SUPPORT FOR ADDITIONAL HOUSING AND INFRASTRUCTURE FOR NEW RELEASE AREAS IN LOWER HUNTER

The NSW Government has developed a draft plan to get housing construction underway by raising around $685 million for new regional infrastructure to support new development in the Lower Hunter through a State contributions framework.

Minister for Planning, Tony Kelly, said the new scheme will cut red tape and provide greater certainty for land owners bringing new housing stock online.

Contributions towards State infrastructure are currently negotiated between the Department of Planning and developers on a site-by-site basis, which has a number of drawbacks including:

- The high administration costs of negotiating, approving and implementing numerous agreements;
- Delays in providing new housing and employment while negotiations take place involving the Department of Planning mediating between landowners and government infrastructure providers; and
- A lack of certainty for landowners

Mr Kelly said the existing system has been particularly difficult where large land release sites designated in regional strategies have a large number of separate property owners.

“Currently, Lower Hunter residential developers are paying State contributions of $10,000 to $15,000 per lot in site-by-site agreements, which is above our proposed uniform ongoing contribution” Mr Kelly said.

Mr Kelly said the contribution plans for new release residential and industrial land areas in the Lower Hunter would shortly be placed on exhibition to seek feedback from landowners and other stakeholders.

“New release, or greenfield sites, are areas which have not previously been used for urban development.

“The contribution will only be applied after a new release area is rezoned for industrial or residential uses and when development occurs.

“The Government has endorsed a draft Lower Hunter contribution of $105,341 per hectare for residential land and $42,134 per hectare of industrial land.

If monetary contributions are paid by July 2011, a 50 per cent discount would apply to the levies, which equates to $5,850.

After July 1, the NSW Government will meet 25 per cent of the cost of new regional infrastructure which will keep contributions down to $8,780 for the average lot.

The NSW Government is committed to ensuring the cost of developing residential land with the necessary infrastructure be kept to the lowest possible level.
“To make it easier for housing to be provided, developers will have the option to defer the contribution payment to around the time when the land can be bought to the market rather than a subdivision approval which is the current arrangement.

“The SIC will potentially raise $685 million for infrastructure in the Lower Hunter during the next 25 years, dependent on the rate of development, to help pay for $940 million of infrastructure.

The levy will also not apply to residential land at:

- Gillieston Heights near Maitland because most of the site has already been released or largely developed; and
- The South Wallarah peninsula because it is isolated and will not substantially benefit from the proposed infrastructure

“The draft contribution will fund a wide range of road, education, emergency services, health and regional open space infrastructure.

“Distributing the cost of infrastructure equitably with one levy will promote the development of the region as a whole, which is consistent with the Lower Hunter Regional Strategy.”

Mr Kelly said the Lower Hunter would need an additional 115,000 homes over the next 25 years, with a large proportion in new release areas.

“Provision of regional infrastructure by the NSW Government is an essential part of making new communities attractive places to live and work.

The proposal will go on exhibition from 21 January 2011 until 25 February 2011.
<table>
<thead>
<tr>
<th>INFRASTRUCTURE – Lower Hunter</th>
<th>INFRASTRUCTURE COST_attributed TO NEW DEVELOPMENT</th>
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<tbody>
<tr>
<td>Roads</td>
<td>$840,416,000</td>
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<tr>
<td>Hunter Expressway (State)</td>
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<tr>
<td>Weakleys Drive duplication</td>
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<tr>
<td>Pacific Highway – Newcastle Inner City Bypass to Hexham duplication</td>
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<tr>
<td>Tomago Road – SH23 Connection to F3 Raymond Terrace Connection</td>
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<tr>
<td>Cabbage Tree Road (Sandgate-Tomago Connection to Williamtown)</td>
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<td>Tourle Street/ Cormorant Road duplication</td>
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<tr>
<td>Nelson Bay Road – Fern Bay to Williamtown Duplication</td>
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<tr>
<td>John Renshaw Drive duplication</td>
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<td>Cessnock Road duplication</td>
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<td>Weston rail crossing</td>
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<td>Main Road duplication</td>
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<tr>
<td>Newcastle Link Road – six lanes and intersection upgrades</td>
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<td>George Booth Drive</td>
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<td>Raymond Terrace Road</td>
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<td>Lake Road duplication</td>
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<td>Hillsborough Road duplication</td>
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<td>Macquarie Road</td>
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<td>Thornton rail bridge</td>
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<td>Health (land only)</td>
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<td>Fire stations x 7</td>
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<td>Ambulance stations x 3</td>
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<tr>
<td>Education (land only)</td>
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<td>Secondary schools x 9</td>
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<td>Regional Open Space</td>
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<td>Total</td>
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