



HOUSING INDUSTRY ASSOCIATION



# Housing Australians



**Reforming Building & Planning Laws**

Submission to the  
Department of Planning & Environment  
**Draft Central Coast Regional Plan**

24 March 2016



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## ABOUT THE HOUSING INDUSTRY ASSOCIATION

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the industry, HIA represents some 40,000 member businesses throughout Australia. The residential building industry includes land development, detached home construction, home renovations, low/medium-density housing, high-rise apartment buildings and building product manufacturing.

HIA members comprise a diversity of residential builders, including the Housing 100 volume builders, small to medium builders and renovators, residential developers, trade contractors, major building product manufacturers and suppliers and consultants to the industry. HIA members construct over 85 per cent of the nation's new building stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

*"promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct."*

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into manufacturing, supply, and retail sectors.

The aggregate residential industry contribution to the Australian economy is over \$150 billion per annum, with over one million employees in building and construction, tens of thousands of small businesses, and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 23 centres around the nation providing a wide range of advocacy, business support including services and products to members, technical and compliance advice, training services, contracts and stationary, industry awards for excellence, and member only discounts on goods and services.



## 1.0 INTRODUCTION

HIA welcomes the release of the *Draft Central Coast Regional Plan* for public comment. As noted in the Draft Plan The Central Coast Region is at the centre of the State's fastest growing corridor from the northern edge of Sydney to Newcastle. The projected population along this corridor is estimated to be 1.1 million by 2036. So it is timely that the NSW Government reviews its position for the Central Coast Region, which is predicted to increase population by 70,000 people to 409,450 over the next 20 years requiring 39,600 new dwellings. In support of the increase in population, delivering the need for increase housing choice, jobs, infrastructure and services is paramount.

Furthermore, nominating and establishing new release areas for increased housing and infrastructure including the means of travelling to these release areas is essential. Addressing these issues will be the key to ensuring that housing, employment and services are available to all the region's residents.

The most fundamental element of the regional strategy is to provide certainty and advance direction on the manner in which the city/region will grow, including the support of appropriate infrastructure. To this end, it is appropriate that the draft Regional Plan builds on the footprint of the past, and seeks to improve the manner in which growth will be facilitated across both the existing and future urban areas of the Gosford and Wyong.

HIA is in a position to assist the Government in the direction of strategic policies, as its members comprise residential builders and contractors, land developers, manufacturers and suppliers, along with all other building professionals in NSW.

As the Draft Plan addresses a range of matters that go beyond housing supply in the Region, HIA submission will respond primarily to the Directions and Actions set out in GOAL 1 – *Enhance community lifestyles and accelerate housing supply*. Some additional comments are also provided.



## **2.0 GOAL 1 ENHANCE COMMUNITY LIFESTYLES AND ACCELERATE HOUSING SUPPLY**

### **2.1 DIRECTION 1.2 – GROW AND ENHANCE LIVEABLE LOCAL CENTRES**

Ensuring that infrastructure has been identified early, and land or funding set aside for its delivery, will underpin the delivery of housing for all sectors of the community and a desire for services thus bringing employment to local centres. If planned well, and if funding sources are identified that do not solely rely on levies and contributions, the region will be able to continue to encourage employment opportunities which will support residents locating in the region for the longer term.

In terms of public transport, providing easy access to various transport nodes and focusing on local centres as suggested in Action 1.2.1 and 1.2.2, will promote businesses considering relocation to come into the Region thus, bringing employment, and demand for retail, services and new housing.

### **2.2 DIRECTION 1.3 CREATE CONNECTED AND ACCESSIBLE COMMUNITIES AND CENTRES**

The Draft Plan must provide a comprehensive view of the ongoing management issues for the Central Coast's transport networks and identify the NSW Government's commitment to the ongoing maintenance, upgrading of existing transport services and the planned provision of new transport networks that support urban growth.

Planning around railway stations will integrate development with transport and provide communities with a feeling of being connected having access to all the required services and facilities. However, it must also be recognized that the road infrastructure between rail link and public parking areas needs to adequately cater for commuters and residents if the stations are to play an effective role as hubs for activity. The Draft Plan addresses a number of actions in relation to improving road transport links and these are appropriate.

The Draft Plan must provide certainty regarding transport links. Good, reliable and fast connectable transport links is one of the key decision-making priorities for homebuyers and businesses. Effective and timely public transport within any urban area is a key element of delivering affordable and sustainable urban growth. Conversely, the existing rail system requires reconsideration in its capacity and usage so that it also can integrate with future transport infrastructure.

### **2.3 DIRECTION 1.4 – ACCELERATE HOUSING SUPPLY**

The overall objective of delivering new housing to meet the Central Coast's growth must be to maintain a supply of affordable housing in all forms. Although there is a continued strong demand for new housing, the proposed strategy for new housing delivery in existing areas using 'urban renewal' policies is also essential.

The Draft Plan refers to a projected annual housing demand over the next 20 years of 1,980 dwellings, which is 590 more homes than the current average annual production and 358 more than was approved in 2015 when Australia nationally recorded its strongest ever building approval figures. To bridge this gap is a considerable challenge and the Plan makes no attempt to suggest how this may be achieved.

The general approach under this Direction is supported. However without clear strategies to increase supply the Region is obviously at risk of not meeting demand. Undersupply is the key driver of higher prices and lower housing affordability, both for owner occupiers and rental accommodation.

The two Actions to coordinate infrastructure and monitor delivery are both critical and must be delivered under this Plan or any other approach to housing in the Region.



To assist with the proposed annual monitoring the Metropolitan Development Program should include reference to a benchmark of maintaining a minimum 15 year land supply of broad hectare residential land, of which at least 10 years' supply should be zoned to permit development.

To assist in delivering the plan HIA would like to express our interest in a HIA representative being involved with the Coordinating and Monitoring Committee and working groups that are established. HIA has extensive experience nationally, and in NSW, in being a member of similar programs and we believe that our involvement will create greater connection for the local housing industry.

Promoting housing affordability is ultimately a question of timely supply and housing mix. It is important that council parochialism does not impede the objectives set out in the Draft Plan. To effectively increase housing affordability and the supply of housing is contingent on reducing red-tape, particularly in the approval process for rezoning and development approvals. Increasing the use of complying development, based on the existing State codes, should be a priority. Along with rezoning of any land that requires changes to facilitate both new development and redevelopment.

## **2.4 DIRECTION 1.5 – IMPROVE HOUSING CHOICE (INFILL)**

The Central Coast has many areas of existing urban development where housing renewal could now be a viable option. With good access to existing community facilities and open space, these areas can provide opportunities for people who want to live in existing suburbs in smaller housing types to remain within the same region. However, the main barrier to re-building in these areas can often be the requirement for development consent. Smaller housing options should be promoted in all localities as a way to increase housing diversity for all residents. The development of smaller allotments and houses should be directly encouraged through planning controls that readily facilitate their approval.

On this basis, it is recommended that the Draft Plan consider the adoption of complying development controls recently amended for Sydney's North West and South West Growth Centres, including the Housing Diversity package - Dwelling Density Guide. These controls are critical to the objective of improving the approval process and promoting a more diverse housing supply.

## **2.5 DIRECTION 1.6 – CONCENTRATE NEW DEVELOPMENT AT WARNERVALE AND ELSEWHERE IN NORTH WYONG**

It is encouraging that the Draft Plan addresses opportunities west of the M1 Pacific Motorway including areas in Warnervale – Wadalba land release area identified in the 2012 North Wyong Shire Structure Plan and land use planning incorporated in the Wyong Shire LEP 2013. There is a huge potential in North Wyong as identified by the draft Plan for 16,682 lots in addition to expanding business opportunities for Warnervale Town Centre.

Within these release areas, barriers such as minimum allotment sizes should be removed, along with the introduction of appropriate actions to help speed up the strategic and statutory process allowing for a diversity of much needed low and medium density housing, to provide a broader range of housing types in these areas.



### **3.0 GOAL 2 GROW AND DIVERSIFY THE REGIONAL ECONOMY**

#### **3.1 DIRECTION 2.3 – GROW GOSFORD CITY CENTRE AS THE REGIONS CAPITAL**

The importance of Gosford City Centre in the future is clearly articulated in the Draft Plan as is the need to undertake strategic infrastructure and service planning. In considering this for this locality, as well as other localities such as the Warnervale Town Centre, the NSW Government needs to carefully consider how future infrastructure provision will be funded. As previously mentioned if funding sources are identified that do not solely rely on levies and contributions, the region will be able to continue to encourage employment opportunities which will support residents locating in the region for the longer term. Alternative funding mechanisms such as tax increment financing and bonds should be available for local government and the development industry to more equitably fund long lived infrastructure.

#### **4.0 GOAL 4 PROTECT AND MANAGE THE NATURAL AND CULTURAL ENVIRONMENT**

The Central Coast region is abundant with important ecological systems and continues to support growth in new release areas of the Hawkesbury River, Brisbane Waters National Park including Brisbane Water and the Tuggerah Lakes. Therefore a comprehensive approach is essential in providing appropriate management of these identified areas if the Draft Plan is to also support future housing development as predicted.

The process needs to provide certainty to all involved including the community, councils and the residential development industry. In the past, new environmental criteria has been introduced into the development process. Whilst the intent of these criteria and policies is not in question, their implementation has generally been adhoc and taken little regard of land already zoned for future development.

Biodiversity and other natural hazards and constraints need to be managed early in the strategic planning process and the outcomes in terms of developable land 'locked in'.

The Draft Plan must provide guidance and support for local government in managing the potential risks arising from climate change and other natural hazards and constraints.

HIA supports the need to protect those areas within and around metropolitan and rural areas that are unique, environmentally sensitive and help to support biodiversity in the Hunter region. The Draft Plans refer to the fact that the majority, if not all, key environmental constraints and areas have already been identified and that appropriate legislation exists to manage these into the future. HIA supports the use of mechanisms such as biodiversity certification and the voluntary use of biobanking, so the continued use of these in the Region is appropriate.

In relation to the large proportion of development that will be 'redevelopment' of existing zoned land, a pragmatic approach must be taken to recognise that retrospectively applying hazards and constraints cannot be done in the same way as occurs in greenfield locations.

The Draft Plan should provide the first layer of certainty for existing and future land owners by designating areas for protection and retention. By locking in 'truth in zoning' as early in the zoning, subdivision and development process as possible, confusion can be avoided, and land owners and the residential development industry can work more effectively.



## 5.0 CONCLUSION

The Draft Central Coast Regional Plan builds on the existing framework of past growth and infrastructure strategies, which is important in providing a high level of certainty to the residential building and development industry over the next 20 years, given their existing investment and support for the growth of the region.

The Goal of the Draft Plan to facilitate a greater variety of built form densities within new suburbs and to promote increased housing supply is supported. However the current average undersupply of 590 dwellings a year is significant and further strategies will need to be developed to address this in the immediate future.

Facilitating infill opportunities to increase housing supply close to existing services, employment opportunities and transport is essential to both industry and the community. The Government should assist in identifying infill land available for residential development at a range of densities, including both medium and high-density development within given areas.

Current planning reforms such as the changes to permit medium density housing as complying development will serve to assist in the increase in housing supply, particularly for infill areas. However the rezoning process and subdivision process are still fundamental to new land supply and efforts to ensure these occur in a timely manner are also critical.

HIA looks forward to working with the Department to finalise the Plan for the Region and we would seek to be part of any formal industry consultation and liaison processes that may be established in the future to support delivery of the Plan.

