



Draft Shoalhaven Local Strategic Planning Statement 2020

UDIA NSW Response

July 2020

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ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia (UDIA) is the leading industry group representing the property development sector. Our 500 member companies include developers, engineers, consultants, local government, and utilities. Our advocacy is focussed on developing liveable, affordable and connected cities.

EXECUTIVE SUMMARY

The Urban Development Institute of Australia – NSW (UDIA) welcomes the opportunity to make a submission on the draft Shoalhaven Local Strategic Planning Statement 2020 (the LSPS). We have a very positive working relationship with Shoalhaven City Council and value Council as a UDIA member. UDIA's Shoalhaven Committee includes Council and many of the major developers and development consultants active in the Shoalhaven LGA. We bring a high level of industry knowledge and experience to our submission.

UDIA commends Council for preparing a draft LSPS that is concise and retains a flexible approach to managing future growth, as well as supporting housing diversity and affordability.

We have some minor concerns with the draft LSPS, including the need for clearer action on infrastructure servicing in urban release areas. We are also concerned by the blanket statements ruling out further rezoning or subdivision of rural and industrial land. UDIA supports a merit-based and case-by-case assessment of all rezoning proposals – for example, there may be fragmented or isolated rural and industrial land where rezoning would be beneficial for the Shoalhaven LGA.

In summary, UDIA provides the following recommendations:

Recommendation 1: Address the likely shortfall in greenfield dwelling supply by including actions in the LSPS to:

- Approve at least 834 dwellings each year to 2041
- Identify additional sources of greenfield residential land
- Accelerate the zoning and servicing of greenfield residential land, as identified in the UDIA *Building Blocks* report (2018).

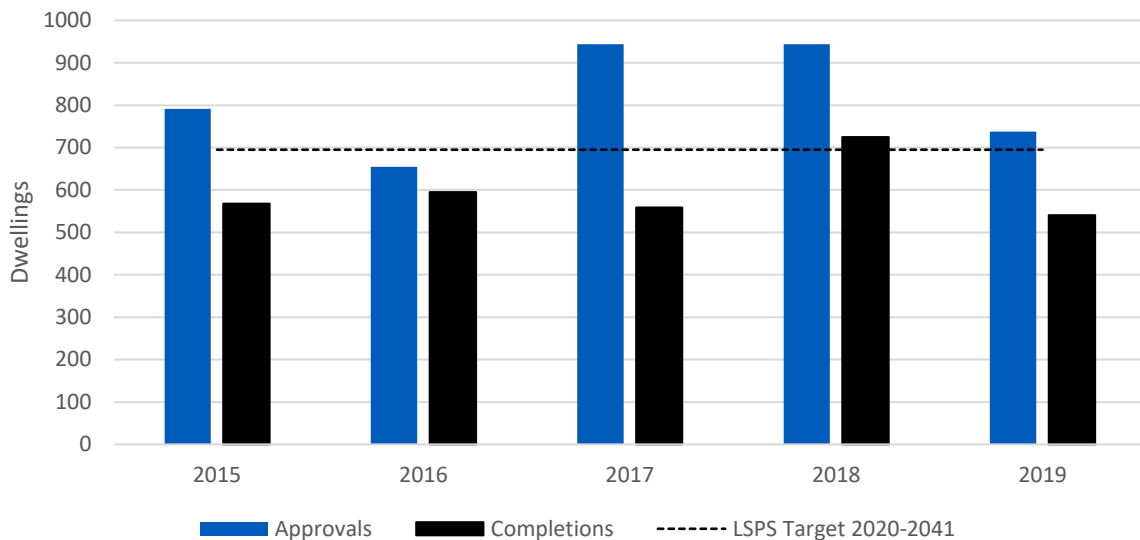
Recommendation 2: Amend Planning Priorities 9 and 10 to allow planning proposals on rural and industrial land to be considered on their merits.

Recommendation 3: Amend Planning Priority 12 to commit to extensive industry consultation on resilience planning such as flood planning levels, asset protection zones and urban canopy cover.

MANAGING GROWTH

Council has set a dwelling target of 14,600 new dwellings by 2041. This equates to 695 dwellings per year for the next 21 years. UDIA commends this target as it is a more realistic reflection of anticipated population growth than the target set in the Illawarra Shoalhaven Regional Plan (8,600 new dwellings 2016-2036, or 430 dwellings per year). Nevertheless, UDIA notes that historic dwelling completions have been well below this target (refer to chart below)¹.

¹ NSW DPIE, Greater Sydney Regional Housing Activity dataset.

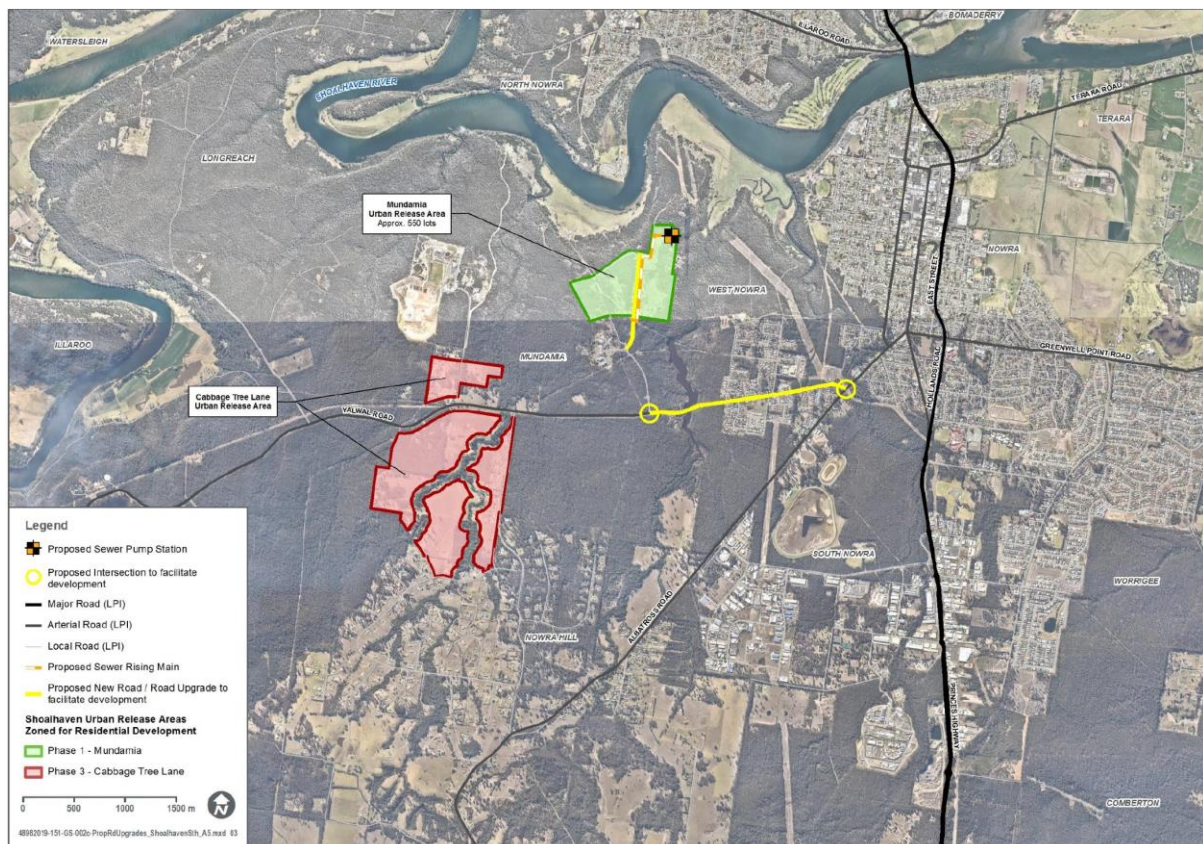
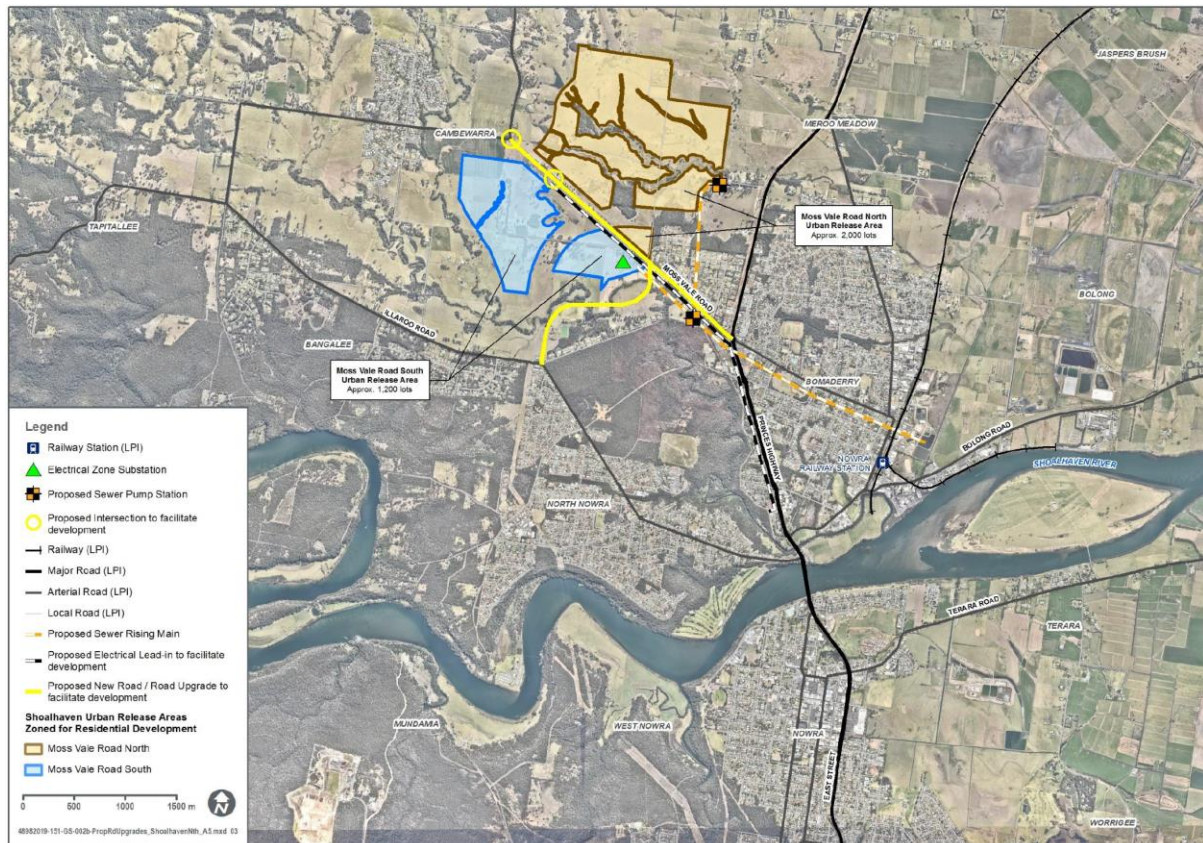


UDIA estimates that approximately 20-30% of approvals are not acted upon due to abandonments and deferrals. This means that approval volumes should be at least 20-30% above supply targets. In the Shoalhaven, Council should aim to approve at least 834 dwelling per year each year until 2041.

In addition, Council needs to focus on rezoning and servicing additional greenfield land to ensure it meets its target. The draft LSPS notes that existing strategies and structure plans have the potential to deliver only 12,700 of the 14,600 dwellings by 2041.

Finally, there needs to be greater focus in the LSPS on infrastructure delivery in the Shoalhaven's greenfield release areas. The Illawarra Shoalhaven Urban Development Program indicates 8000 of these greenfield lots are not yet zoned or serviced. UDIA acknowledges Council's good work in planning and delivering infrastructure in the release areas, as well as its commitment to strategic acquisition of public land early in the release area process. However, our 2018 *Building Blocks* report identified several local road upgrades that could unlock 3,750 lots in the next three years. We encourage Council to identify these upgrades as short term actions in the LSPS.

North Nowra		
1. Moss Vale Road Upgrade	\$25M	
2. Moss Vale Road Intersections	\$5M	
3. Electrical Lead-in	\$6M	
4. Electrical Zone Substation	\$15M	
5. 2 x Sewer Pumping Stations	\$5M	
6. Rising Mains	\$10M	
	\$59M	3,200
Mundamia		
1. Update Yalwal Road	\$10M	
2. Intersection Yalwal Road and Albatross Road	\$1M	
3. Extension of George Evans Road from Roundabout at University	\$7M	
4. SPS and Rising Main	\$6M	
	\$24M	550



UDIA (2018) *Building Blocks*, prepared by Cardno.

Council should therefore address this potential shortfall in the LSPS and Local Housing Strategy in three ways:

- Support the approval and completion of more dwellings per year
- Identify more potential lands for dwelling supply in its growth management strategy and structure plans
- Accelerate the zoning and servicing of greenfield land.

RECOMMENDATION 1: ADDRESS THE LIKELY SHORTFALL IN GREENFIELD DWELLING SUPPLY BY INCLUDING ACTIONS IN THE LSPS TO:

- **APPROVE AT LEAST 834 DWELLINGS EACH YEAR TO 2041**
- **IDENTIFY ADDITIONAL SOURCES OF GREENFIELD RESIDENTIAL LAND**
- **ACCELERATE THE ZONING AND SERVICING OF GREENFIELD RESIDENTIAL LAND, AS IDENTIFIED IN THE UDIA BUILDING BLOCKS REPORT (2018).**

GROWING THE ECONOMY

UDIA acknowledges the important role that the agricultural and industrial sectors play in the Shoalhaven economy. However, we are concerned by the blanket statements made under Planning Priorities 9 and 10 that would rule out any rezoning or subdivision of rural or industrial lands for residential purposes.

The LSPS will be one of the strategic plans that must be addressed in the assessment of any planning proposals and development applications. Therefore, the blanket statements in the LSPS would effectively end any rezonings or development applications for residential purposes on these lands.

While the LSPS does note that this blanket restriction on rezonings and subdivision would be in place until strategic reviews of rural and industrial lands are completed, UDIA is concerned that no clear dates for the completion of these reviews have been set in the LSPS. We note that previous reviews such as the 2019 Growth Management Strategy have also indicated the need for these reviews without committing to timeframes for their completions.

In the absence of these reviews and sufficient knowledge of the state of supply and demand for agricultural and industrial land, UDIA recommends that Council adopt a merit-based and case-by-case approach to considering proposals to rezone these lands for residential purposes, rather than ruling them out completely. For example, there are fragmented, constrained or isolated agricultural and industrial lands that would provide more benefits to the Shoalhaven LGA as residential land, and their rezoning should be considered.

RECOMMENDATION 2: AMEND PLANNING PRIORITIES 9 AND 10 TO ALLOW PLANNING PROPOSALS ON RURAL AND INDUSTRIAL LAND TO BE CONSIDERED ON THEIR MERITS.

PROTECTING & ADAPTING TO THE ENVIRONMENT

UDIA acknowledges the immense value of the natural environment to both the Shoalhaven community and the tourist and visitor economy in the Shoalhaven. We also note the significant exposure in the LGA to bushfire, flood and coastal risk, and the need to manage these risks through land use planning.

Planning Priority 12 in the LSPS includes actions to prepare a Resilience Action Plan for flood and bushfire risk, as well as an Urban Greening Strategy for urban heat. UDIA has had recent experience with NSW Government policy development on these issues, including the Flood Prone Land Package, NSW Independent Bushfire Inquiry and Greener Places strategy document (including a 40% tree canopy target).

Based on this experience, UDIA believes there is a risk that urban development opportunities could be significantly reduced if the proposed approaches to resilience are implemented. The combination of increasing the flood planning level above the 1% AEP plus freeboard, expanding Asset Protection Zones, and requiring 40% tree canopy would make urban development in many areas unfeasible and detract from the delivery of liveable and walkable urban communities.

While the LSPS does not commit to any of these resilience measures yet, UDIA would strongly urge Council to ensure that these actions are undertaken with extensive industry consultation. The impact of these measures on meeting housing targets must also be a key consideration.

RECOMMENDATION 3: AMEND PLANNING PRIORITY 12 TO COMMIT TO EXTENSIVE INDUSTRY CONSULTATION ON RESILIENCE PLANNING SUCH AS FLOOD PLANNING LEVELS, ASSET PROTECTION ZONES AND URBAN CANOPY COVER.

CONCLUSION

UDIA is supportive of most of the priorities and actions in the Shoalhaven LSPS and commends Council for its engagement with the industry.

We recommend that dwelling supply targets and infrastructure servicing for greenfield release areas are given clearer priority and actions in the LSPS. We would also encourage a more flexible approach to rezoning rural and industrial land, as well as highlighting the need for extensive industry engagement on resilience planning.

With the recommended revisions, UDIA believes the LSPS will support the development of the Shoalhaven LGA over the next 20 years.

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