The lower Hunter over the Next 20 years: a discussion paper

Submission by Planning Institute of Australia (NSW Division)

May 2013

The Planning Institute of Australia (PIA) is the peak body representing professionals involved in planning Australian cities, towns and regions. The Institute has around 4,500 members nationally and around 1,200 members in New South Wales. PIA NSW plays key roles in promoting and supporting the planning profession within NSW and advocating key planning and public policy issues. This submission has been prepared on behalf of PIA NSW by members of the Institute.
INTRODUCTION

The NSW Division of the Planning Institute of Australia (PIA NSW) welcomes the Government’s Discussion Paper on the Lower Hunter over the next 20 years, as the first step in developing an updated and responsive framework for planning in the Lower Hunter Region.

The review is critical not only to the future of the Lower Hunter, but also to the Upper Hunter and to integrate planning for the Central Coast and Sydney Metropolitan region.

The Institute supports

a) the underlying intentions of this Discussion Paper to establish the changed approach to align with the direction for upfront community engagement in the White Paper (seeking to improve community connections to planning);

b) the statement of principles – particularly integration of development planning with infrastructure planning and delivery;

c) the intention to align the strategy with NSW 2021, the Long Term Transport Master Plan, Councils’ Community Strategic Plans, the State Infrastructure Strategy and the Hunter Infrastructure Plan and that integrated infrastructure planning for the LHRS is to underpin State budget priorities.

In our support for the framework, we also highlight some areas we believe need to be further addressed:

**Time Frame**

The strategy when published should present a vision for the region. The LHRS was a 25 year strategy. The Discussion Paper talks about a 20 year strategy but is only planning to 2031 which is actually less than 20 years. What is needed is a longer timeframe not a shorter timeframe for strategic frameworks

The 2006 LHRS contained a number of targets and many of them have not been achieved. This revised strategy is an opportunity to underpin the framework with a delivery mechanism to ensure an outcomes focus, and consistent with the suggested plan hierarchy outlined in the Government’s White Paper.

**Housing**

Like Sydney the demand for housing has far outstripped supply in the Lower Hunter since the GFC. The Discussion Paper states that annual population growth in the 5 years after the release of the LHRS was 22,500 – an average of 4,500 people per annum. The LHRS target was for 6,400 people per annum. Furthermore there were only 11,200 dwellings constructed during this period – an average of 2,200 per annum. The target in the LHRS was 4,600 dwellings representing a 2,400 dwelling shortfall each year.
Clearly just having targets does not assure any results on the ground and the LHRS has demonstrated this. The Discussion Paper is suggesting new targets which are less than previous targets. Yet the Hunter has considerable capacity to accommodate natural growth and act as an overflow for Sydney. Some 35,000 residential lots have been zoned since the introduction of the LHRS, but annual lot production has been less than 600 lots per annum. Clearly there is a disconnect.

The reasons that new urban release areas have not come on line include the difficulty of securing finance following the height of the GFC; poor lot yields given biodiversity, riparian corridors, bushfire APZs, etc; the cost of infrastructure as required by relevant agencies; and the minimum lot size requirements of many councils which also impact on yield. Mechanisms and a Strategy that recognises and addresses these issues and the commercial realities of achieving housing outcomes in the Region need to be put in place in accordance with the principles of the White Paper. A failure to do this would result in the ongoing shortfall of housing supply behind demand, as evidenced by the existing shortage of rental accommodation in the Region.

Essentially, all of the Urban Release Areas in the LHRS of 2006 have levels of commitment. The Newcastle Urban Renewal Strategy goes a long way to establishing future planning for central Newcastle. The current discussion paper would have benefited from a stronger link to this existing work.

**Monitoring and reviewing the LHRS and Upfront Community Engagement**

The Discussion Paper fails to address what should be a fundamental purpose, that is, meaningfully monitoring and reviewing the effects, successes and failures of the LHRS since October 2006.

The “New Approach / What do you think” contents are tantamount to starting the LHRS all over again. This “new approach” for the LHRS might have been better if more oriented to:-

- “What’s worked well in the LHRS since 2006?
- What has not worked well in the LHRS since October 2006?
- Why have things worked / not worked as expected?
- What are the main changes which the renewed LHRS should include to improve the Strategy?"

The discussion paper (page 10) refers to “Research that will shape our Plans”. The Institute supports the inclusion of background research to assist in informed decision making. We understand that research focussed on assessment of alternative growth scenarios; analysis of centres and housing markets; and cost benefit analysis of alternative growth Plan has been undertaken and is intended to be publicly available with exhibition of the draft LHRS.

Release of this research would have added great value to the context of the Discussion Paper and allowed the community and other stakeholders to respond more productively at this stage. In the spirit of the new planning system we strongly encourage this approach and the timing of releasing key research be reconsidered for all future regional strategies.
Alignment with the White Paper on Review of the NSW Planning System

PIA supports the recommendations for the Strategic Planning Framework as outlined in the current White Paper recommendations and draft Exposure Bill for taking the LHRS forward.

The processes and outputs for finalisation of the LHRS should be consistent with the White Paper and draft Exposure Bill (subject to any modifications consequent upon their exhibition) namely:

- Drafting of a Regional Growth Plan and its subsequent adoption;
- The preparation of a sub-regional Delivery Plan and associated Growth Infrastructure Plan; and
- Inclusive of policy positions of all relevant stage agencies.

It is the expressed intent that the Regional Conservation Plan (RCP) will be revised after the approval of the renewed LHRS. PIA suggests that the RCP is integrated with the LHRS review process as such integration would align with the processes, and particularly engagement with State Agencies, advocated in the White Paper.

Alignment with the Strategic Planning Framework proposed by the White Paper should also address:

a) How planning for the integration of environmental issues will address the major biodiversity issues in the Lower Hunter, to overcome a failing of the original LHRS;
b) A sound evidence base to underpin the housing targets, not just as extrapolations of recent trends but based also on policy about the role of the Lower Hunter in offsetting urban development pressures on the Sydney metropolitan area;
c) Credible and realistic governance structure(s) and means for implementation;
d) The opportunity for the LHRS Review to translate into the first Regional Growth Plan and Sub-Regional Delivery Plan and be taken forward as a model for implementing the Strategic Planning Framework recommended in the White Paper;
e) Strongly underpinning the LHRS with the declared intents of the White Paper to achieve sustainable development by policies that balance social, economic and environmental factors.

Governance Structures and Implementation

We acknowledge a timing issue in the release of key documents however a Reference Group, consistent with processes outlined in the White Paper would have been greatly beneficial to enhancing the quality of data and content in the Discussion Paper and in identifying key issues. Certainly, more engagement with the PIA, other peak representative groups, State Agencies and the property industry would have been productive in achieving a better document. Aligning the processes hereon to the White Paper will mean sound engagement structures and a Sub-regional Planning Board being established for the preparation and implementation of the Sub-Regional Delivery Plan for the Lower Hunter.

The LHRS must include mechanisms to ensure housing targets are reviewed annually and that implications for the integrity of the LHRS, delivery of housing targets (including affordable housing
targets) and infrastructure are assessed and responded to by adapting the Strategy on an annual basis.

The Hunter Urban Development Program needs to be updated as a matter of urgency. This should involve extensive consultation with the development industry.

Establishment of a Regional Infrastructure Fund should be considered. This is referred to by the region’s development industry as what is needed to help remove the single biggest impediment to housing delivery. The Fund could provide loans to build lead-in infrastructure that are fully repaid via a bond style interest rate.

The Planning Institute looks forward to ongoing engagement in both the Planning Review and in the next stage of the Lower Hunter Regional Strategy.