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Urban Development Institute of Australia New South Wales



11 November 2022

Transport for NSW
Hunter Regional Transport Plan
Transport for NSW
Locked Bag 2300, NEWCASTLE NSW 2302

By email: HunterRTP@transport.nsw.gov.au

Dear Sir or Madam,

RE: Draft Hunter Regional Transport Plan 2041

The Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development in NSW. Our more than 450 member companies span all facets of the industry from developers, consultants, local government, and state agencies. UDIA advocates for the creation of Liveable, Affordable and Connected Smart Cities.

UDIA welcomes this opportunity to comment on Transport for NSW (TfNSW) Draft *Hunter Regional Transport Plan 2041* (draft HRTP) which is on public exhibition until Friday 11 November 2022.

UDIA has been advocating for better integration of transport and land use strategic planning for many years. It is pleasing that the NSW Government, in particular the Greater Cities Commission (GCC) and Department of Planning and Environment (DPE), are currently reflecting the aspiration of better integration within their respective strategic documents. It is disappointing that after many calls from numerous stakeholders including UDIA, TfNSW's draft HRTP and DPE's draft Hunter Regional Plan 2041 were not exhibited in parallel, which could have facilitated better alignment between the region's two foundational strategic plans. DPE's Hunter Regional Plan 2041 has finalised consultation and is now awaiting Ministerial release, so any mutual consultation-reflective adjustments between the documents is no longer possible. While this is a disappointing missed opportunity, the final HRTP can and should still better reflect the priorities of the Hunter's strategic land use plans, specifically the Hunter Regional Plan 2041 and the Greater Newcastle Metropolitan Plan 2036 (GNMP).

Connection to the TfNSW State road network has been the Hunter's single largest impediment to delivery of housing supply and employment areas in recent years. Unfortunately, we believe that the draft HRTP falls well short of providing a plan for how the Hunter's transport network will be planned and delivered to support the region's expected high rate of growth over the next 20 years. In particular, the draft HRTP fails to identify how TfNSW will deliver the enabling infrastructure necessary to support the needed supply of new dwellings and employment areas in accordance with NSW Government population projections and housing and jobs targets, as identified in the Hunter Regional Plan.

The draft HRTP reads as a thematic document, lacking specificity. It does not demonstrate critical thinking of the NSW Government's Movement and Place Framework and the NSW Government Architect's Better Placed materials, within the Hunter context. Hence, the draft HRTP is a somewhat generic document that is not reflective of the particular challenges the Hunter is facing, and as currently drafted, does not provide adequate analysis to sufficiently guide the aligned delivery of transport infrastructure and policies with the NSW Government's strategic land use plans.

UDIA's submission offers several recommendations to improve the draft HRTP. Ultimately, we firmly believe that the final Hunter Regional Transport Plan and *Hunter Regional Plan 2041* and GNMP should support each

other with direct and meaningful details that identify deliverables, with clear governance and accountability. To date, no meaningful consultation with industry has occurred to inform the draft HRTP, other than the current exhibition. We strongly recommend that additional consultation on the draft HRTP should occur once the *Hunter Regional Plan 2041* has been released. The consultation should include a series of workshops between TfNSW and industry to inform the infrastructure and policies required to support the Hunter's growth.

UDIA offers the following recommendations to improve the Hunter Regional Transport Plan and our submission provides supporting commentary. Our recommendations are:

- 1. Correct the fundamental error in growth planning and strategic alignment by adopting the most current DPE growth projections.
- 2. Identify and carry out corridor studies for key TfNSW connections aligned to DPE priority growth areas identified in either, the *Hunter Regional Plan 2041* or the *Greater Newcastle Metropolitan Plan 2036*.
- 3. Cleary define existing corridor study obligations including their timeframes for delivery.
- 4. Remove rhetoric about "protecting" the operation of the Hunter Expressway and replace it with "enhance the region's freight and logistics capacity through compatible land uses within the interchange growth areas identified in the *Hunter Regional Plan 2041*" and identify HEX interchanges in the Action Plan.
- 5. TfNSW should work collaboratively with the private sector to co-design a modern approach for assessing the impacts of growth and development on traffic.
- 6. Develop and implement a lower Hunter Light Rail Masterplan.
- 7. Reclassify critical roads to enable future development.
- 8. Acknowledge and adopt the DPE infrastructure-first, place-based delivery framework and include an Action which transparently defines the process for infrastructure to be included in capital works programs and budgets.
- 9. Conduct further engagement on drafting the HRTP including, workshops with industry after the Hunter Regional Plan 2041 is released.

Background

Connection to the TfNSW State road network has been the Hunter's single largest impediment to delivery of housing supply and employment areas in recent years due to the following historic issues:

- I. There has been inadequate planning of Hunter State road infrastructure upgrades at a scale that caters for population growth and new development in line with NSW Government growth projections and strategic land use plans.
- II. As a result of item (I), there have been few enabling Hunter State road upgrade projects defined and accounted for to inform NSW Treasury's capital planning process and funding decisions.
- III. As a result of (I) and (II), there has been insufficient funding to deliver critical State road upgrades to support the delivery of key Hunter strategic growth areas identified for housing and employment.

Consequently, it has become increasingly difficult and, in some cases, impossible to achieve development consent for development projects of scale in the Hunter. Such projects generally require substantial upgrade of State road infrastructure to maintain the efficiency of the network, not only because of the impact of the particular development but also to rectify existing capacity issues borne of a historic underinvestment in the Hunter's road network.

Under the existing approach, the following occurs:

- The extent of the required upgrade is unknown.
- The portion of the upgrade attributable to development within the precinct is unknown even when the development is identified in government strategic plans.
- There is no budget assigned for any upgrade attributable to NSW Government.
- The full cost of the upgrade is forced on the developer even when the upgrade required is not fully attributable to development.
- The scale of the required upgrade can be up to 50% of the total cost of the whole development and can prevent those projects and precincts from delivering the housing and/or jobs projected in government strategies.

To ensure the delivery of adequate dwelling supply and employment areas to support the NSW Government strategic plans, it is critical that there is clear alignment between the *Hunter Regional Plan 2041* and the Regional Transport Plan 2041 to enable a better process that incorporates the following elements:

- Identify large scale infrastructure requiring the precinct approach for delivery.
- Determine the relevant surrounding development precinct, including alignment to Government plans and policies.
- Carry out corridor planning and identify State road upgrades for the precinct, including cost.
- Determine apportionment of cost between the demands of existing population (including background growth) and new population from development.
- Determine an equitable apportionment of cost sharing, utilising a holistic land use infrastructure delivery plan.
- Identify projects in capital works programs and incorporate the NSW Government's apportioned cost in Treasury's budget.
- Levy the development apportionment as a Special Infrastructure Contribution or as works-in-kind (WIK).

UDIA have been actively engaged in a Hunter industry Reference Group with TfNSW, along with the Hunter Joint Organisation of Councils and The Property Council of Australia, to address these historic challenges with TfNSW. TfNSW Executive Director of Community and Place Anthony Hayes acknowledged these issues during his presentation to the UDIA Hunter Luncheon on 17 March 2022 in Newcastle. Mr Hayes stated that TfNSW historically has had a culture of saying "no" to any development application connecting to the road network and he was working toward a culture of "what we can do to make it a yes". Key strategic appointments within TfNSW have gone a long way to supporting this cultural shift; however, it is UDIA's position that this is not enough. To ensure a development proposal in a NSW Government-endorsed priority growth area would be met with a "yes", the Regional Transport Plan must identify those strategic growth areas and enable the delivery of aligned State road infrastructure.

To enable these necessary improvements, UDIA recommends several amendments to the approach of the draft HRTP below. We also call on TfNSW to engage with UDIA and other stakeholders in workshops once the *Hunter Regional Plan 2041* has been released and before finalising the HRTP, to enable the critical alignment of the two strategic documents.

Population Growth Projections

We are concerned that the population projections that underly the draft HRTP's planning assumptions do not reflect the most recent DPE projections and therefore the HRTP is unable to accurately plan for the Hunter's growth in alignment with the *Hunter Regional Plan 2041*.

Below in Figure 1 and Table 1 respectively, we have pasted side-by-side the population assumptions used by TfNSW in the draft HRTP and the current population projections published by DPE.

Figure 1. Draft HRTP Population Assumptions

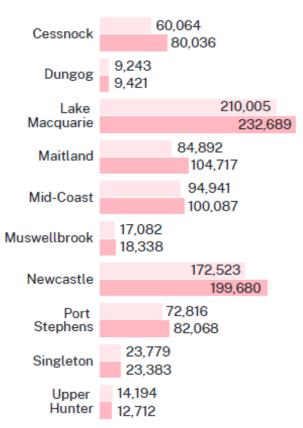


Figure 5: Projected population growth between 2021 and 2041

Source: Draft HRTP Figure 5

Table 1. DPE Population Projections

LGA	2021	2041	20-year % increase
Singleton	23,335	22,221	-4.77%
Upper Hunter Shire	14,119	13,276	-5.97%
Muswellbrook	16,405	17,387	5.98%
Upper Hunter region	63,731	67,258	5.53%
MidCoast	95,073	108,760	14.39%
Lake Macquarie	209,107	244,462	16.91%
Newcastle	167,481	201,668	20.41%
New South Wales	8,166,757	9,872,934	20.89%
Port Stephens	75,253	93,658	24.45%
Hunter region	762,919	949,843	24.5%
Lower Hunter region	604,115	773,825	28.09%
Cessnock	62,528	89,501	43.14%
Dungog	9,872	14,374	45.60%
Maitland	89,746	144,536	61.05%

Source: https://pp.planningportal.nsw.gov.au/populations

The population growth projections within the draft HRTP are well below DPE's projections, representing a fundamental flaw in the draft HRTP's base parameter dictating future transport needs. The biggest gaps include the following local government areas (LGA) where the draft HRTP's assumptions are different from DPE as follows:

- Maitland short by 39,819
- Port Stephens short by 11,590
- Lake Macquarie short by 11,773
- Cessnock short by 9,465
- MidCoast short by 8,673
- Dungog short by 4,953

UDIA understands that these numbers are projections and that neither set of projections should be considered "correct". However, while these two sets of projections remain different, the HRTP cannot be taken seriously as a document that was created by TfNSW in consultation with DPE to cater for the size and location of future population which are key pillars of any planning process.

Recommendation #1 – Correct the fundamental error in growth planning and strategic alignment by adopting the most current DPE growth projections.

Corridor Studies for Priority Growth Areas

To understand existing network constraints and identify upgrades required to enable growth in accordance with NSW Government strategic land use plans, corridor studies for the following State roads must be completed as a minimum:

- MR82 Newcastle Link Road, Wallsend-Minmi
- MR195 Main Road, Cessnock
- MR217 Main Road and Dora Street, Morisset
- MR104 Raymond Terrace Road, Thornton North
- MR588 John Renshaw Drive, Black Hill
- MR217 Toronto Road, Fennell Bay
- New England Highway, Rutherford to Branxton

All of these roads provide critical linkages between *Hunter Regional Plan* priority growth areas including the *Greater Newcastle Metropolitan Plan 2036* (GNMP) Priority Housing Areas, Catalyst Employment Areas and the State road network.

The GNMP Catalyst Employment Areas are as follows:

- Newcastle City Centre
- Beresfield-Black Hill
- Broadmeadow Hunter Park
- Callaghan University of Newcastle
- East Maitland
- John Hunter Hospital \$780M NSW Govt. Investment (announced 2019)
- Kotara
- Port of Newcastle
- North West Lake Macquarie
- Tomago
- Williamtown Newcastle Airport and NSW Government Special Activation Precinct

Our recommended corridor studies are more than enablers of development, but rather critical connectivity between the region's economic drivers, and amplifiers of existing NSW Government investment. These studies must be completed and come to clear definition of required upgrades for the region to thrive.

UDIA's <u>Hunter Building Blocks Report 2021</u> identified key roads, and the attached Plan 500000-PSK-001 shows the roads in the context of GNMP priority growth areas and the potential geographic links that would enable sustainable, employment-led growth. Understanding, programming and funding upgrades on these critical linkages would:

- improve freight and transport network efficiencies and safety in line with the GNMP, *Hunter Regional Plan* and existing TfNSW strategies; and
- unlock significant public and private investment through development of these areas once the enabling infrastructure is in place.

Recommendation #2 – Identify and carry out corridor studies for key TfNSW connections aligned to DPE priority growth areas identified in either, the *Hunter Regional Plan 2041* or *Greater Newcastle Metropolitan Plan 2036*.

In 2019, TfNSW were provided with \$2.4M from DPIE via both a State Voluntary Planning Agreement (SVPA) Grant and the Housing Acceleration Fund (HAF) to carry out a Newcastle Link Road Corridor Strategy, including a Strategic Business Case for the upgrade of the intersection at Minmi Road and the Newcastle Link Road. However, the corridor study is now years beyond its promised date of release and has now been included in the draft HRTP as shown below with a vague delivery timeframe of 0-3 years.

	_		
0-3 years	Newcastle Link Road Integrated Transport Plan	Safe, Connected, Productive	Own

Source: Draft HRTP p. 76

The Newcastle Link Road Corridor Strategy is critical in the definition of upgrades and apportionment of cost that will enable the supply of approximately 6,000 dwellings and associated land uses in priority growth areas acknowledged in NSW Government Planning Policy. TfNSW's lack of planning and delivery has sterilised the Link Road precinct and the draft HRTP does nothing to improve this situation.

The same inaction is true of the MR195 Main Road Cessnock Options Upgrade Study which received \$1.16M in SVPA grant funding. UDIA is also aware that a Corridor Study has previously been prepared for MR217 Toronto Road which identified the need for an infrastructure upgrade as early as 2010 and went as far as defining the associated land acquisition extents and communicating those to landowners. However, TfNSW has done nothing further and no upgrades have been undertaken.

Corridor planning is clearly a function that TfNSW should be undertaking and has undertaken in the past. The HRTP should clearly demonstrate how corridor planning will occur in the future to enable State road upgrades that will cater for population growth in priority areas identified by the NSW Government. The current obligations and their delivery timeframes should be clearly stated in the HRTP.

Recommendation #3 – Clearly define existing corridor study obligations including their timeframes for delivery.

The Hunter in a Broader Context

The draft HRTP does not reflect the Hunter's role in the broader context of northern and regional NSW. For example, there is no acknowledgment of freight connectivity between Inland Rail and the Port of Newcastle. As this link is established and utilised, it will generate greater demand for industrial and commercial land. It will also add pressure for corridor protection to avoid future conflicts between heavy vehicles and residential populations.

The NSW and Federal governments invested \$1.7 billion to deliver the Hunter Expressway (HEX). The infrastructure was labelled "game changing" by the 2014 Coalition government and was to drive "strong, long-lasting economic benefits". Since that time DPE has released the Hunter Expressway Strategy which was underwhelming on the basis that it did not provide strategies or actions for capitalising on complementary land uses around the HEX to make the most of the government investment. This disappointing approach was repeated in the draft *Hunter Regional Plan* although a line indicating "HEX Interchange Growth Areas" was included with no detail other than existing residential and employment land uses within the growth areas.

UDIA's members have long endured the lack of real planning around the HEX and the government high-level rhetoric around "protecting" it for freight use. It has been acknowledged that the HEX has remaining capacity. However, despite UDIA's multiple requests through the exhibition processes of the above documents, we have not been provided any detail on proposed freight use of the HEX, including point of origin and destination, nor an analysis of its current uses and remaining capacity. We repeat our call for this information to be made publicly available.

Further, the draft HRTP does not reflect how it will continue to respond to the challenges presented by economic diversification within the Hunter region. To do so, it must address the following as a minimum:

- Transport planning for ex-mining land and buffer zones that will be repurposed for other needs (e.g., industrial needs in Singleton, Muswellbrook, Lake Macquarie; potential High-Speed Rail in western Lake Macquarie/eastern Cessnock, etc.)
- Commentary on the repurposing of coal rail lines. There should be recognition of ARTC's strategic
 planning, and an exploration of repurposing coal rail lines for other industries, including the
 possibility of passengers.
- Renewable Energy Zones are acknowledged, but not the tensions linked to Over Size, Over Mass vehicle movements, e.g., transport of wind turbines from the Port of Newcastle to areas in the Upper Hunter, Central West and Orana.
- Acknowledgement of the above diversification in expected use of the HEX (both increase and decrease) as mining use decreases.

Unfortunately, the draft HRTP missed the opportunity to provide a sophisticated series of strategies and actions that would enhance the capability of our broad and diversifying region. Instead, the paragraph below is the only reference within the draft HRTP to the \$1.7B game-changing HEX infrastructure investment, and this simply continues the rhetoric of protection:

Protect key freight corridors with compatible land uses

Transport will work collaboratively with the DPE and local government to ensure key road and rail freight corridors across the Hunter are protected from incompatible land uses. A key east-west freight corridor is the Hunter Expressway (HEX). The HEX, a 40-kilometre dual carriageway freeway between Seahampton on the M1 and Branxton, plays an important role for the movement of freight. DPE have identified six Interchange Growth Areas along the HEX with significant land use changes. With DPE, Transport will ensure new infrastructure developments at the Interchange Growth Areas protect the operation of the Hunter Expressway maintaining connectivity, productivity and maximising accessibility. (draft HRTP p. 63)

We request that the draft HRTP discards the word "protect" and replaces it with "enhance the Region's freight and logistics capacity through compatible land uses within the Interchange Growth Areas identified in the *Hunter Regional Plan 2041*" and goes on to identify upgrades at HEX interchanges within the Action Plan on pages 74 -83.

Recommendation #4 – Remove rhetoric about "protecting" the operation of the Hunter Expressway and replace it with "enhance the region's freight and logistics capacity through compatible land uses within the interchange growth areas identified in the *Hunter Regional Plan 2041*" and identify HEX interchanges in the Action Plan.

Guide to Traffic Generating Developments

The draft HRTP identifies the Region's heavily skewed dependence on cars and seeks to achieve a greater proportion of sustainable transport modes into the future. It has aligned with the draft *Hunter Regional Plan 2041* by incorporating goals including, encouragement of walking, cycling and public transport and reaching net zero by 2056, largely through 15-minute neighbourhoods and 30-minute villages.

To achieve this outcome and allow development to proceed on existing zoned land, the archaic (2001) Guide to Traffic Generating Development must be updated to include this more modern approach to transport planning. Until this happens, all development in the region will be forced to maintain the existing car dependence in assessment of traffic impact. We strongly note that we are now in a position where we are unable to gain development approvals because assessment of traffic impact under the current Guide is too

far at odds with the requirements of State and Local planning documentation with regard to active transport. We are aware that TfNSW is working on updating the Guide and UDIA is keen to assist in the update to avoid any unintended impacts that would undermine the ability to deliver adequate housing supply and jobs areas.

Recommendation #5 – TfNSW should work collaboratively with the private sector to co-design a modern approach for assessing the impacts of growth and development on traffic.

Light Rail Masterplan

The approach adopted by the draft HRTP on light rail is piecemeal. Greater certainty is needed around the long-term plans for light rail, which should be captured in a Lower Hunter Light Rail Masterplan. Councils should be able to work with the State on planning for light rail corridors and precincts, which will guide appropriate development activity. The uplift value created by the development sector is a critical component of the cost-benefit analysis of any light rail business case (e.g., see link to the business case for Canberra's light rail).

We request that a Lower Hunter Light Rail Masterplan is included within the Action Plan on Pages 74 - 83.

Recommendation #6 - Develop and implement a lower Hunter Light Rail Masterplan.

Road Reclassification

With the Hunter's growth, there are several roads that are currently classified as either local or regional, whose classification deserve elevation. We are aware that some applications from Councils to reclassify roads have not been actioned, including application made as long ago as 2021. We urge TfNSW to commit to acting on road reclassification as a matter of priority.

Councils deliver community and social infrastructure, along with road infrastructure, maintenance, and council services. Many Councils are struggling to maintain their roads, including roads awaiting reclassification. The HRTP should commit to rebalancing road funding through the reclassification of certain local roads as regional and other regional roads as State. This will allow Councils to appropriately redirect their limited funds to local roads and other services.

Recommendation #7 – Reclassify critical roads to enable future development.

Governance

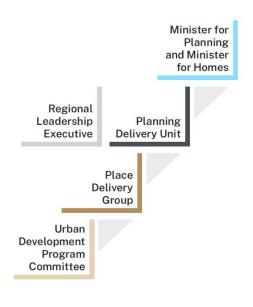
The key issue constraining the growth of the Hunter is the inability of new development to connect to an already congested transport network due to an historic lack of infrastructure funding and delivery. For the HRTP to have any impact at all, it must culminate in actions that see infrastructure and upgrades clearly identified in TfNSW capital works programs and NSW Treasury's Budget.

To achieve the desired outcome, the HRTP must follow and reiterate the process outlined in *Part 1: Making it Happen* of the draft *Hunter Regional Plan 2041*. That Part speaks of an infrastructure-first, place-based delivery framework for future development in the region. The approach is summarised in the figure excerpts from the draft *Hunter Regional Plan 2041*, on the following page.

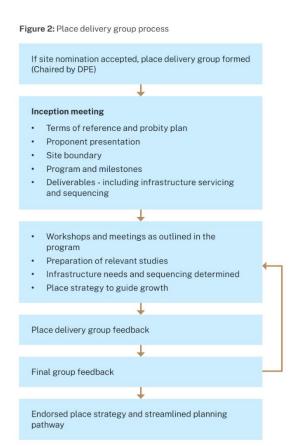
The Regional Plan process envisages input from TfNSW in identifying key infrastructure items. Through the Hunter Urban Development Program (UDP) Committee and Place Delivery Group (PDG) processes, there would be infrastructure-led Place Strategies developed for priority growth areas in the region. UDIA endorses this approach and implores TfNSW not just to play a role as a key stakeholder in the process, but to make a

critically important update to the draft HRTP and clearly state that outcomes of the TfNSW corridor planning processes outlined in this submission will be incorporated into Place Strategies for new development.

We note that UDIA's feedback to DPE on this process is that it is not yet clear how infrastructure and upgrades would be clearly identified in TfNSW capital works programs and Treasury's Budget. To rectify this, UDIA has long recommended the Land Use Infrastructure Implementation Plan (LUIIP) approach that was successfully implemented in the Sydney growth centres. The LUIIP approach underpins an equitable system of cost sharing between private and public investment and forms the basis for funding applications and capital cost allocation which ultimately assists with determination of Development Applications and progress within the region.



Source: DPE draft Hunter Regional Plan 2041



We request that the HRTP strongly acknowledges a link between TfNSW and the DPE infrastructure-first, place-based delivery framework and includes an Action within the plan which transparently defines the process for infrastructure to be included in capital works programs and budgets.

Recommendation #8 – Acknowledge and adopt the DPE infrastructure-first, place-based delivery framework and include an Action which transparently defines the process for infrastructure to be included in capital works programs and budgets.

Further Engagement

The draft HRTP states that development of the Plan "has been guided by formal engagement and workshops with key stakeholders... [including] all 10 Councils across the Hunter, Department of Planning and Environment, Department of Regional NSW, and the Hunter Joint Organisation." (p. 6)

Despite repeated requests, TfNSW did not engage with the development industry during the drafting of the HRTP.

UDIA believes the draft HRTP has suffered by not engaging with the development industry to understand the transport needs underpinning the region's priority growth areas as identified in Council and DPE strategic planning documents.

UDIA was also critical of DPE in this regard when the original draft *Hunter Regional Plan 2041* was released in early 2022. To their credit, DPE then adopted a much more constructive engagement approach with industry that we believe has supported the NSW Government's goals. Post-exhibition, DPE undertook genuine collaboration with UDIA and other industry stakeholders in the further drafting of its *Hunter Regional Plan 2041*. The collaboration took the form of a series of workshops with a small group of industry representatives to arrive at an approach that both met DPE's goals and was also considered workable by industry. We understand DPE undertook a similar collaborative process with the Councils and met individually with proponents and landholders to better understand the project pipeline. The Regional Plan is currently awaiting release by the Minister for Planning. According to our latest communication, UDIA believes that appropriate and necessary adjustments have been incorporated into the final *Hunter Regional Plan 2041*, based on our recommendations, that will support adequate housing supply while also adapting to DPE's planning policy priorities.

We urge TfNSW to adopt a similar approach to engaging with industry and conduct further engagement on the HRTP post-exhibition, including workshops with the development industry. These should be held after the *Hunter Regional Plan 2041* is released to allow for better alignment between the two plans.

Recommendation #9 – Conduct further engagement on drafting the HRTP including workshops with industry, after the *Hunter Regional Plan 2041* is released.

Conclusion

Thank you for the opportunity to make a submission on the draft Hunter Regional Transport Plan 2041. UDIA is eager to work with TfNSW to improve the final Plan to better enable the expected growth of our region, consistent with the NSW Government's vision articulated in the *Hunter Regional Plan 2041* and the GCC's *Six Cities Discussion Paper*.

We call on TfNSW to work collaboratively with UDIA to deliver the envisaged outcomes.

Should you have any further questions or to arrange a meeting, please contact Regional Manager Elizabeth York at eyork@udiansw.com.au or 0434 914 901.

Kind Regards,

Steve Mann
Chief Executive
UDIA NSW

Attachment: Plan 500000-PSK-001 (below)

Plan 500000-PSK-001: Key roads in the context of GNMP priority growth areas

