

LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES

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Director, Committees
Legislative Assembly
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir/Madam

**Central Coast Council Submission
Parliamentary Inquiry into Land Release and Housing Supply**

Thank you for providing the opportunity to make a submission to the Legislative Assembly Committee on Environmental and Planning's, Parliamentary Inquiry into land release and housing supply in NSW.

Please find attached for your consideration, a submission on behalf of the Central Coast Council. The attached submission has been structured to provide information relevant to the five focus areas of the Terms of Reference of the Inquiry.

Should you require further information, or supporting commentary, please contact Matt Prendergast, Manager, Strategic Planning on [REDACTED] or email [REDACTED]

Yours faithfully



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The Central Coast Region

The Central Coast Council was established through the merger of the former Wyong Shire and Gosford City Councils on 12 May 2016. The Local Government Area (LGA) is located between Sydney and Newcastle and comprises an area of approximately 1,650km².

The Central Coast is recognised for its natural aesthetic amenity and quality of life, however the Central Coast Region is now a key strategic region in one of the State's fastest growing corridor which connects Greater Sydney with Newcastle and has a population projection of 1.1 million people by 2036.

By 2036, the population of the region is expected to increase by an additional 75,500 people to a total 415,050. An additional 41,500 dwellings will be required to cater for this expected population growth. To give perspective to the rate of housing required to house the increased population, 2,075 homes annually need to be provided.

Given the pressure on housing affordability within the Sydney Region and the capacity for the Coast to continue to grow there is every expectation that population growth on Coast will exceed the population forecast. In this regard a higher growth scenario including trigger points that require major infrastructure developments should be considered at all levels of Government to ensure that long terms strategic planning, job creation and infrastructure provision meets the needs of the population throughout the 20 year planning horizon.

To give perspective to the region's growth potential, new population on the Central Coast is being driven by:

- Local population growth (35% of annual growth by 2036) as well as people moving into the area (64% of annual growth by 2036);
- The attraction of liveable communities and lifestyle;
- New residents attracted to the Central Coast by relatively affordable housing;
- Proximity to Sydney and Newcastle metropolitan areas;
- Changes in demographics – ageing population, increasing life expectancy and young people leaving home.

The following pages outline the opportunities and challenges that exist for the supply of additional land for housing on the Central Coast, following the format of the Terms of Reference established for the Inquiry.

The resources and support needed within the Department of Planning and Environment for:

- i. The delivery of a housing supply process**
- ii. The coordination and funding of enabling infrastructure**

The primary challenge for releasing land for housing and employment growth on the Central Coast is the provision of infrastructure. This was to be a key focus of the Central Coast regional Plan 2036; however, details on infrastructure and the staging and sequencing of land including funding mechanisms for infrastructure will now sit in a separate Infrastructure Plan for the Central Coast.

As shown in Attachment 1, land within the Central Coast Region identified for future development is not connected to essential services, such as water and sewer, stormwater drainage, roads, nor is it adequately serviced by public transport. The provision of hard infrastructure is the first challenge, supporting social infrastructure such as community facilities, libraries etc. also needs consideration if Council and the Central Coast region are to achieve vibrant and sustainable development.

Development of these localities is reliant on the ability of Council or the landholder (or group thereof) forward funding the infrastructure required. Such infrastructure is expensive and reduces the overall feasibility of development sites, particularly where it is in a locality where existing connectivity does not exist and/or where a development site has fragmented ownership. This has been a particular issue for a number of site-specific rezoning proposals.

To promote the development of land for housing and employment, coordinated infrastructure delivery is essential. Opportunities exist for funding mechanisms, such as interest free loans or bankrolling infrastructure projects, to promote the timely delivery of housing supply on the Central Coast.

Increasing funding requirements for public infrastructure is also problematic for land development in relation to facilitating housing supply. A number of localities within the LGA are subject to Special Infrastructure Contribution (SIC) plans, for example, the Warnervale Town Centre and Wyong Employment Zone. Payments of the SIC are in addition to the Section 94 contributions levied by Council for the provision of local infrastructure essential for liveable communities (e.g. local roads, parks etc.).

Council recognises that the SIC is important for providing for state infrastructure. However, there are no requirements for the expenditure of SIC funds within the region from which they are collected. Within the LGA, the only identified state infrastructure identified is the redevelopment of Sparks Road, which connects the northern growth corridor to the M1 Pacific Motorway.

Council is keen to see the development and implementation of a Regional Infrastructure Plan, which identifies and confirms other state infrastructure projects within the region, as well as establishing the cost and timing for their delivery. Such plans should also consider the funding of development offsets as required by Biocertification Statements.

The implementation of a Regional Infrastructure Plan will reduce risks associated with delivery of land for housing supply and promote greater confidence within the development industry. In turn, this will stimulate development of Greenfield localities.

Council also considers that the establishment of land monitoring programs will assist both state and local Councils to track, from the grass roots level, the progress of housing supply. This will enable both levels of government to establish additional or new infrastructure requirements and/or amend policy and planning directions as necessary.

Detailed discussion on infrastructure concerns within the region is provided later in section (d) of this submission.

Delivery mechanisms following the rezoning of land through to construction

As identified above, the delivery of infrastructure is a key constraint for land development.

Prior even to the land being appropriately zoned for development, a number of other challenges exist. As further discussed within section (d) of this submission, some of these challenges are inherent in the environmental constraints of the development areas within the LGA. Additionally, the majority of the land identified for urban development has highly fragmented ownership patterns.

There are number of unresolved corridor issues that present challenges for the rezoning of land in these localities. Whilst the corridors are identified at a broad or high level, the corridors are not adequately defined for site-specific planning purposes. This creates delays and interagency/authority debate, which detracts from the overall goals of protecting the natural environment and providing for land for housing supply purposes. Such corridors need to be better spatially defined and at a strategic scale which can be appropriately utilised for local planning purposes.

The early recognition of environmental constraints is vital to ensuring that housing supply can be provided within a timely manner. In this regard, it would be prudent to extend the application of the Biodiversity Act as it relates to offsetting, to rezoning proposals for urban development. This would avoid delays associated with resolving the matter at the development application stage.

Most land within the areas flagged for greenfield development comprise landholdings that are highly fragmented. Whilst residential and employment land precincts are mapped, the ownership patterns are problematic for the proper planning and release of precincts as a whole. Commonly, individual landholders pursue land rezoning on a site-by-site basis. This approach makes it difficult and expensive to coordinate infrastructure delivery.

The complementary roles of state authorities, local councils and utilities

As the provider of local water and sewer infrastructure, Council actively seeks out opportunities to streamline and improve service delivery. Supportive state infrastructure plans and funding would assist Council to optimise its service delivery in this regard.

The different characteristics of Greater Sydney and non-metropolitan NSW

Population

The Central Coast LGA has an estimated resident population of 334,857 persons; with a population density of approximately 1.99 persons per hectare.

A snapshot of the population profile of the Central Coast is provided below.

Table 1 Central Coast Council Area Population Highlights, 2011

2011	Central Coast	Greater Sydney	NSW	Australia
Median Age	41	36	38	37
Median weekly household income	\$800	\$1,194	\$986	\$983
Couples with children	28%	35%	32%	31%
Older couples without children	12%	8%	9%	9%
Medium and high density Housing	21%	40%	31%	25%
Households with a mortgage	33%	33%	32%	33%
Median weekly rent	\$273	\$361	\$307	\$289
Households renting	26%	30%	29%	29%
Non-English speaking backgrounds	5%	26%	19%	16%
University attendance	3%	5%	4%	4%
Bachelor or Higher degree	11%	24%	20%	19%
Vocational	23%	15%	18%	18%
Unemployment	7.0%	5.8%	5.9%	5.6%
SEIFA index of disadvantage 2011	980	1011	996	1002

(Source: idcommunity, *Central Coast Community Profile*, accessed 20/7/2017)

Compared to Greater Sydney, the Central Coast region has lower levels of university qualified populations and higher unemployment rates.

Journey to Work data (.idcommunity 2017) indicates that in 2011, the majority (63.6%) of the working population on the Central Coast (post-merger) also worked in the area. Approximately 23% of workers travelled outside the LGA for work. The employment locations of inner Sydney, Hornsby, Ryde, Willoughby and Ku-ring-gai comprised almost 14% of this figure, with the bulk of the remainder of commutes ending in Lake Macquarie, Newcastle and western Sydney.

Not only do greenfield release areas support the growing population of the region, they also need to accommodate local employment opportunities to improve levels of self-containment.

The Central Coast supports an increasing aging population. In 2016, the Central Coast supported a higher proportion of post retirees than Greater Sydney, as demonstrated by the table below.

Table 2 Comparison of Proportion of Population by Service Age, 2016

2016	Central Coast	Greater Sydney	NSW	Australia
Babies and pre-schoolers (0 to 4)	5.9	6.4	6.2	6.3
Primary schoolers (5 to 11)	8.9	8.8	8.8	8.9
Secondary schoolers (12 to 17)	7.4	6.9	7.1	7.1
Tertiary education and independence (18 to 24)	7.9	9.6	9.0	9.2
Young workforce (25 to 34)	10.8	16.1	14.3	14.4
Parents and homebuilders (35 to 49)	18.6	21.1	20.0	20.2
Older workers and pre-retirees (50 to 59)	13.4	12.2	12.8	12.7
Empty nesters and retirees (60 to 69)	12.3	9.5	10.8	10.6
Seniors (70 to 84)	11.7	7.5	8.9	8.6
Elderly aged (85 and over)	3.1	2.0	2.2	2.1

(Source: idcommunity, *Central Coast Community Profile –Service Age Groups*, accessed 20/7/2017)

People aged 60 and over make up over 27% of the region's population, compared to 19% in Greater Sydney.

The provision of alternative housing forms to accommodate the growing population within the older age groups is required.

Housing Type

The predominant form of housing type in the Central Coast LGA is single dwellings. This is typical for older established suburbs as well as those within the new release areas within the LGA. The average dwelling density is 2.48 persons per dwelling.

In some centre localities (e.g. Gosford, The Entrance), high density dwellings are the dominant housing form. However, this form of housing only represents 3.4% of dwelling types compared to Greater Sydney, where 23.5% of housing is high density.

The following table provides a comparison of the proportion of housing type between the Central Coast, Greater Sydney, NSW and Australia.

Table 3 Comparison of Proportion of Housing Types 2016

2016	Central Coast	Greater Sydney	NSW	Australia
Single house ¹	76%	55%	64.9%	71.1%
Medium density ²	18.3%	20.3%	17.9%	17.9%
High density ³	3.4%	23.5%	15.3%	9.1%
Caravans, cabins, houseboat	1.0%	0.3%	0.9%	1.2%
Other	0.2%	0.5%	0.4%	0.3%
Not stated	0.4%	0.4%	0.5%	0.5%

(Source: idcommunity, *Central Coast Community Profile – Dwelling Type*, accessed 20/7/2017)

¹ dwellings or separate houses, which do not share a wall with any other dwelling

² townhouses, terraces, villa units and semi-detached dwellings, flats in 1 and 2 storey blocks and flats attached to houses

³ flats in 3 or more storey blocks

In established suburbs with larger lot sizes (e.g. 600-800m²), dual occupancy development (in the R2 Low Density Residential zone), and attached dwellings (in the R1 General Residential Zone) are gradually replacing older single dwelling stock. Another emerging trend in these zones is the increase in demand for secondary dwellings (granny flats).

The transitioning population to older service age groups (as per table 2) will influence the type of housing required to be provided in the region into the future. Discussions, rezonings and development applications for integrated development (small lot housing), row housing (attached dwellings comprising zero lot line boundaries), caravan parks and manufactured home estates (MHE's) are becoming more frequent and commonplace.

It is apparent that this type of development is preferred as a form of housing by retirees seeking to downsize from a single dwelling. A continuation of this trend is likely to result in an increase of demand for medium density housing and caravan parks/MHEs.

In the near future, Council will be commencing the preparation of a Housing Strategy. This strategy will seek to identify in detail the current housing stock, the housing demands and the availability of land supply to address this demand. This strategy will inform the review of Council's Local Environmental Plan (LEP).

Housing Affordability

The Central Coast LGA has lower median weekly household incomes and higher unemployment rates than those in Greater Sydney and NSW.

The following table provides a further comparison of the proportion of the population incomes between the Central Coast (average of the former Wyong and Gosford LGA data), Sydney and the rest of NSW.

Table 4 Proportion of Low, Moderate and High Incomes

Area	% Low Income	% Moderate Income	% High Income
Central Coast	51.6	24.9	24.1
Rest of NSW (excludes Sydney SD)	47.3	25.2	27.5
Sydney SD	37.6	23.8	38.5

(Source: Centre for Affordable Housing, *Housing Market Snapshot - Central Coast Region*, accessed 20/7/2017)

This impacts the affordability of housing in the LGA. Further information regarding housing affordability on the Central Coast is available from the Centre for Affordable Housing website (<http://www.housing.nsw.gov.au/centre-for-affordable-housing/for-planners-of-affordable-housing/housing-snapshots/housing-market-snapshot-central-coast-region>).

This assessment identifies that *"there is less and less affordable housing available and there is insufficient diversity in the housing stock to meet local needs now and into the future"* on the Central Coast. It is likely that population "spill over" into the region from the greater Sydney area, where incomes are generally higher, will reduce the housing affordability of both the rental and purchase markets.

Additionally, the former Wyong Council Affordable Housing Study (available from <https://www.wyong.nsw.gov.au/my-community/housing-choice>) provides a detailed assessment of housing affordability in the former LGA.

Secondary dwellings and MHE's are currently serving as defacto affordable housing solutions on the Central Coast. A strategic approach to catering for lower income housing alternatives is required.

Environment

More than half (55%) of the Central Coast LGA is national park/state forest estate, bushland and/or waterways. Approximately 35% of the LGA is utilised for agricultural production. The remaining 10% of the LGA is urbanised.

Whilst supporting rural residential development, the majority of urban development is located east of the M1 Pacific Motorway. These areas are bisected by natural waterways, including Tuggerah Lakes and Brisbane Water. These waterways are important local ecosystems and sensitive to impacts which can arise from adjoining or upstream urban development.

The LGA also comprises extensive vegetation and habitat which includes numerous endangered ecological communities, populations and species, and provides valuable corridor linkages for the movement of endangered and/or threatened fauna (Attachment 1).

Such vegetation and habitat is located within existing urban areas of the LGA (particularly around or in close proximity to natural waterways), however, it also occurs extensively in the development precincts, as identified by the Department of Planning and Environment's North Wyong Shire Structure Plan (NWSSP) (Attachment 2).

Supporting Infrastructure

i) Transport

The M1 Pacific Motorway and the Central Coast and Newcastle train line connect the LGA to Sydney and Newcastle. The A1 Pacific Highway also links the eastern localities of the LGA to Newcastle and Sydney.

Journey to work data indicates that almost a quarter of the working population travel for work. The linkage of the M1 to the Hills M2 Motorway by way of the NorthConnex project will further promote the Central Coast region as an alternative place of residence for commuters.

The physical isolation of the eastern localities (due to natural waterway features) and increasing urbanisation reduce the functionality of the A1 Pacific Highway as an efficient commuting route, excluding being the only means of linking to the M1. The physical isolation of the eastern suburbs provides ongoing challenges for the servicing by efficient public transport.

The continuing growth of the region (as well as growth in Newcastle) is also placing pressure on the capacity of the existing train network. Commuters using this form of transport require more frequent services, particularly when travelling south to the Sydney region. Anecdotal evidence suggests that commuters are often required to stand for the hour long journey to Sydney when catching trains from Tuggerah.

Non-government bus service providers operate bus routes in both the northern and southern areas of the LGA, with routes linking urban centres and transport hubs.

ii) Health Services

As identified above, the population of the Central Coast is aging. Additional health support infrastructure is required to assist in the management of age related health issues.

iii) Sustainability

Opportunities also exist for the improved provision of sustainable neighbourhoods through new policy initiatives. For example, rating systems for master planned residential and industrial estates to provide

development bonuses or incentives where the masterplan design exceeds criterion relating to active living and open space provision, water and energy efficient schemes, such as stormwater harvesting and reuse and the like.

Other related matters

- i) Having recently amalgamated, Council planning for dwellings and population growth is determined by existing planning instruments and development controls of the former Wyong Shire and Gosford City Council. These documents are as follows:

- Gosford LEP 2014
- Gosford Interim Development Order 122
- Gosford Planning Scheme Ordinance, 1979
- Wyong LEP 2013
- Gosford Development Control Plan 2013
- Wyong Development Control Plan 2013

Council is currently undertaking a review and consolidation of existing planning controls with the view to implementing a single LEP and Development Control Plan (DCP) for the Central Coast LGA. This project is expected to be completed in 2018.

Council is also commencing a comprehensive LEP review which will be supported by relevant land use strategies, including the housing strategy.

- ii) Agricultural land

The need to accommodate additional population often places pressure on a region's agricultural land. Peri urban development encroaches on the viability of existing agricultural operations, in terms of land use conflict. It also reduces opportunities for the establishment of new agricultural enterprises.

The Central Coast region produces approximately 40% (as at 2011) of the greater Sydney's poultry supply, and greater than 80% and 90% of the greater Sydney's oranges and lemons.

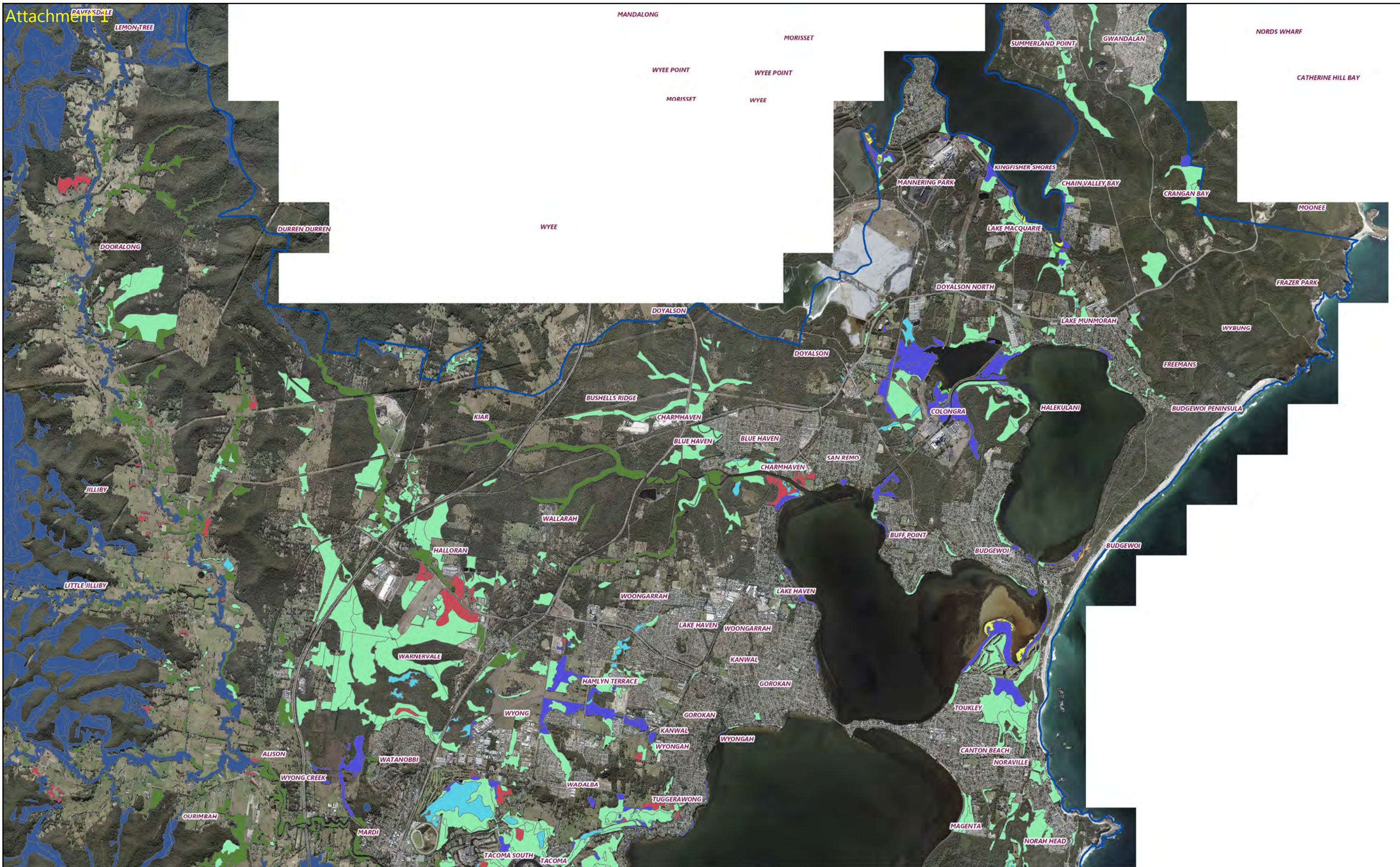
To ensure that such industries and operations can retain viability, land use planning needs to consider its relative contribution to the food industry. Agricultural land uses requires support by increasing opportunities for the provision of related food-processing industries.

Having completed a rural land study of the former Wyong LGA, Council is in the process of undertaking similar investigations for the former Gosford LGA. The outcomes of these investigations will support land use planning decisions for the preparation of the Comprehensive LEP.

- iii) Council's Community Profile available online (<http://profile.id.com.au/central-coast-nsw>) provides additional information and statistics relating to:

- data on population growth, demography, household composition, health, housing, education, employment and travel (Central Coast Community Profile)
- economic and workforce information (Central Coast Economic Profile) and
- Key socio-demographic characteristics as interactive maps (Social Atlas).

Revisions to Central Coast Population Forecasts are currently being undertaken. This information is likely to be available by the end of August 2018.



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MAP EXTRACT

Scale 1:70,000

Note: Data is not survey accurate.
Scale is representation only.

Projection: Transverse Mercator
Projected Co-Ordinate System: GDA_1994_MGA_Zone56
Geographic Co-Ordinate System: GCS_GDA_1994

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