



UDIA NSW SUBMISSION ON DRAFT GREATER NEWCASTLE METROPOLITAN PLAN

2018

INTRODUCTION

The Urban Development Institute of Australia - NSW Division (UDIA NSW) is the State's leading property development industry body. We represent over 500 organisations from the public and private sectors. Our members include developers, planners, engineers, academics, regulators, and leading professional advisors. A quarter of our members are based in regional NSW. Our extensive Committee and Regional Chapter structure involves more than 150 of the development industry's key players in policy formulation, and our Hunter Chapter is an active participant in our work.

UDIA NSW is grateful to take this opportunity to offer comment on the Draft Greater Newcastle Metropolitan Plan 2036 (draft Metro Plan).

The draft Greater Newcastle Metropolitan Plan is a vital planning document, and long overdue in the Hunter region. UDIA NSW commends the Department of Planning and Environment (DPE) for recognising the fundamental importance of strategic planning in shaping an area's future success, and for applying those tools to the Hunter region via the development of the Hunter Regional Plan 2036 and this draft Greater Newcastle Metropolitan Plan.

Sustainable, coordinated progress in the Hunter can only be achieved with the support of well thought-out strategic planning backed with accountable actions and committed funding by Federal, State and Local governments. The draft Metro Plan goes a long way toward the former. However, much greater funding commitments are needed from all levels of government in order to deliver on the planning.

We are pleased that the Department of Planning and Environment (DPE) has released the draft Metro Plan in conjunction with the exhibition of two related documents, namely the Draft Hunter Region Special Infrastructure Contribution Proposed Approach (draft Hunter SIC) and Transport for NSW's Draft Greater Newcastle Future Transport Plan 2056 (draft Transport Plan). UDIA NSW has made concurrent submissions to those two draft Plans, and attach copies of those submissions here.

We acknowledge the efforts and resources that have attempted to align the goals and delivery outcomes of these three critical draft Plans. In some areas, that alignment seems to have been achieved; however, UDIA NSW recommends further strengthening the linkages between the plans.

INTRODUCTION

UDIA NSW supports the stated Vision of the draft Metro Plan and agrees with the five Elements shaping Greater Newcastle. We support the four Outcomes identified to underpin that Vision. Our submission primarily focuses its commentary on the Strategies and Actions proposed to deliver the Outcomes.

Having reviewed the draft Greater Newcastle Metropolitan Plan, UDIA NSW and the development industry have identified several areas in which the draft Metro Plan can be improved.

UDIA NSW provides the following recommendations:

RECOMMENDATIONS

1. The governance, implementation and links to the SIC, UDP and Transport Plan should be strengthened.
2. An Integrated Infrastructure Plan for the Hunter should be developed, linked to the SIC, UDP and Transport Plan.
3. Delivering housing close to jobs and services should be improved.
4. The Hunter's growth should be supported with greater Government investment, including the establishment of a loan scheme to unlock housing supply through the delivery of enabling infrastructure.

RECOMMENDATIONS

RECOMMENDATION #1: STRONGER GOVERNANCE

UDIA NSW ardently agrees with establishing collaborative governance arrangements across Greater Newcastle's tiers of Government, community, industry and additional groups who may not typically get involved in strategic planning. Open dialogue and understanding are crucial to the adoption of a shared vision that can be supported by NSW and Commonwealth policy and funding commitments.

We were pleased to read that the draft Metro Plan anticipates a collaboration agreement between the NSW Government and the five councils of the Greater Newcastle area. Likewise, we agree that stronger engagement with young people and those not typically involved in strategic planning will be beneficial.

We also appreciate the rationale behind the proposal for a Committee for Greater Newcastle. We are supportive of a means to assist in identifying and aligning, where possible, the recommendations of key regional stakeholders. We support further consideration of this approach and have been involved in discussions with stakeholders to deliberate on the formation of a group with a common goal of providing a single voice for the Hunter. The other regional stakeholders involved in the discussions included: Hunter Business Chamber, Port of Newcastle, Newcastle Airport, Property Council, HunterNet and University of Newcastle.

Further collaboration will be undertaken with other regional stakeholders including community and local government. UDIA NSW believes there is widespread recognition of the merit in providing a united and collaborative approach to advocacy efforts in the Hunter and is committed to ongoing discussion and deliberation on the best option for achieving this.

Accountability to Collaboration Agreement

The draft Metro Plan states that Hunter Development Corporation (HDC) will "lead the collaboration processes." UDIA NSW supports HDC in this role, and requests additional information on how the collaboration will be achieved.

This is especially important with regard to collaboration between NSW Government and councils to coordinate funding and sequence growth opportunities.

RECOMMENDATIONS

Specifically, how will councils and NSW Government be held accountable to their collaboration agreement?

Implementation of the draft Metropolitan Plan

Page 19 of the draft Metro Plan addresses its implementation. UDIA NSW considers this of critical importance. We have long advocated for a statutory strategic plan.

Our members would appreciate clarification around the following:

- With regard to the assessment of development applications with reference to the outcomes of the draft Plan, will the adopted Metro Plan become a “Matter for Consideration” under the EP&A Act? If not, how will this be realised?
- Will there be an effort to achieve consistency in approach across the five councils as they prepare their local housing strategies and DCPs? Approaches to issues such as housing diversity, infill, etc., should be aligned as much as possible.

Links to SIC, UDP and Transport Plan

The draft Metro Plan states that the SIC will “help deliver the goals of the *Hunter Regional Plan 2036* and this draft Metropolitan Plan”. In our many consultations with DPE on the Regional Plan, Metro Plan, SIC, UDP and Transport Plan, DPE officials have consistently agreed with our contention that all of those plans must be linked together to best deliver on the strategic goals.

While we acknowledge that much work has gone into such an effort, nonetheless we are disappointed that the linkages aren’t evidently stronger. We are making separate concurrent submissions on the draft Hunter Region Special Infrastructure Contribution Proposed Approach and the draft Greater Newcastle Future Transport Plan. The SIC does not support the housing goals of the draft Metro Plan, and the Future Transport Plan has no real commitments to funding or delivery. Likewise, the UDP is still a work-in-progress, and questions have arisen around how robust it will be, and therefore whether it will be a useful tool to inform the other plans.

UDIA NSW encourages DPE, HDC and NSW Government in general to continue to work on strengthening these linkages into a meaningful set of tools for the Hunter. We would be grateful for the opportunity to continue to work with Government to fine tune these processes.

RECOMMENDATIONS

RECOMMENDATION #2: INTEGRATED INFRASTRUCTURE PLANNING

Government should establish an Integrated Infrastructure Plan for the Hunter

A key recommendation from UDIA NSW in its ongoing consultations with the NSW Government is that an integrated infrastructure plan should be prepared for the Hunter region as part of the strategic planning process for the delivery of transport, water, wastewater, energy and telecommunications. We stand by this recommendation and underscore its fundamental importance to achieving meaningful growth in the region.

Infrastructure is a key blockage to housing supply. There are particular challenges to infrastructure in the Hunter relating to coordination, specification and cost, and there is currently no framework for the collection, analysis and presentation of existing and planned network infrastructure capacity across network infrastructure providers within the Hunter.

- UDIA NSW commends the Department of Planning and Environment and Transport for NSW for consulting in the development of this draft Metro Plan and the draft Greater Newcastle Future Transport Plan. The draft Transport Plan outlines initiatives and a sequencing pattern for the transport component of the overall infrastructure question for Greater Newcastle. Although the Transport Plan lacks real funding and delivery commitments, nonetheless it attempts to speak to the draft Metro Plan.
- Likewise, the Hunter Water Corporation has recently released its Growth Plan related to water and sewer provisioning for its Hunter service area.
- Energy (Ausgrid) must also produce a Growth Plan.
- Telecommunications (NBN) must also produce a Growth Plan.

Ultimately, all of these individual plans must reference and coordinate with each other. It does no good to provide for roads if water, sewer and/or power can't be delivered to support an area's growth. While the draft Transport Plan is welcomed and useful, UDIA

RECOMMENDATIONS

NSW urges the development of a broader, coordinated and integrated Hunter infrastructure plan to unlock the region's potential.

UDIA NSW makes these vital recommendations for the successful development and implementation of an Integrated Infrastructure Plan:

- Governance: The Hunter Development Corporation (HDC) and the Department of Planning and Environment (DPE) should together be responsible to work with the relevant stakeholders and deliver an Integrated Infrastructure Plan for the Hunter.
- The Greater Newcastle Urban Development Program (UDP) should provide the critical detail needed to align infrastructure planning with housing needs.
- The Hunter Special Infrastructure Contribution (SIC) must be linked to and support the delivery of the Integrated Infrastructure Plan.

Integrated infrastructure planning will only work if the information is available publically on a full disclosure basis. It is critical that these plans are closely aligned to agency capital works programs and have the detail available to appropriately set regional infrastructure charges. With the oversight of HDC and DPE, the Hunter Integrated Infrastructure Plan can be flexible to assess and make necessary changes as the UDP reflects changes to the market.

RECOMMENDATION #3: DELIVERING HOUSING CLOSE TO JOBS AND SERVICES

As stated previously, UDIA NSW agrees with the articulated Outcomes of the draft Metro Plan. We agree that it is desirable to:

- Create a workforce skilled and ready for the new economy;
- Enhance environment, amenity and resilience for quality of life;
- Deliver housing close to jobs and services; and
- Improve connections to jobs, services and recreation.

RECOMMENDATIONS

We also agree that identifying and focusing on catalyst areas is a logical means of driving outcomes.

We have a number of questions to better understand the intent of the draft Metro Plan, and some recommendations.

Housing

The draft Metro Plan outlines how new housing is to be focused in urban renewal corridors, strategic centres and priority housing release areas.

As a general comment, there appears an overemphasis on the concept of “corridors” (which are linear) rather than precincts or areas. There should be no impediment to areas that are well connected to transport, near major infrastructure, and not suffering from other environmental constraints, from being part of an identified renewal area.

The urban renewal corridors shown on Figure 7 appear to be limited to the Newcastle LGA and ignore renewal opportunities along major transport corridors, for example Charlestown - Belmont (Pacific Highway); and Cardiff – Glendale (Main Road). UDIA NSW supports the inclusion of these.

Urban renewal needs to be supported by planning controls that facilitate redevelopment of existing sites. Development constraints, especially those relating to infrastructure and mine subsidence, will be relevant considerations if this vision is to be realised.

UDIA NSW recommends:

- Consistency of planning controls across LGAs, particularly in regards to infill development.
- An infrastructure loan scheme should be put in place to support delivery of enabling infrastructure. (see Recommendation #4 below).
- The Newcastle Mines Grouting Fund should be expanded to cover the entire Greater Newcastle metropolitan area.

Strategic Centres, Priority Housing Release Areas and Catalyst Areas

UDIA NSW agrees that we need strategies to unlock supply of housing. We are grateful to DPE for understanding the complex challenges to delivering adequate housing supply, and addressing many of those in this Plan.

RECOMMENDATIONS

UDIA NSW has identified specific constraints to delivering major housing sites. Our updated *Building Blocks* document will outline what is needed to unlock housing in these areas. We have supplied the draft *Building Blocks* to the Department in confidence previously. We are currently working to finalise an update, and will share that with the Department soon.

We note that the plan provides limited opportunity for the identification of any new urban release areas. The plan continues to focus greenfield housing opportunities relatively large distances from existing jobs. Given the location of the priority housing release areas the ability to achieve 25% of housing as either small lots or multi-dwelling housing is questioned.

Numerous existing Urban Release Areas are not identified on the plan. Figure 8 focuses on 4 primary release areas and appears to ignore a number of existing URA's mapped in LEPs. Is it intended that URAs not included in the draft Metro Plan will not benefit from matters identified in Strategy 3.2 - Unlock supply in priority housing release areas and strategic centres? If so, what is the rationale? UDIA NSW contends that all URAs should benefit from efforts to unlock supply.

UDIA NSW recommends:

- Increased housing opportunities should be investigated and encouraged closer to Newcastle and Lake Macquarie.
- Consideration should be given to the corridor between Kurri Kurri and Beresfield. Will planning priorities override mining priorities in this corridor?
- Kurri Hydro Employment Zone and Residential Area should be included in the plan.
- Spot re-zonings offer a valuable mechanism to provide new development opportunities that can provide considerable benefit to the region. The plan should make it clear that such proposals will still be supported where sufficient strategic merit can be demonstrated.
- Many existing URAs mapped on LEPs are not included in the draft Metro Plan. UDIA NSW recommends that the Metro Plan should include the URAs identified on this link https://www.planningportal.nsw.gov.au/find-a-property/268809_572_DP777919.
- The plan ignores some very substantial and strategically important existing facilities. A good example is the Mater Hospital. Given its proximity to both the

RECOMMENDATIONS

University and the Waratah train station, Waratah is a logical area for urban renewal.

- Urban renewal appears to be limited to the Newcastle LGA and the draft Metro Plan ignores growth opportunities in surrounding LGA's, in particular Lake Macquarie. For example, UDIA NSW supports the inclusion of North West Lake Macquarie as a Catalyst Area in the Plan.
- The draft plan ignores Priority Housing Release Areas within the Port Stephens LGA, although the LGA contains 2 Catalyst Areas (Williamstown and Tomago).
- The potential increase in dwelling density in the Fern Bay precinct has been overlooked. There is substantial development proposed in that area which is not identified. Stockton should be identified in the plan for urban renewal, given its location relative to the airport, defence and other employment zones around Williamstown.

Connections to Employment

Based on our knowledge of ongoing and planned industrial and employment projects, UDIA NSW offers the following comments with regard to the jobs targets within the draft Metro Plan:

- Beresfield / Tomago: with approximately 360ha of employment land available within this employment area, the identified minimum job target of +200 considered too low.
- Kurri Hydro Employment Zone and Residential Area should be included in the plan.
- The plan identifies +800 new jobs in Kotara which we anticipate will arise largely from the expansion of the Kotara Westfield shopping centre. Similarly, we would expect job growth in and around Glendale, associated with the proposed expansion of the Stockland Glendale shopping centre which we understand may involve up to 50 new retail outlets. This growth should be identified on the plan. Again, UDIA NSW supports the inclusion of North West Lake Macquarie as a Catalyst Area.
- What strategies are in place to ensure Catalyst Areas such as Tomago and Williamstown can be delivered? Significant environmental and other constraints exist for these areas.
- The plan misses the opportunity to identify a site for a major convention / entertainment precinct, e.g., at Wickham near the transport interchange.

RECOMMENDATIONS

- Gaining a rail network that could get to Sydney in less than 2 hours would go hand in hand with items such as the proposed Glendale Interchange.

RECOMMENDATION #4: GREATER STATE INVESTMENT IN THE HUNTER & LOANS FOR INFRASTRUCTURE

Recent investments in Newcastle's revitalisation by the NSW Government are welcomed. Significant expenditures have been allocated to the major catalyst projects, including \$1.7 billion for the Hunter Expressway and \$650 million for Newcastle revitalisation including the Wickham interchange and light rail. These are significant investments and have underpinned the ongoing growth of the Hunter priority region.

It must be pointed out, however, that these investments are not supported by a consistent funding level commensurate with the relative population of the Hunter region. The Hunter is home to 9% of the NSW population, but on average over the past decade, has only received 4.9% of the state's budget allocation for transport, 2.7% for primary & high schools, 3.9% for TAFE buildings and 5.1% for hospitals.

These funding inequities have left local government and developers, primarily, to pick up the tab, which has added to the difficulty of providing housing in the Hunter.

UDIA NSW understands the economic imperative of the efficient allocation of finite resources in funding decisions. That said, much more could and should be provided to support the economic development in the Hunter priority region.

Infrastructure Seed Funding

UDIA NSW maintains its long-standing recommendation for an enabling infrastructure seed fund and/or loan scheme to support adequate housing supply. NSW Government should allocate up to \$100 million to establish a fund for delivering enabling infrastructure, including roads and intersections, to unlock housing release areas.

This fund could be accessed by developers or service providers to pay the up-front costs of delivering enabling infrastructure associated with new housing. The developer would repay the loan at the completion of sales.

RECOMMENDATIONS

A major blockage in the delivery of adequate housing supply is the up-front “peak debt” of building roads, water, sewer and power infrastructure.

Seed funding of enabling infrastructure (with payback) would bring housing to the Hunter market faster and at a more affordable price, by having a positive impact on peak debt feasibility of development projects. We conclude that a Special Infrastructure Contribution could be used to facilitate funding of lead in RMS and council road infrastructure to unlock stalled development. This would create a broader catchment of feasible development with the ultimate outcome of providing stability to the property market and regional economy through unlocking housing supply.

Attached is a previously submitted UDIA policy paper recommending a *Regional Infrastructure Investment Loan Scheme* which provides further detail on the regional benefit and proposed loan mechanism. As noted above, our updated *Building Blocks* document will identify some of the projects that could benefit from such a loan scheme.

CONCLUSION

UDIA NSW commends the Department of Planning and Environment for the tremendous effort put into delivering the draft Greater Newcastle Metropolitan Plan.

UDIA NSW is grateful for the opportunity to comment on the draft Metro Plan, and we look forward to further engagement on these critical questions in the months to come.

Should you have any questions please contact UDIA NSW Hunter Regional Manager Elizabeth York via eyork@udiansw.com.au or 0434 914 901.

The [Urban Development Institute of Australia \(UDIA\) NSW](#) is the state's leading property industry body. It advocates for better planning, timely and affordable housing, and the building of vibrant communities to increase and support local job opportunities.

Published February 2018

Urban Development Institute of Australia NSW

66 King Street, Sydney, 2000

Tel 02 9262 1214

www.udiansw.com.au

