Submission to Draft Illawarra Regional Growth and Infrastructure Plan

Please find attached a submission from PIA NSW to the Draft Response to the Illawarra Regional Growth and Infrastructure Plan (November 2014). This was prepared in collaboration with PIA Planners in the region.

We would be pleased to elaborate further on the issues raised if need be.

Yours sincerely,

Maurene Horder
PIA NSW Executive Officer
Introduction

As a strategic action plan to forecast and manage the expected growth within the Illawarra region, the Growth and Infrastructure Plan put forward by the Department of Planning and Environment is a strategy to cater for the economic stimulus and locality advantages expected in regional growth. In this endeavour, the Planning Institute would commend the Department in attempting a holistic approach, identifying the main contributors to that growth. It must be acknowledged that this is a particularly challenging legislative environment for this undertaking, with both the Local Government structure and areas of legislation undergoing significant review.

In the task of identifying the actions required to adequately manage the regions capacity to accommodate the described growth, it is heartening to see the broadening of critical influences and service provision that underpin growth prosperity.

Unlike previous plans developed for the region, this plan goes beyond trying to identify the traditional drivers of growth and we now see an integration of instructive elements such as transport infrastructure and services as fundamental alongside targeted planning. Although much of the comment within the plan still devotes considerable emphasis on housing and jobs, the plan recognises that these criteria are not the preceptor but are a calculated response to good planning and conscious integration of services up-front.

However, the plan still relies too heavily on population and housing supply as institutional markers as a basis for future economic positioning. Although population shifts and place preference may indicate confidence in a region, it should not ipso facto reflect a need for complementary housing, jobs, infrastructure, etc. Strategic planning for growth should approach in the converse, i.e. provide the economic stimulus in the appropriate location and the support in jobs, housing, etc. will follow.

An overview of the plans strengths and weaknesses, its opportunities and threats was undertaken. See Appendix A which serves to place the plan in context.

Transforming places

The plan identifies those areas (as previously proposed in local government strategies) that can accommodate additional growth and will readily support and integrate with existing infrastructure. At best the plan can be described as a co-ordination plan rather than a key instigator of growth, where that growth best meets future demands. This is emphasised in the plan focus on integrating transport between Wollongong University, the Hospital and the City Centre. Also, there is an undertaking to concentrate work in the northern Illawarra to improve liveability in the Northern Growth Corridor. In the southern Illawarra, around places like Nowra and the Defence Bases of the Shoalhaven, the Plan will coordinate opportunities for growth in those areas defined within the Shoalhaven Growth Strategy. This presents as good over-all planning, but there are little demonstrated actions or directions for how these areas and their support services will be brought to the market.
Whilst defining areas for future growth and transformation will concentrate the economic activity, there remains the potential impact on the existing community and the expectation of growth sequencing by local Government. Is the plan intent therefore, to drive the direction of growth or to reinforce the strategies as implemented by local indicators?

**Regional prosperity**

The Plan makes growing the economy a priority maximising opportunities coming from existing functionaries such as Port Kembla, the University of Wollongong, regionally based hospitals and innovation centres. These are very much traditional participants within the economic fabric of the region and have direct competition with similar participants across the State. Although the plan gives token mention to players such as Tourism and ICT knowledge services, where are the opportunity portals for emerging and yet undefined entrepreneurial activities? The plan is very based on what we know and have planned for in the past, but to be truly a visionary action instrument, the plan needs to appreciate and expect those initiatives that will quickly emerge in the future.

The nature of economic drivers is changing rapidly, possibly more expeditiously than traditional planning can accommodate. It is therefore important that plans do not inadvertently place impediments to otherwise unforeseen beneficial incentives, that further enhance economic return.

Emerging accommodation offer within the tourism market such as; eco and agri-tourism need recognition and support given the distinctive coastal and hinterland character of the Illawarra and Shoalhaven coast landscapes. It is considered that a focus in these identified areas will not only have the effect of increased visitations but also increasing the tourism generated return.

There are also many purpose placed regionally significant projects, such as the Kiama Centre for Aged Care Excellence. Although these facilities will provide a joint local and regional economic benefit, the significance of these projects should not simply rest with the initial investment, but with the ongoing service to the regional communities and the associated economic multipliers. These projects need to be recognised for their regional contribution and supported through the final Regional Growth and Infrastructure plan.

**Housing demand**

It is not news that the Illawarra is experiencing an undersupply of available accommodation if all its forms and there is a need to respond effectively and appropriately for future accommodation needs. The plan talks in figures of a housing target of 45,000 new dwellings in the region by 2031, on the basis that there will not be any further expansion of the regions urban footprint, beyond those areas already strategically identified and endorsed. Just on the accumulated region annual approvals this would involve a significant increase and efficiency in local approval and certification, (based on DP&E building approval data for the last 5 years). Even acknowledging the significant environmental and topographical constraints within the region, there has been recognition of growth
zones within the Local Government areas and these have been identified in local and regional plans. Bringing these lands to market in an efficient and co-ordinated demand response has been the challenge. The protracted process of ensuring that all requirements enabling the land release can be in place has been a major hindrance. It is therefore encouraging that the plan brings together many of the complementary infrastructure and services required to ensure the region goes some way to achieving these targets.

It is noted that the Illawarra Housing Market Review as prepared by SGS Economics (2014), places housing demand at just greater than 39,000 (inclusive of Shoalhaven) for the same period as the plan. This might in part, highlight the variability and ambiguity in formulating realistic targets. This imprecision of accommodation forecasting would be a major concern for local Councils and could undermine the community confidence in understanding ‘which authority is planning for whom’. DoP&E and Councils need to resolve such disparities in order that local community support is not discouraged.

It is suggested that some of the local Government areas may have difficulty in accommodating the plans’ forecast targets for housing supply mix. Therefore, to meet targets expressed in the plan, it may be necessary to consider planning proposals for land not identified within local area urban strategies, thus contrary to a basic premise of the plan not to extend development outside existing urban footprints.

There has definitely been a lag in bringing new land and housing starts to market and in recent years. The supply has been well below demand indicators. Certainly, if local housing activity and dwelling availability is to meet the Plan forecast levels; both State and local governments need to focus on progressing coordinated service delivery in concert with appropriately zoned growth area lands. It will also be an imperative that early decisions in respect to growth areas and in turn housing styles, truly reflect the consumer preference as to where they wish to reside and choice of accommodation style. If economies in housing costs and a more diverse mix of housing are to be realised, there needs to be a greater diversity in dwelling type to address future population needs, in particular the shift to smaller housing types, including retirement options.

Infrastructure support and integration

DoP&E is to be commended for integrating the provision of infrastructure and services within the greater regional plan, ensuring that new release areas particularly, are not frustrated in bringing land opportunities to the market. For the forecast development areas such as the Northern Corridor and West Lake Illawarra, will only be realised if the development industry has surety of service provision.

However, the plan devotes much dialogue to those infrastructure projects currently planned or underway, but little is offered in highlighting those projects needed to support the areas of further growth. Also there needs to be greater emphasis on reducing the quantum of disparate regulatory processes and multiple agency reference which can unduly impede efficient commercial endeavour.

Whilst there can be a direct correlation between the development or use, and hence the economic contribution of land in the prosperity of the region, the plan does acknowledge that certain barriers
to industry success cannot be resolved by the planning system alone. However, there are key fundamentals in early planning management tools that contribute significantly to greater economic benefits for commercial players:

- Ensuring that industry commercial and retail land has relevant connectivity and service utility to infrastructure and existing areas of economic growth;
- Ensuring that the regulatory development environment is attuned to the local economic drivers and appropriate target sectors;
- Ensure that there is certainty and clarity in the regulatory environment to guide and encourage commercial decision making;
- Ensure that there is a whole of government commitment to the defined direction and outcomes.

The plan acknowledges the critical role that Port Kembla will play in supporting freight delivery for the whole State. There is need to upgrade the facility both in on-site and off-site handling operations. Even with the eventual commissioning of the Maldon-Dombarton corridor, the integration of Port Kembla with an over-all State freight strategy is critical.

The Illawarra Region is not autonomous in its resource and infrastructure needs and for the realisation of the plan outcomes, there is a need for State Government to collaborate with local councils and the private sector to take a proactive lead towards achieving infrastructure and service integration to fully support the job targets and transport needs. The State Government therefore needs to participate in formulating economic incentives aimed at attracting investors to contribute to growth and to provide commitment and certainty to infrastructure and transport upgrades.

Managing the regions agriculture and natural resources

The comprehensive land identification mapping scheme, Biophysical Strategic Agricultural Land (BSAL) as developed in conjunction with the Department of Primary Industries, has provided an invaluable data resource for many local Government areas. This scheme will augment existing biodiversity land mapping data and decision making for on-going sustainable land management. It is initiatives such as these that will form an important part of the evidence base required in consideration of future resource land-use.

However, the agricultural economy is in a process of product diversification and change. This is no-more evident than the rate of change which is manifest at the farm/community interface. Very evident also is the current economic forces facing traditional players such as; dairy, aquaculture and fishing industries. However, these influences can be short-lived and/or have such major influence that if the agricultural activity is to survive and adapt it must do so at an unsustainable rate and may struggle to adapt if legislation is structured too stringent or is so complex as to pose unintended restraint to the process of change.

It is important therefore, that proposed legislation or land management policy is not that obdurate, that the industry or sector cannot implement the change in an efficient and normative manner.
Although best implemented at a National or State level, planning strategies should support the capacity of rural landholders to adapt and change farm activities in a timely manner.

An agreed suite of mapping principles will be instrumental in the effectiveness of any local or State agricultural/resource mapping program. Having regard to the varied nature of agricultural and resource extraction undertakings within the region, it is imperative that each local authority have input into this criteria. Issues such as potential impacts of climate change and the loss of agricultural lands to ‘greenfield’ urbanisation such as that, which has occurred in western and southwestern Sydney, need careful consideration and collaborative land management decisions.

Agricultural resource land is already under threat from the pressure for urban growth. Therefore, for the Illawarra there is a paradox in the balance between providing housing for the necessary jobs and the future preservation of agricultural resource lands. Continuation and encouragement of present land stewardship through agricultural activity is an important contributor in the mix of preservation measures. Recognition of the role of active agriculture in land management legislation is crucial; however this is not so evident in the current legislative instruments, particularly at a local level.

**Managing the regions environment and heritage**

The key to ensuring strong and workable natural environment and heritage management structures is to ensure a well-defined State management framework. Local strategies will not have the necessary rigour nor endurance if they are implemented in autonomy. All planning whether State or local, should be clear in its relationship with overarching State plans and supporting environmental legislation whether they are to be applied in the Illawarra region, or indeed throughout the rest of the State. These plans will need to be carefully integrated with the Strategy and should have clear integration right to the community level.

Plans should also give due consideration to natural hazards such as flooding, erosion, climate change, bushfires and landslip which may impact on future development. This recognition can help to provide certainty to industry if the hazards are clearly identified and managed by Councils and government within a coherent legislative framework. Requiring councils to carry out investigations and deal with issues arising prior to any growth area zonings is sensible, provided that the processes are carried out in a timely manner and the Councils are adequately resourced.

The predominant coastal attribute of the Illawarra region is a defining and distinctive character which sets it apart from other tourist destinations within the State. The quality and combination of the coastal and rural landscapes and the integration of the urban footprint within the environment, has resulted in an area that is highly attractive as a nature based tourism destination. This attribute supported by varied accommodation options, provides a wide range of recreational opportunities. The plan needs to place a greater emphasis on these resources as a focus area for continuing economic growth.
In acknowledgement of the actions and directions as described within the plan, will form the basis for subordinate planning and strategy direction it being reasonable therefore that the foundation rely on having a sound evidence base and that those involved make informed comment and decisions. There are areas within the plan, where further research and information could support a greater capacity for that decision making, e.g. a clearer integration strategy for infrastructure within growth areas, or where there may be conjecture on current information e.g. projected housing numbers. As such it is imperative that such issues be resolved in order that the corollary into local strategies is done on the basis of firm evidence.

In summary

The Illawarra Regional Growth and Infrastructure Plan provides a sound basis for bringing together the necessary demographic, economic, environmental and societal issues that will underpin good planning for the Illawarra region. Although many issues have been incorporated which will broaden the community discussion for valuable feedback, there are some fundamental issues for broadening the discussion, as contributed in this response.

In drawing on the actions and directions as provided within the plan, this response would offer the following recommendations for incorporation within final drafting of the endorsed strategy:

- Ensure that the regional strategy has integration and complementary outcomes at National, State and Local context;
- Ensure that recognition and placement of growth areas have relevance to community and industry needs and preferences for location, accommodation type, service provision and economic development efficiency;
- Ensure that strategies and incentives for growth development is not overburdened by regulatory process and multi-agency interaction;
- Ensure that required infrastructure plans are matched by viable funding and have clear time-frames for delivery;
- Ensure that social inclusion and community participation are integral activities in promoting economic growth and job creation in the region;
- Ensure integration of multi-agency environmental legislation and consistency across State and local policy;
- Ensure that a final draft plan has clear priorities for the protection and management buffers for the identified resource lands.

Whilst the objectives and general methodology outlined in the draft strategy are sound, there remain areas within the plan that will require individual local Council area input to refine the directions such that they truly reflect local Council and community aspirations.

Planning Institute of Australia
NSW Division
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Appendix A

Swot Analysis of Draft Illawarra Regional Growth and Infrastructure Plan 2014

Strengths

- Recognition that Draft Plan is required to provide confidence and certainty to encourage investment (page 6)
- Aiming to provide a Strategic Framework to support Economic Growth (page 6)
- Based on Comprehensive Evidence Gathering (page 6)
- Proposed to Establish an Advisory Group to monitor progress and assist implementation (page 8)
- Fully Integrated Land Use Planning, Transport and other Infrastructure (this is highly desirable but is a claim which is not proven)
- Mega Trends recognised as important considerations (page 30)
- Specific Targets set for Housing in each of the four LGAs (page 43)
- Recognition of important role infrastructure can play as a catalyst to investment (page 53)
- Implementation acknowledged as just as important as the preparation of the Draft Plan (page 80)
- Annual Monitoring of the progress of the Draft Plan proposed and indicators provided in Appendix B (page 82)

Weaknesses

- Advisory Group is to consist of only Council/ Government Agency representatives and an independent chair. No other stakeholder representation is proposed on the Advisory Group
- Global Warming not recognised as a Mega Trend which needs to be taken into account.
- The Draft Plan does not cover a 20 year period as stated. What consideration has been given to longer planning timelines (eg) 30 years, 50 years, 100 years, etc
- Only links to Planning System proposed are when Local Plans are amended to ensure consistency. The Draft Plan will have no status in its own right in the Planning System
- Relies heavily on the preparation of 6 Action Plans for the 6 Transformative Places identified in the Draft Plan which could take up to 5 years to be prepared, let alone implemented
- No analysis/ audit of existing Strategy to understand how it has performed to inform the preparation of the Draft Plan
- No Conservation Strategy provided as an integral component of the Draft Plan (yet mapping has been undertaken)
Opportunities

- Indicators in Appendix B should be expanded to provide benchmarks or reasonable standards to aim for, so that progress can be assessed as adequate or otherwise
- Provide public access to reports prepared which informed the preparation of the Draft Plan so the robustness of the investigations undertaken can be assessed/ tested and greater confidence can be had in the planning process and adequacy of the Draft Plan

Threats

- No indication of what the response will be if Housing Targets set for each LGA are not met
- No certainty that the key infrastructure identified in the Draft Plan is what is required to act as a catalyst for investment/ development to occur. Risk that the infrastructure listed in the Draft Plan is simply what the State government has budgeted for and/ or publicly announced
- A Comprehensive Review is to be undertaken at least every 5 years but the previous Strategy was launched in 2006 and it was also to be reviewed every 5 years, so the track record of undertaking timely reviews is poor
- Cultural Heritage mapping has not been undertaken so the Draft Plan has not fully considered this issue
- Mapping of Important Agricultural Lands has not been undertaken so the Draft Plan has not fully considered this issue
- Urban Development Program has under delivered over the past 10 years (page 50) so confidence levels that it will achieve results must be low