

Urban Development Program

What is an urban development program?

The NSW Government's Urban Development Program monitors and coordinates the delivery of development, land supply and infrastructure. The program supports the delivery of infrastructure and new development. To do this, it improves the coordination of the various stakeholders responsible for development and infrastructure delivery. It also actively manages a pipeline of future development.

The Urban Development Program will perform the following key functions in the planning system:

- 1. Evidence-gathering and analysis** to understand housing needs and what housing is planned for delivery.
This includes any issues and constraints that are barriers to adequate housing supply. These could include environmental constraints and risks, such as bushfire, flooding, and biodiversity considerations, or a lack of adequate infrastructure to service and enable development.
- 2. Coordination, growth prioritisation and decision-making** through a collaborative committee that includes NSW Government agencies, local governments, utility and infrastructure providers and the development industry.
These forums ensure that government, councils, and industry work together and share information to progress the timely release of housing supply and orderly development of land.
- 3. Reporting** including digital dashboards, annual reports, and data tools to provide analytics and insights to support decision-making.
- 4. Ongoing monitoring** to ensure intended outcomes are achieved.

Where do urban development programs currently operate?

In December 2021, the Premier announced that we would move from a metropolis of 3 Greater Sydney cities to a city region of 6, stretching from Newcastle to Wollongong.

The Urban Development Program is expanding across metropolitan Sydney in a staged approach that will build on the successes in the Western Parkland City. It will first expand to the Central River City from October 2023, with the Eastern Harbour expansion starting in January 2024. The boundaries of all 6 cities are listed below and illustrated in Figure 1:

- Lower Hunter and Greater Newcastle City
- Central Coast City
- Illawarra–Shoalhaven City
- Western Parkland City
- Central River City
- Eastern Harbour City.



Figure 1. The boundaries of the 6 cities and new regional urban development programs

Why is the department taking a staged approach?

To ensure the expansion can succeed, we are taking a staged approach. This will ensure we can manage the collaboration and relationships with each of the councils to deliver better planning and infrastructure outcomes.

During the Western Parkland City Pilot, stakeholders told us that to deliver the necessary infrastructure, they need solutions for overcoming the challenge of multiple development fronts. The pilot has and is developing recommendations endorsed by stakeholders, including a framework for prioritising places and staging plans for development. Our agency partners in the Central River City have already identified the same issues. This means these solutions are transferable to the

Central River City. In addition, we can test or adopt solutions for infill development as the rollout to the Eastern Parkland City is delivered.

How will the department choose locations for future urban development programs?

The department will choose locations for more urban development programs based on a range of considerations, including the scale and change in housing demand and the complexity of barriers to development.

When deciding if an urban development program is the right tool to support housing delivery in each area, the department will consider:

- future housing growth, including population projections
- the spread and volume of development activity
- whether market failures or delivery challenges have been identified
- the presence of housing pressures, such as mortgage and rent stress
- stakeholder support and engagement.

How will urban development programs improve housing supply?

Improving housing supply requires the coordination of multiple processes and stakeholders. Urban development programs help address housing supply and improve infrastructure delivery and coordination. They do this by bringing together stakeholders from industry, local and state governments, and utility providers.

Urban development program committees analyse evidence on housing demand, land supply and constraints to delivery. They are a forum to prioritise growth. They facilitate improved infrastructure coordination and delivery of land that is ready for development. This allows more homes to be built in the right areas.

How will housing supply be monitored?

Housing supply will be monitored in each urban development program area through dashboards that track key housing data. The department will audit housing land each year. We are piloting a new way of auditing housing land that will provide frequent, transparent, detailed, and accessible data on housing land supply, development activity, and constraints to housing delivery.

Audits will capture detailed information on the status of land identified for future housing. This will allow us to track its progress through the housing supply pipeline. We will make audit data available for a range of stakeholders to use.

How do urban development programs influence decision-making?

Urban development programs do not have a statutory role. They do not play a formal role in determining if development proposals should proceed, nor in planning strategic land use or infrastructure. However, urban development programs support government decision-making and inform planning, infrastructure, and service delivery by:

- driving collaboration across government, councils and industry to create a development pipeline aligned with infrastructure capacity and delivery
- using an evidence base for planning and infrastructure decisions
- ensuring an adequate supply of housing, including social and affordable housing, is delivered in places close to jobs, schools, transport and other services
- ensuring there is up-to-date, detailed and accessible data to enable regular monitoring of land supply, barriers to development and development activity
- improving the coordination and integration of land use, infrastructure, development planning, investment, and sequencing

This ensures Greater Sydney and regional areas of NSW have enough housing to meet community needs, now and into the future

- promoting broader and earlier engagement with stakeholders across government and industry

This builds consensus on priorities and enables proactive interventions that remove barriers to the delivery of housing and jobs across NSW.

Who are the committee members for urban development programs?

Although exact membership and size may vary from area to area, each urban development program committee will comprise representatives from:

- local government
- the department
- the development industry
- utilities
- other relevant state agencies and infrastructure providers.

The relevant regional team from the department will identify and appoint committee members. The department will have discretion to determine appropriate development industry members to appoint for the regional and local context.

Will the expansion of urban development programs affect the operation of existing ones?

The department is working to align processes across both existing and new urban development programs. Specifically, we are establishing a standardised framework for data, reporting and governance, along with standard requirements for urban development programs. This includes a standardised method for auditing housing land to identify and assess the adequacy of land supply and any constraints to developing land for housing.

Establishing a common staged approach will allow us to make program-wide improvements. It will also create consistent reporting and a broader understanding of the unique factors affecting development delivery in each urban development program area.

Beyond the standard requirements, urban development programs may perform added functions as needed to reflect local circumstances. This may include:

- monitoring employment land supply
- overseeing the implementation of the relevant regional plan, or
- contributing to place-based strategic and infrastructure planning.

How will the Urban Development Program help to deliver the infrastructure growing communities need?

The program aims to ensure urban development is supported by the timely provision of infrastructure. This will mainly be achieved by improving the coordination of the service utilities, state agencies and councils who are responsible for providing infrastructure.

The NSW Government is also implementing a new approach to funding infrastructure, called the Housing and Productivity Contribution. The Housing and Productivity Contribution will help to fund:

- transport
- education
- recreation
- conservation
- health
- community
- justice related infrastructure.

The Urban Development Program will support the government's decision-making by prioritising infrastructure under the governance arrangements for the Housing and Productivity Contribution.

How does the strategic business case work tie into the new contribution framework? Will we still need strategic business cases?

Strategic business cases will continue to be important in understanding infrastructure needs, costs and benefits. Urban development program committees will use them to help make informed recommendations about infrastructure priorities.

How is the Urban Development Program different to other related programs such as the Place Infrastructure Compact?

The Place Infrastructure Compact focused on satisfying the Western Sydney City Deal requirements and compiling a list of infrastructure requirements.

The Urban Development Program has worked closely with the Western Parkland City Authority for lessons learnt and information gathered through the process. The Western Parkland City Authority and Place Infrastructure Compact are continuing to contribute information needed, including:

- data for economic efficiency
- developer readiness
- community and environmental outcomes in the Western Parkland City Pilot.

What are the next steps?

Over the next few months, the Urban Development Program team will contact councils within the Central River and Eastern Harbour City Councils to:

- discuss the program
- co-design it
- identify known issues with the help of stakeholders
- work together to prepare solutions.

We are currently working internally on the expansion's scope of works and the timing of this process.

Who can I contact for more information?

In the meantime, if you have any questions or concerns, please contact the team directly at urbandevelopmentprogram@dpie.nsw.gov.au or visit our [website](#).