

24 July 2024

Broadmeadow Project Teams

City of Newcastle Council, via email [broadmeadow@ncc.nsw.gov.au](mailto:broadmeadow@ncc.nsw.gov.au)

Department of Planning, Housing and Infrastructure, submitted via Planning Portal

**RE: UDIA NSW Submission to the Broadmeadow Place Strategy, Local Infrastructure Discussion Paper and EIE Rezoning Plan**

Dear CN and DPHI Project Teams,

The Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development across NSW through our over 450 member organisations. UDIA's members are developers, consultants, councils and state agencies. Our Hunter Chapter consults regularly with the City of Newcastle Council on local development issues and strategic planning matters pertinent to the region. Accordingly, we appreciate the opportunity to provide feedback on the Draft Broadmeadow Place Strategy (Draft Strategy), supporting Local Infrastructure Discussion Paper and the Explanation of Intended Effect (EIE) on the first state-led rezoning for the area.

We congratulate the City of Newcastle Council (CN) and the Department of Planning, Housing and Infrastructure (DPHI) for the collaborative work to establish a strategic plan for Broadmeadow and provide a blueprint for future development. UDIA appreciates CN's stakeholder engagement with industry groups including providing UDIA with briefings on the documents.

The Draft Strategy is an ambitious 30-year plan that maps the renewal and revitalisation of a 313-hectare urban precinct to provide up to 20,000 new dwellings and 15,000 jobs supported by public transport improvements. The area covered by the Draft Strategy is diverse and encompasses former industrial land, open space, sporting fields and facilities as well as housing. The Draft Strategy provides a structure plan for future development within the Broadmeadow precinct and identifies four government-owned sites for rezoning to catalyse development within the precinct. While this is welcomed, UDIA notes that funding arrangements and responsibilities for the delivery of supporting infrastructure are yet to be confirmed.

The implementation of the Draft Strategy will require substantial investment and sustained cooperative effort between multiple parties. UDIA provides the following recommendations for consideration by CN and DPHI in finalising the exhibited documents so that they can meet its objectives and address the complex challenges. Our submission provides further details.

#### **UDIA recommends:**

- 1. NSW Government should immediately confirm the development delivery arrangements, including which agency will lead, for the First Stage rezoning sites to ensure dwelling targets are reached.**
- 2. Work with industry to develop incentive strategies to deliver Affordable Housing on private land and confirm the proportion of Affordable Housing to be provided on First Stage government-owned sites.**
- 3. To give more confidence for private sector investment, provide details of the infrastructure delivery plan, consider earlier delivery of catalytic changes and consider expanding Stage 1 to better leverage investment.**
- 4. TfNSW should commit funding to public transport improvements including the extension of the light rail.**
- 5. Engage meaningfully with industry when further detail is available on the proposed development contributions framework.**

#### **Broadmeadow Place Strategy**

##### **Housing Delivery**

The First Stage rezoning of four government-owned sites is a practical response from DPHI to meeting the targets of the Housing Accord and the housing crisis. The First Stage rezoning is together forecast to deliver 3,200 dwellings within 5 years in proximity to services, recreational amenity and transport. A further 3,300 dwellings are forecast to be delivered on privately held land within Stage 1 (years 0-10).

The First Stage rezoning recognises the critical role government has in progressing the renewal of Broadmeadow and catalysing future development within the precinct. We understand that DPHI intend to finalise the Place Strategy and enact the First Stage rezoning before the end of 2024. As such, the NSW Government needs to act quickly to determine the delivery mechanism for the dwellings on the government-owned sites, including which agency will lead. Delivery of housing on these sites is intended to catalyse the holistic growth and coordinated development of the Broadmeadow Precinct and therefore smooth implementation of this initial stage is critical.

Delivery of development at this scale and within this timeframe will be enormously challenging, especially given that development arrangements have not been identified. Ongoing capacity constraints in the construction sector, high interest rates and availability of finance continue to impact development feasibility and will also challenge timeframes for these sites.

**Recommendation #1 – NSW Government should immediately confirm the development delivery arrangements, including which agency will lead, for the First Stage rezoning sites to ensure dwelling targets are reached.**

### **Affordable Housing**

UDIA agrees with the aim of providing more Affordable Housing to address the housing crisis and community needs, and we encourage CN to work with industry on ways to incentivise the provision of Affordable Housing within new private development projects.

There are limited examples across our industry where developers have been able to add to the supply of Affordable Housing without the utilisation of incentives. The process is difficult and with the current economic environment making the development of market housing incredibly challenging, the delivery of Affordable Housing stock is becoming even more of a hurdle.

Industry has therefore welcomed recent announcements from State Government around bonuses for developments that apportion 10-15% of their product to Affordable Housing. When policy incentives are clear on what is required from developers from a cost and time perspective, it can serve a powerful role in incentivising uptake. UDIA was a strong supporter of the NSW Government's Affordable Housing bonus and believes it could lead to a marked increase in the delivery of Affordable Housing.

Industry therefore encourages CN to build on the current State policies, by continuing to explore a wider range of incentives for developers who will deliver Affordable Housing. One suggestion that UDIA would like to canvas is a fixed (and agreed to) offset in local contributions that are payable on market products for those developers that offer to provide Affordable Housing in excess of Council aims.

We note CN's Local Housing Strategy calls for achieving a target of 15% Affordable Housing across the LGA, and the Draft Strategy states that development of privately owned land will be required to contribute to Affordable Housing with a portion of development needing to be dedicated for the purposes of Affordable Housing in line with that framework.

UDIA consistently opposes the imposition of mandated levels of Affordable Housing, in particular floor space requirements for individual projects, as the only means to deliver Affordable Housing in private development, as that approach has been shown to have negative impacts on project feasibility and ultimately results in the delivery of fewer dwellings. To minimise feasibility complications, we encourage CN to work with industry early to develop a more nuanced approach to achieving the overall LGA-wide 15% target.

We also note that neither the Draft Strategy nor the EIE for First Stage rezoning confirms the proportion of Affordable Housing that will be provided on government-owned land. UDIA recommends that the NSW Government make a definitive commitment to the proportion

of Affordable Housing to be provided on state-owned land in this precinct and that this is confirmed in the finalised version of the Strategy.

**Recommendation #2 – Work with industry to develop incentive strategies to deliver Affordable Housing on private land and confirm the proportion of Affordable Housing to be provided on First Stage government-owned sites.**

### **Infrastructure Provision and Staging**

A significant amount of infrastructure is required to support the delivery of the outcomes in the Draft Strategy. This includes major flood mitigation works, substantial community facilities (e.g., the multipurpose indoor arena and regional sports aquatic centre) and public domain works such as the 'Station to Stadium' boulevard leading from Broadmeadow Station to Hunter Park. As is acknowledged in the Draft Strategy, *'the infrastructure proposals identified in this place strategy are subject to further development scoping, business cases and funding commitment.'* The draft Strategy identifies that preliminary estimates are that \$3 billion in infrastructure investment may be required to support the delivery of the Draft Strategy vision. There is reference to an infrastructure delivery plan having been prepared, however this has not been made public.

The Draft Strategy outcomes are intended to occur over a thirty-year period, broken into three ten-year stages. Because the infrastructure proposals are not funded or committed, and details of implementation are not available, UDIA contends that the proposed timescales for future development within the sub-precincts may be difficult to achieve. This is a problematic environment for developers and industry to operate within. There are complex flood mitigation and remediation works required to make the areas 'development ready', so while the Draft Strategy provides an overarching structure plan, it is unlikely to encourage landowner-initiated planning proposals in the short term without transparent commitments to infrastructure delivery.

Related to this, we query the staging in the Draft Strategy. There is a significant amount of money being spent on flood mitigation in Stage 1 to make the area near the train station and in the showground area flood free. The investment into the flooding improvements and other infrastructure would seem to also benefit the adjoining private land. However, the land adjacent to the rail line that will benefit from the initial investment is identified for being delivered in 30 years' time.

To realise a better return on the significant early infrastructure investments, we recommend consideration to bring forward the redevelopment of the adjacent private land. This would enable both government and private sector housing to be delivered sooner in a well-located area, which would provide contributions sooner for the delivery of infrastructure.

Overall, we believe a serious investment decision needs to be made quickly and implemented rapidly for the Broadmeadow vision to be successfully realised. That could

mean, for example, funding and delivering the indoor entertainment centre and Broadmeadow Boulevard within 5 years and relocating the harness racing track sooner. Without these types of early catalytic, high impact actions, the plan risks looking the same in 5 years and losing critical momentum.

**Recommendation # 3 – To give more confidence for private sector investment, provide details of the infrastructure delivery plan, consider earlier delivery of catalytic changes and consider expanding Stage 1 to better leverage investment.**

### **Light Rail**

The preservation of a corridor for the future extension of the Light Rail line to Broadmeadow along Belford Street is commended. The dwelling and population projections for the precinct need to be supported by quality public transport. We understand that Transport for New South Wales (TfNSW) have agreed in principle to the extension, but without a funding commitment there is no certainty of delivery or clarity on timing.

**Recommendation #4 – TfNSW should commit funding to public transport improvements including the extension of the light rail.**

### **Local Infrastructure Discussion Paper**

#### **Development Contributions Mechanisms**

A Local Infrastructure Discussion Paper has been prepared by GLN Planning and has been placed on exhibition concurrently with the Draft Strategy. UDIA supports the initial steps to examine infrastructure requirements to adequately support the renewal of the Broadmeadow Precinct. The need for a new development contributions framework to support the delivery of the Broadmeadow Precinct is acknowledged.

The Local Infrastructure Discussion Paper considers different development contributions approaches and rates and in conclusion identifies that a Section 7.12 fixed rate levy of 3% on all development is the preferred approach to achieve the required funding to support local infrastructure. This would be a significant levy and likely to have negative impacts on development feasibility.

UDIA supports innovative approaches to infrastructure delivery including works in kind arrangements. We also reiterate our recommendation above to consider a fixed (and agreed to) offset in local contributions that are payable on market products for those developers that offer to provide Affordable Housing in excess of Council aims.

UDIA looks forward to the opportunity to engage further with CN on the proposed development contributions framework for the Broadmeadow Precinct.

**Recommendation #5 – Engage meaningfully with industry when further detail is available on the proposed development contributions framework.**

**Conclusion**

UDIA appreciates the opportunity to offer our comments on the Draft Strategy, rezoning EIE and Local Infrastructure Discussion Paper. We look forward to future opportunities to engage with CN and DPHI as they work towards the finalisation of the exhibited documents.

Please contact Elizabeth York, Policy & Regional Manager, Hunter Chapter & Central Coast Chapter at [eyork@udiansw.com.au](mailto:eyork@udiansw.com.au) with any questions or follow up.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Stuart Ayres', with a stylized flourish at the end.

**Stuart Ayres**  
**CEO**