

**Submission
No 11**

LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES

Organisation: Shoalhaven City Council
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Position: Strategic Planning Manager
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Council Reference: 31157E (D17/256068)

The Chair – Legislative Assembly Committee on Environment and Planning
Parliament House, Macquarie Street
Sydney NSW 2000
By email: environmentplanning@parliament.nsw.gov.au

Attention: The Chair - Jai Rowell MP

Dear Mr Rowell

Submission on Inquiry into Land Release and Housing Supply in NSW

Thank you for the opportunity to provide feedback on Shoalhaven City Council's experience of land release and housing supply from a local government perspective. Council supports the parliamentary inquiry that is currently underway to prioritise affordable housing and welcomes any findings that will improve the current process for the delivery of land, housing and infrastructure.

Please note that this submission has been prepared by Council's Planning, Environment and Development Group and does not necessarily reflect the views of the elected Council. Due to reporting timeframes, this submission was unable to be formally considered by Council.

Shoalhaven is one of the fastest growing regional Local Government Areas (LGA) in NSW with a forecasted population increase of 24.11% between 2011 and 2036. In Shoalhaven there are currently six (6) Urban Release Areas (URA's) mapped in Shoalhaven Local Environmental Plan (LEP) 2014, these are dispersed within the Nowra-Bomaderry Area, as per the Nowra-Bomaderry Structure Plan, and in the southern part of the LGA in Sussex Inlet. These URA's are subject to provisions under Part 6 of the LEP, consistent with the Government's Standard LEP Instrument.

In addition to these URA's, housing supply growth is also expected to occur through infill development in the regional centre of Nowra as per the Illawarra-Shoalhaven Regional Plan, and in new release areas in the medium to long-term as identified in Shoalhaven Growth Management Strategy, Jervis Bay Settlement Strategy, Sussex Inlet Settlement Strategy and Milton-Ulladulla Structure Plan.

This submission responds to the individual components of the inquiry based on Council's recent experience surrounding the detailed planning for the Nowra-Bomaderry URA's, for your consideration.

Resources required from the Department of Planning & Environment (DP&E) for:

i) The delivery of housing supply process:

Consistent with Part 6 of the LEP, development consent shall not be granted on land in a URA unless:

- a) Satisfactory arrangements be made for the provision of designated State public infrastructure;
- b) Essential public utility infrastructure is available or adequate arrangements have been made; and
- c) A Development Control Plan (DCP) that provides for specific controls for the development of land in a URA.

Due to the amount of work and cross-government involvement required, Council are part of a Project Control Group (PCG) made up of representatives from Council, DP&E, Roads and Maritime Services (RMS) and Shoalhaven Water. Other infrastructure agencies/providers are also involved as needed. This group was established in 2012 by the NSW Minister for Planning and Infrastructure at the time, Hon. Brad Hazzard, to help drive the delivery of the new URA's in the Nowra-Bomaderry area. The establishment of the PCG was to oversee and drive a number of outcomes including:

- a) An Integrated Assessment Group (to obtain consistency of State / local government policy positions on precinct plans and assessment matters);
- b) The preparation of an Infrastructure and Development Plan (to ensure the infrastructure works are coordinated, consistent and facilitate development);
- c) The resolution of access issues (including the State and regional road network); and
- d) Maintaining an ongoing discussion on State and local development levies.

Council is currently actively working on the planning to enable the actual release of two URA's in the Moss Vale Road Area. The development of these URA's will result in an impact on the State road network, particularly Moss Vale Road and Princes Highway. In addition to DP&E's involvement within the PCG, the other primary resource required is a commitment with respect to a State Infrastructure Contribution (SIC). To date, Council has not received the required commitment from DP&E to meet the satisfactory arrangements for the provision of designated State public infrastructure under Part 6 of the LEP through a SIC levy. At this point a decision on the SIC is pending and needs to be made so that we are able to move forward with some certainty.

ii) The coordination and funding of enabling infrastructure:

As discussed above, there has been a lack of commitment from DP&E with respect to a SIC levy for Shoalhaven URA's which creates issues in terms of satisfying this part of the LEP. In lieu of a SIC levy, alternative provisions for satisfactory arrangements for State infrastructure could be through a Section 94 Contributions Plan (CP) or through other arrangements (e.g. Voluntary Planning Agreements) which would incorporate or cover required upgrades to the State infrastructure network.

In preparing the CP, this creates additional pressure on Council to prepare concept designs and indicative costings to the satisfaction of the relevant State Government Agencies. This process alone is time-exhaustive and often results in the overall delay in the release of the URA.

Ideally the SIC if correctly managed and utilised provides a coordinated approach to the funding of required infrastructure. However pursuing individual CP's or other arrangements potentially development by development does little to ensure coordination or minimise workloads.

Similarly, coordination of public utility infrastructure is contingent upon the support of external agencies such as NBN Co (telecommunications), Endeavour Energy (electricity) and Shoalhaven Water (water and sewer). Since the establishment of the PCG, Council has tried to maintain regular contact with these agencies to ensure that the required public utility infrastructure is able to be provided for upcoming URA's. For Council's most recent URA, support has been received by Shoalhaven Water with respect to the provision of water and sewer infrastructure. Advice has recently been provided by Endeavour Energy advising that upgrades to the electricity network are required in order to accommodate the anticipated growth which has been endorsed by Council in 2006 and State Government in 2008. The anticipated timing of the planned network upgrades and new infrastructure however is not reflective of the development demand in Shoalhaven. During this process, there has been limited cooperation to date from NBN Co.

The other issue in this regard that requires consideration and attention is the general lack of forward planning by a number of the supply infrastructure bodies (e.g. electricity). This often leads to adhoc decision making, inability for developments to proceed in a timely manner and also costs being passed on to the end of the line developer without the certainty that if future development occurs that benefits from the initial expenditure that they will receive some recoupment.

In this regard, it is requested that regional Councils are provided with additional support and assistance with respect to the coordination and funding of enabling infrastructure, similar to what is experienced within metropolitan areas.

Delivery mechanisms following the rezoning of land through to construction

With respect to the SIC levy, the process involved requires assistance from various State authorities. As this is mandated by Part 6 of the LEP, additional resources need to be provided to DP&E and other relevant State authorities to enable the coordination of necessary infrastructure and subsequent construction of URA's once they are zoned.

The complementary roles of State Authorities, Local Councils and Utilities

As mentioned above, the role of DP&E is fundamental in the satisfaction of the first part of Part 6 of the LEP. In preparing a SIC, DP&E also require the assistance of various State authorities including RMS, NSW Health, NSW Department of Education, NSW Rural Fire Service, NBN Co, Endeavour Energy and many more. The role of these other State authorities is crucial in determining what infrastructure would be required as a result of the additional demand and what is the potential cost of upgrades to existing infrastructure or cost of the establishment of new infrastructure which will then be apportioned to a developer within a URA.

In Council's experience, the lack of commitment to a SIC levy has resulted in additional workloads being put back on Council which has resulted in delays in the overall release of URA's. A significant additional demand is placed on existing educational establishments, health facilities and other State infrastructure, by the population growth associated with these URA's. The SIC provides a funding mechanism for required upgrades to the State infrastructure network based on the additional demand generated. Without it, the State Government will be required to fund necessary upgrades to the broader state infrastructure network brought on by the population growth associated with the URA's.

The different characteristics of Greater Sydney and non-metropolitan NSW

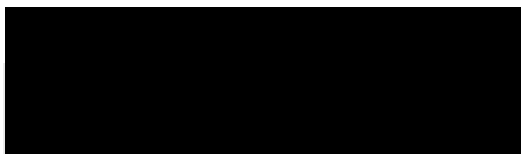
Shoalhaven is a large regional LGA that is some 160km from Greater Sydney Metropolitan Area. Access to infrastructure such as public transport, roads, schools, hospitals and education facilities is markedly different to metropolitan areas that render the application of metro-centric strategies inappropriate. In addition, the housing supply demands as a result of population growth are significantly different between Sydney Metropolitan Area and Shoalhaven.

Recently, the Proposed Greenfield Housing Code (Code) was released by DP&E which has the potential to streamline the assessment process in URA's through the application of Complying Development. Council made a submission on the Code during the formal exhibition process, which highlighted its general support of the Code with requests to make a regional variation to the proposed controls. The submission specifically requested that DP&E consider developing a Code specific to regional areas, i.e. within the Category 2 LGAs as defined in clause 136AB of the *Environmental Planning & Assessment Regulation 2000*. The scope of the variation request was to ensure that appropriate development outcomes are achieved within regional contexts, including in Shoalhaven.

It is hoped that Council's comments will be fully considered by the inquiry and encourage positive reforms that are suitable in regional contexts.

If you need further information about this matter, please contact Jessica Volkanovski, Planning Environment & Development Group on [REDACTED]. Please quote Council's reference 31157E (D17/256068).

Yours faithfully



Gordon Clark
Strategic Planning Manager
1 September 2017

c.c. The Hon. Gareth Ward, MP
The Hon. Shelley Hancock, MP
The Hon. Richard Colless, MCL
Mr Justin Field, MLC
The Hon. Paul Green, MLC
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