



3 July 2024

The Hon. Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local
Government
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Minister,

Subject: Submission on the National Urban Policy

Lake Macquarie City Council (Council) appreciates the opportunity to contribute to the National Urban Policy (the draft Policy). Lake Macquarie is the largest local government area by population in the Hunter region. Council's 1300 employees serve a population of 220,000 people across more than 90 suburbs and economic centres within a geographically diverse area of 650 square kilometres.

Council understands the draft Policy aims to provide a high-level shared vision to enable our urban areas to be liveable, equitable, productive, sustainable and resilient places. Overall, the five goals of the draft Policy are important; however, we consider that the draft Policy has missed an opportunity to outline a plan for the geographic distribution of urban areas and how national infrastructure investment decisions by the Australian Government play a critical role in determining how and where our urban areas grow and change. Taking a settlement strategy approach to the future of the country will enable the Australian Government to work with states and territories to develop initiatives that help to address the urgent challenges facing our cities, such as housing, productivity, social cohesion, disaster resilience and climate action.

This submission has been prepared by Council staff with expertise in land-use planning, development assessment and environmental strategy.

Should you require further information, please contact Council's Manager Integrated Planning Wes Hain on 4921 0271 or whain@lakemac.nsw.gov.au.

Yours faithfully,



David Antcliff
Director Development Planning and Regulation

Our Ref: F2019/00235/16

126-138 Main Road T 02 4921 0333
Speers Point NSW 2284 E council@lakemac.nsw.gov.au
Box 1906 HRMC NSW 2310 W lakemac.com.au

lakemac lakemaccity ourlakemac

ABN: 81 065 027 868



Lake Macquarie City Council staff submission

Australian Government goals

Council supports the direction of the Australian Government's five goals presented in the draft Policy; that our urban places are liveable, equitable, productive, sustainable, and resilient. It is understood that these goals will be supported by the creation of a shared vision and will include the six objectives presented in the draft Policy.

While Council supports the goals, the intent of their inclusion and implementation within the broader National Urban Policy is not clearly understood. For example, while these specific goals are highlighted as aspirations for the policy, the outcomes derived from the goals, in terms of their influence in decision-making or driving change in policy formation, is not well considered. Council is concerned that this will lead to ambiguity regarding the usefulness of the draft Policy in informing future policy decisions.

The draft Policy does not identify how the Australian Government goals are distinctly different to other goals included under state and local government policy. While the draft Policy comments on various urban roles and responsibilities, the goals themselves are not defined in terms of how they relate to existing federal, state and local responsibilities.

The policy needs to support effective governance arrangements for urban areas. State and local governments have primary responsibility for land-use planning, development decisions and provision of services in urban areas, while the Australian Government plays a stronger economic and financial role and can support other levels of government.

The draft Policy does not propose to make a commitment to implementing any reform to how urban growth and development is managed across Australia. Instead, it focuses on supporting existing national initiatives currently underway (Refer to Appendix B of the draft Policy). Additionally, there is no accountability commitment provided under these goals to monitor the ongoing implementation of these initiatives.

Recommendation 1:

The distinctiveness or similarity of the Australian Government goals should be defined by comparison to similar goals identified in relevant state and local government policies.

Our Ref: F2019/00235/16

126-138 Main Road
Speers Point NSW 2284
Box 1906 HRC NSW 2310

T 02 4921 0333
E council@lakemac.nsw.gov.au
W lakemac.com.au

 [lakemac](#)  [lakemacity](#)  [ourlakemac](#)

ABN: 81 065 027 868

Recommendation 2:

The Australian Government goals should be reframed, focusing on how they can implement a coordinated, holistic and reformed approach for managing urban growth and development across Australia. If it is otherwise not the intention to use these goals to form new policy or reconsider the appropriateness of current national initiatives, this should be clearly identified.

Recommendation 3:

The draft Policy should more clearly articulate local government roles and funding support available to facilitate policy objectives and recognise that review and renewal of planning systems and priorities needs to form part of a national policy.

Housing availability and affordability

Council acknowledges that one of the most significant contemporary issues affecting our urban areas is housing availability and affordability. A well-functioning housing system is essential for an inclusive and prosperous society (National Housing Supply and Affordability Council, 2024). It can improve economic outcomes for Australia, and support social cohesion, community health and wellbeing, liveable spaces and places, and environmental sustainability (Kohler, 2023).

The draft Policy identifies that demand for housing is outpacing supply. This is leading to shortages that negatively impact affordability, rental vacancy rates and housing ownership rates. Despite acknowledging this fact, the draft Policy focuses discussion solely on already announced, supply-side solutions to the housing market, such as the National Housing Accord and the National Planning Reform Blueprint.

While the supply-side approach is important, it alone is inadequate in addressing the systemic and structural issues confronting housing availability and affordability in Australia. This is because the housing market is influenced by a complex array of factors such as consumption patterns of housing, the exchange mechanisms of dwellings, regulation in the housing system, housing policy and non-housing specific policies, such as the taxation, fiscal policy and migration policy (National Housing Supply and Affordability Council, 2024).

Recommendation 4:

The draft Policy discussion for 'Objective 1' should be broadened to acknowledge that the components of housing supply and demand are complex and multivariable, and influenced by several factors as outlined above.

Recommendation 5:

The possible actions discussed under 'Objective 1' should be broadened beyond existing policy announcements to address systemic underlying issues in the housing supply-demand market. Matters for further investigation should include:

- inelasticity in the housing supply system relative to housing demand
- the cost and availability of construction inputs, including the availability of skilled labour, labour productivity, material and equipment costs, and geographic constraints
- the taxation and transfer system (Henry, et al., 2009)
- rent-seeking in the planning system
- the supply of social housing (Van den Nouwelant, et al., 2022)
- household financing costs and credit conditions
- the components of underlying household demand, such as population change, household size, household income and consumer preferences.

Homelessness and overcrowding

Homelessness, including overcrowding in dwellings, is increasing in Australia. There is a clear and established link between the risk of becoming homeless growing as housing costs in our cities and regions outpace wage growth (NSW Productivity Commission, 2024).

People often assume homelessness is driven by characteristics some homeless individuals have, like mental illness and/or drug abuse. However, structural factors, such as housing affordability and income growth, have a greater determining factor on rates of homelessness.

The draft Policy identifies that high housing demand, and an insufficient supply of housing are exacerbating housing stress and homelessness. However, it does not address the systemic structural issues embedded in the housing supply and demand market. Additionally, it does not comment on the varied factors that affect low-income renters', including depressed wage growth for low-wage workers, unemployment and underemployment, as well as income support and other government services (Productivity Commission, 2022).

Recommendation 6:

The draft Policy discussion for 'Objective 1' should be broadened to acknowledge that homelessness and overcrowding are caused by the complex interaction between the underlying components of housing supply and demand, and household incomes, as well as an individual's health.

Recommendation 7:

The possible actions discussed under 'Objective 1' should be broadened to facilitate a commitment to making a meaningful change to the rising levels of homelessness in Australia. The draft Policy does not currently propose any new commitments to address homelessness and overcrowding, such as expanding the function and oversight of the National Housing and Homelessness Agreement or coordinating a national reform agenda. It is further recommended that the draft Policy include a commitment to reviewing the performance of the Agreement (or any new policy interventions) in addressing rates of homelessness and overcrowding in Australia.

Recommendation 8:

The possible actions discussed under 'Objective 1' should be broadened to include a review of the adequacy of various federal government funding mechanisms, such as the Social Housing Accelerator and the Housing Australia Future Fund, in addressing the persistent and worsening homelessness issue in Australia.

Access to social services and transport

Access to social services and transport is mentioned within 'Objective 1' and highlights the need to ensure all communities, and particularly disadvantaged communities, have access to services and infrastructure. Despite this, the draft Policy provides insufficient discussion regarding a strategy and delivery program for nationally significant social services, such as schools and hospitals, and transport infrastructure.

Investment in infrastructure can be nation-shaping and contribute to improved quality of life. Yet, infrastructure investment is incredibly expensive; a factor that weighs heavily on political decisions regarding funding. In the coming decades, the cost of implementing appropriate infrastructure, such as roads, trains, schools and parks, will be significant and will require coordinated planning (Planning Institute of Australia & Urbis, 2024).

Recommendation 9:

The policy discussion for 'Objective 1' should be broadened to acknowledge the complexities of structural changes that are emerging and reshaping Australian society, including climate change, an ageing population and stagnating productivity growth. These matters are important and should influence how the draft Policy will address improving access to social services and transport.

Recommendation 10:

An updated policy discussion should inform the development of further specific actions, such as the delivery of a nationally coordinated and targeted approach to support sustainable and equitable future planning for investment in social services and transport.

Urban development patterns

Australia is undergoing rapid demographic changes. Population growth, increasing urbanisation and an ageing population are having a substantial impact on the distribution of population, employment and services. Under current projections and policy settings, much of this future growth is expected to be concentrated in existing major cities, particularly in the outer urban areas of Sydney and Melbourne.

While the draft Policy acknowledges the challenges of urban growth, a sustained, coordinated and holistic vision for the development of Australia's cities and regions is not identified.

The policy vision should provide scope to interrogate the kind of urban environment Australians want. Recent discussion from the 2018 Inquiry into the Australian Government's role in the development of cities specifically focused on an intensification of growth in existing urban areas versus an urban growth model of greater decentralisation or regionalisation. Further discussion is provided calling for a greater commitment from the Australian Government in leading the interests of urban policymaking at the national level.

The Australian Government has responsibility for national infrastructure and policies, such as migration and taxation, that have significant implications on the formation of urban areas. However, the spatial implications of these decisions on our cities have not historically been well defined. The draft Policy misses an important opportunity to consider where we build our cities and urban areas, and how national infrastructure and policies greatly influence the spatial distribution of growth. The Australian Government should take a leading role in the national discussion on where people live and how infrastructure and policy decisions can influence and drive that outcome.

Recommendation 11:

The policy should establish a framework to support the implementation of the recommendations presented in the Building Up and Moving Out inquiry into the Australian Government's role in the development of cities.

Recommendation 12:

That the Australian Government develop a national settlement plan, providing a national vision for our cities and regions across the next 50 years, providing for:

- the spatial distribution of growth and change in population
- growth and change in employment
- the economically, socially and environmentally sustainable development of cities and regions.
- the relationship between cities and regions on a national, regional and local scale
- connectivity within and between regions, and between residence and employment
- resources for the implementation of the plan
- the role national infrastructure decisions have in shaping the settlement pattern of the country.

Recommendation 13:

The policy should consider the implications of nationally significant infrastructure programs and policies on the spatial characteristics of urban settlement. Examples of relevance may include a national high speed rail network, water security and the Murray-Darling Basin Plan, and the Net Zero Plan.

Accessible participation in community life, access to arts and culture, night-time economy management, sustainability and accessibility in tourism, and investments in sport infrastructure

Council appreciates the importance and inclusion of these matters in the draft Policy. The key urban challenges presented under each of the topics identified are shared concerns of Council and are accordingly incorporated into Council's various local strategies and plans.

While Council supports the inclusion of these matters, their specific application in the context of national urban policy setting is unclear and perhaps unnecessary as these matters are adequately covered by state and local government policies and strategies. The possible actions identified are similarly unclear with respect to the role of the Commonwealth, and how it may align with existing responsibilities at other levels of government. For example, there is already a strong approach from state and local governments in managing local initiatives such as the night-time economy, built form and public accessibility. These matters are not traditionally the responsibility of the federal government. There is no doubt that these matters are important but their inclusion as specific objectives and actions in national policy appears as a duplication of responsibilities covered elsewhere.

Recommendation 14:

The policy should consider the roles and responsibilities of the federal government with respect to the identified matters, and that these responsibilities be clearly defined and articulated with respect to the roles and responsibilities of other levels of government.

Urban safety

The discussion surrounding urban safety in the draft Policy includes matters relating to crime, community safety, accessibility and resilience from hazards and disasters. While Council supports the inclusion of these matters, their specific application in the context of national urban policy setting is unclear and perhaps unnecessary as these matters are adequately covered by state and local government policies and strategies. The possible actions identified are similarly unclear with respect to the role of the Commonwealth, and how it may align with existing responsibility of other levels of government.

Recommendation 15:

The policy should consider the roles and responsibilities of the federal government with respect to the identified matters, and these responsibilities be clearly defined and articulated with respect to the roles and responsibilities of other levels of government.

Biodiversity

The built and natural components of the urban environment combine to form the foundations of our standard of living (Commonwealth of Australia, 2021). As our urban areas grow and expand, this standard will decline without a collective and concerted effort to build better, greener and more resilient neighbourhoods that retain areas of native vegetation.

Council considers the potential impact of proposed development on biodiversity, including threatened ecological communities or habitat for threatened species, when assessing development applications and rezonings as required under the *New South Wales Biodiversity Conservation Act 2016* (BC Act). However, although there are regulations in place that are intended to protect biodiversity, such as the BC Act, there is no national framework intended to protect biodiversity loss in the context of urban policy setting.

Biodiversity loss and impact is a key issue for urban development and policy; however, Council considers that this should not only be limited to urban biodiversity. Urban biodiversity is a very small subset of overall biodiversity. Many species cannot survive in urban areas or in small and disturbed parcels of bushland. Threatened species on the fringes of urban areas are increasingly under threat. This is mainly due to habitat destruction associated with urban expansion and infrastructure. Urban development patterns must reduce impact on biodiversity by principally avoiding the clearing of native vegetation.

Recommendation 16:

'Principle 3' in Appendix A should include clear and specific policy objectives for no net loss of biodiversity directly or indirectly attributable to urban development by 2030. With increasing impacts on biodiversity, consideration could also be given to national policies that deliver nature-positive outcomes. An example of a policy for investigation includes the implementation of urban growth boundaries within the planning framework to protect natural and agricultural lands from greenfield development.

Recommendation 17:

The purpose of any biodiversity policy should acknowledge the international commitments made by the Commonwealth, as well as state and territory governments, to prevent and reverse biodiversity loss by 2030. This commitment is outlined in the Kunming-Montreal Global Biodiversity Framework.

Recommendation 18:

Any biodiversity policy could consider mechanisms to support changes to planning instruments to effectively address modern or emerging approaches to biodiversity conservation.

Climate change mitigation and adaptation

Many of the risks associated with climate change are evident in our urban environments. There are few forces affecting the Australian economy that match the scale, persistence and systemic risk associated with climate change (Climate Council of Australia, 2019).

The increasing value of assets and infrastructure, pressure for development in hazard-prone areas and the prospect of more intense and frequent climate-related weather events expose the Australian community to more serious consequences from natural disasters.

Council supports greater effort being directed towards reducing exposure to natural hazards through planning controls, reducing vulnerability to natural hazards through building codes and standards, and reducing the impact of hazards through strategic investment in mitigation and adaptation measures.

The draft Policy identifies the rationale for including climate change adaptation and climate resilience in urban development. This is a welcome approach in the context of a National Urban Policy. A potential improvement would be to highlight the importance of the private sector in delivering climate change adaptation initiatives.

Recommendation 19:

The importance of mitigating climate-related impacts should be more broadly integrated across a wider range of urban challenges and possible actions identified in the draft Policy. Possible actions for inclusion may include:

- Support research and analysis on hazard exposure, with particular emphasis on changes to hazard resulting from climate change.
- Advocate for changes to planning instruments to more effectively manage the cumulative impacts of development on complex, compounding and long-term climate-related hazards.
- Engage the community, particularly vulnerable groups, in disaster prevention and preparedness activities.
- Improve design standards and implement mitigation works to reduce exposure and vulnerability.
- Invest in critical infrastructure to improve resilience and maintain function as opposed to post-disaster reconstruction to pre-disaster standards.
- Work with the insurance industry to provide greater incentives to those that reduce their vulnerability to natural hazards.

Recommendation 20:

'Principle 3' in Appendix A should include clear and specific policy objectives to take action to transition to net zero carbon emissions from urban development by 2050.

Recommendation 21:

A possible action could be added to the draft Policy to promote public/private investment in climate change resilience through pilots and case studies.

Coastal management

Most of Australia's urban population centres are located on the coast or along coastal estuaries. As a result, most of Australia's urban populations benefit greatly from the lifestyle, health and environmental benefits that are provided by our coastal landscapes. However, it also makes many Australians vulnerable to coastal hazards both now and into the future.

The recently released State Disaster Mitigation Plan by the NSW Reconstruction Authority identifies storms and floods as the current biggest risk across the state, and coastal risk as the biggest future risk due to sea level rise and changes to rainfall and extreme weather events. Therefore, for urban places to be liveable, equitable, productive, sustainable and resilient, they need to be supported by effective coastal zone management.

Recommendation 22:

The liveability, equity, productivity, sustainability and resilience of urban places across Australia could be significantly strengthened through the introduction of a national coastal management policy and framework (potentially modelled on the *United States National Coastal Zone Management Act 1972*) to provide consistency in addressing the growing coastal problems that will continue to impact our urban areas into the future.

Productivity

The inclusion of productivity as an Australian Government objective within the draft Policy is broadly supported by Council. Productivity is the key driver of economic growth and rising living standards. Future productivity growth will be influenced by the adoption of, and adaptation to, new data and digital technologies, the changing climate and net zero transformation, an ageing population, and continued changes in industry composition (Commonwealth of Australia, 2023). In turn, these factors both influence and are influenced by the spatial characteristics of our urban areas.

The draft Policy acknowledges the challenges of maintaining productivity growth alongside urban growth. However, it does not commit to a sustained, coordinated and holistic vision for the development of Australia's cities and regions. Council specifically cautions that issues identified surrounding labour mobility, income inequality, transport and enabling infrastructure, skills technology, and urban freight and land-use planning, will not be suitably addressed under the draft Policy and existing federal government initiatives. In addition, no new planning initiatives are proposed or supported by the draft Policy. The application of the policy in generating meaningful change to productivity growth is therefore unclear.

Recommendation 23:

Dedicated infrastructure funding schemes provided for by the federal government should be explicitly linked to current and expected urban growth. This may specifically fund additional or enhanced infrastructure to support the impact of policy decisions such as the National Housing Accord and Future Made in Australia.

Adaptive reuse of mining and related lands

Across Australia, there are many large-scale mining and related coal-fired power generation sites that have significant potential for redevelopment to support more diverse and resilient economies and communities. This is particularly important in areas that are undergoing a transition away from carbon-intensive industries. There is clear scope to consider the role of these lands in the context of the National Urban Policy.

Reuse of disturbed lands and existing infrastructure has practical and environmental benefits, while minimising the need for further greenfield development. However, adaptive reuse of a mining site is an uncertain process for landowners, particularly in NSW, as legislation requires mining lands to be rehabilitated after the life of a mine has expired, and mining companies pay a security bond to ensure rehabilitation objectives and criteria are met. Mining landowners need reassurance that altering development consent conditions to allow for adaptive reuse will not result in more costly and onerous outcomes.

Council's experience in dealing with the proponent of the Black Rock Motor Resort revealed the inefficiencies and inflexibility of the current regulatory system in this regard. Black Rock is a \$95 million DA-approved project that will deliver a world-class motorsport recreation resort on former mining land in Wakefield, in western Lake Macquarie. The project will generate jobs and, as an attraction unique in Australia, provide a significant boost to the city and state's destination tourism offering. However, the challenging process to have the mine site relinquished for adaptive reuse has taken about seven years, delaying the delivery of this important tourism project.

Recommendation 24:

The policy should include a clear framework advocating for the adaptive reuse of mining and related post-industrial sites. This framework should address regulatory hurdles across the states and territories, commercial realities of mining and power station owners, financial incentives and environmental considerations. Opportunities to encourage innovative post-mining land uses in the following areas should be explored:

- The planning and implementation of essential supporting infrastructure for future site use.
- The development of renewable and clean energy industries.
- The compatibility of post-mining land sites with commercial projects.
- The potential of unlocking surrounding land for residential dwellings, amenities, environmental and educational facilities.
- Potential exploration of former and legacy mining sites with modern mining technology to explore deposits in tailings and closed sites.
- The development of sites for use for advanced manufacturing, commercial and industrial use.

References

- Climate Council of Australia. (2019). *Compound Costs: How Climate Change is Damaging Australia's Economy*. Climate Council of Australia Limited.
- Commonwealth of Australia. (2021). *State of the Environment 2021*. Canberra: Commonwealth of Australia.
- Commonwealth of Australia. (2023). *Intergenerational Report: Australia's future to 2063*. Canberra: Commonwealth of Australia.
- Henry, et al., (2009). *Australia's future tax system - Report to the Treasurer*. Canberra: Commonwealth of Australia.
- Kohler, A. (2023). *The Great Divide: Australia's Housing Mess and How to Fix It*. Quarterly Essay, Volume 92.
- National Housing Supply and Affordability Council. (2024). *State of the Housing System*. Canberra: Australian Government.
- NSW Productivity Commission. (2024). *What we gain by building more homes in the right places*. Sydney: NSW Productivity Commission.
- Planning Institute of Australia & Urbis. (2024). *PIA Foresight: Anticipating Future Trends and Shaping Planning*.
- Productivity Commission. (2022). *In need of repair: The National Housing and Homelessness Agreement Study Report*. Canberra: Productivity Commission.
- Van den Nouwelant, R., Troy, L. and Soundaraj, a. B. (2022). *Quantifying Australia's unmet housing need*. Sydney: UNSW.