

Urban Taskforce

30 April 2007

Director, North Coast Regional Planning
Mid North Coast Regional Strategy
Department of Planning
Locked Bag 10
Grafton NSW 2460

Dear Sir,

Re: DRAFT MID NORTH COAST REGIONAL STRATEGY - COMMENTS FROM THE NSW URBAN TASKFORCE

The NSW Urban Taskforce commends the Department of Planning for the formulation of the series of Regional Strategies throughout NSW. We support the introduction of a regional planning approach for the NSW Mid North Coast and are pleased to have the opportunity to review the draft Regional Strategy.

The NSW Urban Taskforce is an industry organisation representing the NSW property development sector. Our current members include some of Australia's most prominent developers, construction companies, infrastructure providers, architects, planners, financiers and lawyers involved in urban development. The NSW Urban Taskforce advocates planning reform and supports the introduction of regional strategies to inform local planning.

The Draft Mid North Coast Regional Strategy, once finalised, will guide local planning in the eight local government areas of Clarence Valley, Coffs Harbour, Bellingen, Nambucca, Kempsey, Port Macquarie-Hastings, Greater Taree and Great Lakes, and is targeted to be reviewed every five years.

The Department of Planning (**the Department**) has stated that the State Government will in finalising the Mid North Coast Regional Strategy (**the Strategy**) work with local councils to identify areas of high environmental significance and agreed growth areas. The draft Strategy as exhibited does not include a land use plan and the Department propose that the final Strategy will incorporate mapped areas to clearly identify where growth will occur.

The Draft Mid North Coast Regional Strategy as exhibited aims to ensure that adequate land is available and appropriately located to accommodate the projected housing and employment needs of the Region's population over the next 25 years. The NSW Urban Taskforce supports the vision of the Strategy and that is for the Mid North Coast to maintain and enhance the opportunity for the communities of the Mid North Coast to experience a healthy, prosperous and sustainable lifestyle. To achieve this vision and the general aims the draft Strategy proposes to:

- Provide up to 58,400 new homes by 2031 to cater for a forecast population increase of 91,000.
- Ensure an adequate supply of land is available to support economic growth and an additional 47,000 jobs.
- Encourage the growth and redevelopment of the Region's four major regional centres (Grafton, Coffs Harbour, Port Macquarie and Taree) and six major towns (MacLean, Woolgoolga, Bellingen, Macksville, Kempsey and Forster-Tuncurry) through urban design and renewal strategies.
- Protect the coast by focusing new settlement in areas identified on local strategy maps. Development in places constrained by coastal processes, flooding, wetlands, important farmland and landscapes of high scenic and conservation value will be limited.

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While the NSW Urban Taskforce supports the aims of the Strategy we are concerned about a number of issues in the Draft Mid North Coast Regional Strategy, which will impact detrimentally on the ability to successfully implement the Strategy and to achieve its aim. These issues of concern are detailed in the following discussion.

The discussion draws upon an independent review of the draft Strategy by MacroPlan, which examines the assumptions behind the demographic analysis and population predictions used to model the draft Strategy and tests the population projections and general planning proposals. A copy of the MacroPlan report is enclosed for your information.

1. **Inaccurate demographic analysis and population projections** – There is no obvious statistical rigor in the population projections provided in the draft Mid North Coast Regional Strategy.

(a) Residential Projections

The draft Mid North Coast Regional Strategy plans for a population increase of 91,000 people over the next 25 years or a 25% increase for this period. This is in stark contrast to the population growth of 70% over the last 25 years as stated in the draft Strategy.

The growth projections are slower than the current growth rate of 3.43% per annum growth actually achieved over the last five years and we are unaware as to the source and parameters for the projections. In addition we note that these population projections are contrary to evident trends for the NSW Mid North Coast, acknowledged by the draft Strategy and demonstrated by MacroPlan across the region and on a sub-regional basis.

Some of the key assumptions on which the draft Strategy is based have been shown by MacroPlan to be inconsistent with trend data, fail to recognize differing characteristics and demands of each of the sub-regions, and use projections that have limited explanation as to the assumptions on which they are based.

From the analysis undertaken MacroPlan have concluded that consequences of this are that the draft Strategy is based upon

The inaccuracies identified by MacroPlan are summarised below and it is essential that they be addressed prior to finalisation of the Strategy to ensure that the Strategy when adopted is robust and capable of implementation and meeting the needs of the community.

- **Conservative Population Estimates:** *The Draft Strategy estimates by 2031 a total population of 424,400 persons. MacroPlan's realistic population forecast scenarios by 2031 model future population estimates at between 463,370 persons and 481,818 persons (for 10 Year and 15 Year regional average annual growth scenario) and between 463,370 persons and 481,818 persons (for 10 Year and 15 Year sub-regional average annual growth scenario). In this instance the Draft Strategy understates population growth by some 38,970 to 57,418 persons.*
- **Conservative Dwelling Estimates:** *The Draft Strategy has forecast a conservative dwelling estimate of an increase of 58,400 dwellings between 2006 and 2031. MacroPlan's realistic forecast scenarios by 2031 model future dwelling estimates between 176,485 and 183,511 dwellings (for 10 Year and 15 Year regional average household size growth scenario), between 177,390 and 184,763 dwellings (for 10 Year and 15 Year sub-regional average household size growth scenario) and between 236,264 and 248,089 (for 10 and 15 year average growth scenario based on the Draft Strategy household size).*
- **Overstatement of the need for higher density dwellings:** *The ratio of detached houses is likely to be higher than is projected in the Draft Strategy. The Draft Strategy states that 80% of all dwellings are detached houses, however MacroPlan's analysis shows that across the region detached house proportions of all dwellings range from 86% to 91%.*
- **Questionable dwelling targets for established areas:** *The Draft Strategy plans for 40% of dwellings to be built in established areas. However, there appears to have been no analysis undertaken as to whether this proportion can be achieved in practice. In our view it is doubtful whether market conditions exist for this level of in-fill development i.e. relative value equation, demand profile etc.*

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- **Sub Regional variances in demographic and socio economic characteristics:** ... it was observed through detailed sub regional analysis variances in demographic and socio economic factors that could mean growth rates and the profile of new residents and workers is likely to be different between the sub-regions. The generalisation of the Strategy's population, household and employment projections across the region are likely to mask significant sub regional variations. These sub regional variations require a much finer grained analysis for the Strategy to be a useful instrument in guiding the future of the region.
- **Retirees are not driving population growth:** The Draft Strategy focuses on the migration of retirees as a key driver of population growth. However, 55% of this growth is driven from non-retirees. This raises the question of planning for appropriate housing, services and employment for new residents of the region.
- **The draft Strategy has failed to acknowledge the continuing urbanisation and growth of South East Queensland,** which may increase the focus and pressure on the future development of this region.

The dwelling forecasts calculated by MacroPlan are not premised on the assumption of unoccupied dwelling required to meet seasonal tourist demands. It is essential that the final Strategy incorporate an allowance for vacant dwellings (holiday homes) in addition to permanent demand and holiday lettings. A failure in the Strategy to recognize this class of accommodation will lead to an inability to cater for the demand over time and place pressure on affordability and calls for ad hoc land release to cater for additional permanent and short term housing to meet real demand.

(b) Employment Projections

Within the draft Mid North Coast Regional Strategy it is estimated that at least 47,000 new jobs will be required in the Mid North Coast Region to support the projected population growth. This employment projection is based on an underestimation of incoming residential population, inaccurate assumptions about the demographic make up of the incoming populations and a failure to recognize demographic differences between the sub regions that make up the Mid North Coast Region. As such the employment forecasts are conservative.

If MacroPlan's population projections were adopted for the purposes of preparing a final Strategy then the requirements for future commercial and industrial land would be greater than that presently forecast.

The draft Strategy forecasts that a total of 428 hectares of employment land will be required across the Region over the next 25 years. This projection is made up of 225 hectares of industrial land and 203 hectares of commercial land. Contrasting this is the MacroPlan 15 year regional average annual growth rate projection which when applied to the employment land model identified a future demand for 706 hectares of employment land made up of 412 ha of industrial employment land and 294ha of commercial employment land.

It is proposed that the Mid North Coast Region's economic base is rapidly diversifying, shifting from a reliance on traditional primary industries to a wide range of service-oriented industries including aged health care services and tourism. Given the strong focus on environmental conservation in the Draft Mid North Coast Regional Strategy there is logic in also including environmental management, assessment and innovation businesses as a key future employment category and developing policies within the Strategy to promote this.

Assuming MacroPlan's employment forecasts are correct the land use strategies being prepared will need to accommodate this additional future demand for employment land beyond that currently forecast. The Strategy will need to determine on a regional and sub-regional basis not only the location but the make up of those employment opportunities to ensure that a supply of affordable land is maintained, that it is appropriately serviced and meets the needs of industry and the community

Further research and supporting data is required to validate the population projections proposed under the draft Mid North Coast Strategy if the projections are to be maintained as exhibited. The preferable approach however is that a revision of the population projections, demographic assumptions, employment strategy and general land use assumptions be undertaken to produce a robust and practical Strategy capable of implementation which will guide development over the next 25 years within the Mid North Coast Region and within each of the sub regions.

(c) Sub-regional variations

The Mid North Coast Region is comprised of an area in excess of 28,943 square kilometres and a 532 km stretch of coastline stretching from Iluka to Hawks Nest and west to Dorrigo.

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The character of the Region changes as you move from north to south. Its natural features include the rich coastal plain dissected by a number of rivers running from the mountains to the sea, broad estuaries, coastal lakes and lagoons, rich farming areas, coastal towns and villages and large regional centres.

The region as a whole faces the challenge of planning for high level and sustained population growth and the provision of associated employment opportunities and infrastructure to support growth while retaining the quality and variety of the Region's rich natural and cultural resources and assets.

These challenges will vary across the Region as each sub region has different natural resources, physical and social characteristics and needs.

As demonstrated in the MacroPlan report if the Strategy is to be robust it must take on a top down and bottom up approach to its forecasting and land use planning.

A key to this is to define identifiable sub regions within the Mid North Coast Region and undertake the analysis, forecasting and planning on this level and then tie it all together under the Regional Strategy. The draft Strategy does not provide any detailed analysis of the key population variations across Mid North Coast Region. These differences need a range of strategies to cater for a variety of housing, employment and infrastructure needs.

The regional comparative analysis undertaken by MacroPlan identified that

whilst many demographic and socio economic characteristics are common across the region there are key differences in each sub-region including age distribution, income, household size and family structure. As such, each sub-region needs planning principles, growth strategies or controls that relate to their specific characteristics and challenges. For example an ageing population in the Hastings sub region will require a very different planning response to issues present than in the Clarence Valley, which has a younger population profile and lower socio-economic position. The unique situation may also mean that each sub-region has a different Strategy, or component, to attract tourism or employment opportunities. Therefore any regional strategy must recognise and respond to key sub regional differences.

- 2. The absence of a Land Use Strategy** - A Regional Strategy must inform local planning. The visions and outcomes identified in the Draft Mid North Coast Regional Strategy appear to be loosely derived and lack substantive data to support the policy direction. Many of the strategies are general and vague and will not sufficiently inform local planning strategies and instruments.

The draft Strategy states this is to be addressed by the preparation of land use components of the Strategy by each of the relevant local council's in consultation with the Department.

The draft Strategy notes that the land use component of the Strategy has not yet been prepared but is currently being prepared by each of the councils, in conjunction with the Department. This creates fundamental concerns in relation to relevance of the Draft Strategy:

- o The Land Use Plans are such a critical component of any planning strategy it can be argued this Strategy is irrelevant without that work.
- o The Local Strategies need to inform the Land Use Plan and these will influence the population projections, which will mould the whole Draft Strategy.
- o Their impact is of such significance to the strategic process that there should be extensive public consultation and subsequent re-exhibition of the revised Draft Strategy.

The draft Strategy does not appear to consider the relationship between the local government strategies for future population and dwelling growth and the demographic forecasts on which the strategy is based. We consider that potential differences exist with the Draft Strategy including conservative average annual growth rates, anticipated population targets and future dwelling requirements. It would be more relevant to assess these local frameworks and projections and derive a forecast that addresses the 'bottom up' and 'top down' issues to ensure the provision of residential land is appropriate.

As demonstrated in the discussion regarding the demographic projections above the draft North Coast Regional Strategy requires substantial revision, further research, formulation and documentation of policy objectives and outcomes before it can be adopted as a final strategy. The revised demographic analysis called for in this submission must inform the land use planning process currently being undertaken by the Councils and the Department.

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The draft Strategy as exhibited has provided a framework on which the final Strategy can be based however, given the extent of further work required to prepare the final strategy and the key components such as the land use strategy it is inappropriate to amend the draft and adopt a final Strategy with out re-exhibition of the draft Strategy prior to finalisation. Re-exhibition would be in keeping with the consultative approach adopted by the Department in the formulation of the Regional Plans.

3. **The absence of an Infrastructure Strategy** - A crucial element of any regional planning strategy is the identification of regional infrastructure requirements such as roads, public transport, health, education, water, power, telecommunications, and waste and how they will be delivered on a regional and sub regional level.

The draft Strategy is said to incorporate regional infrastructure projects outlined in the State Infrastructure Strategy, this is done by simply listing nominated projects in Appendix 3 of the draft Strategy.

Such a list goes no way in identifying or guiding regional infrastructure capacity or future needs, except to acknowledge there are and will continue to be increasing demands on infrastructure and services. The Strategy must clearly identify:

- The capacity, condition and lifespan of existing regional infrastructure,
- Current and projected regional infrastructure provision,
- Critical infrastructure required to implement the North Coast Regional Strategy,
- Critical timeframes for infrastructure provision, and
- The relationship between the regional and local infrastructure provision in physical and financial terms

The draft Strategy leaves the implementation of the identified elements of the State Infrastructure Strategy to local Council's in the preparation of future local environmental plans in order to protect regional water supply systems, to provide for transport interchanges and transport networks including pedestrian and cycleway networks.

Any revised draft of the Regional Strategy must incorporate the regional infrastructure elements detailed by the State Infrastructure Strategy and include clear timeframes for delivery on a regional and sub-regional basis. The delivery and cost of the infrastructure needs to be identified and tested in the formulation of the revised draft Strategy.

4. **Significant over-reliance on Developer contributions for infrastructure provision** - The Mid North Coast Regional Strategy will be implemented primarily through LEPs, development control plans and the State Infrastructure Strategy and funds collected as developer contributions. Funds collected from contributions from major developments will be used for regional infrastructure, and funds collected by councils through section 94 contributions plans and levies will be used to fund local infrastructure.

The property development industry does not oppose the use of reasonable developer contributions for new and improved infrastructure generated by the specific development, but the industry should not be required to be the provider of all regional infrastructures.

The revised draft strategy called for above must clarify the proposed regional infrastructure levy applicable to new development in the Mid North Coast prior to finalisation of the Mid North Coast Regional Strategy.

5. **Requires integration with other Regions** - There is a need for further discussion on the interrelationships with planning strategies of adjoining regions as these have very significant implications on the development of the Mid North Coast region.

In particular, how the Mid North Coast Regional Strategy fits with the Sydney Metropolitan Strategy, the North Coast Strategy, and the Lower Hunter Strategy. The surrounding regions significantly influence growth and development on the Mid North Coast, particularly in relation to population, infrastructure provision and economic activity.

As demonstrated in the attached report by MacroPlan the region is impacted in an economic sense from drivers both in Sydney and South East Queensland. These factors will influence the future land- use strategies, development investment and infrastructure delivery. These factors must be considered when reviewing the draft Strategy.

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6. **Need to prioritise growth areas and provide better direction on addressing the issue of declining housing affordability** - The Draft Mid North Coast Regional Strategy argues for urban expansion around existing major centres and an increase in urban consolidation in those centres through the provision of infill housing and higher density housing forms.

The draft strategy identifies a need to cater for a housing demand for up to 58,400 new dwellings by 2031 to accommodate the additional 91,000 people expected in the Mid North Coast Region over the next 25 years. The MacroPlan report predicts a need to accommodate up to 148,418 people over the same period.

As discussed above many of the assumptions used in the formulation of the draft Strategy are inconsistent with trend data or have limited explanation. This is true also of the housing projections. The modeling undertaken by MacroPlan has revealed that:

- *The Draft Strategy states that 80% of all dwellings are detached houses MacroPlan's analysis shows that across the region detached house proportions of all dwellings range from 86% to 91%. This means the future need for higher density dwellings could be significantly overstated.*
- *The Strategy plans for 40% of dwellings to be built in established areas. However, there appears to have been no analysis undertaken as to whether this proportion can be achieved in practice. In our view it is doubtful whether market conditions exist for this level of in-fill development i.e. relative value equation, demand profile etc.*
- *Across the region there are demographic and socio economic variances that could mean growth rates and the profile of new residents and workers is likely to be different between sub-regions.*

7. **No reference to requirements for provision of holiday housing and recreation** - The coastal environment is one of the main draw cards to the region, both for tourists and residents. The absence of any discussion surrounding future strategies for water related recreation and living (particularly marinas) should be resolved in the future draft of the Mid North Coast Regional Strategy.

8. **Additional mapping required** – The maps in the draft Mid North Coast Regional Strategy contain detailed information at an inappropriate scale. It would be more informative for maps to be broken into sub-regions and major centres to provide a clearer indication of proposed urban growth areas, sensitive urban lands, natural resources and hazards, and important biodiversity and landscape elements. Such mapping could also incorporate at a sub-regional level the future land use plans.

Conclusion

Our review and that conducted by MacroPlan of the draft Mid North Coast Regional Strategy has revealed a number of fundamental errors in the draft Strategy, which will impact detrimentally on the ability of local and state government and the community to successfully implement the Strategy and for the Strategy to achieve its stated aim. The draft Strategy as exhibited is the first step in the preparation of a Strategy for the Mid North Coast Region.

The fundamental issues that need to be addressed in a review of the draft strategy are:

- The use of robust and transparent forecasts for population and employment projections which reflect the current level of population and based on realistic growth rates;
- Identification of sub regions within the Region and basing forecasts, projections, planning etc on those sub regions;
- The incorporation of a Land Use Strategy at sub regional and regional levels;
- The development of an infrastructure strategy that can inform and be incorporated into the local planning process, a strategy that is capable of identifying local and regional infrastructure needs;
- A review of the housing mix sought to be achieved to ensure that demand can be met and housing affordability is achieved;
- The impact of other regions and economic drivers on the Mid North Coast Region need to be identified and factored into the demographic and employment forecast;
- The preparation of mapping including a land use strategy at an appropriate scale.

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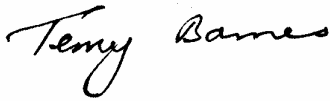
Fundamentally there is no 'strategy' reflected in the draft Mid North Coast Strategy in its approach to the economy and provision of employment except for a broad identification of residential and employment land requirements, which effectively build on the status quo.

Once review of the draft Strategy is completed as called on in this submission the revised draft Strategy should be again exhibited and subject to community and industry review and comment.

The NSW Urban Taskforce looks forward to reviewing the next version of the draft Mid North Coast Regional Strategy. Please contact me if you have any further queries on 02 9238 3955 or email terrybarnes@urbantaskforce.com.au

Yours sincerely

NSW Urban Taskforce

A handwritten signature in black ink that reads "Terry Barnes". The signature is written in a cursive, flowing style.

Terry Barnes
Chief Executive Officer