

27 August 2021

Dear Mr Fielding,

NSW Regional Housing Taskforce

Dantia is the Lake Macquarie City economic development company. Unique in the Australian landscape, Dantia is the independent thought leader that drives, represents, and delivers Lake Macquarie City's bold vision for growth and prosperity in the region.

Dantia values the opportunity to provide input into the NSW Regional Housing Taskforce and congratulates the Government on the comprehensive consideration of how to achieve better housing outcomes for regional NSW through the planning system.

Lake Macquarie is the third largest regional city in NSW. Its population of over 207,000 is expected to grow by 28,000 by 2036, driving demand for 13,500 new dwellings and 12,000 new jobs. Its proximity to Sydney together with its wealth of economically underutilised and potentially available land, positions Lake Macquarie to be one of the most significant liveable regional cities in NSW.

The economic growth and opportunity of the city, and the value it adds to the emerging Sydney mega region, commands an urgent need for residential lots and new dwellings. Accelerating the construction of a diverse range of housing stock will also increase housing affordability, support inbound migration, and stimulate jobs and investment.

Dantia supports the Government's efforts to streamline and simplify the current planning regulations controlling new developments while improving quality and sustainability in NSW. We also support recent efforts to remove unnecessary 'red-tape' as a way of stimulating the NSW economy and value the Government's focus on the specific challenges and planning barriers to housing delivery facing regional NSW.

In providing input to the Taskforce, this submission sets out the Lake Macquarie strategic context and then addresses issues and makes recommendations according to the four pillars of the NSW Housing Strategy, *Housing 2041*: supply, diversity, affordability, and resilience.

Inherent in the submission is a recognition that the delivery of housing is a multi-faceted challenge, but the focus of the Taskforce is on the planning system. The submission also seeks to focus on the unique critical challenges faced by Lake Macquarie acknowledging that there are broader and shared challenges across the Hunter region that are addressed in other submissions.

STRATEGIC CONTEXT

Lake Macquarie City Local Strategic Planning Statement sets the goal for the city to be one of the most productive, adaptable, sustainable, and liveable places in Australia. The City's economic centres anchor and activate the significant growth in population and provide the stimulus for housing, jobs, recreation, and services. The growth of these centres also facilitates accessibility and the opportunity to diversify the economy.

Increasing both total housing and the diversity of housing across the four growth areas of the Northwest, Northeast, Southeast and Southwest, is critical to support a population that has a higher proportion of people under 25 than aged over 65, the aging of this population, and to attract new skilled workers and businesses.

To meet the needs of this changing and growing population there requires an increase in the development of medium to high density dwellings such as apartments,

townhouses, and homes on small lots in and around the economic centres, as well as housing in well-located and serviced new release areas.

SUPPLY housing supply delivered in the right location at the right time

Zoning

The Lake Macquarie Housing Study suggests there is enough zoned land to permit dwellings in the City's urban areas to accommodate the population growth to 2050. However, further examination indicates that much of this land while suitable for the development of large-scale housing projects is constrained through land ownership, notably Crown ownership.

There are opportunities such as in Morrissett located in the southwest growth area that are not currently accessible for private investment.

Recommendation:

Enhanced strategic engagement of Crown Lands in the development of the regional strategic plans to ensure greater alignment with housing delivery goals and opportunities.

Enhanced private sector understanding of unsolicited bid process.

Biodiversity

A further constraint on housing supply are the legislative requirements of NSW Biodiversity Conservation Act.

In Lake Macquarie local government area, the development of the economic centres and greenfield sites across the four growth centres have potential impact on threatened species and ecological communities. As biodiversity is expected to remain a key issue for land use in the city it is critical that the biodiversity offset system is not only fair and transparent, but it is easy to use and affordable.

While the natural environment and assets are a defining feature of the Lake Macquarie region, its identity, health and economy, the cost burden of biodiversity conservation and offsetting not only reduce the feasibility of development but also negatively impact housing affordability.

Recommendation:

Greater collaboration between State and local government and the development sector to improve the certainty and transparency of biodiversity offset calculations and to better align the timing of payments with development stages.

Infrastructure

The delivery of enabling infrastructure is critical to addressing housing supply and providing certainty in investment. Lake Macquarie's existing enabling infrastructure in the form of heavy rail, water, and sewerage, not only provides a strong foundation for housing investment but it suggests a higher return on investment for greenfield

development relative to areas that demand delivery of extensive enabling infrastructure such as the Western Sydney Aerotropolis.

However much of Lake Macquarie housing supply remains stalled due to a lack of transport, notably road.

In 2020, Dantia identified that the detrimental impact of project delays on the economic, growth and new investment in the Hunter region were:

- \$21.8 billion lost in construction-associated benefits
- \$15.1 billion each year in foregone operational benefits
- the loss of 33,931 construction jobs, and
- the loss of 26,689 operational jobs (in perpetuity)
- the loss of 18,108 new dwellings.

Some of the reasons identified for project delays that have been partially addressed include Transport for NSW consistently exceeding timeframes for Development Application referrals and Works Authorisation Deed contract negotiations; and changes in advice or requirements with minimal evidence-based reasons.

Another significant reason for transport project delays was a lack of planning and delivery of critical infrastructure aligned to housing or employment goals. This arises from a lack of integrated strategic planning notably in the development of the *Hunter Regional Plan*, the *Greater Newcastle Metropolitan Plan* and the *Hunter Regional Transport Plan*.

A misalignment of priorities and/or delivery time frames and the lack of flexibility in the administration of these plans are having a significant impact on the delivery of housing outcomes. The current review of the *Hunter Regional Plan* and the *Hunter Regional Transport Plan* provides a valuable opportunity to address this issue.

Greater alignment between transport and housing delivery can also be achieved at the local level through the development of the Local Strategic Planning Statements. These Statements provide critical input into the Regional Plan; and provide enhanced transparency and accountability of housing priorities and opportunities. As housing in the regions is largely delivered through local firms, it is imperative that these firms are actively consulted in the development of the Local Strategic Planning Statements.

Recommendations:

Establish a coordinated and integrated review of the Greater Newcastle Metropolitan Plan and the Hunter Regional Transport Plan.

Enhance consultation with local firms in the development of the Local Strategic Planning Statements.

DIVERSITY **housing is diverse, meeting varied and changing needs of people across their life**

Lake Macquarie City Council data indicates that the current housing stock is dominated by larger single detached dwellings with some 90.7 per cent of residents living in a separate house, with the remainder living in semi-detached (4.3%), flat or apartment (2.9%), or other dwelling type (2.1%).

While detached dwellings are dominant in the settlement pattern, this type of living does not appear to be by choice.

The 2019 Lake Macquarie Housing Preference Study indicates that only 73.3 per cent of residents prefer this housing type with an unmet demand for semi-detached, flat and apartment living.

This gap in supply and demand in relation to housing type can be reduced through the provision of incentives in the planning system to accelerate development in key growth areas. Most notable would be the ability to fast track complying development for semi-detached, flat and apartment living.

Recommendation:

Accelerated development consent for complying development for semi-detached, flat and apartment living.

AFFORDABILITY housing that is affordable and secure

To meet the growing demand for housing, further enhancements to the planning process can be made to accelerate development approval in key growth areas to minimise the pressure on housing affordability. The establishment of the NSW Planning Delivery Unit is supported. However, this Unit needs greater authority and influence across government agencies to reduce the friction and delays in the planning pathway.

Council data also indicates that there is a growing lag between development approval and construction. One reason attributed to this is the delay in the time taken to issue construction certificates. Improved Council resourcing and a more streamlined process for construction certificates has the potential to increase housing speed to market offsetting some supply pressure and impact on affordability.

Recommendation:

Enhance the authority and influence of the NSW Planning Delivery Unit to reduce the friction and delays in the planning pathway.

Improve Council resourcing and streamline process for issuing Construction Certificates.

RESILIENCE housing that is enduring and resilient to natural and social change

Sustaining the natural environment is integral to the attractiveness and liveability of Lake Macquarie City; and the bushfire assessments for development applications are essential for the lives and livelihoods of the community members.

These assessments however are taking extended periods - sometimes up to six months. In other circumstances there has been a lack of certainty as to the level of threat associated with pieces of land and the level of risk.

Greater resourcing, training, and accountability of performance of assessment time frames associated with the bushfire process will improve the quality of assessments reducing costs and risk.

Recommendations:

Enhance the quality of the bushfire maps to ensure detailed site-specific information is available

Improve resources for RFS to enhance assessment capability and speed.

Enhance performance measures for bushfire assessments to ensure timely development assessments.

The delivery of affordable and diverse housing is critical to meet the economic growth and prosperity of the Lake Macquarie region now and for the decades ahead.

This requires a planning framework that is fit for purpose for the region. To do this it must integrate strategy at a local and State level, as well as proactively drive State inter-agency strategic planning and coordination. It must also facilitate a planning process that minimises friction and cost and is appropriately resourced.

Dantia is pleased to provide input to the Regional Housing Taskforce.

Yours sincerely,



Katherine O'Regan
CEO