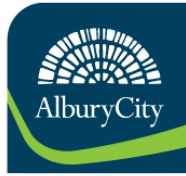


**Submission  
No 18**

## **LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES**

**Organisation:** Riverina Regional Cities  
**Name:** Mr Tristan Kell  
**Position:** Manager City Strategy Wagga Wagga City Council  
**Date Received:** 5 September 2017



## *Riverina Regional Cities*

29 August 2017

Jai Rowell MP  
Chair, Legislative Assembly Committee on Environment and Planning  
Parliament House  
6 Macquarie Street  
Sydney NSW 2000

Dear Mr Rowell,

### **Re: Inquiry into Land Release and Housing Supply in NSW**

The Riverina-Murray Regional Cities would like to thank you for the opportunity to comment on the above.

Albury, Griffith and Wagga Wagga are regional cities with some of the highest growth, diverse economic activity, agricultural production and most significant locations for freight and logistics in Australia. Collectively as Local Government Areas, we are committed to working together to ensure we can deliver strategic outcomes for the Region including land release and housing supply.

The following is not a direct response to the terms and the reference of the committee, but a general comment in consideration of the opportunities that exist for Albury, Griffith and Wagga Wagga.

#### Regional centres as an alternative to housing in Sydney metropolitan areas

- Sydney is growing at a rapid rate and cannot keep up with supply resulting in high housing cost, infrastructure strains and poor urban outcomes. Cities such as Wagga Wagga, Albury and Griffith have existing infrastructure, services to capture some of the excess demand in Sydney. These regional centres are excellent alternatives to big city life and can with a coordinated approach increase investment in employment opportunities that will attract migrants as well as people from large metropolitan areas, including Sydney.
- Housing in Wagga Wagga, Albury and Griffith is more affordable and provides greater housing choice in both greenfield and brownfield areas and the housing choice comes down to much lower cost. For example in Wagga Wagga the median house price is currently \$340,000, about a third of Sydney's median, highlighting the affordability of larger regional centres compared Sydney.

- There is broad consensus that land needs to be released and that more new dwellings need to be built to address housing needs and it is recognised that housing challenges are complex and the solution may not be simply to release more land in metropolitan Sydney.
- There has been a concerted government policy push encouraging new migrants to settle away from the major cities, but current planning policies tend to focus on Sydney metropolitan areas and do not directly respond to the needs and deficiencies of regional areas.
- Negative gearing is also hurting regional opportunities and investments that provide rental housing. Regional Economic Development, requires different policies than Sydney/Newcastle/Wollongong and current policies will need to be reviewed and changed to recognise the values of supporting growth in regional areas.

### Greenfield versus brownfield development

- Greenfield areas play a crucial role in supporting population growth, however a critical element for new subdivisions in greenfield areas is the provision of infrastructure services. The infrastructure cost per dwelling for greenfield development is substantially higher because of the need for new roads, new trunk water and sewer lines. To this effect, there is a growing shortfall of infrastructure in greenfield areas where infrastructure is not keeping up with the increasing growth.
- One of the solutions may be to ensure that better use is made of existing infrastructure. Infill and re-development of existing and older neighbourhoods can bring several benefits. One of the main objectives for regional centres is to continue to protect the liveability of its established neighbourhoods and councils can save money by promoting development in areas that already have infrastructure connected to public services, as opposed to financing new infrastructure for greenfield development.
- Long term strategies in regional centres such as Wagga Wagga, Albury and Griffith will introduce planning controls in areas where intensification is desired. While a good supply of land for development will be maintained, over time it is expected that there will be a stronger focus on providing housing in its established neighbourhoods and particularly those areas closer to the CBD's or other nodes.
- One of the obstacles in delivering new housing in established urban areas is the cost of land and planning policies must be changed to encourage private developers through incentives to explore infill opportunities.

Should you have any further questions please do not hesitate to contact the undersigned. We look forward to ongoing collaboration with yourself and staff.

Kind Regards,



Tristan Kell  
Manager City Strategy  
Wagga Wagga City Council