construction headworks cost increase due to the impacts of the Covid-19 pandemic, for a ten-unit development there is the potential for increased costs of up to 10% (or \$26,000) for a single residential unit – having a significant impact on affordability.

Such cost increase will render many medium density / urban infill developments unaffordable and/or unfeasible.

It is understood that the proposed fee structure is based on a complete cost recovery financial model. Given the intended outcome of the DAP process of ultimately, protecting the public and creating better built environment outcomes, we would suggest it reasonable to subsidise the system and not seek full cost recovery.

⁸ For small affordable 10-unit project in Armadale, potential total planning fee: Local council DA fee (for \$2-3m project) - \$15,000; Local council pre-lodgement DRP meeting - \$750 per DRP meeting; SMDAP fee - \$80,600; SMDAP admin fee - \$16,000; Total planning application fee is about \$112,235 - \$11,350 per apartment.