

3 May, 2013

Director General  
Mr Sam Haddad  
Department of Planning & Infrastructure  
PO Box 1226  
Newcastle NSW 2300

Email: [lowerhunter@planning.nsw.gov.au](mailto:lowerhunter@planning.nsw.gov.au)

Dear Mr Haddad,

## **Re: The Lower Hunter over the next 20 years: A Discussion Paper – March 2013**

The Urban Taskforce is supportive of planning policy that is evidence based and drafted to encourage the growth of urban environments. We are of the view that the Lower Hunter Strategy Discussion Paper ("the discussion paper") is a good start to the preparation of a robust strategy for the Lower Hunter. The Urban Taskforce has reviewed the discussion paper and our key issues for your consideration include the need:

1. for clarification of process. That is, where does this discussion paper fit in the regional growth plan preparation process;
2. to set clear minimum housing targets for each local government area for five, ten and twenty year periods;
3. for further robust analysis to determine why only 11,200 new dwellings have been constructed despite significant land rezoning;
4. for further robust analysis to determine why the majority of new housing has been in existing urban areas despite significant greenfield land becoming available;
5. for further discussion on the way that government proposes to remove blockages caused by biodiversity offsetting;
6. further consideration of strategies to boost retail and the contribution that retail makes to job creation; and,
7. to identify local infrastructure requirements and an equitable means of funding infrastructure to support housing production.

### **1. Regional Growth Plans**

It is noted that the discussion paper is simply a precursor to the Lower Hunter Regional Strategy. However, when the draft Lower Hunter Strategy is produced it is considered important to articulate how the strategy will fit into the proposed hierarchy of plans suggested in the Government's White Paper for a new planning system.

We believe that the Lower Hunter Strategy must be predicated on a presumption for growth and in this regard the strategy must focus on the facilitation and permissibility of development to meet the needs of population growth. The strategy must recognise the importance of development and facilitate the development assessment process.

The Lower Hunter Strategy must make it possible for the market to come to Government with development proposals that are consistent with the strategy and have such proposals determined, even if inconsistent with local environmental plans. In recent times we have been concerned with local environmental plans that espouse growth and development, however, because such plans are rarely feasibility tested and are exceedingly prescriptive, development does not occur at the

rate expected, if at all. It is for this reason that a higher level plan, such as a Regional Growth Plan, must be able to be relied upon by a proponent to bypass inconsistent local plans to deliver on regional growth targets.

The Government should consider the inclusion of an expression of interest process where a proponent is able to nominate sites that are capable of development to meet the housing needs of the region even if not identified as potential development sites within the Regional Strategy. Such site would be assessed against criteria formulated by Government to ensure beneficial community outcomes and probity.

The discussion paper says that the Lower Hunter population is expected to increase from 540,000 to approximately 670,000 people; hence the Lower Hunter strategy is focused on planning for jobs, housing and transport to support 130,000 additional people. While we support the consideration of a number of growth scenarios, it should be acknowledged that growth in the Lower Hunter has been constrained due to lack of housing in the region. Hence, the past growth should not be considered as a true indication of growth potential. Therefore, the final strategy should plan for maximum growth scenarios and not be based on trends of the past few years.

## **2. Housing Targets**

The Sydney Metropolitan Strategy sets clear minimum housing targets to be achieved in the next ten and twenty year timeframe. A similar approach should be adopted for the Lower Hunter. However, we suggest that the strategy includes meaningful minimum targets for each local government area for five, ten and twenty year timeframes.

The discussion paper says that over the next twenty years 75,000 new homes will be required which equates to approximately 2,500-3000 dwellings will need to be built each year, but this does not provide the 75,000 new homes required. Further clarification is required on the number of new homes required each year for each local government area.

The discussion paper says that since 2006, land has been rezoned for more than 35,000 residential lots, however, only 11,200 new dwellings have been constructed. While the discussion paper highlights the environmental constraints, limiting housing production we suggest that there are a number of factors that have impacted on actual housing production including poor site selection, excessive developer fees and charges and delay in the delivery of infrastructure.

We are advised that the 2006 Lower Hunter Strategy did not properly consider the appropriateness of future greenfield sites, market desirability and/or environmental constraints. Poor housing delivery, notwithstanding significant rezonings requires further investigation to ensure that this strategy does not make the same mistakes as the past. It is for this reason that the input of the land owners must be considered when identifying areas for future housing.

## **3. Funding Infrastructure**

We strongly argue for an element of market reality when determining development charges. We are of the belief that this approach has not been previously adopted by state and local government when preparing contributions plans. While we accept that there will be a need to provide additional infrastructure to support new housing and population growth and the developer should bear a reasonable proportion of the cost, the reliance on development contributions must be reviewed.

Currently the means in which infrastructure is funded is not working to the satisfaction of local councils, local communities or developers. We argue that the funding of infrastructure should not only fall to the developer. Infrastructure funds should be drawn from a pool made up of developer contributions and state and local government sources.

There is a valid argument for the distribution of the infrastructure funding debt over a larger number of people as a broad-based tax. The recent IPART reviews strongly support this position. When considering who actually benefits from new infrastructure funded by a small group of developers, IPART found that the benefit can extend outside of the local area. In some cases expenditure

benefits all residents and businesses, not just those in the areas where the works are located. In these cases it is reasonable that all, who benefit from the infrastructure, should contribute towards meeting this cost.

IPART's findings in the areas of section 94 and their submission to the Planning System Review must be carefully examined when considering options for funding infrastructure for the Lower Hunter. We are aware of the proposals in the White Paper on planning reform and these may provide a better approach.

#### **4. Environmental Constraints**

Balancing environmental conservation and development is difficult. For this reason, the environmental constraints needs to be considered on a regional or subregional level, not on a site by site basis. Strategic assessments should be undertaken for all future urban areas to limit the need for individual site assessments. Strategic assessments have proved to be very successful in removing blockages to development in the growth centres for Sydney, while delivering environmental gains. The same approach should be applied to the Lower Hunter.

Mining subsidence is a unique problem to the Lower Hunter that adds significant costs to a project. This matter must be properly considered in the Regional Strategy and it is argued that Government should contribute to the cost of addressing subsidence issues. Unless this matter is properly addressed, development will be severely limited, no matter how good the strategy.

#### **5. Employment**

The discussion paper says that Lower Hunter's economy is underpinned by its coal and natural water resources, productive agricultural sector, manufacturing sector, and innovative business culture. The discussion paper also says that Newcastle Airport and the Port of Newcastle job magnets; cruise ship tourism, sustainable energy and defence-related industries along with the expansion of the University of Newcastle are significant job creation opportunities. However, while we do not dispute that these are in fact significant job creators, the contribution of the retail sector should be further considered. The discussion paper acknowledges the significant contribution made by retail with respect to job creation. The final strategy must carefully consider the ways that retail growth could be supported including the development of new and existing sites for retail trade expansion. Retail should not be limited to town centre locations but encouraged in locations where there is a community demand and benefit.

#### **6. Implementation Plan**

The Lower Hunter Strategy should include an implementation plan. Such a plan would clearly identify lead agencies, delivery timeframes and measurable targets to monitor performance. A yearly monitoring report would be produced that examines progress and also identifies any corrective measures required to lift performance.

Should you require any further clarification of the content of this correspondence, please feel free to contact me on telephone number 9238 3927.

Yours sincerely

**Urban Taskforce Australia**



Chris Johnson AM  
Chief Executive Officer