

28 February 2018

Executive Director
Infrastructure and Delivery
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Your ref: SIC
Enquiries:

Dear Sir

Re: Special Infrastructure Contribution, Hunter Planning Region

Thank you for the opportunity to comment on the Draft Special Infrastructure Contribution proposed for the Hunter Planning Region. We look forward to working with the Department of Planning and Environment and hope that our feedback will be taken into consideration during implementation.

Distinction of subregion.

MidCoast Council is a newly amalgamated council (the only amalgamated council in the Hunter Planning Region 'Hunter') and has a vastly different demographic and geography to other Local Government Areas ('LGA') in the Hunter. MidCoast Council covers the areas formerly governed by Great Lakes, Taree and Gloucester Council. These areas represent the northern fringes of the Hunter and southern edge of the Mid North Coast. Our four major population centres of Forster-Tuncurry, Taree, Wingham and Gloucester are 166km, 173km, 185km and 123km from Newcastle respectively. It is the largest LGA in the Hunter by area and has different and specific needs to other sub-regions in the Hunter.

As a member of Hunter region and the Hunter Joint Organisation (JO), MidCoast receives numerous benefits and opportunities. In conjunction with this though is the risk of being collectively classified in relation to the definition of 'high growth regional area' on which the SIC is based. While there is an appreciation of the positive impacts of high growth areas to the whole region, there is not a direct demand for the associated infrastructure in some subregions including MidCoast. This is highlighted by the allocation of benefits to MidCoast being limited to *Planning and Delivery Costs* and *Health* in comparison to high growth areas which have specifically listed projects.

The Estimated Resident Population ('ERP') in the MidCoast subregion in the years 2006-2016 increased by 8.4%. For the same period the ERP increase for Maitland was 24.94% and Cessnock 18.3%. While there is a demonstrable need for special infrastructure in some subregions of the Hunter, there are arguably other subregions which do not have the same demand and may not necessarily need to be included in the SIC.

Strategic Planning

In May 2017 MidCoast Council reviewed mapping provided by the Department of Planning and Environment, based on Urban Release Area Maps from each LEP, which was to be used as the basis for the SIC draft. Concerns were raised at that time that these maps were inconsistent across the three former LGAs and that the level of inconsistency across the LGA and the Hunter region could be significant.

Inconsistency arises from:

- The Greater Taree LEP which was adopted in 2010 when there was significant development occurring. Accompanying the adopted LEP were up to 15 rezonings, all of which were included on the Urban Release Map. In comparison the Great Lakes LEP was adopted in 2014 and only one site is included on the Urban Release Map.
- LEPs being adopted at varying times.
- Councils applying the requirements for Urban Release Maps differently; some apply a threshold for when sites should be mapped, while others may not map any of the sites.

The result is that mapping is inconsistent. There is a risk that there are sites that were rezoned at the same time across what is now MidCoast Council that will be subject to the SIC while it will not be applied to others. A more accurate means to identify these sites subject to the SIC is needed.

Unintended consequences.

Because of the sporadic and limited growth that occurs within MidCoast, there are serious unintended consequences of applying a SIC especially on industrial land. MidCoast has an unemployment rate of 9%, compared with 6% in regional NSW, while Aboriginal unemployment is 21.6% compared with regional NSW at 15.3%.¹ This high level of unemployment presents unique challenges of which part of the solution is industrial growth to generate employment. Attracting industrial investment in the region will be hampered by the introduction of a SIC that applies to industrial land, and in some instances will be enough to relocate pending and/or potential industrial investment to neighbouring LGAs with no SIC. All of this will result in even slower population growth and investment in the area.

¹ Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data)

Case Study: Northern Gateway

Approximate Area: 65 hectares (SIC contribution at proposed rate \$2,485,080)

Key Points: Potential Business Park on northern boundary of Taree including service centre, driver interchange, accommodation and other industrial investment. Negotiations have taken place over 8 years between Council, private investors and Federal and State Government. One major private company has already committed to invest in the project as the anchor to the precinct and on 31 January 2018 the received \$500,000 towards their \$4m investment from the Federal Government.

Benefits to Community: Logistics link between Sydney and Brisbane, removing 700 daily truck movements from Taree town centre, attracting transport businesses to set up in the area, employment opportunities during construction and permanently. In the anchor company alone fifty jobs will be created throughout the construction phase and a further sixty ongoing jobs will be generated.

Risks: project not proceeding due to lack of private investment, lack of private investment due to the barrier presented by the SIC.

Due to the unique circumstances of being post merger, operating under three different LEPs and having specific demographic and infrastructure needs we submit that MidCoast Council should not be subject to the proposed SIC due to the negative impacts it will have on investment, employment and population growth in our region. The imposition of the SIC in MidCoast would also contravene the *Premiers Priorities* of Creating Jobs, Building [Industrial] Infrastructure, and Faster Housing Approvals and contravene the *State Priorities* of Encouraging Business Investment, Accelerating Major Project Assessment, and Increasing Housing Supply.

We hope you are able to take these factors into consideration and would be happy to discuss with you further if necessary.

Yours sincerely

Lisa Schiff
Director, Planning and Natural Systems