

Foreshore Lake Macquarie by Stevens Group, Winner UDIA 2021 Awards for Excellence

Draft Hunter Regional Plan 2041

UDIA NSW Submission

March 2022

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ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development in NSW. Our more than 450 member companies span all facets of the industry including developers, consultants, local government and state agencies. We have a strong commitment to good growth in the regions. A quarter of our members are based in regional NSW, and we have active Chapters in the Hunter, Central Coast, and Illawarra Shoalhaven. Our advocacy is based on creating liveable, affordable and connected smart cities.

EXECUTIVE SUMMARY

The Urban Development Institute of Australia (UDIA) NSW welcomes the opportunity to provide comments on the *draft Hunter Regional Plan 2041* (draft RP). It is pleasing to see the Department of Planning and Environment (DPE) fulfilling the commitment to a 5-year review of the *Hunter Regional Plan 2036* (2036 plan).

Already the state's largest regional economy, the Hunter is evolving and growing rapidly, and is experiencing a surge in demand for housing and employment land that is undersupplied. New opportunities are emerging to lead the state toward achieving NetZero 2050, build on the potential of the international gateways of the Port of Newcastle and Newcastle Airport, and expand advanced manufacturing and aerospace capabilities. The NSW Government's new focus on the 6 City Megaregion of Greater Sydney, Hunter, Central Coast and Illawarra is expected to accelerate this fast pace of change for the region. It is critical to plan now for this growth, to ensure the region can supply the necessary employment land to support jobs and adequate levels of housing so that it remains affordable for the local population.

This draft Hunter Regional Plan – and the *draft Central Coast Regional Plan 2041* also on exhibition – is very different from its predecessor and every other regional plan in NSW. **It is not so much a review of the 2036 plan as a complete revision of it. The draft neither overtly builds upon or provides a scorecard against the 2036 plan, nor does it offer any population, dwelling or jobs targets or projections. The draft contains very few Actions, and there is no implementation plan provided. The lack of these measures makes it difficult to assess the success of the 2036 plan or evaluate the draft RP, and UDIA recommends that such metrics be added.**

Despite lacking important details, the draft RP outlines a new approach to planning that could be adaptable to a range of growth scenarios. UDIA is encouraged by the new approach under the Urban Development Program (UDP) that seeks to support the production of more development ready land for housing supply and jobs in the Hunter. We applaud the new thinking that aims to create a collaborative process to resolve site constraints early and support a robust and reliable development ready pipeline for new housing and employment land, with infrastructure delivery aligned with development. We also support the draft RP's ambitions to promote more efficient land use and move away from car dependent neighbourhoods on the path to Net Zero, while increasing housing diversity, affordability, and liveability.

However, while we share these ambitions and believe the proposed approach has merit, we believe the draft RP leaves too many important questions unanswered and we are not confident that, as drafted, it will deliver the necessary housing and employment land to support the Hunter's growth through 2041. **It is our view that the draft RP could introduce more uncertainty in the planning process, given its lack of direction on:**

- **population, dwelling and jobs projections;**
- **density targets for the region's individual growth areas;**
- **how to achieve a 15-minute neighbourhood; and**
- **how the Place Delivery Group and place strategy process will work.**

Given the importance of the Regional Plan in guiding investment, the new approach must be carefully crafted to ensure it helps, rather than hinders, the region's growth. We feel more work is required to agree on the detail about how the process will work. These fundamental issues must be satisfactorily addressed in consultation with the development industry before UDIA can offer our support for the direction of the draft *Hunter Regional Plan 2041*.

UDIA would like to work closely and constructively with DPE to enable the successful finalisation and subsequent implementation of the Hunter Regional Plan 2041. Our submission outlines our recommendations to address these issues, broken down into three areas of focus:

- I. Setting measurable goals and refining Objectives
- II. Providing transparency, certainty and accountability in the process
- III. District planning and growth areas

While UDIA shares the ambitions of the draft Regional Plan and believes the proposed approach has merit, the draft leaves too many important questions unanswered to give us confidence it can deliver the housing and employment land needed to support the Hunter's growth through 2041. Fundamental issues must be satisfactorily addressed in consultation with the development industry before implementation of the Regional Plan.

Recommendations:

Focus Area # 1: Setting measurable goals and refining Objectives

RECOMMENDATION 1 – To provide the community with some level of clarity and industry with confidence to invest, and to guide council and ensure accountability, the Regional Plan should include population, dwelling, density and jobs projections or targets; and Actions to direct council on what is required in their local strategies to be consistent with the Regional Plan, when this must occur and how councils will be held accountable.

RECOMMENDATION 2 – To provide more certainty and accountability, apply the SMART methodology to outline Actions to deliver the Strategies within the draft Regional Plan. This process should define time frames, responsibilities, and resources.

RECOMMENDATION 3 – To highlight the underlying purpose of the proposed new approach to planning, add an Objective explicitly aimed at ensuring the Hunter has sufficient housing supply to meet demand and put downward pressure on housing affordability.

RECOMMENDATION 4 – To ensure NSW is supported with an adequate supply of construction materials, the Hunter's quarry assets should be identified, and the Regional Plan should identify measures to ensure they are able to deliver.

RECOMMENDATION 5 – The Regional Plan should consider potential future urban uses of mining assets and include an Action for DPE to work with TfNSW to consider the use of legacy coal rail lines to support the region's urban growth.

RECOMMENDATION 6 – To avoid unintended consequences from uncertainty, replace Objective 3 with an Action to collaborate with community, councils and industry to develop the concept of a 15-minute neighbourhood and 30-minute community, with a proposal to be considered by the UDP Committee by the end of 2023.

RECOMMENDATION 7 – To more smoothly move the region toward the supply of a more diverse range of housing typologies and generally higher density in appropriate locations, provide density targets for each growth area in the short, medium and long terms, and develop a series of measurable and achievable Actions in consultation with industry and councils.

RECOMMENDATION 8 – To provide certainty for development and biodiversity outcomes, make clear that the question of biodiversity “avoidance” should be addressed during rezoning and then the issue of avoidance should not be re-opened; the only biodiversity issue to be addressed during the development assessment stage should be minimising and offsetting requirements.

RECOMMENDATION 9 – To support better strategic outcomes for biodiversity and development, amend Action 2 to state DPE will “...consider opportunities to undertake further strategic conservation planning **across the Hunter**, including in Morisset.”

RECOMMENDATION 10 – To provide more certainty for land use planning and to encourage landowners in high value corridors to participate in the offset credit trading market, the Regional Plan should include an Action to deliver a Regional Biodiversity Conservation Plan in consultation with stakeholders including industry.

Focus Area #2: Providing transparency, certainty and accountability in the process

RECOMMENDATION 11 – To enable success under the new approach, the UDP must be strengthened through a set of specific actions that ensure it has transparency, accountability, authority and adequate resourcing.

RECOMMENDATION 12 – To provide transparency and support accountability, in addition to publishing the Annual Report and Sequencing and Delivery Report every year, the UDP should be enabled with digital mapping technology to show where infrastructure and development can and are being delivered; and DPE should create a live and interactive Hunter UDP Dashboard by the end of 2022 (modelled on the Greater Sydney UDP Dashboard) with data updated at least quarterly.

RECOMMENDATION 13 – To more accurately reflect the concept of “development ready land”, define the 0-5 Year pipeline of development ready land as “zoned and fully serviced **with biodiversity arrangements in place**”.

RECOMMENDATION 14 – To keep the UDP accountable, provide 15-year projections or targets for number of dwellings (housing supply) and hectares of employment land, including a 100% contingency on housing supply to maintain housing affordability. The UDP should publish an annual scorecard of land capacity benchmarks against the supply targets, and report to Ministers on annual progress with published recommendations for infrastructure investments and other measures necessary to maintain adequate supply.

RECOMMENDATION 15 – To support better coordination of infrastructure with the supply of new homes, the NSW Government should give meaningful weight to the UDP's recommendations and integrate them into funding governance and policy processes, including giving the Hunter's Regional Infrastructure Contributions to the Hunter UDP to allocate.

RECOMMENDATION 16 – To support the substantial increase in responsibilities needed to successfully deliver the Hunter Regional Plan, DPE must re-prioritise resourcing especially for the expanded duties related to the UDP and Place Strategy Group.

RECOMMENDATION 17 – To avoid unintended consequences and ensure the process under the 'infrastructure first, place-based framework' is successful in maintaining a healthy pipeline of development ready land without increasing time, cost or uncertainty, fundamental issues such as sequencing criteria, escalation pathways, etc., must be addressed in consultation with stakeholders including industry before the Regional Plan is finalised.

RECOMMENDATION 18 – To provide transparency and set expectations for future decision making, provide a clear explanation of the criteria and process for choosing the Regionally Significant Growth Areas and District Planning Priorities.

RECOMMENDATION 19 – To provide transparency and ensure all data inputs are accurately captured, establish a formal subcommittee of the UDP Committee to finalise the infrastructure assessment framework, to include UDIA and other industry committee members.

RECOMMENDATION 20 – To ensure a transparent place strategy evaluation process and provide more certainty for investment, the Regional Plan should provide more detail on the full and measurable criteria against which the UDP will determine place strategy sequencing.

RECOMMENDATION 21 – To avoid unintended consequences and provide certainty for investment, DPE should produce a defined standard template for the PDG place strategy process. The process should be explicit that plans, studies and reports utilised in the place strategy process are not re-prosecuted, devalued or required to be revised at rezoning or DA stage and that the biodiversity "avoid" question is explicitly turned off after it is answered the first time.

RECOMMENDATION 22 – To ensure the PDG and place strategy process improves on the overall time and costs of the existing planning system, the Regional Plan must include statutory timeframes for agency responses and delivery of milestones, and a clear escalation pathway to the PDU with defined triggers to ensure the process stays on track.

RECOMMENDATION 23 – To provide transparency and accountability, develop an indicative cost template for delivering a place strategy that outlines which party would be responsible for which elements and where funding will be sourced.

RECOMMENDATION 24 – To support delivery of areas with fragmented ownership, DPE should chair the PDG, and council forward-funding of the place strategy process should be encouraged.

RECOMMENDATION 25 – To provide certainty and keep the place strategy process on track, clearly define the guidelines for escalation to the PDU and beyond to the Secretary and Minister, in the context of meeting specific time and input milestones.

RECOMMENDATION 26 – To provide certainty and ensure the process is an improvement on the current system, the place strategies must be very clear in what will satisfy the question of “consistent with” for the purposes of rezoning, and an appeal pathway should be provided. The place strategy endorsement should apply for planning proposals lodged within a defined period of years, e.g., five years, and biodiversity avoidance and additional technical studies and concurrence and referrals should not be required for a planning proposal during that timeframe.

RECOMMENDATION 27 – Taking into account appropriate probity requirements, proponents and landowners should have a direct seat on the relevant PDG and full transparency should be afforded to them. The role of proponents in developing place strategies should be clearly defined.

RECOMMENDATION 28 – To ensure fairness, the PDG place strategy process should be an option, not a requirement, for proponent-led growth areas. DPE should chair all PDGs for all sites, and the escalation pathway should apply for every area undergoing a PDG place strategy and infrastructure delivery plan process.

RECOMMENDATION 29 – To support adequate supply of housing and employment land, the UDP should endeavour to unclog the development pipeline by preparing a change management plan for projects in the current pipeline. Zoned but constrained sites should be offered the Place Delivery Group process, and DPE should partly fund the development of the place strategy and infrastructure delivery plan for these sites.

Focus Area #3: District Planning and Growth Areas

RECOMMENDATION 30 – To provide better certainty and avoid confusion, DPE should undertake a detailed cross-reference between the actions and priorities contained within the Greater Newcastle Metropolitan Plan 2036 and the draft Regional Plan to ensure that there are not any actions that contradict one another. Provide better synergies between the two Plans where possible now, and where a change is made, provide an explanation for the change and clarity on how any inconsistencies will be managed.

RECOMMENDATION 31 – To provide more certainty about the planning pathway, clarify where the ‘commitment for Gateway determination’ applies within the region.

RECOMMENDATION 32 – Increase certainty by applying a consistent approach to mapping; identify land by their planning status and identify future residential land to their lot boundaries where this land has been identified in a council-endorsed land use plan.

BACKGROUND

Changed Circumstances: Higher Demand and Depleted Supply

This five-year review of the Hunter Regional Plan is timely and necessary to capture recent changes in circumstances. **The Hunter is growing rapidly, and demand for housing and employment land has accelerated since the adoption of the existing Hunter Regional Plan 2036 and its supporting Greater Newcastle Metropolitan Plan 2036 in 2016 and 2018 respectively.** Councils have also delivered new Local Strategic Planning Statements and Local Housing Strategies reflecting their particular needs.

Throughout the Hunter and especially in the Greater Newcastle metropolitan area, demand for housing has increased to unprecedented levels in recent years. Developers report long wait lists for any new housing. Higher demand is attributed not only to low interest rates and government incentives, but also to trends responding to the pandemic, with migration away from Sydney's higher density and costs, to the Hunter for a relatively more affordable lifestyle and space. This was confirmed in our UDIA/URBIS Home Purchaser Sentiment Survey 2021¹, where 33% of Sydney respondents indicated an interest in moving outward whether to outer suburbs or to the regions.

In response to high demand over the past two years, developers have increased production where possible, bringing forward planned stages to deliver more lots to the market sooner. This is reflected in Hunter Water connection applications which are 40% higher versus the previous years' annual average.

Despite the surge in housing production over the last two years, the Hunter is falling behind on meeting its housing supply needs as judged by market indicators of demand. Housing affordability has diminished in the Hunter at a faster pace than in Sydney. We are now seeing clear signs of housing stress in the Hunter not seen before that are worse than what we are seeing in Sydney. Residential vacancy rates are at less than 1% compared to Greater Sydney at 2.1%.² House value growth³ and rental price growth⁴ have risen higher than Greater Sydney as well.

In short, prolonged baseline demand has consumed much of the available short term housing pipeline and has exacerbated housing affordability issues in the Hunter. A large proportion of the residential development projects in the remaining pipeline are constrained by enabling infrastructure or biodiversity issues and cannot be relied upon for supply unless those constraints are resolved. UDIA's Greenfield Land Supply Pipeline Report 2021⁵ estimates that the Hunter will fail to meet demand in greenfield lot supply by 10% every year from FY22-29. This chronic undersupply will put increased upward pressure on local house prices over the next seven years, just as the NSW Government is looking to the Hunter to supply housing that is affordable within the Sydney Megaregion, soon to be assessed under the new Greater Cities Commission (GCC).

With borders reopening, demand for new housing is expected to continue to grow throughout the Megaregion, and the NSW Government is looking to the Hunter as a critical player in supplying the new housing and jobs needed for that expanded east coast powerhouse. Unfortunately, unless major changes are made to better support delivery of supply, the Hunter will fall short of being able to

¹ UDIA 2021. [UDIA/URBIS Home Purchaser Sentiment Survey 2021](#)

² [SQM Research 2022](#)

³ [CoreLogic 2021](#)

⁴ [CoreLogic 2021](#)

⁵ UDIA 2021. [Greenfield Land Supply Pipeline Report](#)

provide the housing and employment land needed to realise the potential of both the Hunter region and the Greater Sydney Megaregion.

A New Approach: Better, Worse, or Same but Different?

UDIA would like to see the Hunter achieve the vision and objectives articulated in the draft *Hunter Regional Plan 2041*. We are encouraged by the draft RP's new ideas aimed at aligning land use and infrastructure planning and the focus on early cross-government collaboration to streamline the delivery of new places. Done well, the enhanced work of the Urban Development Program along with the concepts of the Place Delivery Group and place strategy planning have the potential to create an improved system of mutual understanding and good faith cooperation between all the players in the planning system, that better supports the delivery of housing and employment land supply. On the other hand, if done poorly, the process could simply become another layer in the planning system that adds time, cost and uncertainty to the overall planning system.

Overall, the draft RP lacks important details and accountability measures needed to support informed investment decisions. For example, the draft RP does not provide direction on population, dwelling and jobs projections or targets; how to achieve a 15-minute neighbourhood; or density targets for the region's growth areas.

The draft RP notes that it has been prepared in conjunction with Transport for NSW's (TfNSW) draft *Hunter Regional Transport Plan* (RTP). Disappointingly, the draft RTP has not yet been released, making it impossible to judge whether the RTP and RP will support each other and thereby align Government investment to support growth in the region.

Together with the lack of detail on how sequencing and prioritisation decisions will be made, and how the Place Delivery Group and place strategy process will work, we are concerned that the draft RP could unintentionally undermine investor confidence in the Hunter.

We would like to assist DPE to address these issues as it works to finalise the Regional Plan.

Our submission outlines our initial recommendations on where to focus that work.

FOCUS AREA #1: SETTING MEASURABLE GOALS AND REFINING OBJECTIVES

The *draft Hunter Regional Plan 2041* proposes a series of Objectives against which future development proposals will be assessed. The draft RP also proposes a new approach to planning for future growth areas by expanding upon the role of the Hunter Urban Development Program (UDP) and using a new Place Delivery Group (PDG) to develop place strategies in collaboration with stakeholders. The Objectives would be used in considering whether to escalate a place strategy process issue to the Planning Delivery Unit (PDU) at DPE.

The draft RP does not offer any targets or projections for future population or number of jobs or dwellings. Some of the Objectives speak to a quantifiable idea; however, they do not provide detail on how development proposals will be measured against the Objectives, nor any Actions to achieve the Objectives.

UDIA considers that the Objectives must be measurable to provide certainty for proponents, and the Regional Plan should provide targets to give confidence for investment and to track the progress of the Regional Plan.

We offer our comments on measurements as well as each of the eight draft Objectives and propose an additional Objective on housing affordability.

Measurements

The draft RP does not provide projections or targets for population, dwellings, jobs or density locations. The only real place-based guidance provided is around the envisioned proportion of future greenfield vs infill in the Districts, and initial thinking on how the “15-minute neighbourhood” idea may play out. Overall, the draft RP aspires to meet its broad Objectives through a new flexible approach that could theoretically accommodate any future growth scenario.

UDIA appreciates flexibility to accommodate the potential for high growth. However, we are concerned that by being silent on projections/targets and other important details, the draft RP fails to provide a platform for accountability. UDIA believes that projections or targets for population, dwellings, jobs and density levels in specific locations should be provided by the NSW Government and detailed in the Regional Plan to help guide councils and give industry more certainty and confidence to invest. Providing this shared foundation of understanding will also make it easier for the Hunter UDP to agree on prioritisation decisions that are supported by all LGAs and industry.

The Regional Plan should provide the clear strategic direction that councils need to guide their local planning, and that industry needs to guide investment decisions.

RECOMMENDATION 1 - To provide the community with some level of clarity and industry with confidence to invest, and to guide council and ensure accountability, the Regional Plan should include population, dwelling, density and jobs projections or targets; and Actions to direct council on what is required in their local strategies to be consistent with the Regional Plan, when this must occur and how councils will be held accountable.

UDIA considers that the Objectives of the draft RP are generally agreeable. Each of the Objectives includes Strategies meant to support their achievement. The Strategies themselves provide insight into what is envisioned; however, they generally lack quantifiable direction and lead to more uncertainty.

UDIA recommends that each Strategy should be broken down to be Specific, Measurable, Accurate, Realistic and Time-Based (SMART). This analysis would determine a series of Actions with the necessary detail to provide certainty and accountability for the Strategies of each Objective.

RECOMMENDATION 2 – To provide more certainty and accountability, apply the SMART methodology to outline Actions to deliver the strategies within the draft Regional Plan. This process will define time frames, responsibilities, and resources.

Objectives

UDIA Proposed new Objective: Sufficient housing supply to meet demand

With the Hunter facing constraints on housing supply and experiencing an alarming rate of housing price increases, UDIA recommends that the Regional Plan should include an Objective explicitly aimed at promoting sufficient housing supply, to keep downward pressure on affordability over time. While we recognise that the proposed approach to land use planning has this goal imbedded in it, we believe that the Regional Plan should be unequivocal that a clear Objective is to ensure the Hunter has enough housing supply to meet demand and keep housing affordable.

As noted previously, the undersupply of serviced land in the Hunter is well documented, including in:

- The NSW Regional Housing Taskforce's *Recommendations Report* (DPE, October 2021)
- *Building Blocks – Hunter Region* report (UDIA, 2021)
- *Greenfield Land Supply Pipeline Report* (UDIA, 2021)

The National Housing Finance & Investment Corporation (NHFIC) released its "State of the Nation" report in February which highlights the critical importance of moving now to bolster housing supply to avoid a massive imbalance and a further surge in house prices, as the economy recovers and immigration returns to normal levels.

What is clear from UDIA's own research is that during COVID, even with the drop in demand for new dwellings through reduced migration, the total demand for new and existing housing still outstripped total supply in the market and the increase in housing prices continued unabated. The NHFIC report data confirms that this is likely to only get worse.

UDIA will continue to work with the Federal and NSW Governments on actions to assist with housing supply focused on three important deliverables that the Regional Plan should explicitly incorporate:

1. Accelerate rezoning for land that can be serviced at no cost to government
2. Provide funding for enabling infrastructure that will unlock housing supply
3. Bring a more strategic approach to addressing biodiversity issues

RECOMMENDATION 3 - To highlight the underlying purpose of the proposed new approach to planning, add an Objective explicitly aimed at ensuring the Hunter has sufficient housing supply to meet demand and put downward pressure on housing affordability.

Objective 1: Diversify the Hunter's mining, energy and industrial capacity

UDIA agrees with this Objective but would encourage more emphasis on opportunities to repurpose mining assets to support urban settlement. We also note that the draft RP does not address the current constraints in the supply of construction resources including quarry materials. The Regional Plan should identify Hunter quarry assets important to supplying the Hunter and NSW with adequate construction materials.

RECOMMENDATION 4 - To ensure NSW is supported with an adequate supply of construction materials, the Hunter's quarry assets should be identified, and the Regional Plan should identify measures to ensure they are able to deliver.

Regarding repurposing mining assets, the draft RP identifies that the region has immense opportunity now to utilise the legacy that those former coal mines have created.

We need to look holistically at how we best capture those opportunities, including the potential repurposing of legacy coal rail lines to support transport where they are close to residential areas. DPE should work with TfNSW to develop a plan for the use of these rail lines.

Looking beyond infrastructure, the former mining landholdings themselves present enormous prospects for the Lower Hunter. Already, some of these sites are approved or being considered for significant environmental conservation, recreation and tourism options and/or additional homes for our growing Hunter population. We believe more consideration should be given to their potential for urban uses including housing.

RECOMMENDATION 5 - The Regional Plan should consider potential future urban uses of mining assets and include an Action for DPE to work with TfNSW to consider the use of legacy coal rail lines to support the region's urban growth.

Objective 2: Ensure economic self-determination for Aboriginal communities

UDIA agrees with this Objective. Several Local Aboriginal Land Councils (LALC) are active UDIA members. We would welcome additional engagement with LALCs, perhaps facilitated by DPE, to help identify development opportunities to realise economic and environmental benefits for their communities.

Objective 3: Create a 15-minute region made up of mixed, multi-modal, inclusive and vibrant local communities

UDIA is wary of Objective 3. We question its achievability, and we believe it could inhibit the delivery of much needed housing supply in the short term.

The Objective applies several new considerations for a development proposal:

- *Strategy 3.1 states that development proposals will need to demonstrate how various employment, commercial, community, recreation and education services will be located within 15-minute walking (urban contexts) and cycling (suburban contexts) trips of housing in residential and mixed-use zones, with achieved densities that allow for such local uses to succeed and flourish.*
- *Strategy 3.5 states that development proposals will need to be considered in the context of the 30-minute connected communities context, including considering a mix of uses, distances between uses, directness and the experience in moving between uses, with public transport having a service level that strategically supports the type of mobility shift and easy accessibility to needs that is contemplated in Objective 3.*
- *Strategy 3.8 states that development should enable direct connections for walking, cycling and public transport between precincts and into centres. Larger scale development should facilitate a network that provides seamless connectivity to transport network with multiple access points to walking, cycling, and public transport.*

It is explained that the 15-minute concept will vary across different contexts. However, the draft merely offers a vision of how it might play out, saying that the “*intent is to continue to develop the concept in partnership with community, councils and industry in order to create a ‘fine grained’ approach.*”

UDIA appreciates the intention to engage with industry on further concept development; however, the lack of current detail introduces significant uncertainty in the planning process.

We are highly concerned that Objective 3 will be difficult to meet and will set up development proposals for refusal. While the concept sounds attractive from a liveability perspective, the reality is that a 15-minute neighbourhood requires infrastructure that councils will have to deliver. It will also need community buy-in that councils will have to navigate.

We already know that councils cannot keep up with delivering local infrastructure, and we know that communities are reluctant to embrace higher density. How will these hurdles be overcome?

Last year, UDIA undertook research⁶ into the funds being held by councils from section 7.11 and 7.12 contributions across the Sydney Megaregion. At the end of FY20, the five councils of the lower Hunter were holding \$256 million, and across the Megaregion the total was \$3bn. At a time when we have a housing crisis and need to look beyond the pandemic and support the economic recovery, it is ridiculous that this money is not being used to support home building, create jobs or provide the local services our communities need. Most Councils do not spend their infrastructure contributions because they are waiting for almost all the contributions to be received, before building the infrastructure. In our Pre-Budget [submission](#) to the NSW Treasurer, UDIA has proposed the NSW Government creates a \$100m self-replenishing Council Enabling Infrastructure Fund to support councils in bringing forward enabling infrastructure with future infrastructure contributions used to replenish the fund. If this is established, it could assist in delivering local infrastructure in proactive council areas. Unfortunately, not all councils are willing to use available assets and pathways that would support development.

At the end of the day, it all depends on the council’s willingness to support a new proposal, and the 15-minute neighbourhood metric could simply become another reason to say no to an otherwise good proposal.

RECOMMENDATION 6 – To avoid unintended consequences from uncertainty, replace Objective 3 with an Action to collaborate with community, councils and industry to develop the concept of a 15-minute neighbourhood and 30-minute community, with a proposal to be considered by the UDP Committee by the end of 2023.

Objective 4: Plan for “Nimble Neighbourhoods”, diverse housing and sequenced development

While UDIA supports the intent of Objective 4 – especially the focus on creating more diverse housing choices, increasing housing affordability, supporting the viability of public transport and reducing car-dependency – once again, we are wary of its application and potential to inhibit much-needed housing supply, especially in the short term.

The draft RP proposes a dramatic change in density for the region, calling for 50-75 dwellings per hectare of developable land. This is in sharp contrast to current density levels of 10-15 dwellings per hectare in the Hunter’s R1 and R2 zones. Proposals for development less than this range would require justification to show how the proposal would “still achieve the outcomes” listed, all of which are

⁶ UDIA 2021. [Infrastructure Performance Monitor FY20](#)

designed in circularity around the higher density benchmark. There are no steps outlined as to how to achieve the change.

Certainly, such high-density benchmarks cannot possibly be achieved in every context, nor would a community want them to be. While the draft RP acknowledges this, there is no detail to give guidance to councils, the community or development industry about where and how to achieve this density. One logical path would be to leave the detail to councils to spell out in their Local Environmental Plans (LEP) as guided by their Local Housing Strategy, but no clear direction is provided.

This lack of a change management plan creates an uneasiness in the development industry: without clarity on where the higher density is desired or how to achieve it, Objective 4 raises significant uncertainty. We believe that higher density is best achieved by responding to demand for housing where it is strongest, i.e., as signalled by the highest prices. It is no use building high density that does not meet the market demand and does not sell. Increasing density in some parts of the Hunter will be desirable, such as around public transport hubs and in existing centres. But pushing high density where the market clearly favours lower density greenfield living will undermine the vibrancy and appeal of the Hunter. This Objective must be careful to not create another reason to refuse consent for an otherwise good proposal that would meet demand for the housing typology stock the local market is seeking.

Strategy 4.4 does provide new development benchmarks for infill versus greenfield housing within each of the Districts. We note that these benchmarks are inconsistent with the adopted *Greater Newcastle Metropolitan Plan 2036* (GNMP). If the current draft RP is adopted, we will have two adopted plans that contradict one another and the GNMP is not scheduled to be reviewed for another year. **For example, the draft RP talks about 50-75 dwellings per ha, while the GNMP talks about 15 dwellings per ha. In another example, the GNMP calls for 60/40 infill/greenfield targets, while the draft RP talks about 80/20 in the Greater Newcastle District, and the draft RP redefines the boundary of Greater Newcastle. This is confusing and adds more uncertainty to the planning process. The Regional Plan should clarify which Plan takes precedence and why.**

UDIA is fully supportive of efforts to prioritise the provision of more diverse housing typologies and we are generally supportive of moving toward relatively higher density, particularly in the Greater Newcastle District. We simply note that high demand for housing in the Hunter is expected to continue along trends responding to the pandemic, with migration away from Sydney's higher density and costs to the Hunter for more affordable lifestyle and space. With borders reopening, demand for new housing overall will continue to grow. Demand in the Hunter for affordable lifestyle and additional space is already beyond our current capacity to supply, and the demand will not diminish. The Hunter must be able to respond to market demand and supply true housing diversity across all typologies at least at a relatively affordable price.

Such a significant movement toward higher density should be phased in through a series of Actions outlined in the Regional Plan. If the Strategies under this Objective were broken down to be Specific, Measurable, Accurate, Realistic and Time-Based (SMART), then as an example, a series of Actions might provide the following detail:

- Specific – Increase the housing densities in new greenfield neighbourhoods to support public bus services by changing lot size maps in Local Environmental Plans.
- Measurable – Residential densities will increase from the current average of 10 dwellings/ha to a minimum of 20 dwellings/ha on land zoned R1 – General Residential and/or R2 – Low Density Residential by the year 2041.

- Achievable – Local Environmental Plans will be amended to remove the minimum lot size maps and introduce a maximum lot size map of 225sqm within two years, which then allows 17 years to achieve the quantitative goal of an increase in 10 dwellings/ha, which is an increase of 0.58 dwellings/ha per annum.
- Realistic – This goal of 20 dwellings/ha on land zoned R1 – General Residential and/or R2 – Low Density Residential would significantly change the character of new greenfield communities. This goal is significantly less than the 50-75 dwellings per hectare target that is outlined in the draft plan. A gentler and more realistic approach may be to gradually introduce quotas for small lots (for example, as included in Lake Macquarie, Clause 4.1B), which would give the market an opportunity to adapt and evolve.
- Time-Based – Increase the average housing density of land zoned R1 – General Residential and/or R2 – Low Density Residential by 10 dwellings/ha by 2041. An annual monitoring report will be published by an independent consultant that demonstrates performance against the 0.58ha target.

UDIA would be pleased to work with DPE and councils to develop a series of Actions that could move the region toward the supply of a more diverse range of housing typologies and generally higher density.

RECOMMENDATION 7 – To more smoothly move the region toward the supply of a more diverse range of housing typologies and generally higher density, provide density targets for each growth area in the short, medium and long terms, and develop a series of measurable and achievable Actions in consultation with industry and councils.

Objective 5: Increase green infrastructure and quality public spaces and improve the natural environment

UDIA agrees with the statement on page 47 of the draft RP that strategic land use planning “should identify and take account of the location and extent of areas of high environmental value, including areas of potential serious and irreversible impact species, threatened species, biodiversity corridors and koala habitat.” Doing this strategic work up front would provide certainty and better outcomes for the environment as well as development.

Unfortunately, to date the NSW Government has not invested in understanding the level of detail necessary to give certainty to the strategic land use planning process in this regard. For most of the Hunter’s identified urban development areas, biodiversity assessment is on a site-by-site basis under the Biodiversity Conservation Act (BC Act), Koala SEPP and any local council policies.

We strongly support Action 2 that commits DPE to “continue to progress the Central Coast strategic conservation planning program and consider opportunities to undertake further strategic conservation planning in Morisset. Timeframe: 2022/23”. However, we believe this Action should go further and state the DPE will “...consider opportunities to undertake further strategic conservation planning across the Hunter, including in Morisset.”

UDIA commissioned a report⁷ last year by the ecology firm EMM to attempt to understand the quantum of biodiversity offset requirements across the residential and employment zoned land in the

⁷ EMM 2021. [Issues paper on the NSW Biodiversity Offsets Scheme](#)

Hunter and Central Coast, to then calculate the cost for meeting biodiversity offset requirements for the development of that land. EMM estimated a total ecosystem offset cost of \$2.1 billion across the ten LGAs in the Hunter region. The majority (65% or nearly \$1.4 billion) of that cost is for land zoned for residential development.

Delivering a healthy pipeline of development ready land requires biodiversity issues to be resolved in a way that protects and enhances the biodiversity of NSW. UDIA and EMM showed that the current biodiversity offset system is holding back the supply of homes and failing to deliver good biodiversity outcomes. Resolving biodiversity issues is becoming increasingly difficult as the Biodiversity Conservation Act 2016 (BC Act) is applied to more land. Much of the Hunter's housing supply delivered last year was approved under the previous biodiversity legislation and had minimal or no interaction with the BC Act. However, as those older projects are completed, the supply of new homes is under threat as new development proposals encounter significant problems in navigating the BC Act. Fundamentally, the BC Act in its current form is an obstacle to meeting the Megaregion's housing and jobs targets, due to relying on site-by-site assessment and like-for-like offsetting, and biodiversity is a major constraint to the development pipeline in the Hunter.

In our UDIA NSW Pre-Budget Submission, we have recommended several steps the NSW Government should take to address biodiversity constraints, including establishing a Biodiversity Offset Bank and investing in strategic conservation planning for the Hunter. Ultimately, the NSW Government must take a more strategic approach to deliver the Hunter's biodiversity, economic and social needs and UDIA is keen to work collaboratively with Government to achieve better outcomes.

We agree with Strategy 5.7 that biodiversity issues should be addressed early in the planning process and we are encouraged by the potential of the place strategy and Place Delivery Group process to assist in that regard. We recommend that the Regional Plan state positively that the issue of "avoidance" of areas of high biodiversity value, and addressing Serious and Irreversible Impacts, should be dealt with up front during the rezoning phase (whether a place strategy is utilised or not). Once addressed during rezoning, the question of "avoidance" must be turned off for development purposes and "avoid" should not be re-opened during the development assessment stage; rather, the only issue to be addressed during the assessment stage should be minimising and offsetting.

We agree with Strategy 5.9 that development proposals should aim to strengthen biodiversity corridors as places for priority biodiversity offsets. However, we note there is a lack of detailed mapping from DPE about where biodiversity corridors of high value exist. **We are disappointed that the Hunter lacks the equivalent of a current detailed Regional Biodiversity Conservation Plan. We recommend that DPE invest in better biodiversity mapping to provide more certainty for land use planning and to encourage landowners in high value corridors to participate in the offset credit trading market.** Again, we recommend applying the SMART process to outline a series of Actions to support this Objective.

RECOMMENDATION 8 - To provide certainty for development and biodiversity outcomes, make clear that the question of biodiversity "avoidance" should be addressed during rezoning and then the issue of avoidance should not be re-opened; the only biodiversity issue to be addressed during the assessment stage should be minimising and offsetting requirements.

RECOMMENDATION 9 - To support better strategic outcomes for biodiversity and development, amend Action 2 to state DPE will "...consider opportunities to undertake further strategic conservation planning across the Hunter, including in Morisset."

RECOMMENDATION 10 - To provide more certainty for land use planning and to encourage landowners in high value corridors to participate in the offset credit trading market, the Regional Plan should include an Action to deliver a Regional Biodiversity Conservation Plan in consultation with stakeholders including industry.

Objective 6: Reach net zero and increase resilience and sustainable infrastructure

The construction, operation and maintenance of buildings accounts for almost a quarter of greenhouse gas emissions in Australia.⁸ UDIA welcomes the NSW Government's commitment to Net Zero by 2050 and our members are undertaking significant steps to move towards that target. The draft RP "seeks to make climate change a guiding principle for all planning decisions" and suggests a number of ideas in line with the NSW Government's approach to move the industry towards Net Zero. While some of these ideas may be helpful, overall UDIA considers that the current approach by the **NSW Government to move the industry towards Net Zero is currently poorly thought out and will reduce the supply of homes and worsen affordability.**

Research⁹ undertaken by UDIA has shown that the NSW community is supportive of moving towards Net Zero in the development of new homes but is unwilling to pay a significant amount extra to achieve it. Given that NSW has some of the most expensive housing in the world this is unsurprising. If we are to achieve Net Zero, whilst avoiding reductions in the supply of new homes and increased housing costs to the homeowner, it is essential that the industry and NSW Government work together. UDIA believes that a jointly developed roadmap that looks at how we can move towards Net Zero without reducing the supply of homes or worsening affordability would encourage investment and jobs into NSW and act as an exemplar for the world. We have recommended this approach in our Pre-Budget Submission to the NSW Treasurer.

Again, we recommend applying the SMART process to outline a series of Actions to support this Objective.

Objective 7: Plan for businesses and services at the heart of healthy, prosperous and innovative communities

UDIA supports the draft RP's Objective to strengthen the role of centres and main streets. We agree that intensifying centres can make efficient use of existing infrastructure and support more public transportation, and these are the correct locations for higher density living.

We support Strategy 7.5 that seeks to deliver new early childhood education and care facilities.

Again, we recommend applying the SMART process to outline a series of Actions to support this Objective.

Objective 8: Build an inter-connected and globally focused Hunter

UDIA generally supports Objective 8 which aims to improve connectivity and promote the global focus of the Hunter. The creation of the GCC and the NSW Government's more strategic focus on the Sydney Megaregion including the Hunter should support this Objective.

⁸ [From leaders to majority: a frontrunner paradox in built-environment climate governance experimentation](#)

⁹ UDIA 2020. [Home Purchaser Sentiment Survey](#)

Related, we are concerned that the Hunter Expressway Strategy, still in draft form, does not appropriately balance the land use needs and opportunities around its corridor. Our submission¹⁰ to that draft strategy outlines our concerns which remain valid.

Again, we recommend applying the SMART process to outline a series of Actions to support this Objective.

FOCUS #2: PROVIDING TRANSPARENCY, CERTAINTY AND ACCOUNTABILITY IN THE PROCESS

UDIA strongly endorses the draft RP's recognition that NSW Government planning has failed to coordinate the provision of services and infrastructure needed to support the delivery of new growth areas and housing supply. As a result of this failure, plus challenges in addressing biodiversity, the Hunter is falling behind on housing supply and experiencing rapidly rising house prices. This must change if the Hunter is going to reach its potential as a vital part of the Megaregion.

We are supportive of an approach to delivering housing supply and growth areas that is focused on better cross-government coordination in collaboration with industry.

The draft RP proposes a new approach with a central role for the Hunter Urban Development Program (UDP) and the creation of a Place Delivery Group (PDG) that would develop place strategies for significant growth areas, working through site issues up front before rezoning occurs. This new approach endeavours to get an early agreement by public and private stakeholders on how to deliver an area and thereby achieve two important outcomes:

- a. the provision of infrastructure and services timed to support development; and
- b. streamlined rezoning and development approval processes.

UDIA fully and enthusiastically supports these goals.

We note that the draft RP has a large focus on infill developments over greenfield land release. However, the focus of 'making it happen' is about catalyst and enabling infrastructure being developed and procured during the strategic/rezoning stages. This approach may be more suited to greenfield rezoning areas, and it is unclear how the approach will apply practically to infill development. UDIA would like to work with DPE on how infill areas could be supported by this approach.

Overall, while we share the ambitions and believe the proposed approach has merit, the draft RP leaves too many important questions unanswered to give us confidence that it would be an improvement on the current planning process by reducing time, cost and uncertainty. In fact, the proposed approach has the potential to *add more* time, cost and uncertainty. Several fundamental issues must be satisfactorily addressed in consultation with the development industry before UDIA can endorse the direction of the draft *Hunter Regional Plan 2041*.

¹⁰ UDIA 2021. [UDIA Response to the draft Hunter Expressway Strategy](#)

Strengthening the Urban Development Program

UDIA has been a strong advocate for the creation and utilisation of a UDP Committee for many years. We were pleased and encouraged that the *Hunter Regional Plan 2036* established the first-ever UDP for the Hunter and UDIA has been an active participant in the Hunter UDP Committee's work. We believe the UDP Committee has great potential for cross-government coordination and collaboration with stakeholders to deliver housing and employment areas. Crucially, the Hunter UDP Committee actively seeks and is informed by industry input about the commercial realities of development, as well as the specific constraints to delivering sites. This industry input is critically important to a full understanding of what is possible to deliver.

Notwithstanding our strong support for the concept of the Hunter UDP Committee and the efforts of the Hunter and Central Coast Development Corporation (HCCDC) in advancing the UDP Committee, we have been disappointed with its outputs so far. Presently, the Hunter UDP Committee is a great idea that has established goodwill among its participants and collected a significant amount of intelligence regarding development sites, but it has neither authority nor accountability for any deliverable outcomes. Therefore, despite good baseline work locally, to date it has had little impact on housing and employment land delivery for the Hunter.

The draft RP proposes a bolder role for UDP that we support: as “the NSW Government’s program for managing land and housing supply and assisting infrastructure coordination in the Hunter”, the UDP “will ensure a pipeline of land is available from potential future growth areas to investigation areas and zoned and serviced land ready for new homes and jobs.”

UDIA agrees this is the role of the UDP. If the settings and resourcing are appropriate, the UDP can be a game changer in delivering housing and employment land supply.

To make it work, several major shifts must occur. UDIA emphasises that these elements are “must-haves” for the UDP to be successful:

1. Transparency and Accountability
2. Authority
3. Resourcing

RECOMMENDATION 11 - To enable success under the new approach, the UDP must be strengthened through a set of specific actions that ensure it has transparency, accountability, authority and adequate resourcing.

UDP Transparency and Accountability

UDIA commends the draft RP for committing to better reporting for the UDP.

State and local government, utilities, industry and the community all need access to clear information to enable good decisions. UDIA is disappointed that the Hunter UDP has only published one report since its first meeting three and a half years ago, despite agreement on the importance of frequent public reporting. The lack of transparency from, and measurements of, the UDP Committee make it impossible to judge the realistic potential of the *draft Hunter Regional Plan 2041* now on exhibition. Future delivery efforts will fail unless transparency and reporting improve.

Further, whilst the UDP has played a role in unlocking some state Special Infrastructure Contributions in the Hunter, this money has overwhelmingly been allocated to TfNSW who have failed to deliver any results to date.

We are pleased to read the draft RP state that the UDP “will publicly report data on approvals and completions, and audit greenfield and infill areas.” We welcome the draft RP’s commitment that two reports will be delivered annually:

1. Annual Report on the implementation of the Regional Plan; and
2. Sequencing and Delivery Report including
 - o Evaluation of investigation areas against a “multi-criteria analysis” (undefined)
 - o Hunter-wide sequencing priorities covering all place strategies
 - o Roles and responsibilities for place strategies
 - o Resourcing, collaboration and funding agreements

These are essential deliverables for DPE and must be adequately prioritised and resourced.

To support informed decisions, UDIA recommends additional reporting and use of technology.

DPE have created development data dashboards for the Greater Sydney and Illawarra Shoalhaven UDPs. This effort should be expanded to include the Hunter and Central Coast by the end of 2022. The dashboard should show the full development pipeline for residential, business and industrial purposes, reporting on the following categories:

- a. Completed
- b. Under Construction
- c. DA Approved
- d. Zoned and serviced with biodiversity arrangements in place
- e. Zoned, but not approved
- f. Gateway Determination
- g. Identified in a Land-Use Strategy
- h. Land for Future Investigation

In reporting on approvals and completions, the dwelling density should also be reported.

There are limitations to the Greater Sydney and Illawarra Shoalhaven dashboards that should be improved upon, including for the Hunter and Central Coast. Some information is updated only annually, and we encourage DPE to provide quarterly updates on all data via the dashboard. We also note the current dashboards do capture density in terms of typology, but do not capture status of infrastructure provision, biodiversity arrangements, or any pre-gateway sites.

In addition to providing a comprehensive data dashboard, the UDP should be presented through a digital spatial mapping tool that shows the development sites and the infrastructure needed to support them. Such tools can identify where infrastructure investments will have the greatest impact. Making these improvements and having this “one source of truth” will allow all stakeholders to make better decisions together.

RECOMMENDATION 12 - To provide transparency and support accountability, in addition to publishing the Annual Report and Sequencing and Delivery Report every year, the UDP should be enabled with digital mapping technology to show where infrastructure and development can and are being delivered; and DPE should create a live and interactive Hunter UDP Dashboard by the end of 2022 (modelled on the Greater Sydney UDP Dashboard) with data updated at least quarterly.

The UDP must be accountable to a set of measurable metrics. The draft RP indicates that the UDP will oversee a pipeline of housing and employment land supply, and DPE staff have stated that the UDP will be the ‘custodian’ of the development pipeline. UDIA supports this responsibility.

However, how will success be measured for this responsibility? The draft RP proposes UDP benchmarks to measure the “10-15 years of land capacity required at any one time”, being 0-5 years of zoned and fully serviced land; 6-10 years of zoned and part serviced; and 10-15 years of future investigation land.

UDIA is strongly supportive of thinking about the pipeline not just in terms of zoned land, but also in terms of its viability to supply the market, i.e., measuring the supply of *development ready land*: including servicing/infrastructure provision is a good start to a much more realistic way of considering the supply pipeline, and the definition should also include the status of biodiversity arrangements.

However, the draft RP does not provide any supply projection/target numbers with which to employ the pipeline benchmarks. How big should the pipeline be? How will DPE measure the land capacity “required at any one time”? We believe that a contingency buffer should be built into the pipeline to allow market levers to operate efficiently and add to supply in times of high demand. This is needed for both residential and employment land.

UDIA research partner Research4 has shown that to keep prices affordable, a housing market must have double the capacity of development ready land, compared to current demand. This capacity contingency allows developers to quickly meet demand with development ready supply, keeping prices stable. The lag time in developing new housing supply means that, unless the housing market is primed now with strategies to support supply that can quickly match a change in demand, we will see increasingly chronic affordability issues in the Hunter. As we have witnessed locally in the past two years, prices will rise sharply in times of high demand without this contingency supply buffer.

Likewise for employment land, a buffer must be built into projections to capitalise on employment growth opportunities. There is high demand for employment land right now in the Hunter. We do not agree with the Employment Lands Monitor that the pipeline for employment land is adequate. Those analyses rely on an average take-up rate between 2010 and 2019, before the completion of NorthConnex and before the higher demand we are currently experiencing. Looking back offers some insight, but forward planning must include a contingency supply buffer to account for new growth in demand, to combat housing affordability pressures.

To apply the concept of development ready land more effectively, the following actions should be taken:

- i. Add biodiversity approval, which is equally important to infrastructure/servicing in terms of being able to deliver development ready land. The 0-5 year benchmark should be stated as “zoned & fully serviced with biodiversity arrangements in place”.
- ii. The Regional Plan should provide the 15-year housing target/projection.
 - a. This should be expressed as number of dwellings.
 - b. The target/projection should include a supply contingency of 100% to keep housing affordable in response to market conditions.
 - c. The UDP should monitor and report density levels for approvals and completions by area, giving the UDP the necessary data with which to recommend adjustments.
- iii. The Regional Plan should provide the 15-year employment land target.
 - a. This should be expressed in hectares.

- b. The target should include a supply contingency of 100% to enable capitalisation of employment generating opportunities as soon as they arise.

The UDP should therefore be held accountable for maintaining the land capacity benchmarks against the stated supply targets for development, with a scorecard published annually. We recommend that the UDP should report to the Minister for Planning and Homes, and the Minister for Cities, on its annual progress and publish its recommended infrastructure investments and other measures necessary to maintain adequate supply.

RECOMMENDATION 13 - To more accurately reflect the idea of “development ready land”, define the 0-5 Year pipeline of development ready land as “zoned and fully serviced with biodiversity arrangements in place”.

RECOMMENDATION 14 - To keep the UDP accountable, provide 15-year targets/projections for number of dwellings (housing supply) and hectares of employment land, including a 100% contingency on housing supply to maintain housing affordability. The UDP should publish an annual scorecard of land capacity benchmarks against the supply targets, and report to Ministers on annual progress with published recommendations for infrastructure investments and other measures necessary to maintain adequate supply.

UDP Authority

The draft RP states the UDP will “ensure a pipeline of land is available”. UDIA fully supports this objective, but we are concerned to note the draft RP lacks specificity about how this will be achieved.

Last year, UDIA undertook major research with our members to identify specific enabling infrastructure in the Hunter¹¹ that was currently a roadblock to supply and could be delivered to refill the development ready land supply pipeline. Our Building Blocks report identified infrastructure in the lower Hunter that, if all were delivered, could fill the lower Hunter pipeline with 41,000 residential lots and 590 hectares of employment land. The necessary infrastructure would cost \$522m with nearly half of the total being required for state roads. The lack of adequate funding for enabling infrastructure in the Hunter from TfNSW remains a crucial constraint on the region’s housing and employment land pipelines.

Historically, even when funding is available, the attempt to integrate infrastructure and the supply of homes in the Hunter and across NSW has a long history with few successes and many failures. Successes have been achieved when both the political and departmental parts of the government had a can-do attitude that removed barriers such as bureaucratic processes that were getting in the way of delivery without adding significant value. Unfortunately, the current range of excuses on why infrastructure cannot be delivered in a timely way is long. Having discussed the problem with those who have been involved with successes, UDIA has recommended to the NSW Government that it appoints a cross-departmental team tasked with coordinating infrastructure and the supply of new homes assisted by a team of external advisors with the experience of making this coordination work.

The UDP should be considered integral to making this coordination work. With proper resourcing, the UDP will provide the valuable data and specific information needed to make collaborative decisions to manage the local supply pipeline. The UDP’s recommendations for infrastructure funding and other measures should have meaningful weight in Government’s prioritisation and funding governance processes. This should include, once the infrastructure contributions reforms have been implemented

¹¹ [UDIA Building Blocks: A Practical Approach to Infrastructure and Land Supply – Hunter Region, July 2021](#)

and Regional Infrastructure Contributions (RIC) are collected, the NSW Government should allow the regional UDP to allocate those RIC funds that are collected in its region.

RECOMMENDATION 15 - To support better coordination of infrastructure with the supply of new homes, the NSW Government should give meaningful weight to the UDP's recommendations and integrate them into funding governance and policy processes, including possibly giving the Hunter's Regional Infrastructure Contributions to the Hunter UDP to allocate.

UDP Resourcing

The draft RP articulates an ambitious and significant role for the UDP which UDIA supports. Overall, the draft RP envisions that DPE will be responsible for myriad substantial – and in notable cases, sizeable new – tasks related to the UDP and the new approach to planning including:

- chairing the UDP
- monitoring
- reporting
- developing an infrastructure assessment framework
- applying the multi-criteria analysis to establish place strategy sequencing
- chairing Place Delivery Groups (PDG) to lead or support the preparation of place strategies for growth areas
- endorsing place strategies

We have also recommended specific enhanced monitoring and reporting that must be delivered to enable transparency and accountability and support good decision making.

We are concerned that without proper additional resourcing at DPE, the ambitions outlined in the draft RP will be unachievable. In the first three years of the Hunter UDP's existence, DPIE produced only one Annual Report and no substantial progress was made toward unlocking the current pipeline's 41,000 Hunter homes¹² constrained by enabling infrastructure. Unfortunately, this track record gives us little faith that DPE and the UDP will be able to keep pace with the Hunter's accelerating demand for housing and employment land.

As envisioned in the draft RP, the Regional Plan's success rests squarely with DPE. This will require a step-change increase in resourcing for the Hunter-Central Coast team, supported by priority focus from the Department's overall functions.

RECOMMENDATION 16 – To support the substantial increase in responsibilities needed to successfully deliver the Hunter Regional Plan, DPE must re-prioritise resourcing especially for the expanded duties related to the UDP and Place Strategy Group.

Ensuring Success for an Infrastructure First and Place-Based Framework

The draft RP outlines a new approach to planning for growth that relies on an infrastructure first and place-based framework. UDIA welcomes and supports the thinking behind this approach. We are encouraged by the direction proposed in the draft RP. However, we have concerns with the lack of

¹² [UDIA Building Blocks: A Practical Approach to Infrastructure and Land Supply – Hunter Region, July 2021](#)

detail on how the process will work. We would like to work with DPE to resolve these issues to see the successful implementation of the approach.

RECOMMENDATION 17 - To avoid unintended consequences and ensure the process under the ‘infrastructure first, place-based framework’ is successful in maintaining a healthy pipeline of development ready land without increasing time, cost or uncertainty, fundamental issues such as sequencing criteria, escalation pathways, etc., must be addressed in consultation with stakeholders including industry before the Regional Plan is finalised.

The new approach relies on councils’ local strategic planning statements (LSPS) and other local strategies to identify growth areas. A list of Regionally Significant Growth Areas and Planning Priorities is provided in the document.

Those growth areas would undergo an infrastructure assessment and then a multi-criteria analysis to establish the sequencing of undertaking place strategies. Our comments on this process are listed below, organised under each sub-section as laid out in the draft RP.

As an overall comment, UDIA seeks better transparency to understand how the Regionally Significant Growth Areas and District Planning Priorities have been determined by DPE. We note with curiosity that there are two Regionally Significant Growth Areas identified in Mid-Coast (Forester-Tuncurry and Taree), but nothing for Maitland, Port Stephens, or Cessnock. This seems odd considering their well-known comparative growth activity. Against what criteria have these areas been assessed to arrive at the list?

RECOMMENDATION 18 - To provide transparency and set expectations for future decision making, provide a clear explanation of the criteria and process for choosing the Regionally Significant Growth Areas and District Planning Priorities.

1. Plan for growth areas in the right ways through local strategies

This section states that councils’ local strategies will identify where future urban development should occur, and that DPE will use existing strategies (even if not finalised or endorsed) to work with council to transition the growth areas to the delivery framework.

Given that important details are not provided within the draft RP on a number of fronts – including local population, dwelling, density and jobs projections – it is assumed that these matters will be decided by individual councils and expressed in their local strategies. There are no actions or timing for this to occur. How will councils be held accountable to deliver this information?

We note that housing strategies that have been developed by councils in response to the *Greater Newcastle Metropolitan Plan 2036* (GNMP) have not been endorsed by DPE. Is this due to a lack of confidence in what they have delivered?

As outlined above, UDIA believes that projections for population, dwelling, density and jobs should be provided by the NSW Government and detailed in the Regional Plan to help guide councils and give industry more certainty and confidence to invest.

While we agree that better strategic planning can provide more certainty and streamline the planning process, we are quite concerned by the uncertainty DPE, and the NSW Government is presently

creating. It is very difficult to make sound investment decisions when so many planning policies and strategies are changing. On top of the long list of state-wide planning reforms underway, in the Hunter there are a series of inconsistent strategic plans to navigate including:

- Regional Plan 2041 to be delivered in 2022
- Greater Newcastle Metropolitan Plan 2036, with an update in 2023
- LSPS and Local Housing Strategy (outdated by the RP)
- LEP and DCP (outdated by the RP)
- Possible new overarching Greater Cities Plan to be delivered by GCC in 2024

The Regional Plan should provide the clear strategic direction that councils need to guide their local planning, and that industry needs to guide investment decisions.

We refer again to our **Recommendation #1** - To provide industry with confidence to invest and to guide councils, the Regional Plan should include population, dwelling, density and jobs projections; and Actions to direct councils on what is required in their local strategies to be consistent with the Regional Plan, when this must occur and how councils will be held accountable.

2. Determine enabling infrastructure servicing and staging

This section states that an infrastructure assessment framework will be applied to investigation areas, considering the ability of each place to be supported by existing or new infrastructure, and determining the cost effectiveness of accommodating growth.

We note that an early iteration of an infrastructure assessment framework was developed for the UDP last year and applied to the Cessnock LGA as a pilot. UDIA was grateful to have visibility around that project. We shared our concerns about the pilot's limitations at the time, and DPE told us they are working on an improved framework and would be seeking our input. We have yet to see the proposed changes to the infrastructure assessment framework.

UDIA emphasises that the framework must be developed in collaboration with the UDP Committee stakeholders including industry. We recommend the establishment of a formal subcommittee of the UDP Committee to finalise the infrastructure assessment framework; industry generally, and UDIA specifically, should be part of that subcommittee.

RECOMMENDATION 19 - To provide transparency and ensure all data inputs are accurately captured, establish a formal subcommittee of the UDP Committee to finalise the infrastructure assessment framework, to include UDIA and other industry committee members.

3. Establish sequence for prioritisation of place strategies

In concept, we support a multi-criteria approach to determine sequencing for developing place strategies. As suggested in the draft RP, the approach will consider not only the cost effectiveness of infrastructure servicing, but also the public benefit of providing additional homes and catalytic opportunities around regional infrastructure investments. However, we are concerned with the low level of detail provided about the multi-criteria approach. The "public benefits" consideration is written as including "*number of additional homes, proportion of build to rent, social or affordable housing, delivery of public open spaces, green infrastructure, environmental benefits and quality design*", yet these are not well defined, it is unknown how or against what measure these will be

evaluated, and it is unclear whether this is the complete list. More detail is needed for a transparent evaluation process.

We commend the commitment to publish an annual place strategy sequencing and delivery report that includes an evaluation of investigation areas against the criteria; Hunter-wide sequencing priorities covering all place strategies; roles and responsibilities for place strategies; and resourcing, collaboration and funding agreements. This information will be critical for transparency and accountability.

RECOMMENDATION 20 - To ensure a transparent place strategy evaluation process and provide more certainty for investment, the Regional Plan should provide more detail on the full and measurable criteria against which the UDP will determine place strategy sequencing.

4. Develop place strategies to align development and infrastructure

This section explains how place strategies will be developed. We have read this section in conjunction with *Appendix C: Infrastructure first and place-based delivery* and offer our consolidated comments here.

While UDIA is cautiously encouraged by the thinking behind the place strategy approach, we have a series of fundamental questions that must be addressed before we can offer our support.

We emphasise our **Recommendation 17** which calls for addressing these issues in consultation with stakeholders including industry before the Regional Plan is finalised. Doing so will help to avoid unintended consequences and ensure the infrastructure first and place-based process – including the Place Delivery Group process – is successful in reducing time, cost and uncertainty.

Below we summarise the issues we have identified around the Place Delivery Group and place strategy process, with questions to be answered and recommendations.

Issue: Better, Worse or More of the Same?

Questions:

- What benefit will be derived from adding this new place strategy layer to the planning process?

The NSW planning system is already the lengthiest, most complex and costly in the country. We appreciate that the PDG/place strategy approach is aimed at reducing overall timeframes and costs.

We see potential benefit from the draft RP's statement that the PDG will *"determine technical investigation requirements for the place strategy and remove subsequent public authority concurrences and referrals at rezoning"*, and that the place strategies will seek to result in upfront approvals, with planning proposals and DAs being able to be assessed concurrently.

If this process is to truly result in an improvement on the current system, then it must reliably remove the duplication of effort and cumulative additive costs that the current system imposes. Given the challenging history of the NSW planning system, there are no guarantees here that give us confidence in the ability of the new approach to either reduce time and cost or ensure the appropriate infrastructure is delivered in line with development needs. DPE is asking the development industry to

agree to earlier large investments of time and money and take a leap of faith that the process will deliver. The proposed approach could easily result in less certainty versus the existing Gateway process.

We need a more detailed understanding of the process before we can contemplate taking the leap.

To avoid unintended consequences and provide certainty for investment, DPE should produce a defined standard template for the PDG place strategy process so that key project management variables of responsibilities, timing and resourcing will be clear to all parties. This should include a list of all possible studies required, when they are required, the level of detail to be contained within the study and who can prepare them. Be prescriptive and do not use the terminology 'may be' or 'likely to be required' as is proposed in the LEP Plan Making Guidelines. The process should be explicit that plans, studies and reports utilised in the place strategy process are not re-prosecuted, devalued or required to be revised at rezoning or DA stage and that the biodiversity "avoid" question is explicitly turned off after it is answered the first time.

RECOMMENDATION 21 - To avoid unintended consequences and provide certainty for investment, DPE should produce a defined standard template for the PDG place strategy process. The process should be explicit that plans, studies and reports utilised in the place strategy process are not re-prosecuted, devalued or require to be revised at rezoning or DA stage and that the biodiversity "avoid" question is explicitly turned off after it is answered the first time.

Issue: Time

Questions:

- How long will it take to develop a place strategy and infrastructure delivery plan?
- Who is accountable for keeping the process on track, and how will that accountability be achieved?
- What is the escalation pathway to keep the process on track?

We support the outputs of the PDG being: delivery of place strategy + delivery infrastructure delivery plan.

We appreciate that the PDG inception meeting will prepare a program and milestones to deliver the place strategy. We emphasise our comments above that a template should be developed and employed consistently that spells out timing, responsibilities, resourcing and what technical studies will be required.

The place strategy process must include mechanisms to proceed if an agency fails to respond within an appropriate timeframe. There should be clear statutory timeframes for agency responses. This is essential to ensure the place strategy process genuinely contributes to an improved timeframe for the overall planning process. If comments are not received within a reasonable timeframe, the place strategy should proceed, and the agency would have no ability to comment further during rezoning or assessment.

The draft RP states that the PDG process could be escalated to the PDU if necessary, but the escalation pathway is not well defined. Along with statutory response timeframes, the triggers for escalation

should be spelled out and should include automatic escalation if an agency fails to meet the statutory timeframe for response.

RECOMMENDATION 22 - To ensure the PDG and place strategy process improves on the overall time and costs of the existing planning system, the Regional Plan must include statutory timeframes for agency responses and delivery of milestones, and a clear escalation pathway to the PDU with defined triggers to ensure the process stays on track.

Issue: Costs

Questions:

- What funding is available to deliver these place strategies?
- As an example benchmark, how much has Government spent on the Williamtown Special Activation Precinct?
- How will the PDG cost requirement be determined?
- In the case of multiple landowners, how will the PDG costs be determined and enforced, and how will the costs of studies be shared?

Based on member reports of recent experiences with new growth areas, UDIA estimates that circa \$1 million would be required to prepare a reliable place strategy that identifies water/sewer needs, biodiversity assessments, traffic assessments and urban design for a new development of around 2,000 dwellings.

This media [article](#) reports that the NSW Government has committed more than \$1 billion to deliver five SAPs, which roughly equates to \$200 million per SAP. Would such resources be available to support place strategies development?

RECOMMENDATION 23 - To provide transparency and accountability, develop an indicative cost template for delivering a place strategy that outlines which party would be responsible for which elements and where funding will be sourced.

The place strategy process is required where there are more than two landowners. Noting the draft RP's objective of "supporting the role of small and medium-sized developers in providing new homes", these are often areas where such developers are active. These fragmented growth areas often stagnate because there is no lead developer or landowner who can or is willing to bear the upfront capital costs of technical studies and/or infrastructure delivery. These areas would benefit greatly from a place strategy process, yet they are the sites that are least able to fund it.

The draft RP implies the cost negotiation will be left to councils to work out with landowners. The idea of forward-funding from councils is floated.

UDIA recommends that DPE should chair the PDG for fragmented land ownership areas and council forward-funding of the place strategy process should be encouraged. The council investment could be recouped via infrastructure contributions from future development.

RECOMMENDATION 24 - To support delivery of areas with fragmented ownership, DPE should chair the PDG, and council forward-funding of the place strategy process should be encouraged.

Issue: Accountability and Escalation

Questions:

- How will the PDG ensure the process meets milestones, including in cases where stakeholders (including DPE itself) fail to provide timely inputs or fail to engage in the process with a solutions-focused mindset?

The draft RP envisions that the PDG could escalate issues to the Place Delivery Unit (PDU) at DPE. UDIA supports escalation to the PDU to assist in resolving issues. However, the draft RP's trigger of "where there are risks of not meeting objectives of the RP" is too subjective.

RECOMMENDATION 25 - To provide certainty and keep the place strategy process on track, clearly define the guidelines for escalation to the PDU and beyond to the Secretary and Minister, in the context of meeting specific time and input milestones.

Issue: Removal of Gateway

Questions:

- How will "consistent with the place strategy" be defined and enforced for purposes of removing Gateway requirements?
- Will an appeal pathway be available?
- Will endorsement of the place strategy have a defined period of validity?

UDIA supports the draft RP's vision that where a place strategy has been endorsed by DPE, subsequent Gateway determination requirements will thereby be removed for rezonings. The draft states that the planning proposals must be "consistent with the endorsed place strategy" to enable this pathway.

While this sounds reasonable, we are concerned that if the question of consistency is left to the PPA, usually the local council, there will be less certainty than the Gateway process currently provides. This could introduce additional risk after the proponents have made significant early and upfront investments in the delivery of a place strategy.

If the new approach is to provide real benefit, it should pass the following test: any earlier investment in time and cost should be offset by a higher level of certainty and reduced time and costs in the end-to-end planning process.

Two assurances could be provided: provide a pathway to appeal a determination of "inconsistent"; and guarantee that issues addressed in the place strategy process – including biodiversity avoidance and technical studies – will not be prosecuted again.

RECOMMENDATION 26 - To provide certainty and ensure the process is an improvement on the current system, the place strategies must be very clear in what will satisfy the question of "consistent with" for the purposes of rezoning, and an appeal pathway should be provided. The place strategy endorsement should apply for planning proposals lodged within a defined period of

years, e.g., five years, and biodiversity avoidance and additional technical studies and concurrence and referrals should not be required for a planning proposal during that timeframe.

Issue: Proponent involvement in developing place strategies

Questions

- How will the PDG and place strategy process consult with industry?
- Will DPE chair the PDG for “large growth areas” that are required to develop a place strategy?
- Is elevation to the PDU an option for “out of sequence” PDGs?

According to the sequencing recommended by the UDP, DPE will chair a PDG to develop place strategies for Regionally Significant Growth Areas from the Regional Plan, and Catalyst Areas from the Greater Newcastle Metropolitan Plan.

UDIA emphasises that proponents and landowners in these areas must be an integral part of the PDG process, where they will provide the necessary commercial reality check for the PDG, and help identify potential cost-saving synergies, for example in the case of technical studies. This is especially important where the proponents will be asked to fund any aspect of the technical studies and therefore should have transparency to and be fully involved in the PDG’s work. To avoid any confusion, the role of proponents must be clearly defined.

RECOMMENDATION 27 - Taking into account appropriate probity requirements, proponents and landowners should have a direct seat on the relevant PDG and full transparency should be afforded to them. The role of proponents in developing place strategies should be clearly defined.

PDG place strategies are required for large growth areas with 2,000 or more dwellings, more than 200ha employment areas, or sites held by more than two landowners or across LGA boundaries, and these must be funded by the proponent(s).

DPE held a development industry workshop on the draft Hunter and draft Central Coast Regional plans on 16 February and stated that while the above sites will be required to produce a place strategy and would have access to the PDG, DPE resourcing would “not be available”. We assume this is in reference to direct funding, but seek clarification that DPE would still chair the PDG in these instances.

This section raises alarms for our members about the approval process for such sites. The draft RP requires this additional place strategy process and states it must be fully funded by the proponents. Yet DPE has stated they cannot apply resources to the process. The draft RP therefore has added a significant additional lengthy and costly step to the rezoning process, but provided no extra certainty of an outcome.

RECOMMENDATION 28 - To ensure fairness, the PDG place strategy process should be an option, not a requirement, for proponent-led growth areas. DPE should chair all PDGs for all sites, and the escalation pathway should apply for every area undergoing a PDG place strategy and infrastructure delivery plan process.

Issue: Unlocking currently zoned and constrained sites

Questions:

- How will the UDP apply the infrastructure first and place-based framework to unclog the current development pipeline?
- What is the change management plan, especially for projects in the current pipeline?

The draft RP states that a place strategy is recommended for zoned sites where it could help to resolve infrastructure requirements prior to development application for subdivision. DPE staff have said that in such cases, the proponent would fund the PDG process.

Given the UDP is the custodian of the development pipeline, and many legacy sites are clogging that pipeline in large part because the NSW Government has failed to plan and deliver enabling infrastructure, it is reasonable to expect DPE to provide resourcing to unlock these areas.

RECOMMENDATION 29 - To support adequate supply of housing and employment land, the UDP should endeavour to unclog the development pipeline by preparing a change management plan for projects in the current pipeline. Zoned but constrained sites should be offered the Place Delivery Group process, and DPE should partly fund the development of the place strategy and infrastructure delivery plan for these sites.

FOCUS # 3: DISTRICT PLANNING AND GROWTH AREAS

In general, UDIA supports the move to district planning and the identified Districts for the Hunter are mostly logical with some exceptions. UDIA members will make their individual submissions to DPE about the benefits their specific projects can bring to a District and region, and it is not UDIA's place to promote one development over another.

We do have concerns and questions in this section related to transparency, consistency and accountability which are outlined below.

Regionally Significant Growth Areas and District Planning Priorities

Further to our comment under Focus #2, UDIA calls for greater transparency to understand how the Regionally Significant Growth Areas and District Planning Priorities have been chosen for each District. We are concerned that some significant residential growth areas that the Hunter UDP has previously identified for priority support have not been identified or included on the short list. The draft RP does identify some "priority locations for future housing", however the list does not correspond to the UDP Committee's work to date and is missing significant residential investigation areas. The RP should be clear about the planning status of the lists it includes and offer a clear explanation about how the areas were chosen. This concern is also reflected in our comments above, related to the UDP and Place Delivery Group process.

We reiterate **Recommendation 18** calling for a clear explanation of the criteria and process for choosing the Regionally Significant Growth Areas and District Planning Priorities.

Local Planning

The draft RP states that “*Councils will reflect the planning priorities in local strategic planning.*” However, there are no actions or timeframes to hold councils accountable to this aspiration.

As detailed under Focus Area #2 above, we are concerned that the draft RP fails to provide enough certainty to give confidence for investment.

We reiterate **Recommendation 1**, calling for the Regional Plan to articulate projections and targets and include Actions to direct councils on what is required in their local strategies to be consistent with the Regional Plan, when this must occur and how councils will be held accountable.

Greater Newcastle Metropolitan Plan 2036

We are concerned by the inconsistencies between the *Greater Newcastle Metropolitan Plan 2036* and the Greater Newcastle District as proposed in the draft RP. Both the GNMP and the final Regional Plan will be endorsed strategies produced by the same government department, yet there are conflicts between them. The GNMP is due for review in 2023. How will these inconsistencies be handled in the interim?

UDIA would like to see better synergies between the two plans where possible, and where a change is made, an explanation for the change and clarity on the strategic planning hierarchy.

Some examples of where the two adopted Plans depart from each other are:

- a. The draft RP states that proposals will reflect a density ratio of 50-75 dwellings per hectare, whereas the GNMP calls for a minimum residential density of 15 dwellings per hectare in URAs. While not technically inconsistent, this is a drastic change in direction.
- b. The draft RP does not contain dwelling targets for each of the LGAs, but GNMP identifies specific dwelling targets. Will the GNMP targets remain? If not, what are the new targets under the RP?
- c. The draft RP specifies infill and greenfield ratio targets for the different Districts, which differ from the standard 40% greenfield and 60% infill targets in the GNMP.
- d. The draft RP maps districts such as the ‘Greater Newcastle District’, which differs from the boundary of the ‘Metro Frame’ within the GNMP (see below).

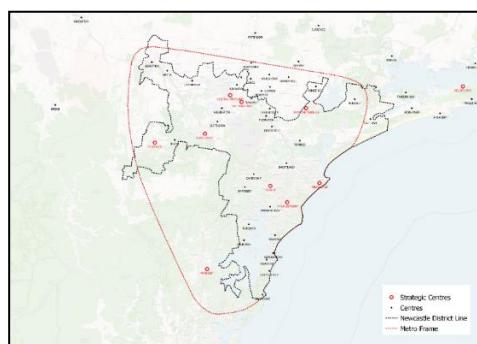


Illustration of boundary inconsistency between draft RP and GNMP

The draft RP states that the Department will continue to work with stakeholders to implement the GNMP, but it is not clear how this would be possible when there are inconsistencies between the two planning strategies.

RECOMMENDATION 30 - To provide better certainty and avoid confusion, DPE should undertake a detailed cross-reference between the actions and priorities contained within the *Greater Newcastle Metropolitan Plan 2036* and the draft Regional Plan to ensure that there are not any actions that contradict one another. Provide better synergies between the two Plans where possible now, and where a change is made, provide an explanation for the change and clarity on how any inconsistencies will be managed.

Gateway Determination Commitment

Under the Central Lakes District, the draft RP includes a box titled 'Gateway determination commitment' that states that "*planning proposals in precincts that satisfy the following criteria will be given an accelerated assessment, with an intention for a gateway determination to be issued by the department in 5 working days for land*" that satisfies a list of very clear criteria. We commend DPE for providing this commitment and we seek a clarification as to whether this commitment for Gateway determination applies only in the Central Lakes District, or throughout the Hunter and Central Coast regions?

RECOMMENDATION 31 - To provide more certainty about the planning pathway, clarify where the 'commitment for Gateway determination' applies within the region.

Mapping Inconsistencies

The draft RP must provide consistency in identifying future residential land to their lot boundaries.

The draft RP clearly maps 'proposed urban release areas' in the Mid-Coast LGA to their lot boundaries, but then variously identifies broad localities in other Districts as 'proposed residential' or 'proposed general residential' (e.g., HEX Corridor), 'priority locations for future housing' (e.g., Medowie), 'investigation area' (e.g., Morisset), 'residential precinct (subject to investigation)' (Lake Munmorah), with varying levels of mapped detail.

The locations identified in the Mid-Coast LGA reflect the Mid-Coast Urban Release Areas Report that was adopted by Council in August 2021. At the same time, other councils have multiple Local Strategies that have also been adopted by the council (e.g., Medowie Strategy) that identify future residential to the lot boundaries.

Many of these (e.g, Mid-Coast Urban Release Areas Report and Medowie Strategy) have not yet been endorsed by DPE. The variation in detail represents an inconsistency about how residential land has been identified across LGAs and UDIA is concerned this promotes uncertainty for industry and the community and undermines accountability for the UDP.

Consistency could be achieved by placing mapped land in each District into these categories (i.e., most of the categories to be captured by a UDP dashboard):

- a. Under Construction
- b. DA Approved

- c. Zoned, but not approved
- d. Gateway Determination
- e. Identified in a Land-Use Strategy
- f. Land for Future Investigation

RECOMMENDATION 32 - Increase certainty by applying a consistent approach to mapping; identify land by their planning status and identify future residential land to their lot boundaries where this land has been identified in a council-endorsed land use plan.

CONCLUSION

UDIA appreciates this opportunity to offer our comments and recommendations to the *draft Hunter Regional Plan 2041*. We appreciate the innovative thinking DPE is bringing to how to plan for the region's growth. We are enthusiastically supportive of finding better processes to align infrastructure planning with development, resolve biodiversity issues early in the planning process, and streamline rezoning and development assessment.

However, while we share these ambitions and believe the proposed approach has merit, we believe the draft RP leaves too many important questions unanswered and we are not confident that, as drafted, it will deliver the necessary housing and employment land to support the Hunter's growth through 2041. **It is our view that the draft RP could introduce more uncertainty in the planning process, given its lack of direction on:**

- **population, dwelling and jobs projections;**
- **density targets for the region's individual growth areas;**
- **how to achieve a 15-minute neighbourhood; and**
- **how the Place Delivery Group and place strategy process will work.**

UDIA is encouraged by the process proposed in the draft RP and would like to work with DPE and councils to agree on the details and how the process can include better transparency and accountability. We call on DPE to address the fundamental issues outlined in our submission in collaboration with industry before the Regional Plan is finalised.

UDIA sees enormous potential in the Hunter. We look forward to working closely with DPE and the NSW Government to provide for its future jobs and housing, offering choices in response to market demand for affordable lifestyle living.

Should you have any questions or wish to arrange a meeting for further discussion, please contact Regional Manager Elizabeth York at eyork@udiansw.com.au.

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