



Property Council of Australia ABN 13 00847 4422
A Level 7, 50 Carrington Street, Sydney NSW 2000
T +61 2 9033 1900
E info@propertycouncil.com.au
W propertycouncil.com.au
T [@propertycouncil](https://twitter.com/propertycouncil)

31 July 2024

Broadmeadow Place Strategy and Broadmeadow Regionally Significant Growth Area Explanation of Intended Effect (rezoning plan)

David Clarke
Acting Chief Executive Officer
City of Newcastle
By email: broadmeadow@ncc.nsw.gov.au

cc: Broadmeadow Project Team – City of Newcastle
Department of Planning, Housing and Infrastructure

Dear Mr Clarke,

The Property Council of Australia welcomes the opportunity to provide comment on the Broadmeadow Place Strategy (Place Strategy) and Broadmeadow Regionally Significant Growth Area Explanation of Intended Effect (EIE) rezoning plan.

The Property Council champions the interest of its member companies representing the full spectrum of the industry, including those who invest, own, manage and develop in all sectors of property. The property industry shapes the future of our cities and regions – we have a deep long-term interest in seeing them prosper as productive and sustainable places.

This single submission is made in response to both the City of Newcastle consultation on the Broadmeadow Place Strategy and the Department of Planning Housing and Infrastructure's consultation on the EIE and represents the views of our industry stakeholders.

Introduction

The Property Council of Australia welcomes the release of the Broadmeadow Place Strategy and supports its overall vision. The Broadmeadow Precinct holds significant potential for regional growth, offering a substantial 300-hectare site for urban renewal in Newcastle. The Place Strategy is expected to unlock much-needed housing, thousands of jobs, a new entertainment centre, extension of the light rail, community spaces and new parkland from Hamilton North to Broadmeadow. This endeavour is poised to provide invaluable housing and job opportunities over the next two decades, contributing to the continued development and vibrancy of the Hunter region.

While we appreciate the ambition of this strategy, we recognise the significant challenges in funding and delivery. It is crucial that government commits to progressing the precinct and the delivery agency is properly funded and empowered to work across agencies to set priorities effectively.

While opportunities for more detailed consultation on specific projects and sub-precincts will arise as the Broadmeadow Precinct evolves, this submission focuses on unlocking land and mobilising housing delivery in the near term, in line with the priorities of the National Housing Accord. Our detailed comments, therefore, relate primarily to the Locomotive Heritage Park – which was identified in briefings by the Department of Planning, Housing and Infrastructure and City of Newcastle as the sub-precinct earmarked for initial housing delivery, potentially within a five-year time frame – and more generally to all areas identified in the first-move state-led rezoning plan.

Commitment and Leadership

The Property Council supports the proposed appointment of Hunter and Central Coast Development Corporation (HCCDC) as the lead coordination and delivery agency for the project on the following grounds:

- HCCDC has a strong track record in working on large-scale brownfield sites in the region.
- It has built credibility and trust in the community through its delivery outcomes and stakeholder engagement processes.
- It has an existing team with expertise in critical issues and considerations associated with the Broadmeadow Precinct, including remediation, land consolidation, lead-in infrastructure, site release strategies and developer agreements.

The NSW Government should formally appoint HCCDC as the lead delivery agency for the Broadmeadow Place Strategy and ensure it is sufficiently empowered to work across and direct other government agencies. The delivery agency must be able to act with both autonomy and authority if it is to be effective in coordinating the many government bodies that own land within the precinct or will be involved in its delivery over the long term. An inability to do so will result in delivery of the precinct being unnecessarily prolonged. An explicit direction from the Government on the delivery agency's responsibilities, authority and accountabilities will allow it to take a true leadership role and better overcome the constraints of competing priorities and budgets between different government agencies.

HCCDC should be invested with the authority to coordinate and, if required, direct other government agencies to progress lead-in infrastructure, remediation, title consolidation, land release, improved public transport provision and other functions essential to the delivery of the precinct.

HCCDC should have a direct reporting line to the office of the Minister for Planning on the Broadmeadow Precinct. This will signal to the community and stakeholders the importance of the project to the region's ongoing transition and economic diversification

Consideration should be given to precinct lands that are vested with other agencies and how efficiencies can be gained through options such as transfer of carriage to HCCDC where possible so feasibility studies, community and stakeholder engagement, business cases and land releases

can be better coordinated. This would reduce duplication and the possibility of agencies working at cross purposes.

An accessible funding stream is paramount if the NSW Government is to meet its stated target of having 3200 homes in the precinct within the next five years. To properly resource and progress change, HCCDC should be allocated concurrent funding over the next five years to accelerate land preparation, housing, enabling infrastructure and employment land site releases.

Planning and approval pathways

The delivery of housing in alignment with the National Housing Accord targets requires efficient and streamlined planning and approval processes. The target of constructing 3200 homes in Broadmeadow within the next five years is notably ambitious. This target relies heavily on the availability of government land for initial housing developments. Following the rezoning of these sites, they will need to undergo comprehensive masterplanning and approval processes, including the preparation of Development Control Plans (DCPs) or concept approvals. These processes can be long and complex, potentially extending over several years unless expedited by the Government.

Including government sites under the State Environmental Planning Policy (Precincts-Regional) 2021 could facilitate a more streamlined approval process and we question if this has been considered. Additionally, proposing a fast-track approval process similar to Complying Development Certificates (CDCs) for projects that meet specific compliance and masterplanning criteria could further expedite the approval process. We understand any measures designed to streamline the process and create greater efficiencies would need to be fit for purpose and not limit feasibility of development. To this end, we welcome further engagement with both local and state government around the potential levers that could enable the most optimal outcome.

Floor Space Ratio (FSR) and height conditions

The current Floor Space Ratio (FSR) and height controls within the Locomotive Heritage Park may impose limitations on developers and architects, restricting their ability to deliver innovative and efficient designs. Ensuring these controls are flexible and aligned with the development objectives is crucial for facilitating the timely delivery of stage one housing.

A comprehensive review of the existing FSR and height controls is necessary to determine whether adjustments are required. Increasing flexibility in these controls can enable developers to better respond to market demands and design considerations, ultimately speeding up the development process while maintaining high-quality outcomes. We believe the outcomes and objectives of the precinct can be achieved through a combination of height controls and requirements of the development control plan without the added imposition of FSRs. Applying FSR controls in addition to height controls can result in a wide variety of heights in the final built form resulting in an unintended outcome, or less than optimal use of the land available.

Transport

The Broadmeadow Place Strategy outlines an extension of the light rail corridor from Wickham Interchange to Broadmeadow Railway Station, with several potential routes under consideration. However, current planning for future light rail route has not been finalised. To effectively support the growing city's public transport needs, a long-term transport plan with a preferred route should be developed independently of the Place Strategy.

Ideally, the light rail corridor should extend from Broadmeadow through key locations in the Precinct, including to Broadmeadow Stadium and the proposed site of the new Entertainment Centre. These locations are expected to generate significant passenger traffic, particularly during major events. Excluding these connections could result in increased private vehicle usage, undermining the benefits of a light rail extension.

Additionally, the UGL Rail (Goninan's) site on Griffiths Road presents an advantageous location for light rail maintenance and stabling. Incorporating this site into route planning could avoid substantial costs associated with establishing alternative facilities elsewhere.

The inclusion of dedicated bus routes/lanes and safe cycleways within the Broadmeadow Precinct is encouraged and will help to reduce private vehicle use, however these modes will not entirely accommodate the high volumes of passengers generated by major events, so ample car parking will also need to be provided.

Mine subsidence

The mine workings along Tudor and Belford streets are located at a depth of approximately 30-40 metres and exhibit marginal stability. Some areas have experienced collapse, while others remain intact. The presence of these unstable mine workings poses a significant risk to the feasibility of development in this area.

Investigations into the mine workings will be required for any proposed development, and it is likely grouting will be necessary, even in areas where collapse has already occurred. The recent abolition of the Newcastle Mines Grouting Fund intensifies the risk associated with these mine workings, making it challenging for investors to proceed with development due to the uncertainties associated with mine grouting and the lack of the financial 'safety net' that helped to underwrite development of hundreds of new dwellings and commercial spaces in Honeysuckle.

We recommend that the NSW State Government either undertake necessary grouting works or reinstate the Newcastle Mines Grouting Fund, extending it to cover Broadmeadow and Hamilton at minimum. This approach would mitigate the risks associated with mine subsidence and support the feasibility of development in the affected areas.

Flooding

Our review of the flood model prepared by Rhelm for Throsby, Styx, and Cottage creeks indicates that the study is comprehensive and thorough. From a property perspective, we support the City of Newcastle's proposal to adopt the 1 per cent Annual Exceedance Probability (AEP) as the flood planning level, with larger flood events considered for flood refuge purposes only.

Flooding represents a significant constraint for land located south of Lambton Road and the Showground site, including the State Government-owned land that forms part of stage one of the Broadmeadow Place Strategy. Addressing these flood risks effectively is crucial to ensuring the successful development of the precinct.

Affordable Housing

Establishing clear and achievable affordable housing targets for the first stage of precinct delivery is essential for promoting balanced and inclusive development. Targets that are set too high may deter investment and hinder the development process, while targets that are too modest may fail to meet the community's needs.

Affordable housing targets should be determined thoughtfully, considering factors such as site characteristics and overall precinct goals. Implementing balanced targets will encourage investment while ensuring that the development meets the needs of the community and contributes to a diverse and inclusive housing market.

Having affordable housing quotas that apply on a sub-precinct or area basis may be more feasible than setting a standard quota for every individual development. Consideration should be given to the State Government subsidising or providing land at no cost for affordable housing sites.

Levies

The proposed 7.12 levies of 3-4 per cent for new residential and 2-3 per cent for new non-residential (recommended in the Local Infrastructure Discussion Paper) are significantly above the maximum rates allowed without ministerial approval. When combined with the newly introduced Housing and Productivity Contribution and the reactivation of Development Servicing Plans (DSP) charges by Hunter Water, these cumulative levies are likely to make the precinct less attractive and less feasible to developers.

These high levies pose a significant challenge to the delivery of social and affordable housing, in particular, within the precinct. Seed funding could be allocated to the Broadmeadow Place Strategy to offset high levies and incentivise the development of affordable housing.

Conclusion and recommendations

The Broadmeadow Place Strategy presents a transformative vision for the Broadmeadow Precinct, promising to revitalise the area into a dynamic and sustainable urban hub. The Property Council supports the strategic vision and recognises the immense potential it holds for the region. However, critical challenges related to funding, leadership, planning and infrastructure provision must be addressed for the vision to be realised within a realistic time frame.

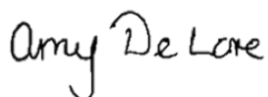
A summary of our key recommendations is as follows.

- 1. Delivery agency:** HCCDC should be formally designated as the lead agency for the Broadmeadow Place Strategy to ensure effective coordination and execution.
- 2. Authority and autonomy:** HCCDC should be empowered with the authority to coordinate and direct relevant government agencies and stakeholders and have a direct reporting line to the office of the Minister for Planning.
- 3. Government lands:** Consideration should be given to transferring lands owned by other government agencies to HCCDC to streamline planning and development processes and avoid conflicting objectives.
- 4. Initial funding:** HCCDC should be provided with concurrent funding over the first five years of precinct development to support land preparation, housing development, delivery of enabling infrastructure and employment land site releases
- 5. Streamlined approval processes:** State Significant Development (SSD) triggers should be investigated or government-owned sites within the precinct included under the State Environmental Planning Policy (Precincts-Regional) 2021 to expedite planning and approval processes.

- 6. Height controls and FSR:** Height controls and FSR requirements should be reviewed to ensure flexibility and alignment with development objectives.
- 7. Transport planning:** The development of a long-term transport plan should be prioritised, including identification of a preferred light rail route and integration with key locations, such as the Broadmeadow Stadium and new Entertainment Centre at a minimum.
- 8. Light Rail maintenance and stabling:** Consideration should be given to efficiencies gained by including the UGL Rail (Goninan's) site on Griffiths Road in light rail route planning as a potential maintenance and stabling depot.
- 9. Mine Subsidence:** The NSW Government should undertake necessary grouting works or reinstate the Newcastle Mines Grouting Fund, ensuring it extends to Broadmeadow and Hamilton as a minimum, to address mine subsidence risks and support development feasibility.
- 10. Affordable Housing:** Clear and achievable affordable housing targets should be established for stage one to balance investment incentives with community needs. This may incorporate targets applied at a 'per area' or 'per sub-precinct' level rather than 'per development'.
- 11. High levies:** Consideration should be given to allocating seed funding to offset high levies and encourage affordable housing development.

The Property Council appreciates the opportunity to contribute to this consultation and welcomes further engagement on those matters. We look forward to continuing to work with City of Newcastle and the NSW Government to progress delivery of this important regional precinct. Should you have any questions, please do not hesitate to contact me on 0419 018 043 or at adelore@propertycouncil.com.au.

Yours sincerely,



Amy De Lore
Hunter and Central Coast Regional Director