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23 March 2016

Monica Gibson  
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Hunter and Central Coast  
Department of Planning and Environment  
PO Box 1226  
NEWCASTLE NSW 2300

Dear Monica,

## **DRAFT HUNTER REGIONAL PLAN AND DRAFT PLAN FOR GROWING HUNTER CITY**

JBA has been engaged by the Belford Land Group (Belford) to make a submission of its behalf in relation to the *Draft Hunter Regional Plan* and the *Draft Plan for Growing Hunter City*.

Belford is a significant land owner in the Hunter Valley, owning a number of sites at Lochinvar, Branxton, North Pokolbin and Belford. These landholdings are currently in the planning stage or under development for a variety of land uses including residential, large lot residential and rural lifestyle.

Belford commends the Department for progressing with the preparation of a strategic planning framework for the Hunter Region. In particular, the return to a single regional plan for the whole Hunter Region is welcome as recent land use and transport infrastructure changes in the valley, in particular the Hunter Expressway, have strengthened the linkages between the upper, central and lower sections of the Hunter Valley. The companion document, *the Draft Plan for Growing Hunter City* is also welcome as it provides a single metropolitan planning framework for the greater Newcastle urban area, within and complementary to, the overall Regional Plan.

A new planning framework for the Hunter Valley is long overdue. The current *Lower Hunter Regional Strategy (LHRS)* is now a decade old, having been introduced in 2006. The LHRS has not been successful in terms of delivering adequate housing in the region, with dwelling provision during the last decade being significantly below the levels required in the LHRS, while at the same time, the region's population has grown more rapidly than predicted in the strategy. This has led to housing supply issues that have impacted on housing affordability, which in turn has stymied economic development opportunities in the valley.

While the new strategic planning framework is welcome, the Belford Land Group has a number of concerns with regard to the draft documents:

- The draft plans do not articulate a clear vision for the region;
- The draft plans fail to sufficiently recognise the role the Hunter Expressway will play in terms of reshaping the economic and development dynamics of the region;
- The draft plans should provide greater acknowledgement of the emerging "Central Hunter Valley" subregion;
- The lack of progress in the development and implementation of an Urban Development Program for the region;

- The lack of clarity with regard to criteria for the assessment of new land released areas to maintain a sufficient supply of residential land;
- Lack of clarity with regard to the proposed Special Infrastructure Contribution (SIC) framework;
- The draft plans lack clear accountability and timeframes for actions to be undertaken.

These issues are discussed in more detail in the following sections. The final section of this submission requests that the Department give consideration to the inclusion of additional land owned by Belford at Lochinvar as part of the identified residential land supply for "Hunter City".

## 1.0 NEED FOR A CLEAR STRATEGIC VISION FOR THE HUNTER REGION

The draft plans do not articulate a clear strategic "vision" for the Hunter Region. The draft plans are rather a summary and analysis of the status quo with regard to land use and development in the Valley. The draft documents focus on, and are statements of, what the Hunter Region and Hunter City are, but don't give a strong sense of what the government wants them to be.

While there are numerous goals, directions and actions, there are no clearly defined priorities for development, in contrast to the *Plan for Growing Sydney* which is clear on the areas and precincts that are a priority and the required infrastructure to deliver these areas.

The documents reinforce Newcastle / Hunter City as a *regional city* and very much lock it into a NSW context. In many respects, Newcastle / Hunter City is a metropolitan area of national significance that, over the next 20 years, needs to unshackle the NSW "regional city status". Newcastle / Hunter City is the world's largest coal export port and together with the broader region, accommodates major internationally significant industries including mining, minerals processing, energy, thoroughbred studs, tourism and the wine industry. The region also includes world class institutions such as Newcastle University. The Premier himself stated at a recent Property Council event that he wanted Newcastle to be the "best regional city in the Asia Pacific". The documents don't reflect the Premier's obvious ambition for the region to play a greater national and international role.

The strategy seeks to manage and contain growth to those areas previously identified in the LHRS prepared a decade ago. It is not a framework for encouraging, facilitating and shaping growth. There is no real analysis or strategic view with regard to the future roles of the region's key infrastructure; the Hunter Expressway and the Main North Rail Line in shaping the regional economy. In terms of the rail line, the document accepts the status quo of Hunter Valley Coal Chain. There is no consideration of the future role the rail system in the region could play as a key future public transport artery as coal exports from the valley inevitably start declining during the life of the strategy. The economic development potential of the Hunter Expressway corridor is largely dismissed in the documents. This is discussed below in the next section.

## 2.0 THE ROLE OF THE HUNTER EXPRESSWAY

The role that the Hunter Expressway can play in terms of facilitating urban and economic development is largely underplayed in the strategy. The *Draft Plan for Growing Hunter City* reaffirms the urban footprint promoted a decade ago in the LHRS, notwithstanding that the LHRS was released prior to the announcement and implementation of the Hunter Expressway. Therefore a disconnect exists between the strategies' proposed urban settlement pattern in the region and the contemporary / future transport infrastructure reality. Put simply, one of the region's key pieces of transport infrastructure has not been a factor in the shaping of the Newcastle / Hunter City strategic urban footprint.

The completion of the Hunter Expressway has transformed the travel times and accessibility of areas at the western end of Newcastle / Hunter City including Lochinvar, Greta and Branxton. These areas, which we will refer to as the "Central Hunter Valley", are also located along the rail

corridor, are now far more accessible to Newcastle CBD and other parts of the metropolitan area. This is not adequately acknowledged or analysed in the documents. The draft plans should have included a comprehensive review of future urban land use requirements and potential, in the context of the Hunter Expressway and its impact on the region rather than reaffirm a pre-Hunter Expressway planning footprint.

The Expressway is a piece of major transport infrastructure that has dramatically reshaped the region's travel patterns. It has the potential to be a catalyst for economic development in the region in the same vein as the M7 Western Sydney Orbital transformed Western Sydney. The *Draft Plan for Growing Hunter City* however proposes to limit the role of the expressway to intra-regional traffic and that:

*Development that relies on using the Hunter Expressway as access will not be supported if it impacts on this primary purpose.*

The draft plans should have analysed the potential for development within and at the ends of the Hunter Expressway corridor and the potential to upgrade the expressway in the future, if needed, to support this development. To dismiss future development in the corridor out of hand is short sighted and may over time stymie economic development in the region and undermine the achievement of Goal 2 of the draft Hunter Regional Plan: *grow the largest regional economy in Australia*.

There exists ample opportunity to leverage on the enormous investment in the Hunter Expressway whilst still retaining the primary reliance on the New England Highway that would remain the primary spine for planning and local traffic.

### 3.0 THE CENTRAL HUNTER URBAN AREA

Historically, the Hunter Valley has been demarcated between two subregions; the "Upper Hunter" and "Lower Hunter". The Lower Hunter has been generally defined as those LGAs that primarily support the industrial economy of Newcastle while the Upper Hunter comprised the more rural based LGAs at the northern end of the valley. The boundary between the two has generally been the boundary between Singleton and Maitland and Singleton and Cessnock.

The implementation of the Hunter Expressway has created a new regional dynamic. The Central Hunter Valley urban area, centred on Branxton / Huntlee and Greta extending east to Lochinvar, south to Cessnock / Pokolbin and west to Singleton now enjoys vastly improved transport access and travel times to the Newcastle / Hunter City metropolitan area and the Sydney metropolitan area. These areas are also well located with regard to mining, thoroughbred and viticulture industries via the New England and Golden Highways, Wine Country Drive and Putty Road. The land use and urban development characteristics of the Central Hunter differ from both Hunter City to the south and the Upper Hunter. It is recommended that the final regional strategy recognise this area as a distinct subregion within the overall Hunter Valley context.

Cessnock and Singleton Councils are currently preparing the *Branxton Subregional Land Use Strategy* that will provide a framework for future development for a large part of the Central Hunter. The draft strategy is currently on public exhibition. Unfortunately, the draft strategy would appear to have been prepared in isolation of the broader regional strategic planning being undertaken by the Department. Given both the regional and subregional strategic planning documents are currently in draft form, there is the opportunity for the plans to be better integrated as they are finalised. In this respect, both plans should be reviewed to ensure greater consideration is made to the significant positive impact the Hunter Expressway can have on the Central Hunter Valley subregion and how the plans can facilitate, as opposed to manage, these outcomes.

#### 4.0 URBAN DEVELOPMENT PROGRAM

The formulation and implementation of an Urban Development Program (UDP) to manage land supply and release in the region is still only a promised action in the *draft Plan for Growing Hunter City*. The lack of a UDP for the region, as promised in the previous LHRS a decade ago but not delivered on, has meant that there has been no adequate on-going mechanism to monitor and review the supply of zoned and potential urban land in the region. This is a major on-going issue that challenges development in the valley.

A “*State of the Land Report*” for the Lower Hunter Region was prepared by Monteath and Powys in August 2014 on behalf of the Urban Development Institute of Australia. The report reviews the urban growth in the Hunter region since the release of the LHRS in October 2006. The report provides a comparison of the projected growth outcomes for the Hunter Region as forecasted by the then Department of Planning and Infrastructure and the actual growth outcomes as recorded by the Australian Bureau of Statistics through 2006-2011 census data. The report provides a series of conclusions that demonstrate that actual dwelling growth was 29% less than the projected annual dwelling growth in the LHRS while the actual population growth was 20% higher than the projected outcome. The report concludes that, subject to various assumptions and limitations, there was a potential dwelling shortfall of 5,800 dwellings over the five year period between 2006 and 2011.

In terms of the new release areas, the Monteath and Powys Report has identified that only 12.4% of the residential lots delivered to the market between 2007 and 2013 were on land identified as new release areas in the LHRS. The report further adds that the majority of these lots had the planning and rezoning work completed at the time the LHRS was released. The clear conclusion that can be reached from this is that significant areas of zoned land identified in the LHRS have failed to deliver housing in the decade since the strategy was released. This land is now proposed to be “rolled-over” into the new draft plans with little evidence that there has been any serious attempt to review the land’s actual suitability. A functioning UDP framework (as promised in the LHRS) would have enabled this land to be reviewed, and its suitability assessed. The immediate establishment of a UDP is required if the new strategic framework is to succeed.

Belford Land Group has commissioned MacroPlan to provide an analysis of the implications of draft plans with respect to the timeliness and sufficiency of proposed residential land releases to service the Hunter Region (**Attachment A**). The report focuses on:

- the importance of land supply in driving developer competition and placing downward pressure on lot prices; and,
- the importance of well-located land releases that leverage from recent and proposed infrastructure expenditure and support jobs growth in the region.

The report concludes that:

*The evidence from past decades indicates that the current urban release areas are not delivering sufficient competition in the land development process.*

#### 5.0 FLEXIBILITY

As outlined in Section 4 above, the land identified for future urban development in the draft plans is the same as that previously identified a decade ago in the LHRS. Much of this land has failed to develop during the life of the LHRS and there are concerns that much of this land continues to be unsuitable or unmarketable for urban development. The under-provision of housing will continue to be compounded during the life of the new regional plans. Flexibility is required in the draft plans to enable other sites, that meet agreed sustainability criteria, to be able to be rezoned should the land identified in the draft plans continue to remain undeveloped.

The LHRS included, at Appendix 1, sustainability criteria that could:

*...allow the Government to take strong positions in relation to matters of urban settlement in the Lower Hunter confident in the knowledge that innovative development proposals can still be considered even though they may be outside of the regional strategy process.*

The key benefit of including such a mechanism in the draft plans is that it builds-in the flexibility for additional land to be evaluated for urban development, should the identified urban land continue to sit idle. The sustainability criteria could also be brought into play where potential future infrastructure, not currently proposed or even known at this point, impacts on urban settlement patterns and requires that new sites be evaluated.

Action 1.2.2 of the *Draft Plan for Growing Hunter City* requires the NSW Government establish criteria for the assessment of new land release areas. The wording of this Action is ambiguous with reference to prioritising sites within *or adjacent to* existing urban areas in the explanation but only reference to sites *within* the existing urban footprint in the final dot point. This criteria should be established and articulated as part of the final strategy, as was the case with the LHRS. It should clearly extend to land within or *adjacent to* the existing urban footprint, particularly in areas where the existing footprint remains undeveloped.

The proposed Urban Development Program, if it is to be an effective tool for monitoring and managing future urban land supply, will require a mechanism, such as sustainability criteria to bring forward other land during the life of the strategy should the regional plans' identified sites continue to fail to be brought to market.

## 6.0 SPECIAL INFRASTRUCTURE CONTRIBUTIONS

Action 1.6.3 of the *Draft Plan for Growing Hunter City* states that the Government will investigate Special Infrastructure Contributions (SIC) currently applying to the Lower Hunter and that such contributions will replace the existing satisfactory arrangements and voluntary planning agreements currently being applied to development. Any review of Special Infrastructure Contributions needs to be based on nexus, apportionment and equity. There needs to be absolute clarity with regard to the capital works program that the SIC is funding and clear accountability from Government with regard to the collection and allocation of monetary contributions. The development industry needs full confidence that the SIC process is transparent and equitable and achieves a demonstrated delivery of infrastructure in the region.

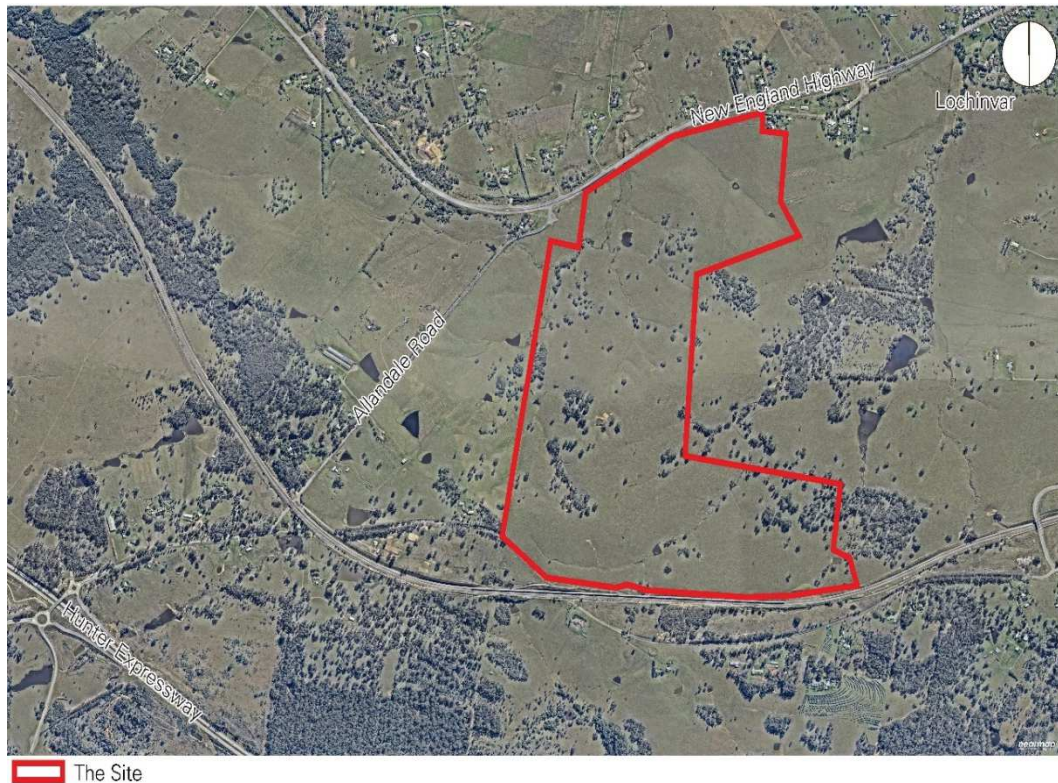
## 7.0 ACCOUNTABILITY

The draft plans contain a significant number of Directions and subsequent actions that provide no clarity or confidence with regard to accountability or timeframes. Many actions in the draft plans are a "roll-over" of actions not addressed in the LHRS. Unlike the *Illawarra Shoalhaven Regional Plan* that was released in 2015, there is no Summary of Actions included with the draft plans. Given the under-performance of the LHRS, it is imperative that key actions, accountabilities and timeframes be spelt out such that the draft plans can be implemented with confidence. In this regard, the early implementation of the Urban Development Program for the Hunter Region is critical. The UDP will provide the information that is vital to evaluating whether key actions under the draft plans are being implemented effectively.

## 8.0 BELFORD LAND AT LOCHINVAR

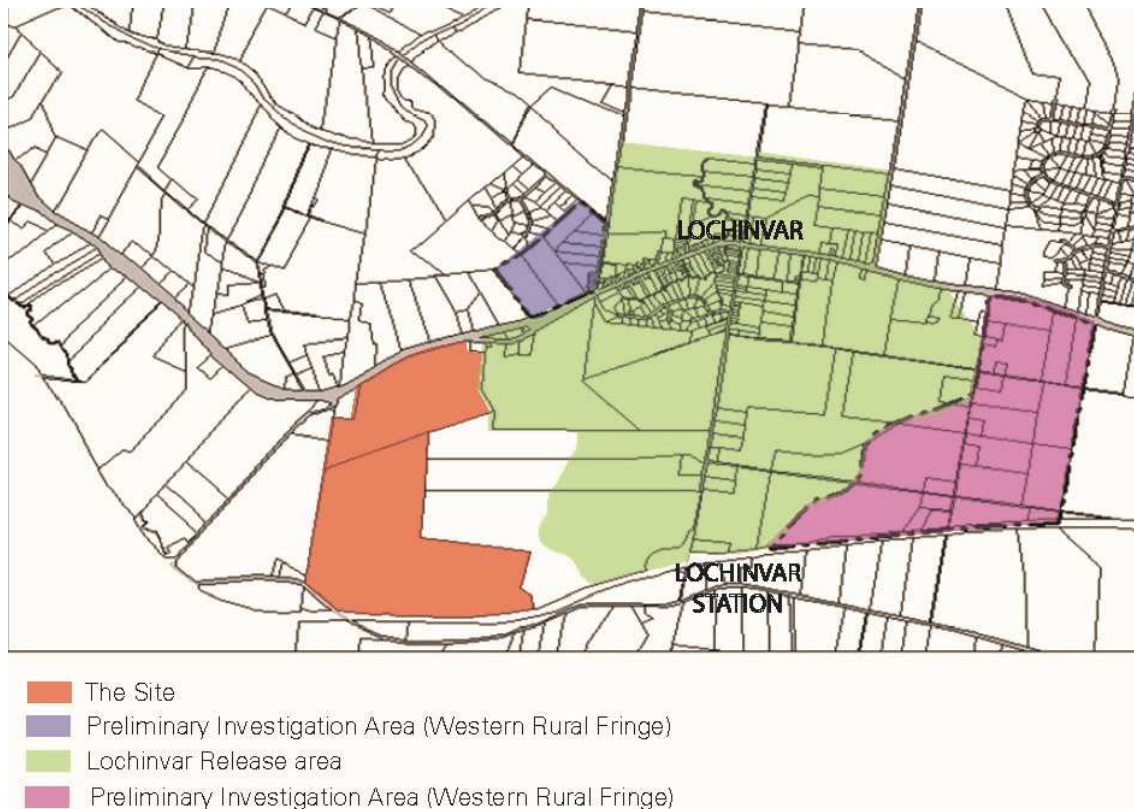
As outlined in the introduction, Belford own a strategic parcel of land located at 1207 New England Highway, Lochinvar. The land, described as Lot 1012 in DP 1145415 and lot 1204 in DP1141532, is approximately 182 hectares in area and is located adjacent to existing zoned urban land at Lochinvar and the intersection of the New England Highway and Allandale Road, which connects the Highway and Lochinvar with the Hunter Expressway at the Lovedale Road Interchange. To the west of the site is a low range of hills that form a visual barrier between

Lochinvar and Greta to the west. These hills to the immediate west of Allandale Road form the western edge of “Hunter City”. The Belford land is shown in **Figure 1**.



**Figure 1** – Belford Land at Lochinvar  
Source: Nearmap

The land to the immediate east of the site is zoned R1 General residential under Maitland LEP 2011. This land was the subject of a structure plan approved by Maitland City Council in 2007 as a priority area to accommodate regional population growth under the LHRS. This land has yet to be developed and has not delivered a single lot - eight years after the approval of the structure plan. There are no immediate plans for its development. The land is currently in fragmented ownership with the majority of land owners occupying the land for rural lifestyle purposes. This situation is not expected to change in the short to medium term and undermines the ability for *Draft Plan for Growing Hunter City* to achieve its objectives with regard to delivering additional dwellings, particularly at the western end of the metropolitan region. **Figure 2** shows the Belford land in relation to the Lochinvar Structure Plan area.



**Figure 2** – Belford Land and the Lochinvar Structure Plan Area

Source: JBA

In contrast, the 182 hectare parcel of land owned by Belford is in single ownership, able to be connected to services and has a significant (815m) direct frontage to the New England Highway. The site is strategically located in close proximity to the existing Lovedale Road interchange with the Hunter Expressway providing excellent transport connections to other sections of the Newcastle / Hunter City urban area. The site is also located in close proximity to Lochinvar Railway Station. The location for residential development is supported in the MacroPlan analysis at **Attachment A**.

The New England Highway corridor has significant constraints and challenges with regard to future urban development, particularly with regard to flooding, which limits the ability for contiguous consolidated urban development and infrastructure. Many areas identified for future urban development in this corridor are in locations that are remote from established urban areas due to the need to avoid flood affected land. This creates difficulties and expense in terms of providing infrastructure and services. Lochinvar lacks these constraints and, with the opening of the Hunter Expressway, is more conveniently located with regard to transport and access to the broader Newcastle / Hunter City metropolitan area. However, as discussed above, identified future urban areas at Lochinvar are being held back by fragmented land ownership.

It is requested that the Belford Land at Lochinvar be identified in the *Draft Plan for Growing Hunter City* as potential urban land to enable a planning proposal to be prepared to facilitate its rezoning and development for residential purposes. It is acknowledged that Belford has not previously raised the potential of this land for rezoning with the Department or Council. However, the release of the draft regional planning documents has prompted Belford to put forward the land to ensure it is given due consideration as part of the finalisation of the plans. Belford are in the process of preparing a more detailed submission on the site for discussion with Maitland City Council in order to progress formal consideration of the site. A meeting with planning staff at Maitland City Council at the end of March has been confirmed in this regard. Belford has also met with the

Department to put forward the proposal and is happy to meet with the Department to discuss this land further, including a firm timetable for its rezoning and development following discussions with Council.

## 9.0 CONCLUSION

The Belford Land Group supports the release of a new strategic planning framework for the Hunter Region, however is concerned that the draft plans fail to adequately provide a positive vision for the region, one that is aspirational and promotes economic growth and development as opposed to a status quo approach of maintaining and managing an existing urban footprint.

The draft plans promote an urban footprint for Newcastle / Hunter City metropolitan area that is based on the strategic planning vision that underpinned the previous Lower Hunter Regional Strategy. This strategic planning vision pre-dates significant changes to the region's dynamics brought about by the Hunter Expressway and has failed to deliver the requisite housing and urban development that the region required during the life of the previous strategy. The draft plans also fail to adequately consider the positive impacts the expressway will have on the Central Hunter Valley subregion.

A full and comprehensive review of zoned, but undeveloped urban land in the region is required, to determine if this land is actually suitable for urban development and that urban development is able to be delivered in the life of the regional plans. Further, the draft plans should include mechanisms for additional candidate sites, particularly those that are in single ownership, well located to centres and transport and free of significant environmental constraints to be considered for urban development during the implementation of the draft plans. This includes the Belford land at Lochinvar that exhibits all the above attributes and is able to be developed as a consolidated holding in the short term.

The Belford Land Group is happy to meet with the Department to discuss any of the issues raised in this submission, as well as provide further information on the Belford land at Lochinvar.

Yours faithfully



Gordon Kirkby  
*Director*