

17 December 2020

Mr Jim Betts  
Secretary  
Department of Planning, Industry and Environment  
Locked Bag 5022,  
Parramatta NSW 2124

Dear Mr Betts,

#### **DRAFT ILLAWARRA SHOALHAVEN REGIONAL PLAN 2041**

We write in response to the public exhibition of the draft Illawarra Shoalhaven Regional Plan 2041 (draft Plan) and the five year review that has been undertaken by the Department of Planning, Industry and Environment (DPIE) of the Illawarra Shoalhaven Regional Plan 2036 (previous Plan).

The review has shown that many of the objectives and actions set out in the previous Plan have been achieved or are on the way to being achieved. The draft Plan appears to build upon these existing objectives and actions by setting more detailed strategies and actions. These appear to align with the recent strategic work that each council has done for their relevant Local Government Areas (LGAs) during the preparation of their Local Strategic Planning Statements (LSPS).

Stockland owns and manages Stockland Nowra Shopping Centre and Stockland Shellharbour Square Shopping Centre, and is in the process of developing a major residential subdivision on Bong Bong Road in West Dapto in the West Lake Illawarra Growth Area. It is therefore a significant landowner in the region and has a strong desire to see the vision set out in the draft Plan achieved. This submission contains a range of recommendations which, in Stockland's opinion, would make the draft Plan a stronger document, and further support the outcomes and strategic direction set for region.

## **1.0 Centres and Precincts**

### **Key Points:**

- **Support for Centres Hierarchy**
- **Support for concentration of retail within existing centres.**

Stockland supports the identification of regionally significant precincts within the draft Plan. The precinct approach sets out a pathway forward for the region to focus on in respect of housing, employment and key centres. The draft Plan appears to encourage collaboration only between councils and State agencies. However, in order to ensure that these precincts and centres grow as envisaged under the plan, collaboration will also be required with landowners and other key stakeholders in each centre, and it is requested that this is acknowledged in the plan.

Stockland supports the centres hierarchy set out in the draft Plan. We note the rationalisation of higher order centres in southern Wollongong and Shellharbour compared to the previous Plan. This approach aligns with the focus of the draft Plan on more significant regional centres and precincts, with lower order centres to be left to local planning strategies, and is supported.

The draft Plan outlines a strategy to respond to the changing nature of retail by providing flexibility in local strategic planning and local plans that support a range of uses within centres. Stockland supports this

position as the nature of retail is evolving, along with changing customer requirements and expectations. Vibrant and successful retail and town centres will require flexibility, intensity (density) and diversity, in order to continue to serve the community well into the future.

The draft Plan outlines that out of centre retail development should be discouraged, with commercial and retail activity to be focused in existing centres unless there are no other suitable sites or a need is demonstrated elsewhere. Stockland supports this position. Out of centre development undermines public investment in town centres, and impacts on the vibrancy and diversity of uses in centres. Maintaining development within existing centres also encourages continued private investment in these vital, multi-purpose community destinations.

## 2.0 Shellharbour City Centre

### Key Points:

- **A comprehensive review of the controls in the Shellharbour City Centre is required to deliver the draft Plan vision.**
- **Additional Key Site to be identified in draft Plan.**

The Shellharbour City Centre is one of the three identified regionally significant centres within the Illawarra Shoalhaven Region. As noted within the draft Plan, Shellharbour City Centre is an important regional city which will become increasingly more important as people move into the West Lake Illawarra Growth Area. Strategy 2.2 of the draft Plan seeks to enhance the diversity and strength of the Shellharbour City Centre in local strategic planning and local plans by *'facilitating higher density mixed use development with ample connected open space and increased tree canopy'*.

Stockland recommends that the draft Plan could be stronger in requiring Shellharbour Council to undertake a comprehensive review of the planning controls that apply to the Shellharbour City Centre, given the recent public exhibition of Council's *'Draft Shellharbour Business Centres and Surrounding Residential Lands Study'*<sup>1</sup>. In that Study, a single page cursory analysis of the potential increase in density in the City Centre is far from comprehensive. It does not appear to be based on genuine assessment of opportunities or impacts, and the Study's recommendation is for an unambitious 1-2 additional storeys on a few sites within the City Centre. Put simply, the changes proposed in the Study are unlikely to facilitate higher density mixed use development as envisaged by the draft Plan. Stockland therefore requests that DPIE considers wording Strategy 2.2 of the draft Plan more strongly requiring Council to undertake a comprehensive review of the City Centre controls, including an economic review for viability, and implement new LEP and DCP controls before the next five year review of the regional plan. This would not only encourage redevelopment but would also better align with the vision for the changing nature of retail and increased diversity of uses.

Stockland supports the designation of a portion of Shellharbour Square as a Key Site within the draft Plan, and agrees that this is a significant development opportunity that has the potential to positively contribute to the growth of the Shellharbour City Centre. The draft Study referred to above proposes a small increase in height over part of the site, but would result in an inflexible outcome which is why a more comprehensive review is recommended above.

In addition to this Key Site, Stockland suggests that the cinema site and adjacent sleeve buildings and Council car park is another potential Key Site. As the owner of the cinema site, Stockland is considering development options which would see the relocation of the cinema to the main shopping centre. If this option is pursued, this large and well located site would be available for renewal. Identification as a Key Site in the draft Plan would flag the potential for this site in future local strategic plan making.

---

<sup>1</sup> <https://letschatshellharbour.com/shellharbour-business-centres-surrounding-residential-lands-study>

### 3.0 Nowra CBD

#### Key Points:

- **Comprehensive review of the controls in the Nowra CBD is required to deliver the draft Plan vision.**
- **Resolution of east west connections in Nowra CBD**

The Nowra CBD is one of the three identified regionally significant centres within the Illawarra Shoalhaven Region. As one of the largest landholders within the Nowra CBD, Stockland supports Action 2 of the draft Plan which sets out to develop a Nowra City Centre Strategic Roadmap to set a vision, and identify actions, which will guide collaboration on the strategic planning of the future of the CBD. Stockland is also supportive of the vision to increase activation in the CBD, particularly through the increase of residential development, and recommends that a strategic review of the existing planning controls should be undertaken by Shoalhaven Council. This work should consider whether changes are required to density controls, to ensure that the development required to achieve the vision for the CBD will be viable and occur as envisaged. This review should be to a similar detail as that recommended for the Shellharbour City Centre above.

One of the key issues to be addressed is the impact of the Princes Highway in dividing the Nowra CBD. The draft Plan appears to reduce the number of east-west improved pedestrian crossing points down from five in the current Plan to just two in the draft Plan. Whilst Stockland agrees it is preferable to focus investment into fewer but more significant crossing points for pedestrian and cyclists, we seek assurances that two improved crossings will address the current poor connectivity across the Highway. A strategic review of movements through the CBD is required which outlines what the key desire lines are through the CBD and where the crossings would be best located for each mode of transport. This study should be listed within Strategy 2.1 of the draft Plan.

### 4.0 Housing

#### Key Points:

- **Support for identification of growth boundaries.**
- **Provide flexibility (set criteria) for consideration of unexpected opportunities.**
- **Councils to review local controls to enable delivery of diverse housing.**
- **Review viability of affordable housing levies.**

The Illawarra Shoalhaven Region is forecast to grow significantly in the next twenty years, particularly with people now choosing to live in regional locations due to the greater flexibility of work locations as a result of the COVID 19 pandemic. The draft Plan forecasts a significant increase in dwelling demand in the region compared to the existing Plan – an additional 35,400 dwellings are required, which is 22,600 more than that previously forecasted. The draft Plan outlines that this growth can occur within the existing centres and growth areas.

In order to meet this demand, DPIE should continue to work with industry, authorities and Councils to identify and address barriers to investment. In particular, a review of the current approaches to infrastructure staging and funding, biodiversity certification, contributions and levies is warranted. Each of these have a significant impact on the feasibility of development and cost of land, and if not considered in the planning for the future of the region, there is a risk that the housing required to support the increasing population will not be delivered in full.

Stockland recommends that an action be included in the draft Plan to require each Council to review their planning controls and development standards, to ensure that the controls will deliver diverse housing. In particular, Stockland has found that there is limited flexibility in the Lake Illawarra Growth Area (West Dapto) in terms of permissible lot sizes and housing types. The prevailing controls will deliver more single detached dwellings and not a range of housing types such as smaller, more affordable options. Areas that are within walking distance of local centres, public parks and public transport stops, and as such afford a high level of amenity, should be reviewed to investigate revised density controls.

Stockland notes, and is supportive of, the new approach outlined in the draft Plan of identifying and formalising growth boundaries. This sets a clear direction for the local communities, council and developers as to where development will be supported, creating a level of certainty. However, as this year has shown, circumstances can change, and plans should be flexible enough to cater for alternative opportunities which may support the outcomes of the regional plan. In this regard, the draft Plan should identify a process for the exploration of alternative opportunities where the dwelling demand may not be otherwise met, or where infrastructure is available. A set of criteria could be established that would make it clear what needs to be demonstrated before the alternative opportunity will be considered, similar to the locational criteria for urban renewal investigation opportunities contained in the Greater Sydney Region Plan (page 61).

The final point in respect of dwellings relates to the imposition of affordable housing levies. Stockland is aware that several of the councils in the region are investigating options for the imposition of affordable housing levies. The Illawarra Shoalhaven Region is a highly affordable choice compared to Sydney, therefore it is important to consider the impacts of any levies on housing affordability in the Region. There is a very real risk that the imposition of affordable housing levies or inclusionary zoning will have the perverse effect of making new housing less affordable, thereby increasing mortgage stress across the Region. An alternate approach to provide more affordable housing would be to review the planning controls within each LGA to identify where more diverse housing can be provided such as smaller, more affordable homes and Land Lease estates, to enable more households to enter the property market.

## 5.0 Jobs

### Key Points:

- **Support for key employment lands and target industries.**
- **Support approach to leverage region's proximity to Sydney and Western Sydney.**

Stockland supports the identification of regionally significant employment lands within the plan, as well as the continued transition of employment away from resource and primary industry towards knowledge and service workers. Key target industries are also supported, including a focus on health, smart technologies and support for tourism and the visitor economy, which has implications for the growth and built form within key centres in the region.

While the number of new jobs required within the region has not been specifically outlined, taking into account the additional 100,000 residents projected to be accommodated within the region by 2041, it is estimated that the number of jobs likely to be required in the region would be in the order of 50,000, taking into account the likely labour force and local worker proportion.

Stockland supports the continued role of Wollongong, Shellharbour and Nowra for employment growth, reflecting the target industries as well as the access, infrastructure and amenity provided in these centres.

## 6.0 Conclusion

To conclude, we support the draft Plan and its intentions to deliver a sustainable, resilient and prosperous region. We request that DPIE considers the recommendations outlined in this submission, in order to further strengthen the plan prior finalisation.

We would like to thank the DPIE for the opportunity to review and comment on the draft Plan and would welcome the opportunity to discuss our submission further if required.

Yours sincerely



**Alison Brown**  
**NSW Planning Manager**  
[alison.brown@stockland.com.au](mailto:alison.brown@stockland.com.au)