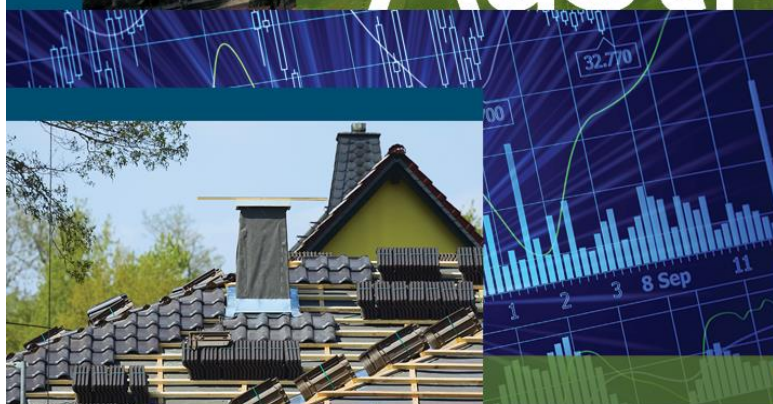




HOUSING INDUSTRY ASSOCIATION



Housing Australians



Reforming Building & Planning Laws

Submission to the Department of Planning and Environment

Draft Greater Newcastle Metropolitan Plan

28 February 2018



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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

The Housing Industry Association (HIA) welcomes the release of the *Draft Greater Newcastle Metropolitan Plan* for public comment. Newcastle and the broader Hunter region's pivotal role in the growth of New South Wales in terms of the economy, employment and housing is significant. As the plan acknowledges, Newcastle is currently experiencing a remarkable period of growth, surging ahead as the standout powerhouse economy in regional Australia. It is timely for the NSW Government to re-evaluate the planning for the city and the surrounding area to ensure that future growth opportunities are well managed.

The release of the Draft Greater Newcastle Metropolitan Plan following the finalisation of the Hunter Regional Plan 2036 provides an opportunity to focus on issues specific to the key urban centres of the Lower Hunter, including Newcastle, Maitland, Cessnock, Morisset and Raymond Terrace.

An important element of any metropolitan plan is to provide certainty and advance the direction on the manner in which the city will grow. To this end, it is appropriate that the draft 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 Newcastle.

Furthermore, nominating and establishing new release areas for increased housing and infrastructure including the means of travelling to these release areas is paramount. Addressing these issues will be the key to ensuring that home ownership, employment and services are available and attainable to all the residents of the city.

The draft plan addresses many issues that are considered necessary for a metropolitan plan and not all have a direct relationship with the delivery of housing, land and other types of residential development. Therefore this submission responds to the outcomes and actions that are considered relevant to the ongoing supply of housing in the Greater Newcastle area.

2.0 VISION & HIERARCHY OF CENTRES

2.1 VISION

The draft plan proposes a vision that will provide for Australia's newest and emerging economic and lifestyle city. Key to the vision is a focus on Newcastle's economic transformation and lifestyle choices it offers. It is appropriate for the draft plan to emphasize on the city's competitive advantages as these attributes are unique to Newcastle and will further the attractiveness of the city for investment and population growth.

2.2 HIERARCHY OF CENTRES

Figure 1 of the draft plan shows the hierarchy of centres within the Newcastle metropolitan area. It also provides an indicative boundary of the Greater Metropolitan Area and the City Core. Within the City Core are the strategic centres of Broadmeadow, Kotara, Charlestown, Cardiff/Glendale, John Hunter Hospital and Callaghan (University of Newcastle).

The City Core includes the key institutions for the metropolitan area, including the region's major hospital, university campus, retail centre, transport interchange and Newcastle's State and local government administrative offices. These are consistent with the strategic centres included in the *Hunter Regional Plan 2036*.

Figure 1 also provides an indicative boundary for the Greater Newcastle Metropolitan Area extending beyond the City Core. This area includes areas outside the Newcastle local government area (LGA) including the surrounding cities of Maitland, Cessnock, Lake Macquarie and Port Stephens. Inclusion of suburban areas into the metropolitan plan is appropriate because they are commuter suburbs within the Greater Newcastle metropolitan area.

Areas for new housing are indicated in Figure 1 and Figure 8 as 'Priority Release Housing Areas'. These Priority Release Housing Areas adjacent to the major transport corridors of the M1 Pacific Motorway and the New England Highway. It is unclear why the Huntlee New Town project has been excluded as from the draft metropolitan plan, given the current and future pipeline of housing construction underway at this location.

3.0 CITY SHAPING ELEMENTS

The draft plan states there are five elements which will shape Greater Newcastle to become the city envisioned by the draft plan. Those elements are:

3.1 CITY HEART

This element refers to the transformation of the Newcastle central business district (CBD) through new public and private investment. An important aspect of this is the investment of about \$650 million in Government funds to the *Revitalising Newcastle* program for major transport infrastructure for the Newcastle CBD. Urban renewal of the CBD will provide opportunities for new employment and urban development along key transport corridors. It is important that the significant investment in new transport infrastructure is matched by increased population density to secure feasibility of new transport investments.

3.2 CITY CORE

This element refers to that part of the Greater Newcastle area generally located east of the M1 Pacific Motorway. The City Core is home to about two thirds of Greater Newcastle's homes and jobs. The plan expects the renewal underway in the City Heart will spread along the major transport corridors into the City Core. Important connections will be formed between the urban renewal and new economic and knowledge centres at the university campus and hospital precincts. It is important that planning controls within the City Core be reviewed to encourage the renewal opportunities proposed by the draft plan.

3.3 TRADING HUBS

An important competitive advantage for the Greater Newcastle area is the convergence of national road and rail routes at the Port of Newcastle. The large industrial and logistics precinct situated to the north-west of Newcastle have been identified as trading hubs, which offer opportunities to connect trade movement across NSW and nationally along the city's transport corridors. The employment opportunities derived from this area will be important for the Greater Newcastle metropolitan area to sustain a growing population.

3.4 CITY FRAME

The City Frame is indicated on Figure 2 and generally aligns with the indicative Greater Newcastle Metropolitan Area boundary. The draft plan describes the City Frame as an "arc of lifestyle centres" because they are either located by the water or the bush and have a strong identity, high amenity and a sense of place. It is within the City Frame where new housing opportunities for Greater Newcastle will be located. Future housing release areas within the City Frame need to be linked to other parts of Greater Newcastle with improved transport services and connections.

3.5 ICONIC TOURISM DESTINATIONS

The draft plan identifies several attributes which make Greater Newcastle a tourism destination. These contribute to the city's role as an important economic and lifestyle city. Events and attractions have the ability to draw domestic and international tourists to the Greater Newcastle area. Investment in tourism infrastructure is supported.

4.0 OUTCOMES AND STRATEGIES

There are four outcomes to underpin the vision for Greater Newcastle. They also work to deliver on the goals embedded within the *Hunter Regional Plan 2036*.

4.1 EMPLOYMENT

Outcome 1 provides for the creation of a workforce skilled and ready for the new economy. It consists of seven strategies and related action items.

Strategy 1.6 addresses the changing land use needs of the new economy and recommends local councils to align their local plans to encourage more home-based business, home-based industries and small businesses in

residential areas. Any obstacle to the achievement of this outcome should be removed and low impact uses should be encouraged as exempt development.

Most of the actions under this outcome have no direct impact on HIA members other than providing a strong and stable local economy to sustain demand for housing construction and renovations. The delivery of new transport infrastructure to support a rejuvenated and vibrant Newcastle CBD is supported.

4.2 ENVIRONMENT

Outcome 2 provides for enhanced environment, amenity and resilience for quality of life. The five strategies identified in the draft plan are aimed towards achieving the enhanced lifestyle and amenity outcomes highly valued by the city's residents. These strategies are appropriate and generally supported.

The focus on the Blue and Green Grid needs further articulation and explanation. Translating high level concepts into practical and pragmatic actions is required for these concepts to be embraced by industry. The lack of detail and certainty will result in concerns about their impact on project viability.

The approach to identification and management of natural hazards and constraints would appear to support the concept of "truth in zoning" (Strategy 3.3) so that landowners have certainty that where development can and cannot occur. Improvement of resilience to certain natural hazards is important and new buildings can incorporate resilience into their design.

There needs to be clear guidelines or development control plans adopted outlining any requirements arising from the need for greater resilience. This would be preferable over ad hoc requirements identified on a case by case basis. It is particularly important that local councils are given guidance on how to implement these issues through the design process as it is inappropriate for councils to raise request last minute design changes which exceed council planning controls or national building codes.

Strategy 2.3 has proposed residential development provisions be updated to increase tree canopy cover and permeable surfaces through urban revitalisation in the CBD and City Core. The implementation of this strategy needs to ensure that it does not adversely limit the viability of current projects. Also development yields on key redevelopment sites should not be compromised by these requirements.

4.3 HOUSING

Outcome 3 provides for the delivery of housing close to jobs and services. There are four strategies in the draft plan which are aimed at delivering housing close to jobs and services. With the city's population increasing by 30% in the next 20 years to approximately 700,000, there will be continual demand for new homes to be delivered across the city.

Over the years, urban development in the Greater Newcastle area has become increasingly spread out. This has led to greater use of private vehicles and multiple development fronts competing for infrastructure investment. New development fronts have affected housing delivery and provided unclear market signals about new housing development. Together these factors have limited the ability to achieve a cost-efficient and affordable pipeline of new housing. The plan needs to provide certainty to industry regarding the Government's preferences for new housing development between the multiple priority housing areas identified in Figure 8 to ensure that there is a fair and equitable environment for any investment decisions made by industry.

4.3.1 Strategy 3.1 – Prioritise the delivery of housing supply

This strategy aims to focus the delivery of new housing within strategic centres and priority housing release areas within the City Frame and urban renewal corridors within the City Core. The promotion of a mix of housing in greenfield and infill areas is appropriate. The draft plan proposes the planning for these areas will be coordinated by State agencies and local councils which is supported.

The statement made on page 48 regarding the supply of zoned land is reassuring. Despite the overall quantity of rezoned land in the pipeline, there are certainly bottlenecks and blockages in the land supply process that restricts access to ready to build land. HIA would suggest the Department investigate the development of a land supply monitoring report to distinguish between land that is identified for urban development, zoned, serviced and ready for development.

The requirement for the Department of Planning and Environment and local councils to identify future growth areas every five years as part of the review and update of the plan is appropriate to ensure that housing supply across the city is well managed. HIA welcomes these reviews every 5 years.

Proposed urban densities ranging between 50 and 75 people per hectare for catalyst areas and urban renewal corridors is encouraging. Densities of this order are likely to achieve the desired outcome of influencing housing affordability and diversity and work towards new housing in areas close to jobs, open space and transport.

4.3.2 Strategy 3.2 – Unlock supply in priority housing release areas and strategic centres

The draft plan ties the release of new land in priority housing release areas to the delivery of new infrastructure. This certainly must be the case as these areas need to be well served by transport services and other infrastructure such as schools and hospitals. It is the Department's intention to establish a Special Infrastructure Contribution (SIC) in the Hunter region to fund the regional infrastructure which it claims is needed to support future growth. HIA will be making a separate submission to the Department on the proposed Hunter SIC.

The Department is proposing to apply under the Biodiversity Conservation Act 2016 for biodiversity certification of priority housing release areas and catalyst areas. This allows for biodiversity impacts of new development to be considered at the landscape scale and allow for individual proposals that maintain or improve biodiversity values proceed without the need for any further assessment of biodiversity impacts. HIA looks forward to reviewing the biodiversity certification application and will make separate comment on that process.

4.3.3 Strategy 3.3 – Prepare Local Housing Strategies

It is stated in the draft plan that Greater Newcastle has enough urban land to cater for an expected metropolitan population of at least 1.2 million. Despite the current supply situation, there should be a process established for local councils to identify, rezone and service new land for urban development. This should be undertaken as part of the review of their local environmental plans. Each council will be required to prepare local housing strategies within two years of the draft plan coming into force. This action is supported as it is important for strategies to be kept as up to date as possible and reflect current information regarding site constraints (bushfire, flooding and mine subsidence). It is important that this take into consideration the availability of utility services so that development of land for housing is coordinated with servicing by the key utility providers. Many of the utility providers make significant investment decisions regarding electricity

substations, water reservoirs and sewerage pumping stations. Decisions to deliver these assets are made well in advance of their construction and need to be aligned with land use decisions and new residential development areas.

A total of 60,300 new homes are projected to be required within the Greater Newcastle metropolitan area over the next 20 years. The draft plan proposes that approximately 35,900 dwellings (60%) will be delivered over the life of the draft plan (2036) as infill development compared to 24,400 (40%) which will be delivered as greenfield development. It is assumed these figures are based on 2016 data that was available when the Hunter Regional Plan was being prepared. It is important that the projects be updated regularly and HIA recommends that the Department consider preparing housing supply forecasts for Newcastle as it currently does for the Sydney region.

The intention to exclude land subject to significant natural hazards or environmental constraints from development is encouraged. Past decisions that have rezoned land with significant constraints has led to conflict and uncertainty regarding its development potential.

4.3.4 Strategy 3.4 – Deliver Well Planned Rural Residential Housing Areas

A unique characteristic of the Greater Newcastle metropolitan area is the presence of large areas of rural residential development between the major urban centres. These rural residential housing areas need to be planned to avoid conflicts with agricultural land uses and land set aside for environmental protection.

The draft plan sets out strict criteria for the development of this form of housing to minimise adverse impacts. It is important to ensure that adequate safeguards are developed through the implementation of the plan to avoid areas which may be required for more intensive urban purposes in the future.

4.4 TRANSPORT

Outcome 4 provides for improved connections to jobs, services and recreation. There are four strategies, and related actions, identified to deliver on the plan's aims.

This outcome has no direct impact on HIA members other than providing for an efficient and reliable transport network between new and existing population centres. Strategy 1 involves the integration of land use and transport planning which is a key policy objective for most governments. In the case of the Greater Newcastle metropolitan area, it is vital that land use planning and transport investment are linked given the vast distances between some centres and the historic pattern of development around Newcastle.

Opportunities for urban renewal at higher densities around the transit hubs at Cardiff, Broadmeadow, East Maitland, Kotara, Maitland and Morisset should be investigated and developed by local councils with the assistance of the Department of Planning and Environment. Updates to local housing strategies required by Strategy 3.3 should prioritise the redevelopment of key sites within these centres.

5.0 IMPLEMENTATION AND DELIVERY

The draft plan provides a large number of actions as part of each strategy. As part of the finalisation of the draft plan, it is appropriate that an implementation and monitoring plan is prepared to allow for each action to be allocated to a stakeholder and to measure performance of stakeholders towards achieving their respective outcomes and goals. We recommend that the plan and its actions be reviewed at least every 5 years to ensure that they remain current.

The concept of a Committee for Newcastle to provide advice on metropolitan-scale collaboration between community, industry and government is welcomed. HIA would be prepared to assist with this either through joining the committee or supporting its activities.

6.0 CONCLUSION

The Draft Greater Newcastle Metropolitan Plan provides a strong basis for the ongoing management of growth across the city.

The draft plan is aligned towards a mix housing in both greenfield release areas and urban renewal in the form of infill development. This approach is supported.

The actions set out in the draft plan appear practical and if pursued over the next 20 years will assist in maintaining Greater Newcastle's significance to the NSW and national economies. HIA looks forward to seeing the draft plan finalised and working with the Department and local councils to ultimately facilitate its delivery.

HIA would seek to be a part of any formal industry consultation and liaison processes which may be established in the future to support the delivery of the draft plan.