



# UDIA NSW SUBMISSION ON DRAFT GREATER NEWCASTLE FUTURE TRANSPORT

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 2017 Draft Greater Newcastle Future Transport Plan (Draft Plan).

UDIA NSW generally supports the vision and initiatives as outlined in the Draft Greater Newcastle Future Transport Plan currently on exhibition. Indeed, it is difficult to argue with the overarching statements for customer outcomes, as each one is important and desirable. Likewise, the transport projects identified are all critical to the region's growth. UDIA supports initiatives such as:

- faster rail service to Sydney; more frequent rail servicing between Newcastle, suburbs and Upper Hunter; reduced rail journey times; and park and ride stations;
- addressing the pinch points and support the maintenance of 30 minute catchments for car journeys to support local development;
- extension of the M1;
- freight by-pass;
- improved connections to Newcastle Airport;
- cruise terminal for the Port;
- investigating extensions for light rail

We note the omission of any commentary related to the north west portion of Lake Macquarie. UDIA NSW considers this area to be ripe for development of employment and housing, and we encourage Transport for NSW to include in its 0-5 year plan an investigation of the Lake Macquarie Transport Interchange.

We are pleased that Transport for NSW has released the Draft Plan in conjunction with the exhibition of two related documents from the Department of Planning and

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Environment, namely the Draft Greater Newcastle Metropolitan Plan (Draft Metro Plan) and the Draft Hunter Region Special Infrastructure Contribution Proposed Approach (Draft Hunter SIC). We have made concurrent submissions to those two draft Plans, and attach copies of those submissions here.

Integrated and strategic planning are the fundamental tools which will stimulate economic growth and investment in a region. Sustainable, coordinated progress in the Hunter can only be achieved with the support of a well thought-out plan backed with accountable actions and committed funding by Federal, State and Local governments. Transport is a crucial element in that planning and funding process. We acknowledge the efforts and resources that have attempted to align the goals and delivery outcomes of these three critical Plans. In some areas, that alignment seems to have been achieved; however, UDIA NSW recommends strengthening the linkages between the plans.

We are grateful for this opportunity to comment on the Draft Plan and are fundamentally supportive of its stated vision. Having reviewed the documents, UDIA NSW and the development industry have identified several areas in which the Draft Plan can be improved.

UDIA NSW provides the following recommendations:

## **RECOMMENDATION 1**

The Hunter's growth should be supported with greater investment in transport, including seed funding of enabling infrastructure.

## **RECOMMENDATION 2**

The NSW Government should establish a loan scheme to unlock housing supply through the delivery of enabling infrastructure.

## **RECOMMENDATION 3**

An Integrated Infrastructure Plan for the Hunter should be developed, with transport planning linked to the SIC.

# RECOMMENDATIONS

## **RECOMMENDATION #1: GREATER STATE INVESTMENT IN THE HUNTER**

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 transport 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.

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.

## **RECOMMENDATION #2: 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.

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

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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.

## **RECOMMENDATION #3: 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 Transport for NSW and the Department of Planning and Environment for consulting in the development of this Draft Plan. The Draft Greater Newcastle Future Transport Plan outlines initiatives and a sequencing pattern for the transport component of the overall infrastructure question for Greater Newcastle.

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- 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 this Draft Plan is welcomed and useful, UDIA 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.

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## CONCLUSION

UDIA NSW commends Transport for NSW for working across Government in an effort to understand the needs of the growing Hunter region. The Draft Plan is a solid contribution toward an integrated infrastructure plan for Greater Newcastle. However, considerably more work must be done across Government to ensure alignment of goals and commitments to adequate funding.

UDIA NSW is grateful for the opportunity to comment on the Draft 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](mailto: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.*

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**Urban Development Institute of Australia NSW**

66 King Street, Sydney, 2000

**Tel** 02 9262 1214

[www.udiansw.com.au](http://www.udiansw.com.au)

