



Australia's property industry

Creating for Generations

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Jeremy Bath
Chief Executive Officer
City of Newcastle
PO Box 489
NEWCASTLE NSW 2300

By email: mail@ncc.nsw.gov.au;

Submitted: via website

Dear Jeremy

Community Infrastructure Incentives in Wickham Planning Proposal

The Property Council of Australia welcomes the opportunity to provide the following comments to the City of Newcastle to inform its Community Infrastructure Incentives in Wickham Planning Proposal (the Planning Proposal).

The Property Council of Australia is the leading advocate for Australia's biggest industry – property. It champions the interest of more than 2,200-member companies representing a broad cross section of the property industry.

The Property Industry represents 13% of Australia's GDP and employs more than 1.4 million Australians. Our members are the nation's major investors, owners, managers and developers of properties of all asset classes. They create landmark projects, revitalised urban precincts and communities where people can live, work, shop and play. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive and sustainable places.

We welcome the City of Newcastle's (CN) initiative to enhance the delivery of community infrastructure to support urban renewal in the city of Newcastle. We appreciate that urban renewal is an important process in recreating communities and increasing liveability, and acknowledge efforts to work with developers through a sustainable and realistic development incentives program but caution against a policy that increases costs, creates uncertainty and duplicates contributions.

We refer CN to our previous submission in 2021 (attached) and the points therein that still apply.

While incentivising is great in principle the evidence is lacking for many examples of successfully delivered community facilities under this type of model. Can CN point to LGAs that have successfully delivered community infrastructure under an incentivised scheme? It is our understanding that Penrith Council has similar clauses in its LEP and developers have not been quick to take it up.

A key concern with these types of models is the potential for double dipping with s7.11 contribution plan. Again, this was raised in our previous submission.

It is questionable if the proposed uplift is sufficient to incentivise or more unlikely to stack up for decision makers. For example, in those instances where the uplift is one storey only, presumably to maintain appropriate scale and character.

CN has estimated hypothetical additional GFA, but there doesn't seem to be strong evidence to support / justify this. Development scenarios were also tested but it's unclear how those scenarios were developed or what the nexus is between the proposed height uplift and FSR uplift per area. It's also not clear if Wickham sites subject to design excellence provisions (over 48m) will receive uplift for both design excellence and community infrastructure.

As we understand it, if the developer gives up the land under the Wickham plan you only get 25% of the GFA credit to apply to the remaining site area and then you have to pay a monetary contribution to receive the remainder of the height. This seems like a questionable outcome for both CN and the development industry who may be perceived as paying off Council to get more height while Council are rewarded with greater revenue.

This appears as a disincentive for developers to uptake.

Conclusion

The Property Council and our members are grateful for the opportunity to provide feedback on this Planning Proposal.

We invite and look forward to further engagement on details relative to controls and this matter.

Should you have any questions, please do not hesitate to contact me on 0439 253 710 or email ahugo@propertycouncil.com.au.

Yours sincerely



Anita Hugo
Regional Director Hunter
Property Council of Australia