

Our Ref: 02A117  
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Dear Professor Newman

## **DRAFT STATE SUSTAINABILITY STRATEGY**

Thank you for the opportunity to comment on the draft strategy document *Focus on the Future – The Western Australian State Sustainability Strategy*.

LandCorp currently manages implementation of five program areas in support of Government policy:

- Industrial land supply program
- Surplus Government land assets disposal program
- Major urban centre development program
- Regional townsite development program
- Contaminated sites rehabilitation program

With projects in all ten regions of the State, LandCorp has dealings with stakeholders including individuals and community groups, all three levels of Government, small business and multinational enterprises. It can therefore draw on a number of perspectives.

The financial disciplines incorporated into the Western Australian Land Authority Act, including minimum rates of return on assets, ensure LandCorp is accountable for the use of assets entrusted to it by the State.

### **A comprehensive framework – broad support**

LandCorp strongly supports this initiative to provide a common framework to which all sections of the community should be able to relate. In LandCorp's experience, the lack of common frames of reference and a common language to describe concepts of sustainability tend to work against cross-discipline analysis and broad community support.

Set out below are specific comments for your consideration and which LandCorp hopes will further strengthen the final draft.

Clearly, much more detail will be available when the Implementation Program (outlining responsibilities, addressing resources and fixing timelines) is published. LandCorp requests it be further consulted when the Strategy is finalised and as the Implementation Program is being developed.

### **Goal 1 - Governance**

#### **Community acceptance**

The length of "Focus on the Future" illustrates the complexity of the issues with which the community and decision-makers must grapple. Separately, you have mentioned your disappointment at the level of interest shown in the Draft Strategy by the media. This appears to be a function of the complex and applied nature of the sustainability issues.

Wider comprehension is a critical issue if the future vision is to impact on the everyday decisions of individuals and organisations – including Government agencies.

One way to manage this challenge would be to summarise the model of sustainability and 'roll up' the multiple indicators with an easy-to-read report card. The whole State's performance would be given a score on simple scale (1-5, A-F) which the community could then track over time. You will be aware such initiatives by some jurisdictions in the United States.

This 'report card' would need to be compatible with conventions established for local Government and at the Commonwealth and international level.

A related issue is the need for a wider and deeper community engagement in the Future Perth work. The scenarios have the potential to evoke a shared community vision of a sustainable Perth.

## **Sustainability Action Plans for Government Agencies**

Initially there will understandably be attempts by agencies to manage expectations of regulating Departments, Ministers' Offices and the general public by setting readily achievable targets and 'green-washing' their performance.

To encourage more challenging strategies and stretch targets in subsequent years, the Department of Premier and Cabinet should consider facilitating a support network of sustainability 'champions' in major Departments, Agencies, Offices and branches supported by an organisational development practitioner. Access to experts in technical issues via such a virtual 'centre of excellence for policy' may also speed the State sector's journey toward greater sustainability.

## **Goal 3 – Natural Environment & Resources**

### **Regional Development Commissions, Regional Councils and Regional Integrated Community Service Plans**

The draft strategy includes a review of the regional development commissions (1.17), creation of regional sustainability strategies (1.16), regional sustainable business tours (1.18), regional integrated community service plans (5.1) and a Reviving Suburbs Initiative.

The most successful projects in which LandCorp has been involved have had broad community support, have built on existing strengths of a town or region, and have been tested with sound research into the competitive attractiveness of a development.

An approach that looks at a town or region as a competitor with locations elsewhere in the State, interstate or overseas and conducts high quality research, can more accurately pin-point how that region can hope to attract and retain residents, investors, jobs and amenity. Towns, suburbs and regions that think like a business and can create a clear strategy to position themselves against the alternatives available to investors, employers, employees, home-buyers and tourists are less likely to be disappointed in their ambitions and more likely to build the capacity of their area to move forward towards more visionary targets.

When a strategy based on realistic competitive advantage is drawn up, the supporting elements of a sustainable community can be planned holistically alongside the economic planks of the strategy. Creating economic assets without the networks and 'soft-infrastructure' to support the functioning of those assets will lead to sub-optimal returns and eventually to community dissatisfaction. Purely supply side solutions to regional development or suburban renewal (where demand is not constrained by lack of supply) will not provide the same returns as a whole-of-community strategy based on discovering demand.

A necessary step in forming an economic development strategy for a sustainable community should be the bringing together of entrepreneurs – business people, policy entrepreneurs in Government and community leaders. The facilitation of a cohesive strategy to be owned and driven by this supportive network of entrepreneurs is a key leadership role for the Regional Development Commissions.

#### **Goal 4 – Settlement Efficiency**

##### **Liveable Neighbourhoods**

LandCorp feels the Liveable Neighbourhoods guidelines are a very useful framework for developers and planners. However, in the present form there is too much inflexibility in the Code for it to be universally useful as a statutory direction.

#### **Goal 6 - Business**

##### **Regulation, Accreditation and Market Incentives**

At several points, the draft strategy makes mention of mandatory certification schemes or guidelines (eg. 4.56, 4.45, 4.54, 4.59).

Accreditation schemes that work by the market rewarding the entity for its innovation, can be undermined when it ceases to be a point of difference ie. when accreditation becomes too easy to acquire or commonplace. This leads to two conclusions:

- (1) incentives schemes need to be progressively graded if they are to continue to allow a point of difference signal to buyers and reward innovators; and
- (2) when schemes become mandatory, there is no point of difference and no competitive advantage from innovation.

In cases where there is a whole-of-community benefit from a new product innovation but there is sufficient risk to prevent all the existing players in the market from introducing the innovation, facilitation of industry cooperative agreements may be more flexible than mandatory regulations. This would require a new style of relationship between industry and the State.

In particular, the impact of additional regulation on the building supply industries needs to be carefully considered on a case-by-case basis after industry consultation. Higher standards in Western Australia compared to other jurisdictions may encourage technological advancement and a competitive advantage. Equally they could impose costs on Western Australian companies exporting to other States in having to operate separate production runs and systems for different standards. Higher building material costs will clearly impact on home affordability.

In summary, LandCorp supports very many aspects of the Draft Strategy. However, it has concerns in the areas of business regulation, industry policy and top-down regional development approaches and the challenge facing Government to influence entrenched community attitudes.

I respectfully request LandCorp be included in consultation during preparation of the Implementation Plan.

Yours sincerely

Ross Holt  
**CHIEF EXECUTIVE OFFICER**

27 February 2003