



# CENTRAL COAST REGIONAL STRATEGY



Submission of the Urban Development  
Institute of Australia NSW  
to the Department of Planning

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**Prepared by:**

Principal authors:

Andrew Cox	UDIA NSW Chair Central Coast Chapter
Peter Andrews	UDIA NSW Councillor
Tim Robertson	(Policy Officer)

With the assistance of the UDIA NSW Executive and the Central Coast Chapter Committee in consultation with its members.

## EXECUTIVE SUMMARY

UDIA NSW has reviewed the draft Strategy and commends the NSW Department of Planning for initiating the Government's regional planning reforms for the Central Coast. Essentially, UDIA NSW's comments may be divided according to those of principle and those of a practical nature.

In principle, UDIA NSW believes that the primary function of the Central Coast Regional Strategy is to guide the urban settlement and economic development of the region. The Strategy should reflect a whole of government approach to regional growth and development by defining an ambitious vision and providing innovative strategies to achieve the vision.

The draft Strategy is heavily constrained by concerns in relation to the future water supply for the region, providing conservative population growth forecasts with the implication that once such issues have been resolved, regional growth estimates may be resolved. UDIA NSW contends that regional planning must be undertaken in a holistic manner that appropriately considers the long term implications of conservative long term forecasting rather than being based on short term constraints.

UDIA NSW contends that the Regional Strategy should provide a desirable vision for the Central Coast and adopt a population target of 426,000 for 2031. A population increase of 110,000 reflects a realistic balance between recent growth rates experienced in the region and an appropriate recognition of the capacity and potential of the Central Coast.

Increasing population across the region will generate a corresponding demand for residential land. It is critical that the Central Coast Regional Strategy appropriately estimate population growth to ensure an adequate supply of residential land to meet the demand. UDIA NSW contends that the draft Strategy underestimates population growth projections for the future of the region and this leads to a corresponding underestimation of the demand for housing.

The draft Strategy assumes an occupancy rate of 2.21 persons per household projected to 2031, estimating a demand for 36,000 new dwellings over the next 25 years to cater for a regional population of 380,000. The importance of ensuring the supply of residential land meets realistic and reasoned demand forecasts is one of the critical elements of the Central Coast Regional Strategy. UDIA NSW contends that to achieve a realistic population target of 426,000 persons by 2031, there will be a corresponding demand for 56,760 new dwellings on the Central Coast over the next 25 years assuming an occupancy rate of 2.21 persons per dwelling.

The draft Strategy asserts that the vast majority of the future supply of housing to the region will be provided as multi-unit housing and infill development, with only around 20% of new housing to be accommodated through greenfields subdivision. While it is acknowledged that policy directions do have a role to play in providing a framework for aspirational housing form targets, UDIA NSW contends that it is disingenuous to disregard consumer preferences for housing.

UDIA NSW contends and supports with substantial evidence that the forecast dwelling mix provided in the draft Strategy will not be a long term achievable goal on the Central Coast. Ensuring the housing market has access to a variety of housing

choices and a geographic diversity of supply is critical to the task of providing a sustainable framework for sustainable growth. UDIA NSW contends that a dwelling mix of 60:40 – multi unit to greenfield detached dwellings, as provided in the UDIA NSW Structure Plan should be adopted as a target for the Regional Strategy.

UDIA NSW contends that there is a clear need for the NSW Government to develop a long term infrastructure strategy for the Central Coast if it is committed to fostering regional economic independence. Competing regions such as the Illawarra and Newcastle have demonstrably benefited from significant Government investment in regional and state infrastructure and there must be recognition at all levels of Government that the same commitment is required on the Central Coast.

UDIA NSW contends that open consultation must take place with key stakeholders in the development industry in relation to infrastructure costs, funding sources and the viability of development staging to ensure that the urban growth forecast in the Strategy can be delivered to the market by the development industry. This process must inform workable funding structures, which may include levies, to ensure affordability across the region, and in particular, in new urban release areas.

The draft Strategy identifies the need to cater for an additional 35,000 jobs in support of a population growth of 64,000 over the next 25 years. While it is encouraging that the Department of Planning has set an ambitious target for regional employment, UDIA NSW contends that these employment growth figures are optimistic. So much so that the forecast population growth will not be sufficient to produce sufficient labour unless the labour force participation rate increases substantially, and that is unlikely with an ageing population.

One of the principal challenges for the region in regard to employment generation will be the containment of the regional labour force and a corresponding reduction in the commuter rate. In order to achieve these goals, the region must offer attractive investment opportunities for businesses and employers and go beyond simply securing and protecting additional employment lands.

The Central Coast region has a unique mix of environmental, social and economic factors that must be balanced. UDIA NSW supports the impending preparation of a Regional Conservation Strategy for the Central Coast and stress the importance of ensuring that an appropriate balance is achieved to ensure the economic objectives of the region are not unduly compromised.

The implementation of the Regional Strategy is to be the responsibility of councils through their LEPs. UDIA NSW believes that a coordinated approach is needed to address matters of development staging and infrastructure provision. UDIA NSW would like to see the establishment of a Development Corporation, or a regional planning authority to coordinate the delivery of new settlements and the provision of infrastructure in the region. As a minimum, a Central Coast Urban and Infrastructure Program with whole of government support is required.

## RECOMMENDATIONS

UDIA NSW offers the following comments with regard to the draft Central Coast Regional Strategy. UDIA NSW recommends that:

1. The Central Coast Regional Strategy adopt a growth target of 110,000 people to achieve a regional population of 426,000 people by 2031.
2. The Central Coast Regional Strategy incorporate additional new release areas to meet demand for 56,700 new dwellings over 25 years that will be required to support the increased regional population.
3. The Central Coast Regional Strategy provide for a production target of at least 910 lots per year for the next 25 years.
4. The NSW Government demonstrate confidence in the Central Coast by preparing a Regional Infrastructure Strategy and committing to a schedule of works to support economic growth in the region.
5. An industry forum comprising key relevant stakeholders in the development industry be established to ensure that detailed consultation is undertaken by the NSW Government and local Councils on the preparation of workable funding structures including an investigation on alternative funding mechanisms for regional and local infrastructure.
6. Plans for future developer charges in the Central Coast including Section 94, development servicing plans, and regional infrastructure levies include an analysis of the impact on housing affordability, market expectations, and regional competitiveness as a key input into the quantum of the charges.
7. The preparation of the Regional Economic Development and Employment Strategy for the Central Coast be expedited and adopted with the final Regional Strategy.
8. The Regional Economic Development and Employment Strategy investigate methods to achieve greater retention of human capital on the Central Coast and identify significant drivers to attract investment.
9. The preparation of the Regional Conservation Strategy and Northern Area Structure Plan involve regular consultation with the development industry to ensure the creation of a workable conservation framework.
10. The Regional Strategy recommend the exemption of the Central Coast from the application of the Native Vegetation Act 2003.
11. The Central Coast Regional Strategy recommend the establishment of a Regional Development Authority to coordinate the delivery of new settlements and the provision of infrastructure to the region.

## 1. INTRODUCTION

The Urban Development Institute of Australia (UDIA) appreciates the opportunity to comment on the draft Central Coast Regional Strategy and commends the NSW Department of Planning for initiating the Government's regional planning reforms for the Central Coast.

There is an expectation within the urban development industry that the Central Coast Regional Strategy should be a document that provides an ambitious vision for the region and provides initiatives tailored specifically to achieve desired outcomes. It should be a Strategy that reflects a whole of government approach to regional growth and development and not a generic template for use across the regional centres of NSW.

UDIA NSW has prepared a submission on the draft Strategy on the basis of this expectation and as the leading industry for all sectors of the development industry, believes it can offer practical and insightful observations and solutions to assist the government in realising a suitably ambitious plan for the Central Coast.

While some of the comments in this submission are critical, they should be interpreted as contributing to a robust debate in the interests of achieving optimum outcomes including a balanced realisation of environmental, social and economic objectives.



## 2. POPULATION GROWTH – POTENTIAL AND DISTRIBUTION

The draft Strategy forecasts the future population of the Central Coast to reach 380,000 in 2031, an increase of 64,000 people from the current population of 316,000 over the next 25 years. This growth represents an increase of 0.75% per annum based on first year growth, approximately 2600 additional persons per annum. The Sydney Metropolitan Strategy identified that the Central Coast has the land resources to support a further 100,000 people by 2031 and the awarded UDIA Central Coast Structure Plan provided a sustainable framework for a population target of up to 500,000 people by 2050.

The forecast growth figures provided within the draft Strategy are at variance with previous estimates provided by the Government in the Sydney Metropolitan Strategy and reflect a significant departure from recent growth experienced in the region. There is no doubt the region will reach the 380,000 people mark forecast in the draft Strategy, only the timeframe will vary, failure to recognise this will have considerable implications for the future of the region.

There are a number of factors that will influence population growth in the region over the life of the Strategy, factors that will also influence the demand for housing and services and therefore the success of the Strategy in adequately providing a framework to support sustainable growth. A Strategy that underestimates population growth will lead to declining household affordability, infrastructure and service provision shortfalls and will be a deterrent to private sector investment in the region.

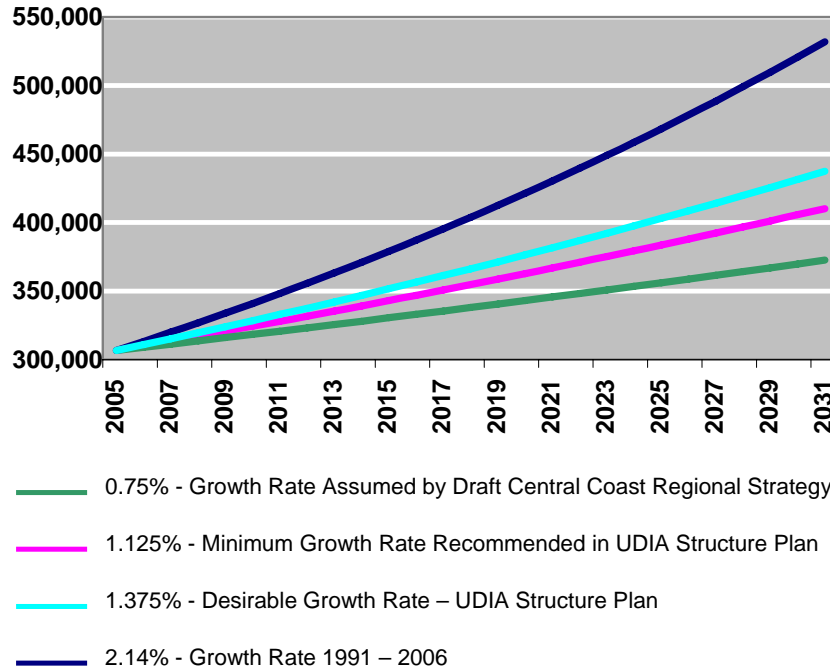
The draft Strategy identifies the current water supply issue on the Central Coast as a major constraint to the growth of the region and implies that once such issues have been resolved, regional growth estimates may be revised. UDIA NSW contends that regional planning must be undertaken in a holistic manner that appropriately considers the long term implications of conservative long term forecasting rather than being based on perceived short term constraints.

While it is acknowledged that the population growth rate in the region is slowing from previous levels, UDIA NSW contends that it is disingenuous to provide a 25 year Strategy for the region that provides a conservative population forecast on the basis of a self fulfilling prophecy on the provision of water infrastructure. For the development industry to provide meaningful consultation throughout the Regional Planning process, real expectations about population growth and the demand for housing need to be examined.

The figure overleaf illustrates a number of growth scenarios for the region that could impact significantly on the demand for housing on the Central Coast that should be given serious consideration by the NSW Government. The first scenario is the growth rate assumed in the draft Strategy (0.75%), the second scenario is the growth rate recommended as a minimum in the UDIA NSW Central Coast Structure Plan (1.125%), the third provides what UDIA NSW contends is a desirable growth rate for the region, and the fourth reflects the average growth rate experienced in the region from 1991 – 2006.

**Figure 1**

**Central Coast Population Scenarios**



UDIA NSW contends that the draft Strategy underestimates population growth for the Central Coast and therefore fails to provide a solution for urban development to meet the real future growth potential of the Central Coast. The debate surrounding water supply in the region has had a disproportionate influence on the preparation of the draft Strategy and reflects poorly on the NSW Government. UDIA NSW contends that a more aspirational Strategy is needed for the region to realise its potential – this begins with more progressive and confidence generating statements about future growth.

UDIA NSW contends that the Regional Strategy should provide a desirable vision for the Central Coast and adopt a population target of 426,000 for 2031. A population increase of 110,000 reflects a realistic balance between recent growth rates experienced in the region and an appropriate recognition of the capacity and potential of the Central Coast.

**RECOMMENDATION 1**

*The Central Coast Regional Strategy adopt a growth target of 110,000 people to achieve a population target of 426,000 people by 2031.*

### 3. CENTRES AND HOUSING

The Central Coast is characterised by a fragmented settlement pattern due in part to constraints posed by the topography of the region, the inherent quality of the natural environment and relative abundance of waterways. This has traditionally posed a challenge to the provision of adequate and suitable housing for the increasing population and will continue to do so. It is therefore critical that the draft Strategy provide a framework that ensures a broad geographic diversity of supply of housing in the region that can be delivered by the development industry to the market in a sustainable and affordable fashion.

UDIA NSW commends the recognition of Gosford as a major regional centre and as one of the NSW Government's Six Cities. Linkages within all parts of the Central Coast to the Gosford CBD, and in particular, access within the CBD must be addressed if the revitalisation is to be realised.

The hierarchy of centres in the draft Strategy provides a broad framework for settlement that is consistent with regional planning policy across the state. The draft Strategy places a significant emphasis on existing centres to support the majority of the increased population and corresponding demand for housing, citing housing affordability as a major factor in influence this policy direction.

The UDIA Central Coast Structure Plan, although conceptual attempted to take the planning framework to lower level and identify potential locations and examples of how the urbanisation process and natural constraints combine with a coherent transport structure. The draft Strategy relies heavily on urban renewal, yet there is very little guidance on how this will be achieved. The draft Strategy relies very heavily on Gosford CBD and Warnervale to meet its urban infill targets. UDIA believes this may well limit housing choice and contends that there is a need for the next level of planning to be undertaken as a high to show how and where urban renewal will take place, and to ensure that the targets are achievable given cost and market demand factors.

#### **Demand**

Increasing population across the region will generate a corresponding demand for residential land. It is critical that the Central Coast Regional Strategy appropriately estimate population growth to ensure an adequate supply of residential land to meet the demand. UDIA NSW contends that the draft Strategy underestimates population growth projections for the future of the region and this leads to a corresponding underestimation of the demand for housing.

Household occupancy rates are a factor that will further affect the demand for housing and land in the region. Occupancy rates have been falling and are expected to fall over the next 25 years as a result of an ageing population and changing family demographics. The issue of an ageing population is particularly prevalent on the Central Coast, with the region forecast to house the highest percentage of the over 65 demographic for the Greater Metropolitan Region. This presents a challenge to policy makers to ensure that adequate and importantly, appropriate housing supply meets demand. Housing supply for Seniors Living is addressed in greater detail later in this chapter.

The draft Strategy assumes an occupancy rate of 2.21 persons per household projected to 2031, estimating a demand for 36,000 new dwellings over the next 25 years to cater for a regional population of 380,000. The importance of ensuring the supply of residential land meets realistic and reasoned demand forecasts is one of the critical elements of the Central Coast Regional Strategy. UDIA NSW contends that a failure to provide realistic population growth forecasts leads to the underestimation of demand for housing and the inadequate provision of supply.

The figure provided below demonstrates numerically the implications for conservative population growth forecasting and the relationship to estimating housing demand. The figure below demonstrates the dwelling supply shortfall that will exist if reasoned population and demand forecasts are not provided in the Regional Strategy.

**Figure 2**

POPULATION	OCCUPANCY RATE (CCRS)	NEW DWELLINGS	TOTAL DWELLINGS
380,000	2.21	36,000	172,000
426,000	2.21	56,760	192,760

UDIA NSW contends that to achieve a realistic population target of 426,000 persons by 2031, there will be a corresponding demand for 56,760 new dwellings on the Central Coast over the next 25 years assuming an occupancy rate of 2.21 persons per dwelling.

**Supply**

The previous sections identified significantly greater demand for residential housing based on reasoned population forecasts. It is crucial that supply meet this demand.

The draft Strategy asserts that the vast majority of the future supply of housing to the region will be provided as multi-unit housing and infill development, with only around 20% of new housing to be accommodated through greenfields subdivision. While it is acknowledged that policy directions do have a role to play in providing a framework for aspirational housing form targets, UDIA NSW contends that it is disingenuous to disregard consumer preferences for housing. The figure below demonstrates the housing approvals for dwelling types in the region over the last ten years and the target provided within the draft Strategy.

**Figure 3**

Approvals/Year	1996-2001	2001-2006	CCRS 2006-31
Detached houses	71%	59%	<20%
Multi-units	29%	41%	>80%

The figure overleaf demonstrates a preference in the region for detached housing and illustrates the significant diversion in housing production aspired to in the draft Strategy. UDIA NSW contends that the draft Strategy fails to demonstrate a greater understanding of traditional and likely future consumer preferences for housing on the Central Coast. The ability of the development industry to provide affordable, desirable housing in the region will be significantly constrained if a greater emphasis on greenfield lot production for detached housing is not provided for.

The awarded UDIA NSW Central Coast Structure Plan prepared in 2005 and presented to the Department of Planning, examined the urban capacity of the region in accommodating population growth of up to 500,000 people by 2050. One of the ecologically sustainable design principles adopted in plan was to balance an increased urban footprint with appropriate urban renewal.

The Structure Plan adopted the following assumptions:

- 40-50 dwellings per hectare around major railway stations such as Gosford, Woy Woy, Warnervale North and existing centres with high amenity.
- 30-40 dwellings per hectare around suburban railway stations and other key centres.
- 25-30 dwellings per hectare for suburbs along transport corridors and areas with high residential amenity.
- 15 dwellings per hectare in other areas.

The Structure Plan demonstrates that the Central Coast is able to accommodate approximately 240,000 dwellings by 2050. This is provided as a mix of housing types across the region building on existing infrastructure whilst protecting the area's natural assets. The figure provided overleaf demonstrates how a dwelling mix of 60:40 for multi-unit and greenfield detached housing can be accommodated on the Central Coast.

UDIA NSW contends and supports with substantial evidence that the forecast dwelling mix provided in the draft Strategy will not be a long term achievable goal on the Central Coast. Ensuring the housing market has access to a variety of housing choices and a geographic diversity of supply is critical to the task of providing a sustainable framework for sustainable growth.

The Central Coast will continue to compete with other regional centres such as the Lower Hunter to provide affordable and desirable housing options to accommodate reasoned population growth forecasts. Failure to matching an adequate supply of housing options for the differing demographics within the region will see the Central Coast lose opportunities to support the growing population and the commensurate economic and social benefits that correspond with this growth.

UDIA NSW contends that a dwelling mix of 60:40 – multi unit to greenfield detached dwellings, as provided in the UDIA NSW Structure Plan should be adopted as a target for the Regional Strategy. The figure on Page 12 demonstrates that this target can realistically be achieved, creating a range of housing opportunities and choices,

maximising the use of existing infrastructure and preserving open space, agricultural land, natural beauty and critical environmental areas.

UDIA NSW contends that to accommodate a desirable population increase of 110,000 people, as highlighted earlier in this submission, there will be a corresponding demand for 56,700 new dwellings on the Central Coast over the next 25 years. To ensure this demand is met, annual greenfield lot production must achieve at least 908 lots per annum for this period to achieve a 60:40 dwelling mix.

To achieve the required lot production target of 910 lots per year for the next 25 years, additional greenfield release areas must be included within the Regional Strategy. The UDIA NSW Structure Plan detailed an opportunity for growth west of the freeway in the Somersby area which, as demonstrated in the Plan, has the capacity to support an opportunity for 13,000 dwellings and a mix of commercial, retail and industrial uses. The draft Strategy has ruled out residential development in this area and UDIA NSW contends will have the affect of further exacerbating supply shortfalls and will have corresponding impacts on affordability.

Failing to adequately supply housing options will have significant impacts on regional growth and areas west of the freeway, including the Somersby area, suitable for supporting sustainable urban development, should not be vetoed by the Strategy.

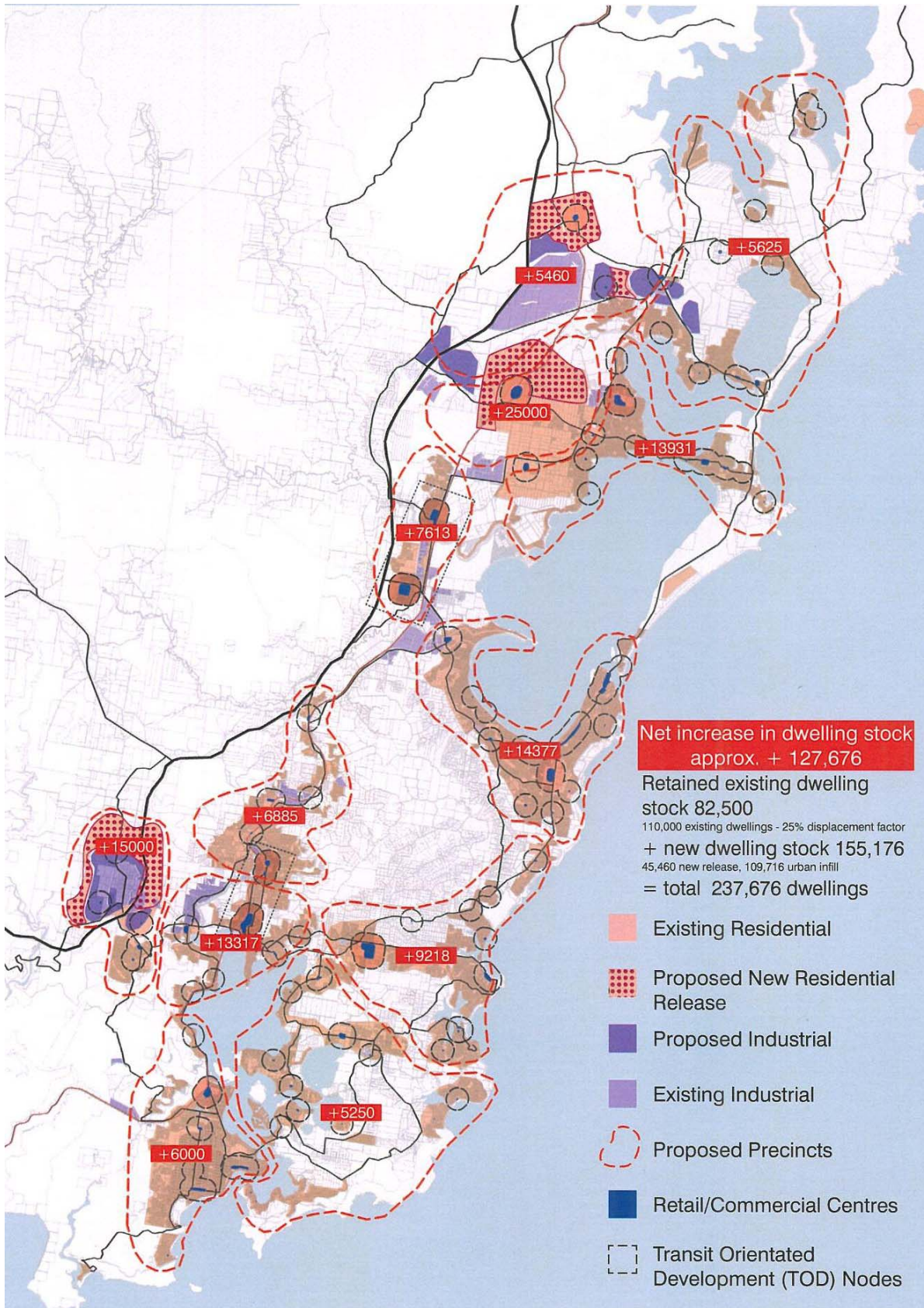
### Housing Affordability

Maintaining housing affordability on the Central Coast is one of the pertinent challenges faced by policy makers and the Regional Strategy must provide a suitable framework to support this objective. It is critical when determining this framework that the Department of Planning and local Councils have a good understanding of the financial implications of delivering a variety of housing forms to the market and their relationship to housing affordability.

It is a common fallacy that affordability is simply better addressed by a greater focus on higher density housing. The cheapest form of housing that can be delivered by the development industry to the market is a single residential house in a greenfield subdivision. The residential cottage building industry in Australia can deliver very cost effective single storey dwellings and is regarded worldwide as one of the most competitive. The table below demonstrates the construction costs associated with the various forms of housing. The prices below estimate dwelling construction including landscaping and floor coverings but exclude land cost.

<b>ESTIMATE OF HOUSING CONSTRUCTION COSTS</b>			
<b>Dwelling type</b>	<b>Size</b>	<b>Construction cost</b>	<b>Per m<sup>2</sup></b>
Single residential dwelling	200m <sup>2</sup>	\$150,000	\$750
Town house dwelling	200m <sup>2</sup>	\$225,000	\$1,125
Multi unit dwelling	200m <sup>2</sup>	\$300,000	\$1,500

**Figure 5 – UDIA NSW Central Coast Structure Plan**



The complexity of medium density housing causes the cost of constructing equivalent size medium density housing to rise substantially. The construction of medium density development is inherently more risky to develop as it is constrained by a number of factors that generally do not affect low density development to the same extent. These are inter alia, difficulties associated with site access, higher degree of financial risk, longer development assessment times, and greater development regulation.

While it is acknowledged that the land cost per dwelling for town houses and multi-unit developments is less per dwelling, the above mentioned slower assessment times, slower construction and higher degree of risk quickly narrow the margin. The figure below demonstrates this point from current examples on the Central Coast.

**Figure 6**

Type	Location	Lot size	Land cost	Home 200m <sup>2</sup>	Total cost	Per m <sup>2</sup> dwelling size 200m <sup>2</sup>
<b>Residential Basix compliant brick-veneer single dwelling</b>	Wadalba	450m <sup>2</sup>	\$155,000	\$150,000	\$350,000	\$1,525
<b>Multi-unit dwelling</b>	Gosford	200m <sup>2</sup>	\$85,000 per site	\$300,000	\$350,000	\$1,675
<b>Townhouse development</b>	East Gosford	200m <sup>2</sup>	\$110,000 per site	\$225,000	\$335,000	\$1,900

It has been demonstrated that the draft Strategy has not provided sufficient housing supply options to meet the demand that will exist on the Central Coast for the next 25 years. The supply of housing as derived from the population forecasts within the Strategy UDIA NSW contends will lead to a shortfall of 20,700 dwellings over the next 25 years and significant implications for housing affordability, and more generally, the economic growth of the region.

UDIA NSW contends that the solution to relies on a number of factors that all must be addressed in the Strategy. The Strategy must ensure a geographic diversity of supply – adequate for reasoned population forecasts and a variety of housing options. The Regional Strategy can have its greatest influence on housing affordability by ensuring these two factors are sufficiently addressed.

## **Seniors Living**

The Central Coast is forecast to go through significant demographic change over the life of the Regional Strategy that will influence the demand for housing. The region has a relatively rapidly ageing population (faster than metropolitan Sydney) with the proportion of residents of the Central Coast aged 55+ is expected to grow from 27% in 2006 to 37% in 2031. This demographic shift will require detailed strategic planning and an increase in the number of targeted housing options for this group, both in self-care and assisted living developments.

The move in December 2005 by the Minister for Planning to restrict the development of Seniors Living housing on rural land adjoining urban land will have the greatest implications for the Greater Metropolitan Region, including Newcastle, Illawarra and the Central Coast. The commercial viability of non high-rise, villa style, Seniors Living developments rarely allow for this type of development on residentially zoned land.

This restriction of supply, particularly in the Sydney metropolitan area will impact on the demand for Seniors Living Housing in other major centres, where it is perceived that a greater supply of suitable housing exists. In the Central Coast this will be compounded with the existing attraction of the region to that particular demographic, increasing demand for a product that due to current policy restrictions cannot be delivered affordably to the market.

Failure to adequately address the issue of the supply of housing to the aging population in the region will have dramatic implications for affordability and the provision of appropriate infrastructure and services. UDIA NSW contends that the review of the Seniors Living SEPP must be finalised as a matter of priority with amendments to ensure that the demand for the specific housing needs can be provided by the development industry.

### **RECOMMENDATION 2**

*The Central Coast Regional Strategy incorporate additional new release areas to meet demand for 56,760 new dwellings over 25 years that will be required to support the increased regional population.*

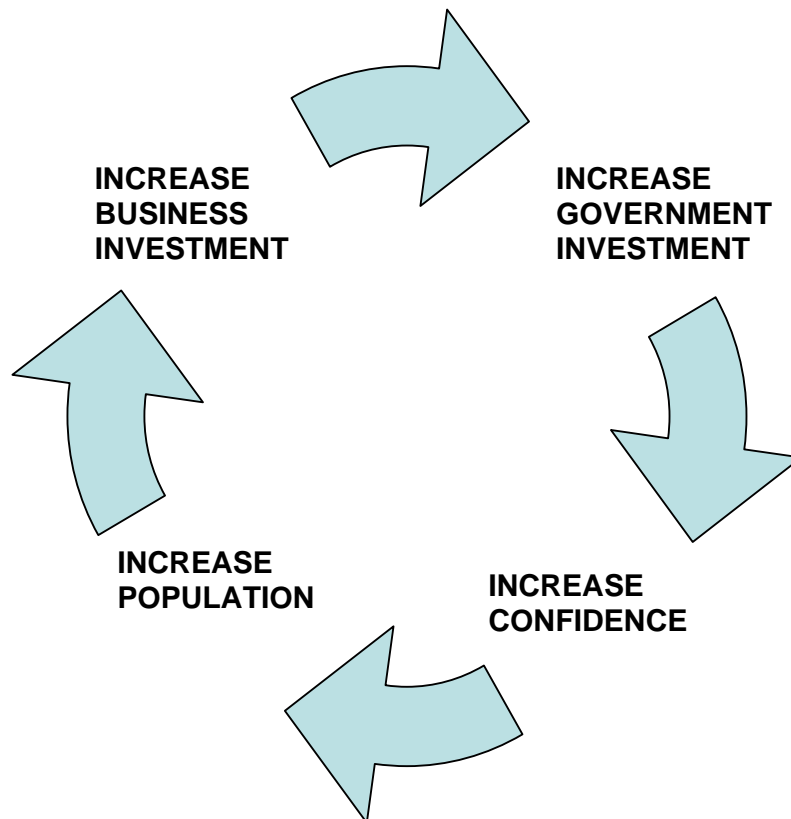
### **RECOMMENDATION 3**

*The Central Coast Regional Strategy provide for a production target of at least 910 lots per year for the next 25 years.*

#### 4. INFRASTRUCTURE AND REGIONAL TRANSPORT

The process of preparing a Regional Strategy for the next 25 years for the Central Coast has demonstrably illuminated glaring deficiencies in the Government's commitment to regional growth and prosperity. Infrastructure provision is a major driver for investment and previous public works over the last 30 years have enabled the Central Coast to be on of the fastest growing urban areas in Australia for many years. It is disappointing that the draft Strategy undersells the Central Coast by failing to provide a infrastructure program to stimulate and support economic growth in the region.

UDIA NSW contends that there is a clear need for the NSW Government to develop a long term infrastructure strategy for the Central Coast if it is committed to fostering regional economic independence. Competing regions such as the Illawarra and Newcastle have demonstrably benefited from significant Government investment in regional and state infrastructure and there must be recognition at all levels of Government that the same commitment is required on the Central Coast.



The above figure illustrates the interrelationship between Government investment and economic growth and prosperity. As above mentioned for many years the Central Coast experienced some of the fastest sustained population growth in Australia and this was led and supported by infrastructure provision. Some of the past public infrastructure works that enabled this growth are listed overleaf.

- The F3 Freeway from the Hawkesbury River to Beresford.
- Electrification of the rail line from Gosford to Wyong, then to Newcastle.
- A major water supply and sewerage system including Mangrove Dam and various major ocean outfalls (designed to accommodate 500,000 people).
- Expansion of Vales Point Power Station and acquisition of substantial lands for new power stations (which have now become major environmental areas such as the former Tuggerah Power Station site).
- New Wyong Hospital and major expansion of Gosford Hospital.
- Ourimbah University Campus.
- Gosford and Wyong TAFE campuses.

The above list when compared with the current infrastructure program for the Central Coast highlight the development industry's concerns with the Government's commitment to the region. UDIA NSW contends that a more positive approach is required to regional economic growth and greater leadership and cooperation required from the Government and relevant agencies to increase credibility and substance to the Regional Strategy. There is limited value in crating a unilateral strategy without the support of funding necessary from other Government departments and agencies.

UDIA NSW contends that the management of infrastructure provision and indeed the implementation of the Regional Strategy would be best managed by a Regional Development Authority. This is addressed in greater detail later in this submission under 'Implementation'.

It is understood that a number of years ago an Infrastructure Report Card was prepared for the Central Coast and could provide a suitable platform for the development of a long term Regional Infrastructure Plan. UDIA NSW has prepared an indicative list of items which we believe need to be considered as essential infrastructure items of national, state and regional significance to guide regional economic growth over the next 25 to 45 years.

#### *National and State Significance*

- **Duplication of the F3 west of the Central Coast.** In the long term the increasingly common delays on the F3 will need to be resolved by an additional northern arterial link further to the west linking the F7 to the New England Highway. This is a major issue for the east coast of NSW as it affects the efficiency of the road freight network as well as general domestic and commercial road traffic.
- **Resolving restrictions in the rail network regarding conflicting freight and passenger rail.** This is a matter of importance to the national freight network and has implications for the efficient function of the rail network throughout the GMR.

## *State and Regional Significance*

### **Secure Water Supply**

UDIA NSW understands that relevant authorities are now in the process of resolving this issue. The restriction of regional economic growth potential due to water supply constraints is an obvious area for attention for the Government.

### **Rail Network**

- The need for a fast rail network from Sydney to Newcastle as a minimum is essential to the long term future of the growth corridor.
- Integrated railway station upgrades at Lisarow, Niagara Park, Ourimbah Tuggerah, Wyong and Warnervale.

### **Road Network**

The range of arterial road upgrades which need to be considered are shown conceptually on the UDIA NSW Conceptual Strategic Infrastructure Plan (overleaf). They involve upgrading the existing road network beyond the works identified in the draft Strategy, together with additional new arterial road connections. By its fragmented nature the Central Coast will continue to be heavily car dependant, therefore improving access within the region is critical to its future growth. The recommended upgrades also form the essential corridors to support an improved bus system which in turn contributes to the framework for urban renewal along key transport corridors. Some of the works included in the plan include:

- East-West Bypass for Gosford
- Duplication of the existing Pacific Highway between Ourimbah and West Gosford.
- Completion of the existing Entrance Road upgrade (Central Coast Highway)
- Wyong bypass
- Wyong to Warnervale, Warnervale to Link Road corridor
- Bushells Road Interchange
- Alison Road Interchange
- Terrigal Drive
- Avoca Drive
- Pacific Highway – Toukley, Wyong.
- West Gosford/Manns Road Intersection
- Improved access to the Ourimbah University holgate

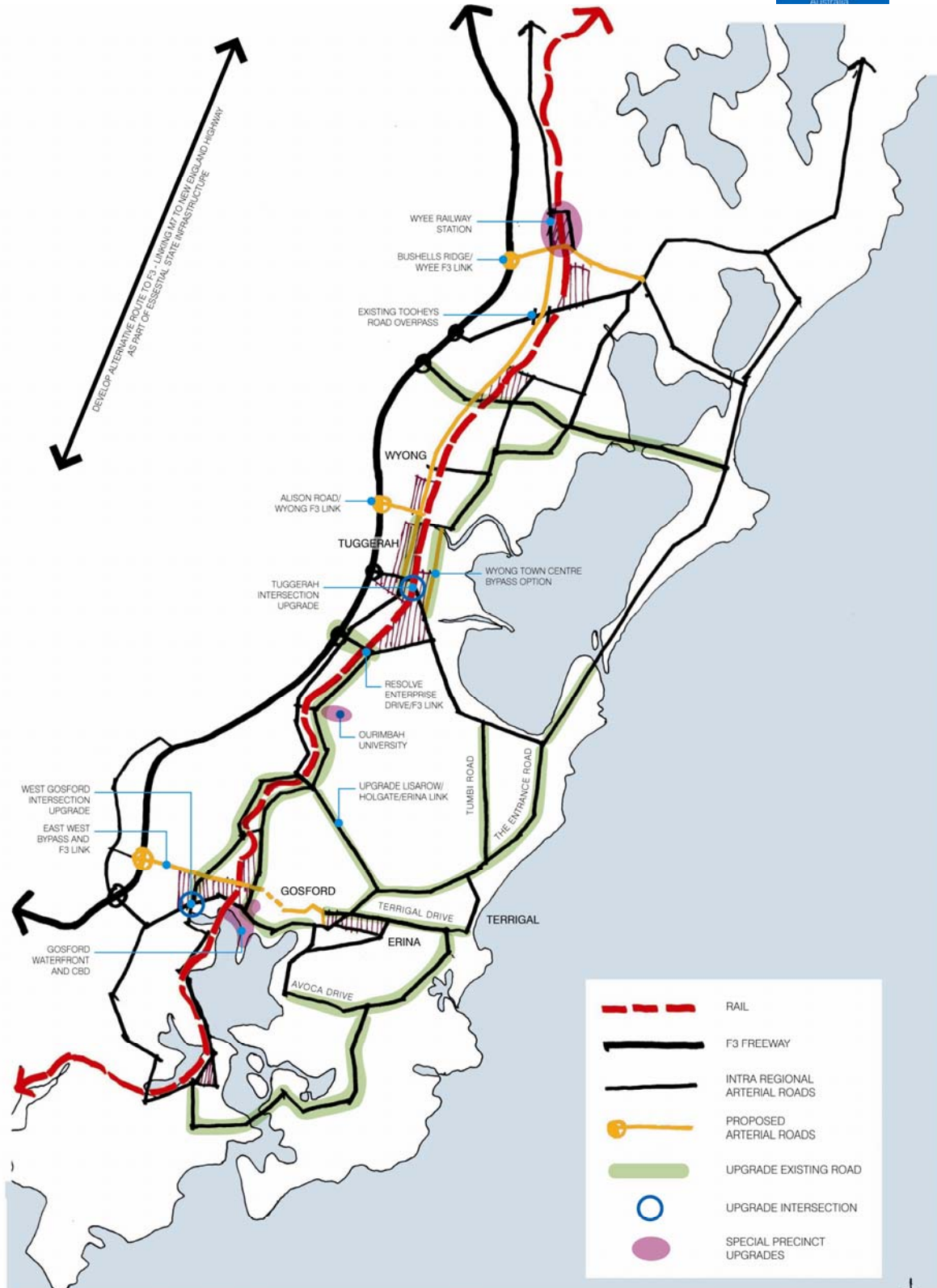
### **Key Precincts and Public Buildings/Service**

UDIA NSW has identified a number of key precincts for urban renewal based on the upgrading of existing infrastructure and improved amenity. These include but are not limited to:

- Upgrading Gosford Waterfront linked to a new education campus and cultural facility as a catalyst for regional growth; and
- Gosford as a regional city.

A high quality and diverse tertiary education system will contribute significantly to the strength of the region in attracting investment and retention of human capital. UDIA NSW is highly supportive of the need to expand the University Campus to the Gosford CBD as a major catalyst for urban development and contends that greater support from all levels of government is required in this regard.

Figure 7 – Roads and Key Precincts



Conceptual Strategic Infrastructure  
- Roads & Key Precincts

Andrews.Neil

## **Bus Transit**

UDIA NSW contends that a more extensive bus transit network that that identified in the draft Strategy is necessary. The UDIA NSW Central Coast Structure Plan showed possible development corridors where the public transit system could link with existing village and urban centres to contribute to a coherent framework for urban renewal. UDIA NSW have identified a number of potential precincts where a high frequency free bus network could operate to reduce car dependence and support a major urban renewal program. There are a number of highly effective models of such systems both in Australia and overseas that could be adapted to the needs of the Central Coast. Private sector involvement in developing these transit nodes and corridors will be vital to the success of such a scheme.

## **Water Transport**

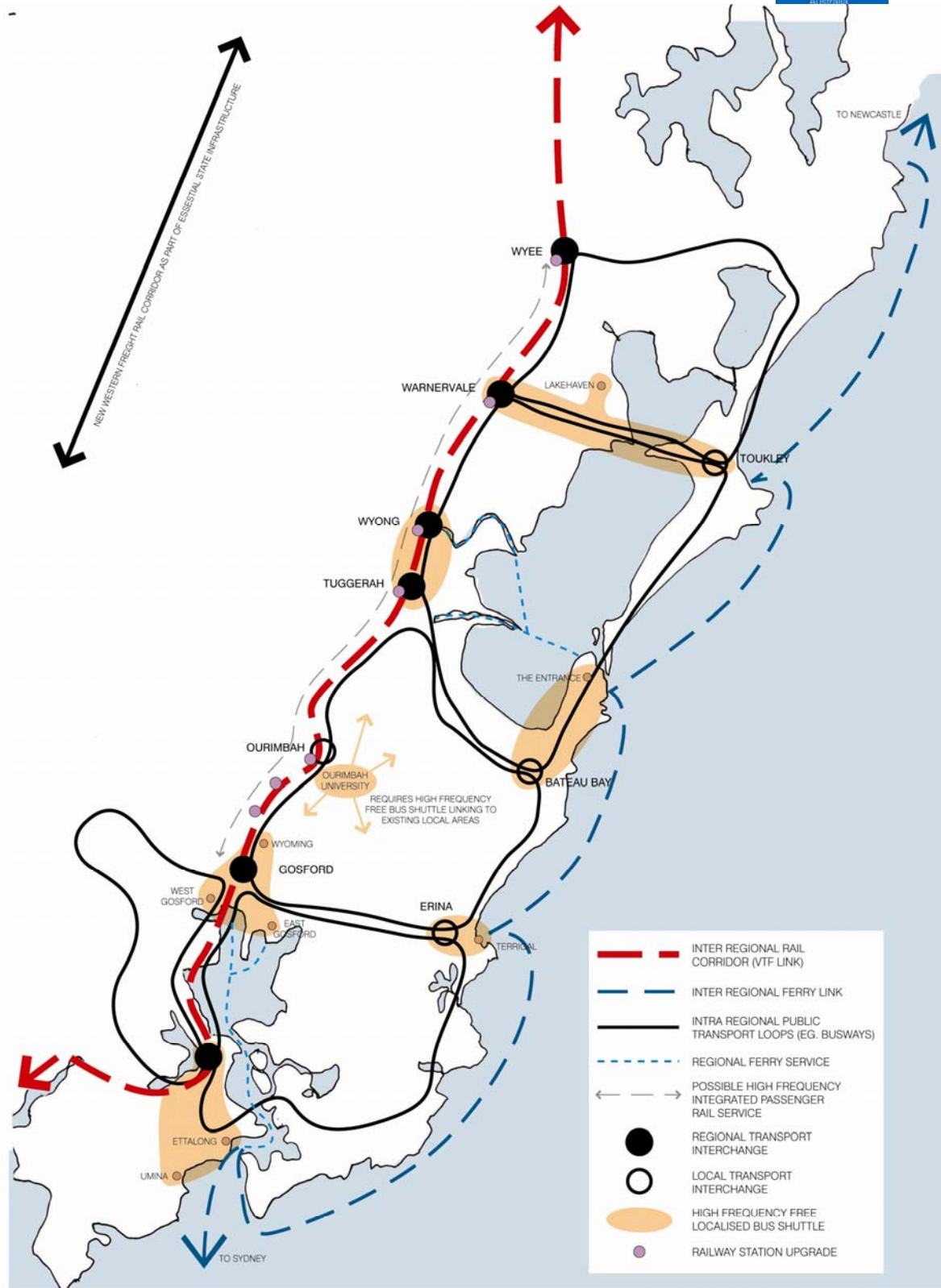
UDIA NSW contends that a greater emphasis on the utilisation of the region's extensive waterways to support inter and intraregional ferry services should be provided in the Regional Strategy. In addition to inter regional services between the Central Coast and Sydney/Newcastle, there are long term opportunities to re-establish viable ferry services within the Brisbane Waters and potentially Tuggerah Lakes. These links will assist in creating genuine inter-modal transport interchanges for the region.

The UDIA NSW Conceptual Infrastructure Plan for public transport is provided overleaf and illustrates a number of opportunities that UDIA NSW contends need greater consideration as part of a Regional Infrastructure Strategy.

## **RECOMMENDATION 4**

*The NSW Government demonstrate confidence in the Central Coast by preparing a Regional Infrastructure Strategy and committing to a schedule of works to support economic growth in the region.*

Figure 8 – Public Transport



## 5. DEVELOPER CONTRIBUTIONS AND INFRASTRUCTURE LEVIES

UDIA NSW supports the principle of urban release areas being led by the private sector. The urban development industry has significant experience in delivering complex projects within highly competitive frameworks and is therefore well equipped to provide for the efficient delivery of infrastructure and facilities, and therefore value for the community.

Private sector investment will be critical to the realisation of the Strategy through the provision of housing to support the forecast population growth. To bring this fundamental force to bear, public and private sectors must recognise their complementary abilities and understand the different frameworks within which each makes decisions.

There is an increasing reliance over the past decade on the development industry to fund and construct infrastructure necessary to bring new home sites to the market. The cost of an increasing scope of both regional and local infrastructure is now being demanded from the development industry and passed on to new homebuyers. While it is commonly agreed that urban development creates an additional demand for infrastructure, it must be funded in a context that does not compromise housing affordability to the point where the industry cannot deliver a commercially viable product to the market. The public sector must also recognise that urban development on the Central Coast is a key driver for employment and economic activity and that growth in the region depends on reasonable housing affordability.

Gosford City Council and the Department of Planning have set a concerning precedent with the levy proposed in the Gosford CBD Strategy that UDIA NSW believes will serve as a significant disincentive to private sector investment. UDIA NSW recognises that modern governments are averse to debt. Financing from general revenue using borrowed funds was the widespread practice when borrowing costs to government were very low and prior to the influence of global financial markets. Nevertheless, UDIA NSW believes there is some scope for the use of limited long term debt to help finance discrete major infrastructure activities.

UDIA NSW maintains that Government investment in the public domain is required to encourage private investment. This demonstration of confidence in the region will create investor confidence in the region, driving economic growth and improving prosperity.

The statement within the draft Strategy that *“all major development proposals will be required to fully or substantially contribute to additional regional infrastructure costs, with the contribution to be determined after taking account of any associated infrastructure plan and equity considerations”* is a concern for the urban development industry. As highlighted above, the public sector must realise the competitive commercial frameworks that developers work within to deliver the outcomes of the Regional Strategy. If the NSW Government is genuinely concerned with housing affordability, a more consultative approach with the urban development industry on the issue of infrastructure funding and provision must be undertaken.

UDIA NSW understands that urban expansion in the region as earmarked by the draft Strategy will create an additional demand for both local and regional infrastructure. Both local Councils and the Department of Planning must understand

the task faced by the development industry to supply new homes to support growth in the context of a highly competitive marketplace, consumer anxiety about interest rates, and declining housing affordability. The urban development industry has extensive experience in delivering complex projects within highly competitive commercial frameworks and is therefore well equipped to provide highly constructive input into determining the most efficient means of infrastructure financing and provision.

UDIA NSW contends that open consultation must take place with key stakeholders in the development industry in relation to infrastructure costs, funding sources and the viability of development staging to ensure that the urban growth forecast in the Strategy can be delivered to the market by the development industry. This process must inform workable funding structures, which may include levies, to ensure affordability across the region, and in particular, in new urban release areas.

#### **RECOMMENDATION 5**

*An industry forum comprising key relevant stakeholders in the development industry be established to ensure that detailed consultation is undertaken by the NSW Government and local Councils on the preparation of workable funding structures including an investigation on alternative funding mechanisms for regional and local infrastructure.*

#### **RECOMMENDATION 6**

*Plans for future developer charges in the Central Coast including Section 94, development servicing plans, and regional infrastructure levies include an analysis of the impact on housing affordability, market expectations, and regional competitiveness as a key input into the quantum of the charges.*

## 6. ECONOMIC DEVELOPMENT AND EMPLOYMENT GROWTH

The most significant influence on economic development on the Central Coast during and beyond the life of the Regional Strategy will be population growth. It is therefore critical for the future prosperity of the region to ensure that the demand for residential land generated by population growth is catered for by the adequate supply of residential land. Failing to ensure an adequate supply of residential land will result in lost opportunities for the region to capitalise on the economic benefits of an increased population.

The draft Strategy identifies the need to cater for an additional 35,000 jobs in support of a population growth of 64,000 over the next 25 years. While it is encouraging that the Department of Planning has set an ambitious target for regional employment, UDIA NSW contends that these employment growth figures are optimistic. So much so that the forecast population growth will not be sufficient to produce sufficient labour unless the labour force participation rate increases substantially, and that is unlikely with an ageing population.

One of the principal challenges for the region in regard to employment generation will be the containment of the regional labour force and a corresponding reduction in the commuter rate. In order to achieve these goals, the region must offer attractive investment opportunities for businesses and employers and go beyond simply securing and protecting additional employment lands.

The region is well positioned spatially between the Hunter and Sydney to offer unique business investment opportunities and it is critical that the draft Strategy demonstrate a willingness of policy makers to foster and encourage business investment and growth. This location has in the past been viewed as somewhat disadvantageous, with policy makers perpetuating the view of the region as a weekender destination, relegating the region to a dormitory suburb of metropolitan Sydney. This is due to a number of factors, not least of which due to a lack of Government investment and confidence in fostering regional economic independence.



The draft Strategy provides an opportunity for the NSW Government to depart from previous mistakes by creating and fostering confidence in the region to attract larger, higher order employment generators. Providing conservative forecasts based on short term constraint evaluation does the opposite. Businesses must have the belief that investment of significant capital and the associated risk will be welcomed on the Central Coast, and represent a better opportunity than in other regions.

The region differs from the Hunter and the Illawarra in that it has not had the significant drivers of economic growth, such as manufacturing and primary industry, and the containment of the

regional workforce has suffered as a result. As the region enters a critical point in its development as a major regional centre, with Gosford identified as one of the NSW Government's Six Cities, innovative strategies must be developed to stimulate the regional economy. An aspiration of regional economic independence should be assumed and fostered through a facilitating policy framework that reflects an attractive business and investment location.

In numerical terms, employment on the Central Coast is not particularly concerning relative to other regions, the pertinent issue remains the retention of human capital for higher order service and knowledge based industries. The Central Coast's proximity to Sydney is and will always be an influence in drawing highly skilled and professional labour away from the region, resulting in gaps in the labour force. There is a widespread perception that employment in these industry sectors simply cannot be found in the region and commuting to Sydney is often a reflection of necessity rather than preference.

The 'brain drain' that occurs on the Central Coast needs greater examination and consideration at a regional policy level if genuine attempts at minimising the loss of human capital for the region are to be made. UDIA NSW contends that the Regional Economic Development and Employment Strategy should examine this issue and investigate possible methods to achieve the retention of human capital on the Central Coast.

#### **RECOMMENDATION 7**

*The preparation of the Regional Economic Development and Employment Strategy for the Central Coast be expedited and adopted with the final Regional Strategy.*

#### **RECOMMENDATION 8**

*The Regional Economic Development and Employment Strategy investigate methods to achieve greater retention of human capital on the Central Coast and identify significant drivers to attract investment.*

## 7. ENVIRONMENT AND NATURAL RESOURCES

The biodiversity of the Central Coast is one of its most important attributes and contributes significantly to the appeal of the region as a residential and tourist destination. UDIA NSW appreciates that the biodiversity is a fundamental natural resource that defines the region's sense of place.

UDIA NSW advocates for the creation of sustainable communities to meet increasing housing needs, balancing the interplay between environmental, social and economic factors. Sustainability as defined by the Productivity Commission is the maintenance of stock capital. Capital consists of human capital (social), man-made capital (economic) and natural (water, biodiversity etc). The best mix of capital assets is undefined but implies trade-offs between capital types to achieve goals.

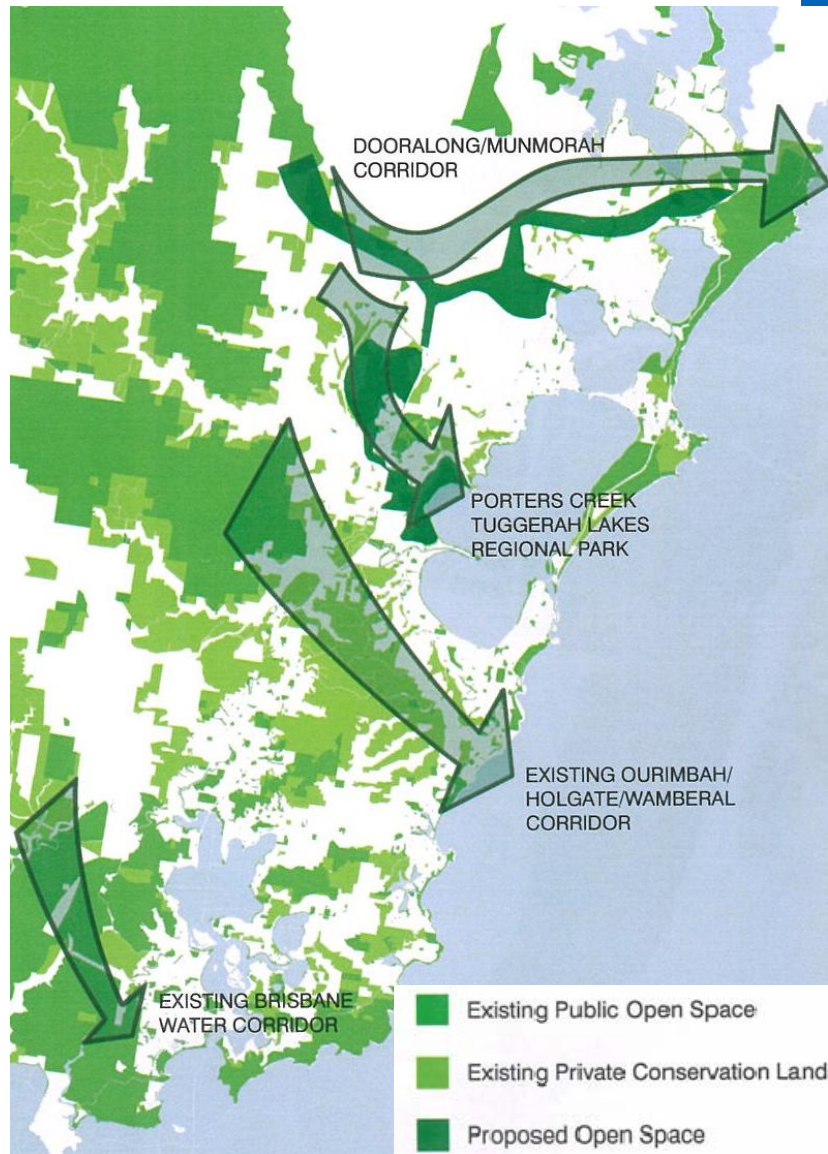
The Central Coast region has a unique mix of environmental, social and economic factors that must be balanced. UDIA NSW supports the impending preparation of a Regional Conservation Strategy for the Central Coast and stress the importance of ensuring that an appropriate balance is achieved to ensure the economic objectives of the region are not unduly compromised.

UDIA NSW believes the development industry has an important role to play in helping to develop a conservation strategy for the region, providing pragmatic and reasoned input into the process. As an example of this role, UDIA NSW recently provided assistance to the Department of Environment and Conservation in the development and eventual gazettal of the Biodiversity Banking Bill. UDIA NSW provided input into the process and promoted the development of a framework to achieve significant conservation outcomes without unduly compromising the creation of new communities.

The UDIA NSW Structure Plan recommended a number of conservation measures that could significantly enhance the biodiversity value of the region. The figure overleaf illustrates measures such as the linking of existing fragmented open space to create viable habitats as actions that should be promoted within both the Regional Strategy and Regional Conservation Strategy. UDIA NSW believes it is well placed to provide meaningful input in the preparation of both the Regional Conservation Strategy and the Northern Areas Structure Plan, and will seek involvement when appropriate.

The role of the Department of Planning as a government agency to provide for biodiversity conservation should not be understated. UDIA NSW contends that the application of the *Native Vegetation Act 2003* on the Central Coast is inconsistent with regional planning for the other major centres within the GMR and unduly constrains the objective of developing new communities for the region. The role of the Catchment Management Authority as a defacto consent authority for rezoning applications on rural land is contrary to the NSW Government's objective of simplifying and streamlining the planning system and compromises the decision making primacy of the Department of Planning.

UDIA NSW contends that the Department of Planning in cooperation with the Department of Environment and Conservation has the capacity to effect considerable



conservation outcomes and that the Central Coast should be exempt from the application of the *Native Vegetation Act 2003*.

### RECOMMENDATION 9

*The preparation of the Regional Conservation Strategy and Northern Area Structure Plan involve regular consultation with the development industry to ensure the creation of a workable conservation framework.*

### RECOMMENDATION 10

*The Regional Strategy recommend the exemption of the Central Coast from the application of the *Native Vegetation Act 2003*.*

## 8. IMPLEMENTATION

The implementation of the Regional Strategy is to be the responsibility of councils through their LEPs. UDIA NSW believes that a coordinated approach is needed to address matters of development staging and infrastructure provision. UDIA NSW would like to see the establishment of a Development Corporation, or a regional planning authority to coordinate the delivery of new settlements and the provision of infrastructure in the region. As a minimum, a Central Coast Urban and Infrastructure Program with whole of government support is required.

Although there is a fundamental requirement to bring LEPs in line with the Regional Strategy, the LEP still remains the fundamental control mechanism for development in the region. This approach suggests that decisions affecting development will be made at a local level. This is in contrast to the Growth Centres approach that has been adopted to implement Sydney's Metro Strategy.

The Regional Strategy lacks an identifiable regional owner with authority and responsibility. As such, it is difficult to see how separate Central Coast councils will effectively deal with state based agencies to achieve a regional rather than local outcome. This is especially relevant given that each state authority considers their own area of responsibility in isolation of others.

Accordingly, UDIA NSW would ideally seek the establishment of a Regional Development Authority responsible to the Minister, to:

- ensure consistency of approach between the Regional Strategy and Local Government;
- ensure consistency of approach between individual councils;
- program and manage the provision of regional and state infrastructure on the Central Coast;
- manage Government owned assets; and
- monitor performance of the Central Coast Regional Strategy against clearly stated performance objectives.

The Regional Development Authority would be useful in overcoming potential problems that may exist because of lags between adopting/reviewing the Strategy and amending LEPs.

### RECOMMENDATION 11

*The Central Coast Regional Strategy recommend the establishment of a Regional Development Authority to coordinate the delivery of new settlements and the provision of infrastructure to the region.*

## 9. CONCLUSION

The function of the Central Coast Regional Strategy is to guide the urban settlement and economic development of the region. There is an expectation within the development industry that the Central Coast Regional Strategy should be a document that defines an ambitious vision for the region and provides innovative initiatives tailored specifically to achieve desired outcomes. It should be a Strategy that reflects a whole of government approach to regional growth and development.

UDIA NSW acknowledges that the draft Central Coast Regional Strategy has been released at a time of uncertainty regarding the future water supply of the region and this has had considerable influence on population forecasts and the likely demand for housing. It is understood that the population forecasts may be reviewed and it is likely that these will also impact on the housing supply and demand considerations within the Strategy. UDIA NSW contends that this review will also provide an opportunity to revisit other areas within the Strategy that fail to live up to the expectations of the development industry in providing a framework to support regional growth and development.

State and regional infrastructure provision has in the past provided a framework that supported the high levels of growth experienced on the Central Coast and generated confidence in the region. The infrastructure program articulated in the draft Strategy illuminates deficiencies in the Government's commitment to the Central Coast and needs significant review if the region is to develop and sustain its image as a genuine regional centre.

UDIA NSW is willing to assist government in realising and implementing a Regional Strategy that capitalises on the full potential of the Central Coast.

Within the spirit of this offer UDIA NSW offers the following recommendations:

1. The Central Coast Regional Strategy adopt a growth target of 110,000 people to achieve a regional population of 426,000 people by 2031.
2. The Central Coast Regional Strategy incorporate additional new release areas to meet demand for 56,700 new dwellings over 25 years that will be required to support the increased regional population.
3. The Central Coast Regional Strategy provide for a production target of at least 910 lots per year for the next 25 years.
4. The NSW Government demonstrate confidence in the Central Coast by preparing a Regional Infrastructure Strategy and committing to a schedule of works to support economic growth in the region.
5. An industry forum comprising key relevant stakeholders in the development industry be established to ensure that detailed consultation is undertaken by the NSW Government and local Councils on the preparation of workable funding structures including an investigation on alternative funding mechanisms for regional and local infrastructure.

6. Plans for future developer charges in the Central Coast including Section 94, development servicing plans, and regional infrastructure levies include an analysis of the impact on housing affordability, market expectations, and regional competitiveness as a key input into the quantum of the charges.
7. The preparation of the Regional Economic Development and Employment Strategy for the Central Coast be expedited and adopted with the final Regional Strategy.
8. The Regional Economic Development and Employment Strategy investigate methods to achieve greater retention of human capital on the Central Coast and identify significant drivers to attract investment.
9. The preparation of the Regional Conservation Strategy and Northern Area Structure Plan involve regular consultation with the development industry to ensure the creation of a workable conservation framework.
10. The Regional Strategy recommend the exemption of the Central Coast from the application of the Native Vegetation Act 2003.
11. The Central Coast Regional Strategy recommend the establishment of a Regional Development Authority to coordinate the delivery of new settlements and the provision of infrastructure to the region.

## 10. ABOUT THE UDIA

### **UDIA Mission**

UDIA is the voice of development. We represent the industry which develops new communities and proudly advocate for its interests. We pursue access to land for development, encourage the creation of a positive regulatory environment, and seek to moderate the burden of taxes and charges on our customers. We believe in affordable, sustainable, and liveable communities.

The Urban Development Institute of Australia (UDIA) is Australia's peak representative body for all segments of the urban development industry.

### **The UDIA NSW Code of Ethics**

#### ***A UDIA member shall:***

- Demonstrate ethical principles and observe the highest standards of integrity and honesty in all professional and personal dealings.
- Uphold and promote the reputation of the Urban Development Institute of Australia (NSW) and not misuse the authority of office for personal gain.
- Respect the confidentiality of information given to the member in the course of the Institute's work.
- Engage in continued learning to maintain and improve professional skills and competence within the industry and promote innovation and excellence in practice.
- Strive to achieve sustainable development.
- Respect for the rights of consumers and maintain the public's confidence and trust in the urban development industry.

UDIA NSW is a progressive organisation driven by its members. Our President, Council, Chapters and Committees, Executive Director and staff ensure that we give members and sponsors maximum value for their investment.

### **UDIA's Goals**

- Promote high standards for the urban development industry
- Promote respect for the inherited and natural environment while creating quality, dynamic built environments
- Ensure the skills which make up the membership of the Institute will be applied to principles of good planning, efficient land utilisation and sustainability of resources for future generations



- Institute a continuing education and research program to support and assist the industry and for the benefit of others associated with urban development
- Promote greater understanding in the community on the role and achievements of the urban development industry.

### **UDIA's Activities**

#### *Advocacy*

Lobbying government so that urban development can be undertaken positively and creatively for the widest benefit

#### *Learning*

Keeping members and others up to date on critical industry issues and best practice through seminars, conferences and communications. Our regular UDIA journal, The Developers Digest, is a quality publication for those serious about their business and profession. We also communicate the latest news and views through our e-newsletter, The Developers Update.

#### *Innovation*

Encouraging innovation and excellence through the annual UDIA NSW Awards for Excellence and giving exposure to the best in contemporary development throughout the year.

#### *Better Business*

Providing opportunities for business networking and learning. The UDIA NSW programme includes a full calendar of events with technical seminars, site visits and business luncheons as well as our annual State Conference and the year's climax event, the annual Awards for Excellence Gala.