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31 July 2024

North West Lake Macquarie Catalyst Area Place Strategy

Ms Joanne Dunkerley
Senior Strategic Land Use Planner
Lake Macquarie City Council
By email: jdunkerley@lakemac.nsw.gov.au

Dear Ms Dunkerley,

The Property Council of Australia welcomes the opportunity to provide comment on the North West Lake Macquarie Catalyst Area Place Strategy.

The Property Council champions the interest of member companies that represent 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 submission reflects the views of our industry stakeholders.

Introduction

The Property Council supports Lake Macquarie Council's (Council) strategic approach to growth through the North West Lake Macquarie Catalyst Area Place Strategy (Place Strategy). The Place Strategy outlines the Council's vision for this strategic area's growth and development over the next two decades. Due to its location, the area is considered to have regional significance and has the vision of being 'the hub for state-significant economic growth in regional NSW'. This is consistent with the objectives of the Hunter Regional Plan 2041.

The Place Strategy is seeking growth of 13,010 extra residents, 5466 extra homes and 3045 extra jobs. This is expected to generate additional economic output of \$6.3 billion. The Place Strategy identifies the vision and goals for growth and development in eight precincts that form the Catalyst Area.

We support the vision to create housing, commercial and industrial development opportunities in a centrally located area to support the region's growth. The strategy recognises important opportunities to convert former industrial lands and redevelop ageing housing stock to unlock land for development and improve diversity of housing.

Feasibility

While the Property Council of Australia supports the principles and intent of the Place Strategy, we have reservations about the feasibility of proposed growth and development, given the challenging economic climate for development and construction and the uncertainty over how long these conditions will prevail. The impact of construction costs on feasibility is also acknowledged in the accompanying *Towards 2044 Background Report*, which includes the following comment:

'... current supply chain shortages and disruptions, along with increased demand for construction products has escalated the construction costs for all developments resulting in reduced profit margins, which will improve feasibility once construction costs stabilise and construction projects decrease due to rising interest rates.'

The feasibility of proposed growth is tied to construction costs stabilising and a decrease in projects due to interest rates. This is a 'point in time' snapshot, and conditions growth and feasibility on more favourable market conditions.

Conservative growth projections

The growth rate estimates a 3 per cent population increase each year. This is lower than the Hunter Regional Plan 2041, which identifies a 3.5 per cent population increase annually for the North West Growth Area. This accounts for a population difference, after 20 years, of 4000 extra residents. Greater clarity around this discrepancy should be addressed within the Place Strategy.

Two other areas within proximity of the Catalyst Area – Morisset and Broadmeadow – also have Place Strategies under way to coordinate growth and development. Both Place Strategies accommodate for higher growth and development rates than the North West Catalyst Area Place Strategy (see Figure 1 below).

Figure 1: Comparison of growth across areas

North West Catalyst Area	Morisset Place Strategy	Broadmeadow Place Strategy
Existing Demographics Population: 17,063 Dwellings: 7,300 Employment: 14,175 jobs	Existing Demographics Population: Approximately 28,000 Dwellings: 11,700 Employment: 8,700 jobs	Existing Demographics Population: 1,688 Dwellings: 1,240
Predicted Demographics Population: 30,000 Dwellings: 12,800 Employment: 17,200	Predicted Demographics Population: Between 44,680 and 57,545 Dwellings: Between 19,225 and 24,420 Employment: Between 12,800 and 24,500 jobs	Predicted Demographics Population: 40,000 Dwellings: 20,000 Employment: 15,000 jobs
2042	2041	30 Years

Morisset and Broadmeadow are expected to grow the number of dwellings by approximately 7500 (to 2041) and 19,000 dwellings (over 30 years) respectively. Those numbers are significantly higher than projections for the North West Catalyst Area, with an anticipated growth estimate of 5500 by 2041. Morisset's Place Strategy has a similar time horizon to the Catalyst Area yet expects to gain at least 2000 more dwellings.

This disparity is amplified when considering recent State-led planning initiatives that focus on increasing housing density in targeted areas, including the Transport Oriented Development (TOD) program. Four of the identified TOD station catchments fall within the Catalyst Area:

- Booragul
- Cardiff
- Cockle Creek
- Teralba.

The TOD planning controls seek higher residential densities and populations within 400 metres of these stations. Three of the station's controls have already come into effect, with Cockle Creek due to be implemented in April 2025.

With four TOD stations within the Catalyst Area, growth proposed in the Place Strategy could be considered too conservative.

Infrastructure

The Place Strategy identifies the infrastructure needed to support growth in the Catalyst Area and delineates between State and local responsibilities. The priority infrastructure needs are specific and considered. However, there is no Infrastructure Delivery Plan to support the Place Strategy. Information on how infrastructure is to be costed and the priorities for implementation are unclear.

The Place Strategy identifies specific actions to 'meet the objectives will be identified through Council's four-year Delivery Program and one-year Operational Plan'. This defers implementation measures to Council when the funding is available and strategic priorities align. This approach does not provide industry or the community with certainty on implementation time frames or costs.

Further, delivery of State responsibilities is not currently accounted for within the draft Place Strategy. Resolution of the State's role in implementation of infrastructure needed to support the projected growth is essential to the delivery of the objectives of the Place Strategy.

The Property Council of Australia suggests more detail be provided regarding infrastructure funding. This could be communicated through an Infrastructure Delivery Plan detailing the cost of the proposed works and the estimated breakdown of required funding commitments between the NSW Government and Council.

Recommendations

Our key recommendations to enhance the Place Strategy are as follows:

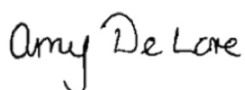
1. **Infrastructure Delivery Plan:** Provision of an Infrastructure Delivery Plan with a detailed breakdown of costings for priority infrastructure needs, expected implementation time frames, and identification of likely funding sources would provide greater certainty for developers, investors and the community.
2. **Growth Targets:** Growth targets should be more ambitious and consistent with the anticipated growth rates for Place Strategies in nearby precincts. If an increased growth rate is not appropriate for the North West Catalyst Area, an explanation of why the anticipated growth rate is lower than comparable areas should be provided. Acknowledgment of the potential impacts of the Transport Oriented Development program on growth and housing density should be included in the final Place Strategy.
3. **Feasibility:** Provision of an updated feasibility study, or an addendum to existing technical reports, would provide greater certainty to future investors to fulfil the vision for the Catalyst Area.

Conclusion

The Property Council of Australia advocates for effective and appropriate growth within the North West Lake Macquarie Catalyst Area. We regard this area as an important catchment for accommodating future regional growth, not only in housing and population but also as a drawcard for new industries and jobs. Addressing questions around feasibility and conservative growth targets, and improving information regarding infrastructure delivery, will better position the Catalyst Area to realise the growth potential highlighted in State and local planning strategies.

Thank you for the opportunity to provide input into this important Place Strategy. We look forward to continued engagement with Council on the development of this area to realise positive outcomes for the city and Hunter region. 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