



339 Tarean Rd, Karuah Planning Proposal

**Proposed amendment to Port Stephens Local
Environmental Plan 2013**

Rezoning of Lot 52 DP 735066,
339 Tarean Road, Karuah



PORT STEPHENS
COUNCIL

FILE NUMBERS

Council: 58-2019-3-1

Department: To be provided at Gateway Determination.

SUMMARY

Subject land: Lot 52, DP 735066
339 Tarean Road, Karuah, NSW, 2324

Proponent: AO Farm Holding Pty Ltd.

Proposed changes:

- Land-Use Zone: RU2 – Rural Landscape to part E2 – Environmental Conservation and R2 – Low Density Residential
- Minimum Lot Size: 40ha to part 500sqm
- Height of Building: 0m to part 9m
- Urban Release Area: No Urban Release Area to part Urban Release Area

Area of land: 30ha (approximate)

Lot yield: Approximately 182 lots based on 70% of the land to be zoned R2 – Low Density Residential.

BACKGROUND

The Planning Proposal will contribute to increased housing supply, as well as provide greater protection to lands of environmental significance.

The Planning Proposal seeks to achieve this by:

- Amending the land-use zone for the southern part of the site from RU2 – Rural Landscape to R2 – Low Density Residential, applying a minimum lot size of 500sqm, applying a maximum height of building of 9m and mapping this site as an Urban Release Area; and
- Amending the land-use zone for the northern part of the site from RU2 – Rural Landscape to E2 – Environmental Conservation and maintaining the minimum lot size of 40ha.

The rezoning of the site is justified on the basis that it forms part of the logical extension of the town centre. It is currently abutting residential development to the east, south and future residential development to the west. On 13 August 2019, Council supported a planning proposal to rezone the adjoining western

lot from RU2 – Rural Landscape to R2 – Low Density Residential, which would facilitate the future creation of 400 lots. On 17 October 2019, Council also provided development consent for a 110 lot Torrens Title Subdivision at 290 and 308 Tarean Road, which is located to the south of the site.

This Planning Proposal has been informed by the following completed reports:

- Preliminary Ecological Assessment; and
- Residential Lands Assessment.

These two reports made the following conclusive statements:

- There is no glaring reason not to proceed from an ecological perspective (Kleinfelder, 2019, p.28); and
- This Planning Proposal will provide a vital source of much-needed housing, at a point in time when regional demands ensuring that there is competition across a number of project locations in Karuah and the Port Stephens Local Government Area (MacroPlan, 2019, p.31).

These reports have demonstrated that the Planning Proposal has strategic merit to seek a Gateway Determination. The Planning Proposal will be further refined through the completion of the following reports post-gateway:

- Indicative Subdivision Plan
- Biodiversity Development Assessment Report
- Preliminary Contamination Assessment
- Strategic Bushfire Study
- Cultural Heritage Assessment
- Traffic Impact Assessment
- Preliminary Service Inquiry
- Flooding and Drainage Assessment

SITE

The site is located within Karuah which is 27.4km (22 minutes' drive) to the north of Raymond Terrace and 55.5km (48 minutes' drive) to the north of Newcastle.

Karuah is characterised by low-density residential development (i.e. detached single dwellings), the Karuah Big 4 Holiday Park in the south, sawmill in the north and the Karuah and District Returned Servicemen's League (RSL) Club in the centre.

Karuah is historically known for oyster farming and as a stop-over point when the Pacific Highway ran through the centre of the town up until 2004. Since that time, the town has seen a steady rate of residential development as illustrated by the George Street subdivision over the past ten years and more recently the construction of 40 lots along Holdom Road.

The site is comprised of native bushland with freshwater wetland traversing over the centre of the site from the southeast to the northwest, which is a mapped watercourse (Muston's Gully). Muston's Gully and the older growth forest to the north is proposed to be zoned E2 – Environmental Conservation.

The Stockton-Watagan Corridor runs along the south of Karuah, not through Karuah itself. This is reinforced by the mapping provided in the former Lower Hunter Regional Strategy, the Port Stephens Planning Strategy and the Ecological Assessment that accompanies this proposal.

These key characteristics of the site, being flooding, vegetation, wetlands and bushfire have informed the proposed zoning boundaries. These exact boundaries will be confirmed through the completion of the relevant listed reports post-gateway.

The completion of these reports will also identify the what infrastructure upgrades are required for essential services, such as water and sewer, which would be best done in consultation with the adjoining western landowner.

Figure 1– 339 Tarean Rd, Karuah (page 5) identifies the subject land

FIGURE 1 – 339 Tarean Road, Karuah (land the subject of the Planning Proposal is shown in red)



PART 1 – Objectives or intended outcomes

The Planning Proposal seeks to achieve the following outcomes:

- Provide residential accommodation within proximity to an existing town centre; and
- Provide greater environmental protection to lands identified as wetlands and containing older growth forest.

The proposal will allow the site to be subdivided into smaller lots, which will then facilitate residential accommodation, subject to Development consent.

PART 2 – Explanation of provisions

The objectives of the Planning Proposal will be achieved by the following amendments to the Port Stephens Local Environmental Plan 2013:

- Amend Land Zoning Map Sheet LZN_003B for Lot 52, DP 735066 from RU2 – Rural Landscape to part R2 – Low Density Residential Zone and part E2 – Environmental Conservation (**Attachment Three**)
- Amend Lot Size Map Sheet LSZ_003B from 40ha to part 500sqm for the part of the site to be zoned R2 – Low Density Residential (**Attachment Five**)
- Amend Height of Building Map Sheet HOB_003B from 0m to 9m metres for the part of the site to be zoned R2 – Low Density Residential (**Attachment Seven**)
- Amend the Urban Release Area Map Sheet URA_003 from No Urban Release Area to part Urban Release Area for the part of the site to be zoned R2 – Low Density Residential

PART 3 – Justification

Section A – Need for the planning proposal

Q1. Is the planning proposal a result of any strategic study or report?

The Planning Proposal is the result of the Karuah Growth Strategy, the Greater Newcastle Metropolitan Plan and Hunter Regional Plan.

The southern part of the site is identified in the Karuah Growth Strategy as an 'existing urban area'. Despite this identification, it does not currently have any subdivision potential under the Port Stephens Local Environmental Plan 2013.

The more recent direction provided by the State Government in the Greater Newcastle Metropolitan Plan and Hunter Regional Plan identifies housing targets for Port Stephens and that the majority of this will be provided by infill

housing within existing centres, such as Karuah. The Greater Newcastle Metropolitan Plan, which states that 'Dwelling projections are for the entire Port Stephens Local Government Area (including areas outside of Greater Newcastle) (p.44).

This Planning Proposal has also been informed by a Preliminary Ecological Assessment and Residential Lands Assessment, which have concluded:

- There is no glaring reason not to proceed from an ecological perspective (Kleinfelder, 2019, p.28); and
- This Planning Proposal will provide a vital source of much-needed housing, at a point in time when regional demands ensuring that there is competition across a number of project locations in Karuah and the Port Stephens Local Government Area (MacroPlan, 2019, p.31).

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

In order to achieve the objective, the following options were considered:

1. List under Schedule 1 – Rather than rezone the land, list as an Additional Permitted Use for a dwelling house could be listed under Schedule 1 of the Local Environmental Plan.

This option is considered less desirable than the option proposed under Part 2 – Explanation of Provisions because it would be inconsistent with the NSW Government, N/A, 'Planning Circular – Schedule 1'.

2. Amend the Zone from RU2 – Rural Landscape to R2 – Low Density Residential for the entire site.

This option is considered less desirable than the option proposed under Part 2 – Explanation of Provisions because the Ecological Assessment has identified that the site contains wetlands, which would be more appropriately placed in an environmental zone. These wetlands hold environmental significance, which is not appropriate for residential housing.

3. Amend the Zone from RU2 – Rural Landscape to part R2 – Low Density Residential and part E2 – Environmental Conservation.

This option is considered the most desirable and as a result it is proposed under Part 2 – Explanation of provisions.

It allows for residential housing to occur that is consistent with the adjoining sites to the east, south and west, while protecting the wetlands and older vegetation located on the northern part of the site.

Section B – Relationship to strategic planning framework

Q3. Will the planning proposal give effect to the objectives and actions of the Hunter Regional Plan or Greater Newcastle Metropolitan Plan (or any exhibited draft plans that have been prepared to replace these)?

Hunter Regional Plan 2036

The Hunter Regional Plan (the Plan) states that it will guide the NSW Government's land use planning policies and decisions over the next 20 years (p.4). The Plan identifies Karuah as a 'centre of local significance' within the Port Stephens LGA.

The Plan also states that Port Stephens has a projected increase of 11,050 dwellings by 2036 (p.64). The Plan states that future housing and urban renewal opportunities are provided by Fern Bay, Medowie, Kings Hill, Raymond Terrace & Nelson Bay. The Plan does not specifically mention Karuah in terms of housing.

The relevant strategic directions and an appropriate response is provided:

Table 1 – Relevant Directions Hunter Regional Plan

No	Direction	Response
21.4	Create a well-planned, functional and compact settlement patterns that responds to settlement planning principles and does not encroach on sensitive land-uses, including land subject to hazards, on drinking water catchments or on areas with high environmental values.	<p>The proposal will contribute to a well-planned, functional and compact settlement pattern through developing the land close to the town centre. The proposal seeks to place the part of the site that has the highest environmental value into an environmental zone and apply appropriate setback buffers.</p> <p>The southern part of the site is identified as an existing urban area by the Karuah Growth Strategy, despite this it does not have any subdivision potential. This proposal seeks to rectify that and propose a whole of site zoning solution to achieve both housing and environmental objectives.</p>
21.6	Provide greater housing choice by delivering diverse housing, lot types and sizes, including small-lot housing in infill and greenfield locations.	Existing Environmental Planning Instruments (EPI)s, such as the Port Stephens Local Environmental Plan 2013 enable land that is zoned R2 – Low Density Residential to achieve Torrens Title Subdivision on lots as small as 200sqm.

		At the same time, this is just a minimum, so at the subdivision stage the developer and consent authority may choose to create larger lots to create diversity. From this, the proposal can be seen to create the potential for diversity.
22.1	Respond to the demand for housing and services for weekend visitors, students, seasonal workers, the ageing community and resource industry personnel.	Similar to the above, existing EPIs provide a variety of permissible land-use types for the zone R2 – Low Density Residential, so if the land is rezoned, the land has the potential to respond to the demand of different cohorts, such as dwelling housings, dual occupancies, etc.
22.2	Encourage housing diversity, including studios and one and two-bedroom dwellings, to match forecast changes in household sizes.	Similar to the above, existing EPIs provide a variety of permissible land-use types for the zone R2 – Low Density Residential, so if the land is rezoned, the land has the potential to respond to the demand of different cohorts, such as dwelling housings, dual occupancies, etc.

From this, it can be seen that the Planning Proposal will contribute to a well-planned, functional and compact settlement at Karuah. It will also contribute to a greater housing choice through the subdivision application stage.

Greater Newcastle Metropolitan Plan 2018

The Plan also states that Port Stephens has projected new dwellings of 11,050 and that these projections for Port Stephens include areas outside of Greater Newcastle (p.44). This could be understood to include Karuah (p.44). Figure 8 – Housing Opportunities (p.42) appears to identify the part of the site adjoining Tarean Road as ‘existing urban area with infill housing opportunities’, but it is not clear.

The relevant strategic directions and an appropriate response is provided:

Table 2 – Relevant Directions of the Greater Newcastle Metropolitan Plan

No	Direction	Response
19.1	Greater Newcastle Councils will prepare a local strategy within two years	Port Stephens Council is in the process of preparing their housing strategy, which will be informed by the Draft Demographic and Housing Overview Report. This Report has identified an undersupply of housing in Port Stephens, which is reinforced by the

		Residential Lands Assessment that accompanies this Planning Proposals.
19.2	The Department of Planning and Environment will endorse local strategies if prepared in accordance with the Metropolitan Plan	Once the above reference Housing Strategy is prepared, it will be provided to the Department of Planning, Industry and Environment for endorsement.

From this, it can be seen that the Planning Proposal is consistent with the direction being provided to the Port Stephens Housing Strategy in providing land to address the housing under-supply within proximity to an existing Town Centre.

Assessment Criteria

a) Does the proposal have strategic merit?

The Planning Proposal does have strategic merit because it is proposing future housing within proximity to existing town centre to address undersupply identified by the Port Stephens Council Draft Demographic and Housing Overview Report. The findings of this Report are reinforced by our own Residential Land Needs Assessment. These Reports could be considered to represent a 'change in circumstances', especially given that the Port Stephens Local Environmental Plan is greater than five years old.

Greenfield and Infill Housing targets identified under the previous Lower Hunter Regional Strategy have not been met due to the difficulty of achieving housing at Kings Hill, Medowie, Raymond Terrace and Nelson Bay. The increased desirability of Karuah now makes lots more saleable and therefore the subdivision of existing and future zoned lands feasible for developers.

The Hunter Regional Plan and Greater Newcastle Metropolitan Plan identifies that housing targets for Port Stephens can be met by areas outside of the Greater Newcastle Metropolitan Plan boundary (i.e. Karuah). From this, it can be seen that the Planning Proposal is consistent with these Strategies.

b) Does the proposal have site-specific merit, having regard to the following?

The site-specific merit criteria and an appropriate response is provided:

Table 3 – Site Specific Merit Criteria

No	Site-Specific Merit	Response
2	Does the proposal have site-specific merit in regard to the natural environmental (including known	The accompanying Preliminary Ecological Assessment identifies that the southern

	environmental values, resources or hazards)?	part of the site is suitable, which is reflective of the intent of the proposal. Further investigations (BDAR) will be required post-Gateway, which may result in a revision of proposed zone boundaries.
3	Does the proposal have site-specific merit in regard to existing uses, approved uses and the likely future uses of land in vicinity of the proposal?	The most southern part of the site is identified as an existing urban area in the Karuah Growth Strategy. Existing housing is located to the east and south and future housing will be located to the west. In turn, the site will be surrounded by housing. The proposal reflects the logical extension of Karuah.
4	Does the proposal have site-specific merit in regard to the services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision?	The proposal recognises that there is no capacity for sewer and therefore is seeking to work the sewer provider and the adjoining landowner to bring sewer capacity to Karuah.

Q4. Will the planning proposal give effect to a council's endorsed local strategic planning statement, or another local strategy or strategic plan?

Port Stephens Council Integrated Plans 2018

The Integrated Plans (the Plans) were adopted by Council in early 2018.

The Integrated Plans seek are a combination of the Community Strategic Plan, Delivery Program and Operational Plans. They seek to guide the operations of Council over a four-year term of Councilors.

The proposal is related with the Key Delivery Program Objective: P3.1 – Provide land use plans, tools and advice that sustainably supports the community' (p.11). The proposal seeks to contribute to the diversity of housing, which will be a key objective under the housing strategy that will be developed by Port Stephens Council in response to the Greater Newcastle Metropolitan Plan.

Port Stephens Planning Strategy 2011

The Port Stephens Planning Strategy (the Strategy) was released in 2011.

Its pre-dates the most recent strategic planning guidance that has been provided by the NSW Government in the form of the Hunter Regional Plan and Metropolitan Plan. In turn, it is expected that it would be replaced by the required housing strategy.

The Strategy states that it is one of many of high-level strategic documents produced by Council to guide the operations of the council, and the future growth and sustainability of the Local Government Area (p.1). The Strategy identifies Karuah as a 'village centre' (p.68) and that its population is expected to increase by 561 people (p.74) and 224 dwellings are required (p.80).

Although these projections provide guidance, they differ from the more recent projections provided by the NSW Government. Also, large-scale Urban Release Areas, such as Kings Hill, which is estimated to have the potential for 4,500 dwellings has not occurred to date.

The most relevant strategic directions and a response is provided:

Table 4 – Relevant Directions of the Port Stephens Planning Strategy

No	Direction	Response
6.4	<p>The Department of Planning and Infrastructure has identified in the Lower Hunter Regional Strategy 2006 the following new dwelling projections for Port Stephens:</p> <ul style="list-style-type: none"> • Centres – 3,300 • Urban Infill – 2,000 • New release areas – 7,200 • Total dwellings – 12,500 	<p>A Residential Land Needs Assessment has been prepared and reviewed by Council. This Review by Council acknowledges that both this work and the preliminary work undertaken by Council indicates a potential undersupply in residential land within the next 5-10 years.</p>
6.7.1	<p>The Watagan to Stockton Green Corridor is one of the most importance elements of the LHRS and LHRCP. It affects large areas of the LGA. PSPS is based on ensuring development does not adversely affect the Green Corridor. At the same time, it is recognising that the boundaries for the Green Corridor may require further interpretation and adjusting as more detailed local information becomes available.</p>	<p>The PSPS does not clearly identify the site as part of the green corridor, nor does the LHRS.</p> <p>This is reinforced by the accompanying Preliminary Ecological Assessment that states 'The NSW Planning and Environment's Hunter Regional Plan (2036) has mapped vegetation to the north and west of the township of Karuah as part of a landscape scale Biodiversity Corridor (p.9). This</p>

	<p>Minor corridors which link areas of conservation significant and the Green Corridor should be identified and protected. The goal should be a network of priority conservation areas and corridors which are viable over the long term, throughout the LGA.</p>	<p>Assessment goes on to describe how the site is isolated. The subdivision of 290 Tarean Road and rezoning of the land to the west will create further hard barriers and reinforce this isolation from the identified biodiversity corridor.</p> <p>Nevertheless, the proposal seeks to rezone lands of higher significance to an environmental zone in order to protect and improve the wetlands that run from west to east through the site and other lands of higher significance identified in the Ecological Assessment. A BDAR assessment post-Gateway will further clarify which areas of the site contain the highest environmental value.</p>
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From this, it can be seen that the Planning Proposal will contribute to an identified housing undersupply and will not undermine the green corridor, which actually wraps around Karuah to both the south and north.

Karuah Growth Strategy 2011

The Karuah Growth Strategy is dated December 2011.

Its pre-dates the most recent strategic planning guidance that has been provided by the NSW Government in the form of the Hunter Regional Plan and Metropolitan Plan. In turn, it is expected that it would be replaced by the required housing strategy.

The purpose of the Karuah Growth Strategy is stated as 'to provide strategic level guidance for the future development of Karuah. The focus of the Strategy is spatial & land use planning; however, it also addresses aspects of economic and social development, as well as environmental management (p.5).

The Strategy identifies that the Port Stephens Council, 2003, 'Karuah Local Area Plan' (LAP) identified three areas for residential expansion. Part of the site can be seen to be identified within LAP Area 3, which is described as:

'Land on the western edge of the existing settlement and to the north of Tarean Road. This is largely undeveloped, consisting of grassland in the west,

woodland in the east, and on its southern edge a number of detached houses on large suburban lots fronting Tarean Road' (p.18)

The Strategy identifies that a previous proposal sought to rezone 10.71ha to 2(a) Residential and 0.41ha to B1 – Neighbourhood Centre and 7(a) Environmental Protection. It is then stated, that the Department of Planning (former title) advised that it did not support the proposal because:

1. There appeared to be ample residential land already available in LEP amendments underway (i.e. Draft Amendment 24); and
2. The site is in the Watalgan Stockton Green Corridor of the Lower Hunter Regional Strategy (p.29).

The Preliminary Ecological Assessment and Residential Land Needs Assessment illustrate that there is a need for further residential land in Karuah and that the site does not form part of a regional biodiversity corridor.

The most relevant strategic directions and a response is provided:

Table 4 – Relevant Directions of the Karuah Growth Strategy

No	Strategic Objectives	Consistency
1	Future development should maintain the relaxed 'rural' appeal of the village.	The proposal is for low-density residential, which is consistent with the existing character of Karuah.
2	New development should reinforce the existing village by contributing to a compact and connected settlement pattern.	The proposal seeks to contribute to that compact and connected settlement pattern.
3	The retail and community services functions of the existing village centre should be reinforced by ensuring these services locate within this 'core' area.	The proposal will provide population that will seek the services located in the core area.
4	Population growth should be sufficient to support viable retail and community services which meet local needs.	The proposal will provide population that will seek the services located in the core area.
5	Land supply and housing choice should be adequate to meet potential demand from a range of target markets.	The proposal seeks to address the housing shortfall identified for Port Stephens.
6	Employment opportunities for existing and new residents should be nurtured.	The proposal will provide population that will seek the

No	Strategic Objectives	Consistency
		services located in the core area, which in turn supports local jobs.
7	The natural assets of the area should be protected.	The proposal seeks to place the majority of the site in an environmental zone.
8	Habitat corridors should link important natural assets.	The Biodiversity Assessment discusses the limited role of the site as a corridor due to its isolation, which is only going to increase. Koala utilisation of the site will need to be determined post-Gateway, through the BDAR assessment.
9	The future settlement pattern of Karuah should respond to the natural assets of the area.	The proposal identifies zoning boundaries that have been informed by the Preliminary Ecological Assessment and can be further clarified following the BDAR.
10	Development should avoid natural hazards, such as flood prone land, low lying land and bushfire prone land.	The proposal seeks to place an environmental zone on the low-lying land. Appropriate Asset Protection Zones can be provided to bushfire prone land.
11	The growth of the village should be co-ordinated with infrastructure capacity and improvements.	The proposal identifies that it is unlikely that infrastructure capacity for sewer exists and that consultation should take place with the adjoining landowner and Hunter Water following a gateway determination.
12	The design of development should aim to minimise ongoing infrastructure costs and optimise development potential,	The proposal seeks to work with the neighbouring western site to ensure that

No	Strategic Objectives	Consistency
	including neighbouring potential development sites.	infrastructure costs can be identified, and the development of sites are feasible.

No	Principles – Urban Structure and Character	Response
1	New development builds on Karuah's character as coastal riverside village.	The proposal will build on this existing character through future development being consistent with the DCP.
2	The main street character of the village commercial centre in Tarean Road is maintained and enhanced.	The proposal will provide population that will seek the services located in the core area and provide development contributions to improve the public domain.
3	Urban expansion is staged, based on progressively extending the existing urban area, and reinforcing the existing village centre. The areas for urban expansion are located so that they make efficient use of infrastructure and can be developed in stage in response to market demand.	The proposal is the logical extension of the existing urban area with the southern part of the site identified as an existing urban area despite having no subdivision potential.
4	An area of rural land for large holdings is retained to the north west of the village. This land should not be developed for smaller rural holdings (rural residential), but rather continue its existing land uses for the foreseeable future. As a result, should this land be required for urban development beyond 2030, this change of land use will not be hampered by fragmented land ownership and more intensive rural development.	Not Applicable.
5	A small light industrial area could potentially be located to the west of the village, on the land occupied by the timber mill and adjacent land. This will permit small light industrial enterprises to establish and provide services and employment to the residents of Karuah. (Note: this land currently appears to be within the Green Corridor of the Lower Hunter Regional Strategy (2006) and this status would need to be clarified or change if urban development is to occur).	Not Applicable.

No	Principles – Urban Structure and Character	Response
6	No urban development, other than the light industrial area, should occur to the west of a “medium term growth limit”. Urban expansion beyond the “growth limit” would not be consistent with the strategic objective of maintaining a compact village.	Not Applicable.
7	New developments should explore the potential markets and offer appropriate products; otherwise growth will be very limited. The Growth Strategy aims to provide for new urban land in a variety of settings to appeal to a variety of markets.	A Residential Land Needs Assessment has been prepared, which identifies the advantages of additional supply in Karuah.
8	A network of conservation areas and habitat corridors provides links between the national parks that surround the town, the wetlands and the river; and define the urban area.	The proposal seeks to zone part of the site to environmental. Appropriate zone boundaries will be clarified following the BDAR.
9	The identified conservation areas and corridors provide opportunities for targeted biodiversity offsets which achieve wider conservation objectives.	Through zoning the northern part of the site to environmental, it has the potential to be used for biodiversity offsets.
10	The design of roads and parking infrastructure in the town centre and adjacent open space should provide for ease of access by boating, caravanning and recreational vehicle (RV) users, in recognition of those important tourism markets of Karuah.	Not Applicable.

No	Principles – Town Centre	Response
11	The coastal village character of Karuah is maintained.	Not Applicable.
12	The relationship between the Town Centre and the riverfront should be improved.	Not Applicable.
13	Buildings overlook and address the street.	Not Applicable.
14	Ground floor frontages engage the street.	Not Applicable.
15	A greater sense of enclosure of the main street is created by building form.	Not Applicable.
16	Footpath tree planting assists in enclosing the main street and creating a pleasant human scale environment.	Not Applicable.
No	Principles – Waterfront Industry	Response
17	Marine related waterfront industry, such as oyster farming related industry should remain and retain its rustic appeal; however, the attractiveness of outdoor storage areas should be improved.	Not Applicable.
18	The access road to the waterfront industry premises to the south of Barclay Street should be formalised.	Not Applicable.
No	Principles – Residential	Response
19	Lower density residential development occurs in areas further away from the town centre.	The proposal is for low density residential, but the existing LEP allows for lot sizes with a minimum area of 200sqm.
20	Development is consistent with the coastal village theme of Karuah.	The proposal will build on this existing character through future development being consistent with the DCP.

No	Principles – Connectivity	Response
21	It is easy to get around Karuah by motor vehicle, bicycle and foot.	The proposal will provide development contributions, which will fund pathways. The subdivision process will also result in pathways.
22	Buses access to enable people to live no more than 400m from a bus stop.	This can be achieved at subdivision stage.
23	New urban areas are well connected to the existing town.	The proposal is the logical extension of the existing urban area with the southern part of the site identified as an existing urban area despite having no subdivision potential.
24	Walk and cycling is convenient and safe.	This can be achieved at subdivision stage.
25	Residential streets are low speed.	This can be achieved at subdivision stage.
No	Principles - Biodiversity	Response
26	Development in Karuah complements its natural assets.	The proposal seeks to zone a large areas of the site to environmental.
27	A network of biodiversity corridors links larger areas of wetlands, national park and other areas of biodiversity significance.	The proposal seeks to zone a large area of the site to environmental. Further clarification of zone boundaries will be determined following BDAR.
28	Biodiversity offsets are preferentially directed to the identified biodiversity corridors.	Noted. The legislation has since been updated, whereby applicants need to demonstrate avoid, minimise or offset. A BDAR will be undertaken post-Gateway.
29	The water quality of the wetlands, creek and rivers is not reduced by urban runoff.	This can be achieved at subdivision stage. Sufficient controls exist in the LEP and DCP to ensure water quality targets are met.

No	Principles – Staging of Land Release	Response
30	New urban land is an extension of the existing urban area.	The proposal is the logical extension of the existing urban area with the southern part of the site identified as an existing urban area despite having no subdivision potential.
31	There is sufficient vacant land zoned for urban purposes to meet community needs.	A Residential Land Needs Assessment has been prepared to identify the market and how the proposal will provide housing for that market.
32	Land is rezoned for urban purposes in a staged manner in order to ensure the efficient use of community infrastructure.	The proposal is the logical extension of the existing urban area with the southern part of the site identified as an existing urban area despite having no subdivision potential.
33	The growth of Karuah is able to be adequately serviced by urban infrastructure, such as water and sewerage services.	The proposal seeks to work with the neighbouring western site to ensure that infrastructure costs can be identified, and the development of sites are feasible.
No	Principles – Overall land use strategy	Response
34	Karuah develops consistent with the Growth Strategy.	The Strategy is a guiding document that has informed this proposal. Updated information in terms of an ecological assessment and residential needs assessment have identified how the context has changed since the development of the Karuah Growth Strategy.

From the above, it can be seen that the proposal is consistent with the objectives and principles of the Karuah Growth Strategy by providing a logical extension of Karuah and working with adjoining landowners to deliver infrastructure.

Q5. Is the planning proposal consistent with applicable State Environmental Planning Policies (SEPPs)?

An assessment of relevant SEPPs against the planning proposal is provided in the table below.

Table 5 – Relevant State Environmental Planning Policies

SEPP	Relevance	Consistency and Implications
SEPP 44 – Koala Habitat Protection	<p>This SEPP applies to land across NSW that is greater than 1 hectare and is not a National Park or Forestry Reserve. The SEPP encourages the conservation and management of natural vegetation areas that provide habitat for koalas to ensure permanent free-living populations will be maintained over their present range.</p> <p>This SEPP applies because the Planning Proposal is seeking to rezone land in Port Stephens.</p>	<p>The Preliminary Ecological Assessment states that the detailed koala map provides Council with the required information to conclude that the CKPoM can be adequately addressed after gateway determination with the expectation that there is a low risk to Preferred Koala Habitat and a viable koala population (p.4).</p> <p>Further investigation regarding Koala utilisation of the site will need to form part of the BDAR.</p>
SEPP 55 – Remediation of Land	<p>This SEPP applies to land across NSW and states that land must not be developed if it is unsuitable for a proposed use because of contamination.</p> <p>This SEPP applies because the Planning Proposal is seeking to</p>	<p>The site contains vegetation and no evidence of contaminating activities.</p> <p>A Preliminary Contamination Investigation should be conditioned as part of the Gateway Determination because the land is proposing to change from a rural zone to a residential zone.</p>

	rezone land from rural to residential.	
SEPP (Rural Lands) 2008	<p>This SEPP applies to land across NSW to land that is zoned for rural purposes.</p> <p>This SEPP applies because the Planning Proposal is seeking to rezone land from a rural zone to a residential zone.</p>	<p>The site is in proximity to the centre of Karuah. Existing and planned residential land is located to the immediate east, south and west.</p> <p>The rezoning of this land for housing would be reflective of the orderly and economic development of land in proximity to a centre, which is an objective of the Environmental Planning and Assessment Act 1979.</p> <p>By providing land in proximity to existing services for housing, it protects other land zoned rural and environmental, which is less suitable for housing and more suited for agriculture.</p> <p>The rezoning will not undermine the agricultural activities on nearby land (e.g. poultry farm) because we do not understand agricultural activities are currently taking place on these lots (other than grazing).</p>

Q6. Is the planning proposal consistent with applicable Ministerial Directions?

An assessment of relevant Ministerial Directions against the planning proposal is provided in the table below.

Table 6 – Relevant Ministerial Directions

Ministerial Direction	Aim of Direction	Consistency and Implications
1. EMPLOYMENT AND RESOURCES		
1.2 Rural Zones	The objective of this direction is to protect agricultural production of rural land.	The Planning Proposal is inconsistent with this direction, but it is of minor significance/ The site is not identified to have agricultural value and is located within the existing centre of Karuah.

		<p>The southern part of the site is identified as an existing urban area and the site is soon to be surrounded by existing residential development to the east and south. A planning proposal to rezone the adjoining western land to residential has also been supported by Council. Removing the existing rural zone is therefore believed to be of minor significance.</p>
1.5 Rural Lands	<p>The objectives of this direction are focused on the protection of the agricultural production of rural land.</p>	<p>The Planning Proposal is inconsistent with this direction, but it is of minor significance. The proposal seeks to rezone rural land to achieve the aim of providing housing in proximity to an existing town centre.</p> <p>It is acknowledged that Port Stephens has a housing supply short-fall and therefore the provision of housing in proximity to an existing centre is reflective of logical settlement patterns.</p>
2. ENVIRONMENT AND HERITAGE		
2.1 Environment Protection Zones	<p>The objective of this Direction is to protect and conserve environmentally sensitive areas. The rezoning map and accompanying Ecological Assessment identifies the significance of the site.</p>	<p>The proposal is consistent with the Direction 2.1 – Environment Protection Zones (4) because the proposal proposes an environmental zone over those lands identified to be of higher environmental significance. Furthermore, the proposal will place residential development in proximity to an existing town centre.</p>
2.2 Coastal Management	<p>The objective of this direction is to protect and manage coastal areas.</p>	<p>The Planning Proposal is consistent with this direction because it seeks to place the land identified as wetlands and a 40m buffer within an environmental protection zone.</p>

2.3 Heritage Conservation	The objective of this direction is to identify and protect heritage.	A Basic Search of the Aboriginal Heritage Information Management System (AHMIS) identified no heritage items or places within 50m of the site. Never the less, a Preliminary Aboriginal Heritage Assessment should be completed post-gateway to satisfy the Minister.
3. HOUSING, INFRASTRUCTURE AND URBAN DEVELOPMENT		
3.1 Residential Zones	Encourage a variety and choice of housing types to provide for existing and future housing needs, make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services, and minimise the impact of residential development on the environment and resource lands.	<p>This direction applies and the proposal is consistent with this direction because it seeks to provide residential housing that adjoins an established residential area.</p> <p>The site is in the centre of Karuah, so the proposal will support existing businesses and encourage the establishment of future businesses. The proposal will contribute to the goal of housing, which is identified by various strategies.</p>
3.4 Integrating Land Use and Transport	The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs subdivision and street layouts achieve the sustainable	<p>This direction applies and the proposal is consistent with this direction because it seeks to encourage housing within Karuah. The site is located within Karuah which is 27.4km (22 minutes' drive) to the north of Raymond Terrace and 55.5km (48 minutes' drive) to the north of Newcastle.</p> <p>The housing that will result from the proposal reinforces the existing town centre of Karuah and places</p>

	transport objectives.	downward pressure on valuable agricultural or environmental lands on the periphery to be rezoned.
4. HAZARD AND RISK		
4.1 Acid Sulfate Soils	The objective of this direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulphate soils.	<p>The existing LEP has been informed by previous Environmental Planning Instruments (EPIs), which identifies the site as Acid Sulfate Soils – Class 2 and 5.</p> <p>The proposal will rezone all lands identified as ASS Class 2 to E2 – Environmental Conservation. Any subsequent works that need to take place in the zone E2 – Environmental Conservation are covered by LEP (Clause 7.1 – Acid Sulfate Soils).</p> <p>The proposal does not propose physical works. When physical works are proposed as part of a future subdivision, the earthworks will be associated with the filling of the land as opposed to cutting and therefore should be consistent. This clause will be addressed through a future Development Application.</p>
4.4 Planning for Bushfire Protection	The objectives of this direction are to protect life, property and the environment from bush fire hazards, by discouraging the establishment of incompatible land uses in bush fire prone areas, to encourage sound management of bush fire prone areas.	<p>This direction applies because the site is identified as bushfire prone land.</p> <p>A Strategic Bush Fire Assessment in accordance with the NSW RFS, 2018, 'Draft Planning for Bushfire Protection (Part 4 – Strategic Planning)' will be completed post gateway determination.</p>

5. REGIONAL PLANNING		
5.10 Implementation of Regional Plans	The objective of this direction is to give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional plans.	This direction applies because the site is identified in the area covered by the NSW Department of Planning, 2016, Hunter Regional Strategy. Consistency with these Plans with a particular emphasis on the role of Karuah, housing targets and residential housing is discussed throughout this proposal.

Section C – Environmental, social and economic impact

Q7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The Preliminary Ecological Assessment has identified two Endangered Ecological Communities (EEC)s to be located within the wetlands and older growth forest to be located on the northern part of the site. Both these parts of the site are proposed to be zoned E2 – Environmental Conservation.

This Planning Proposal identifies the need for a Biodiversity Development Assessment Report (BDAR) to be completed post-gateway and further koala surveys to confirm the koala mapping that has been completed as part of the Preliminary Ecological Assessment.

This Preliminary Ecological Assessment concludes that there is no glaring reason not to proceed from an ecological perspective (Kleinfelder, 2019, p.28);

Q8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

The environmental effects as a result of the Planning Proposal will be quantified through the completion of the BDAR post gateway. At present, all lands of higher environmental significance based on preliminary investigations are proposed to be placed within an environmental zone. This approach provides the appropriate scope to avoid, minimise and offset when the BDAR is to be completed post gateway.

Q9. Has the planning proposal adequately addressed any social and economic effects?

This Planning Proposal identifies the need for a Cultural Heritage Assessment to be completed post gateway. The gateway determination could also require

that a social needs assessment be completed for Karuah given the growth that is expected to occur to the south and on the adjoining western site.

Overall, the Planning Proposal will have positive social and economic effects both during construction and over the life of the development. Karuah has been waiting for an opportunity such as this to support business since it was bypassed by the Pacific Highway almost 20 years ago.

Section D – State and Commonwealth interests

Q10. Is there adequate public infrastructure for the planning proposal?

The Planning Proposal recommends that a Preliminary Service Inquiry be undertaken post gateway and that discussion for upgrades to essential services be undertaken in consultation with adjoining landowners with Hunter Water.

It is understood that upgrades to the Karuah Waste Treatment Facility will be required, which will be made more feasible by having multiple landowners in the same locality.

Q11. What are the views of state and Commonwealth public authorities consulted in accordance with the Gateway determination?

Consultation with relevant State and Commonwealth agencies can be undertaken following a Gateway Determination. It is envisaged that the following agencies will be consulted with:

- Office of Environment and Heritage;
- NSW Rural Fire Service;
- Karuah Local Aboriginal Land Council; and
- Hunter Water.

PART 4 – Mapping

The proposed map layer amendments are included as attachments to the Planning Proposal as follows:

Attachment One – Locality Plan

Attachment Two – Current Zoning Plan LZN_003B

Attachment Three – Proposed Zoning Map – Map Amendment to Land Zoning Map – Sheet LZN_003B from RU2 – Rural Landscape to part R2 – Low Density Residential Zone and part E2 – Environmental Conservation Zone

Attachment Four – Current Lot Size Map LSZ_003B

Attachment Five – Proposed Lot Size Plan – Map amendment to Lot Size Map – Sheet LSZ_003B from 40ha to part 500sqm for the land to be zoned R2 – Low Density Residential

Attachment Six – Current Height of Building Map Sheet HOB_003B

Attachment Seven – Proposed Height of Buildings Map – Map amendment to Height of Buildings Map – Sheet HOB_003B from 0m to part 9m for the land to be zoned R2 – Low Density Residential

Attachment Eight – Current Urban Release Area Map Sheet URA_003

Attachment Nine – Proposed Urban Release Area Map – Map amendment to Urban Release Area Map – Sheet URA_003 from no Urban Release Area to Urban Release Area for the land to be zoned R2 – Low Density Residential

PART 5 – Community consultation

Community consultation will be undertaken in accordance with the Gateway determination.

Notice of the public exhibition period will be placed in the local newspaper, The Examiner. The exhibition material will be on display at Council's Administration Building, 116 Adelaide Street, Raymond Terrace during normal business hours.

The planning proposal will also be available on Council's website.

PART 6 – Project timeline

The additional technical information, studies and investigations identified in the planning proposal will be completed within the timeframes listed below, should the planning proposal receive a Gateway determination:

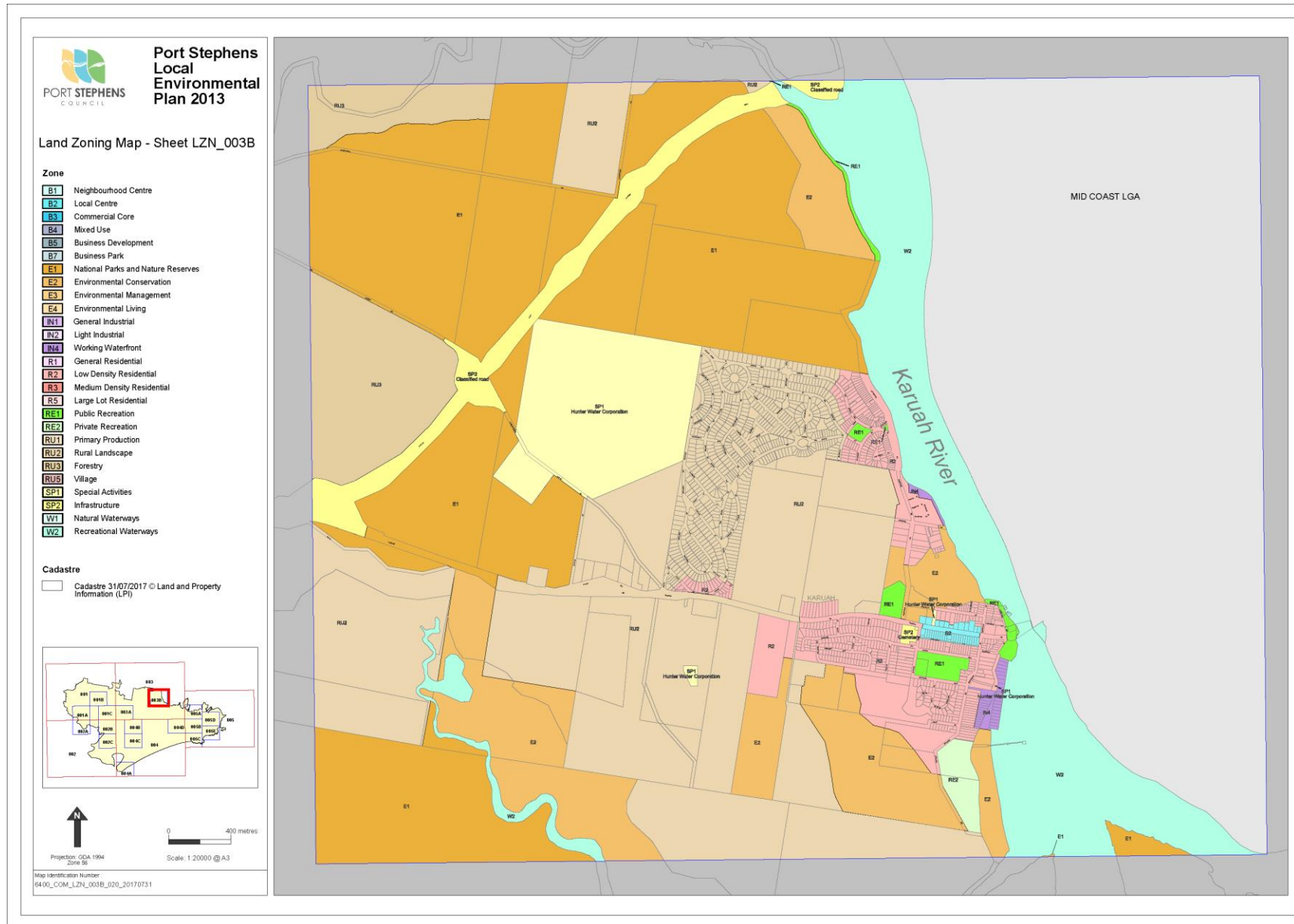
- Indicative Subdivision Plan
- Biodiversity Development Assessment Report
- Preliminary Contamination Assessment
- Strategic Bushfire Study
- Cultural Heritage Assessment
- Traffic Impact Assessment
- Preliminary Service Inquiry

The planning proposal is expected to be reported to Council following the completion of the public exhibition period. The following timetable is proposed:

	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020
<i>Council Report</i>									
<i>Gateway</i>									

<i>Determination</i>									
<i>Additional investigations</i>									
<i>Agency Consultation</i>									
<i>Public Exhibition</i>									
<i>Council Report</i>									
<i>Parliamentary Counsel</i>									

Attachment Two – Current Zoning Map



Attachment Three – Proposed Zoning Map



**Port Stephens
Local
Environmental
Plan 2013**

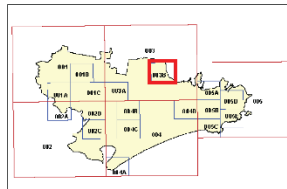
Land Zoning Map - Sheet LZN_003B

Zone

B1	Neighbourhood Centre
B2	Local Centre
B3	Commercial Core
B4	Mixed Use
B5	Business Development
B7	Business Park
E1	National Parks and Nature Reserves
E2	Environmental Conservation
E3	Environmental Management
E4	Environmental Living
IN1	General Industrial
IN2	Light Industrial
IN4	Working Waterfront
R1	General Residential
R2	Low Density Residential
R3	Medium Density Residential
R5	Large Lot Residential
RE1	Public Recreation
RE2	Private Recreation
RU1	Primary Production
RU2	Rural Landscape
RU3	Forestry
RU5	Village
SP1	Special Activities
SP2	Infrastructure
W1	Natural Waterways
W2	Recreational Waterways

Cadastre

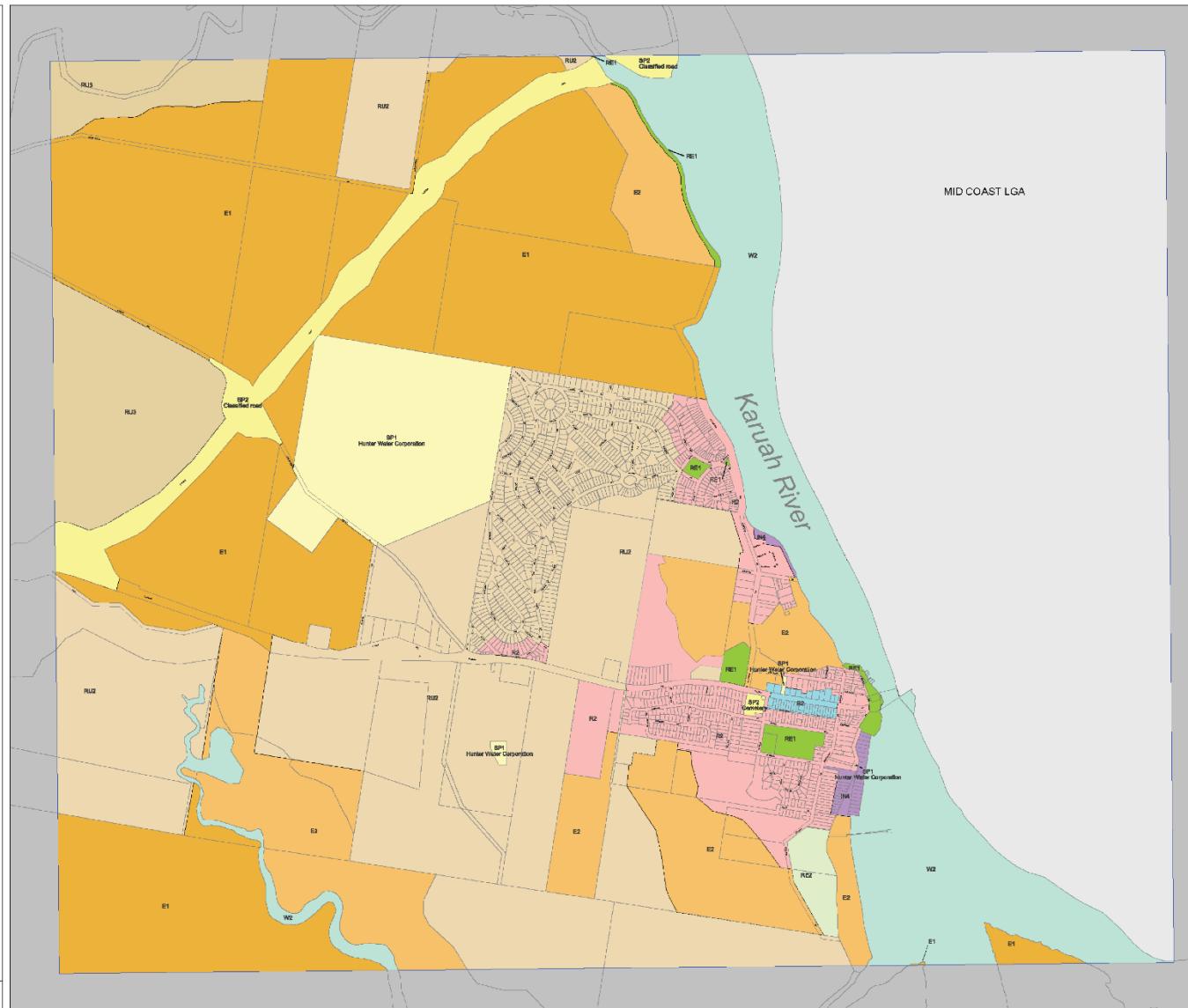
— Cadastre 31/07/2017 © Land and Property Information (LPI)



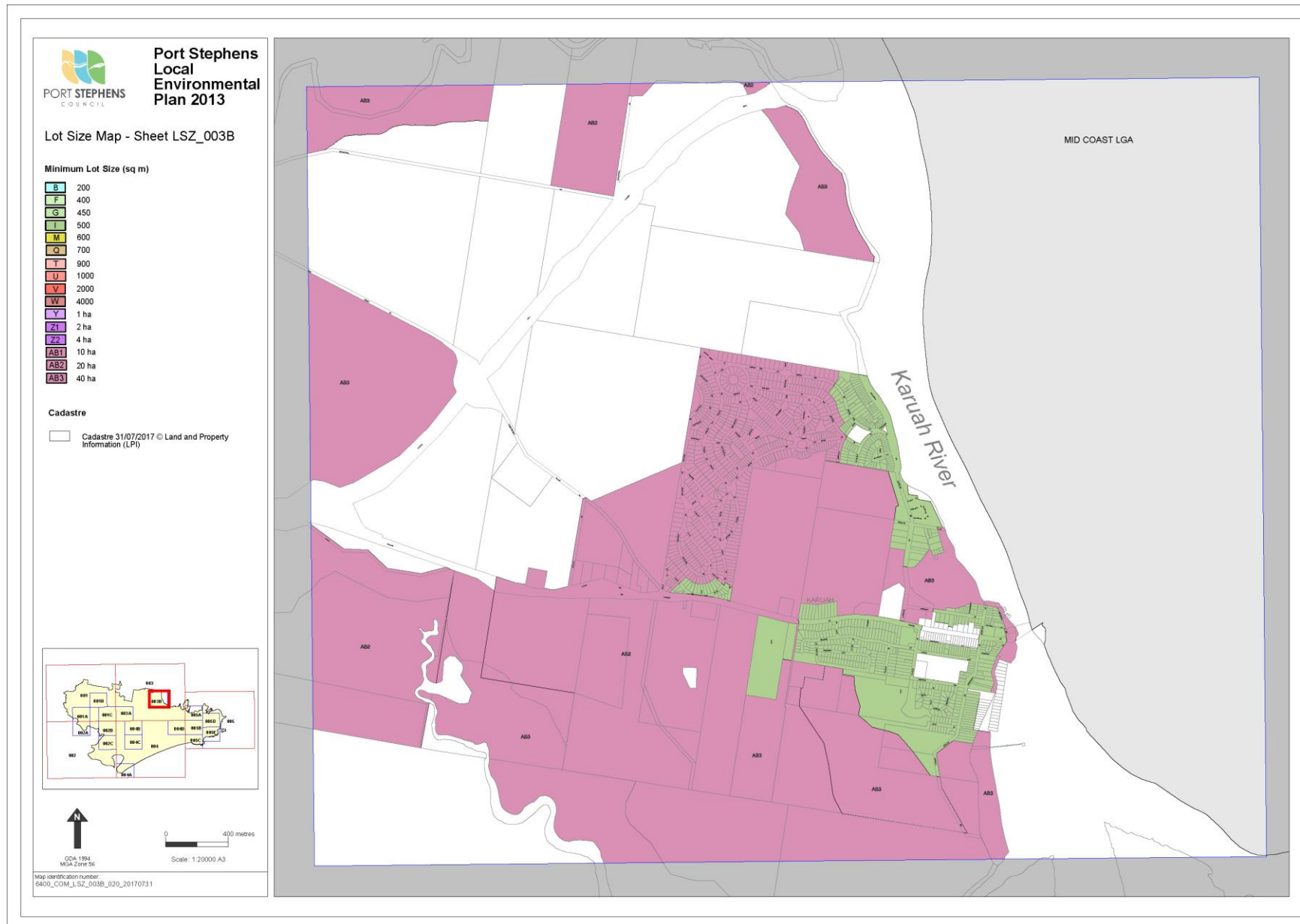
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Zone: GDA

Scale: 1:20000 @ A3

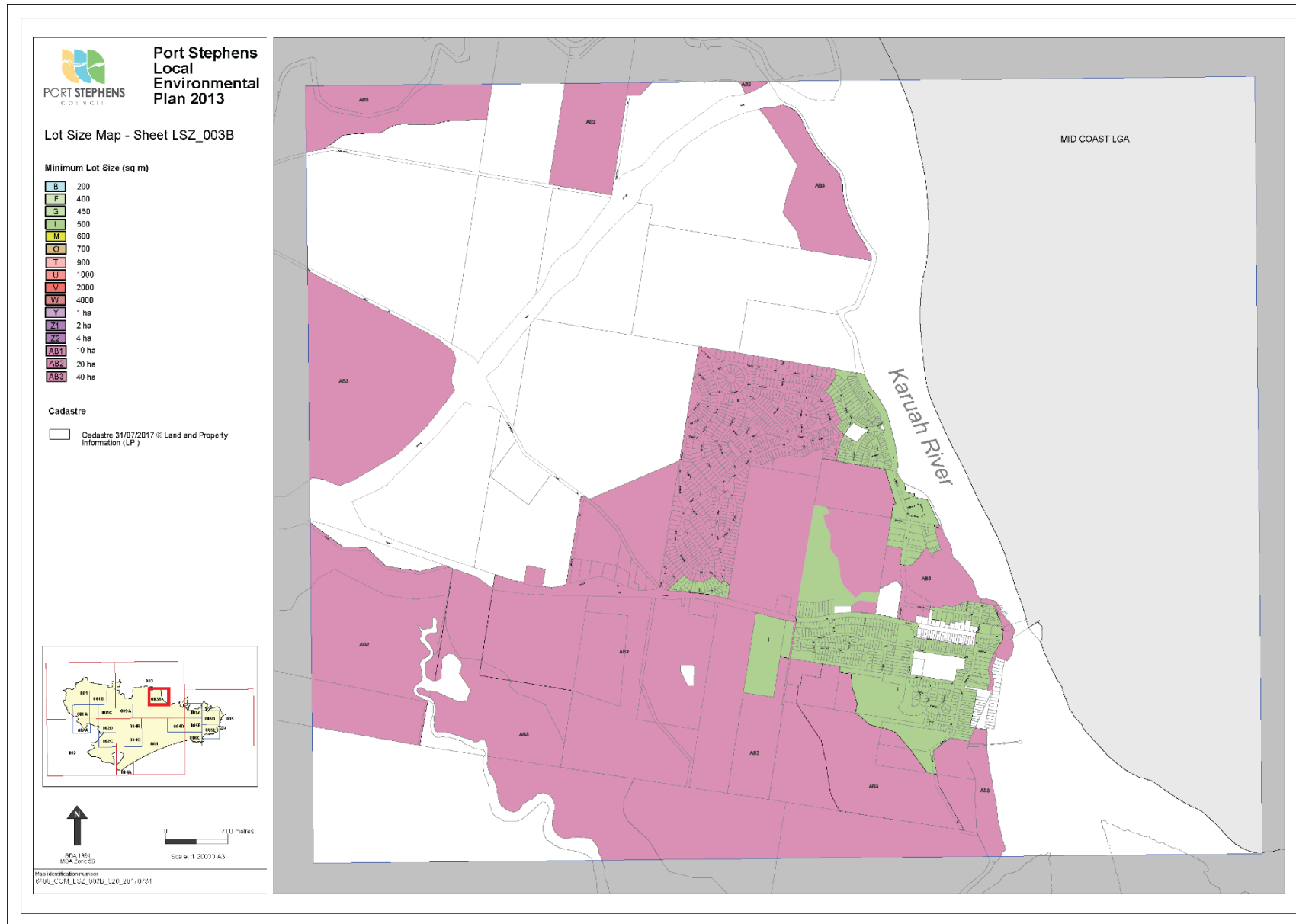
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8400_COV_LZN_003B_020_20170731



Attachment Four – Existing Lot Size Map



Attachment Five – Proposed Lot Size Map



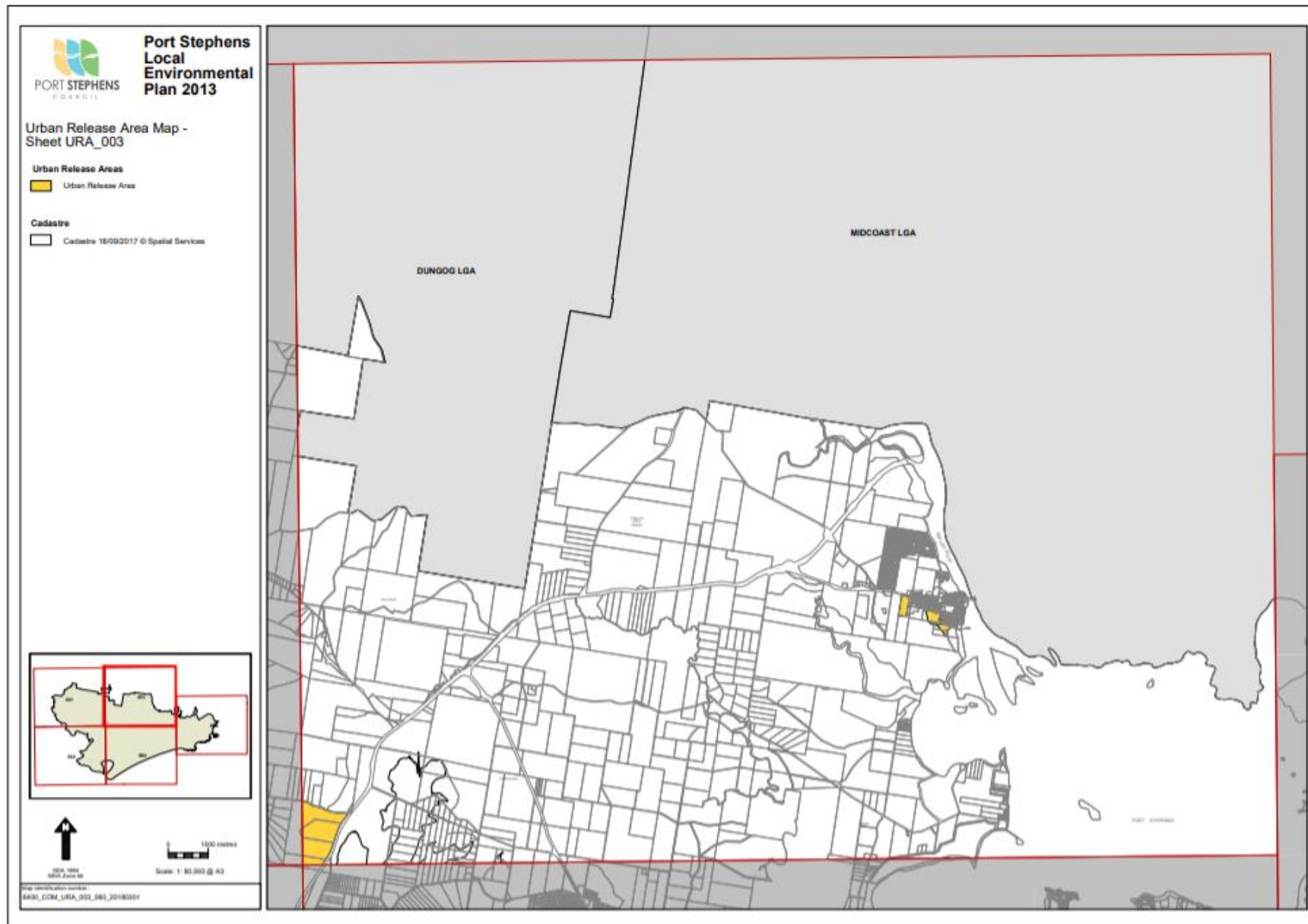
Attachment Six – Existing Height of Buildings Map



Attachment Seven – Proposed Height of Buildings Map



Attachment Eight – Existing Urban Release Area Map



Attachment Nine – Proposed Urban Release Area Map

