



Planning Proposal

Monarch's Rise – Kings Hill

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

Rezoning of Lot 2 DP 37430 and Lot 32 DP 554875,
Newline Road, Raymond Terrace



PORT STEPHENS
COUNCIL

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VERSION CONTROL

Version	Date	Details
2	8 April 2025	Planning proposal as submitted for consultation to agencies.
3	21 May 2025	Planning proposal amended to respond to agency consultation.

ATTACHMENTS

APPENDIX 1 – Proposed Zoning, Minimum Lot Size and Height of Building Maps

APPENDIX 2 – Ecological Values Letter

APPENDIX 3 – Flood Risk Management Advice

APPENDIX 4 – Heritage Due Diligence Report

APPENDIX 5 – Mixed Use Indicative Subdivision Plan

APPENDIX 6 – Strategic Bushfire Study

FILE NUMBERS

Council: 58-2024-4-1

Department: PP-2024-2629

SUMMARY

Subject land: Lot 2 DP 37430 and Lot 32 DP 554875
587 Newline Road, Raymond Terrace

Proponent: MCCLOY GROUP

Proposed changes: Align the MU1 Mixed Use zone with the lot layout envisioned under the Concept Masterplan and DA Approval (DA16-2013-599-1).

Extend the MU1 Mixed Use zone over land (approximately 2,300m²) currently zoned C2 Environmental Conservation adjoining Newline Road which is not flood prone.

Reduce the minimum lot size of the MU1 Mixed Use zone from 400m² to 300m² to achieve housing diversity in and around the neighbourhood centre and park

Amend the height of building map that aligns the existing MU1 Zone height limit of 15m, and the R1 General Residential Zone height limit of 9m, with proposing zoning layout.

Area of land: ~ 7ha

Lot yield: ~ 85 lots

BACKGROUND

The site is known as the Monarch's Rise estate and is located at 587 Newline Road, Raymond Terrace, legally described as Part Lot 2 of Deposited Plan (DP) 37430 and Part Lot 32 DP554875.

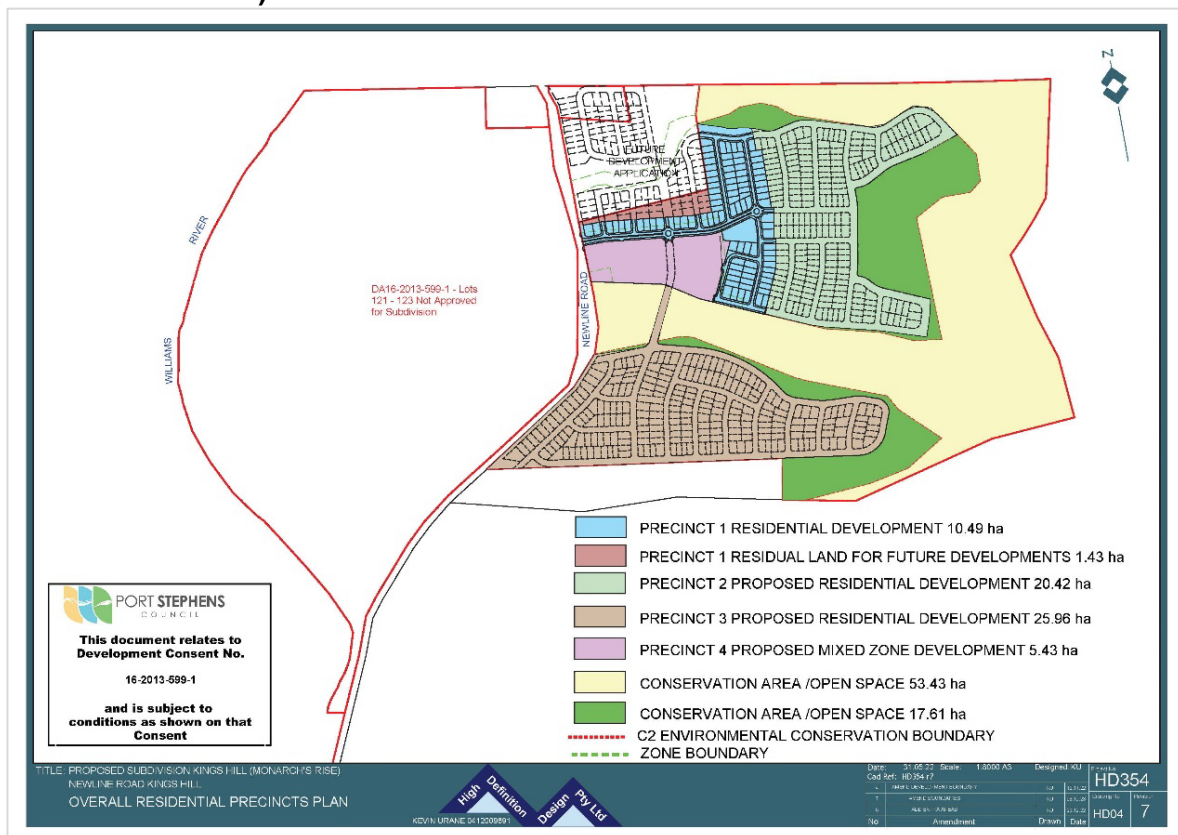
The first stage of the Monarch's Rise residential development was approved by Port Stephens Council on 8 July 2024 under DA16-2013-599-1 (**Figure 1**). The approved development provided consent for:

Staged Development - Two (2) into 97 Lot Torrens title subdivision including vegetation works, clearing, park, earthworks, roads, landscaping, associated subdivision works and infrastructure.

As shown in **Figure 1**, Monarch's Rise is split into four (4) precincts over which development will be staged. The proposed planning proposal applies to the area of the site known as Precinct 1 and Precinct 4.

Through the assessment of the development application (DA), a substantial portion of developable area was agreed to be retained for conservation purposes and left undeveloped. This land, zoned R2 Low Density Residential, totals 17.61ha in area and is shown shaded dark green in **Figure 1**. This outcome resulted from consultation with Council and sought to avoid a significant impact on biodiversity from the proposed subdivision.

Figure 1– Overall Residential Precinct Plan (from Approved Subdivision Plan DA16-2013-599-1)



The subdivision plan, approved under DA13-2013-599-1 resulted in a number of lots containing a split zoning, being both within Zone R2 Low Density Residential and Zone MU1 Mixed Use. A key objective of this Planning Proposal is to re-align Zone MU1 with the approved lot layout.

The Monarch's Rise Planning Proposal (the Planning Proposal) aims to:

- Align the MU1 Mixed Use zone with the lot layout envisioned under the Concept Masterplan and DA Approval (DA16-2013-599-1); as seen in **Figure 2**;
- Extend the MU1 Mixed Use zone over land (about 2,300m²) currently zoned C2 Environmental Conservation, as seen in **Figure 2**; and
- Reduce the minimum lot size for residential subdivision in Zone MU1 Mixed Use from 400m² to 300m², to achieve greater housing diversity in and around the neighbourhood centre and park as seen in **Figure 3**; and
- Amend the height of building map that aligns the existing MU1 Zone height limit of 15m, and the R1 General Residential Zone height limit of 9m, with proposed zoning layout, as seen in **Figure 4**.

An indicative subdivision plan for the area of land to which this proposed Planning Proposal relates is shown in **Figure 5**.

Figure 2– Current and Proposed Land Zoning Map

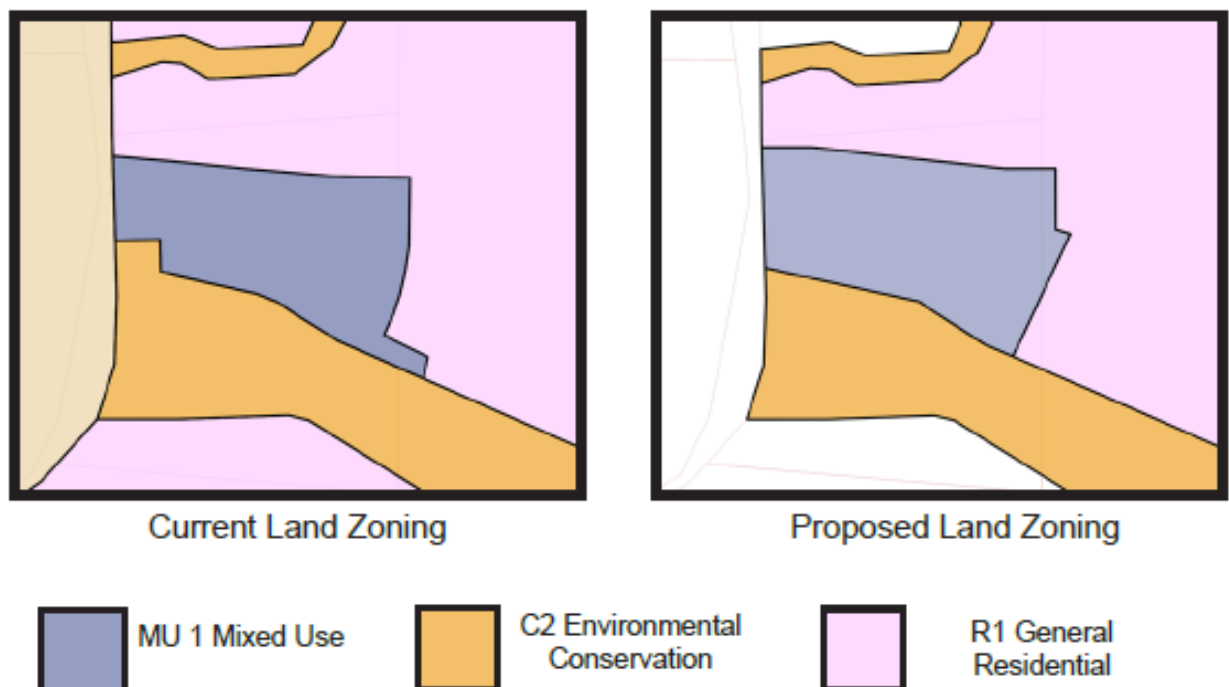


Figure 3– Current and Proposed Minimum Lot Size Map

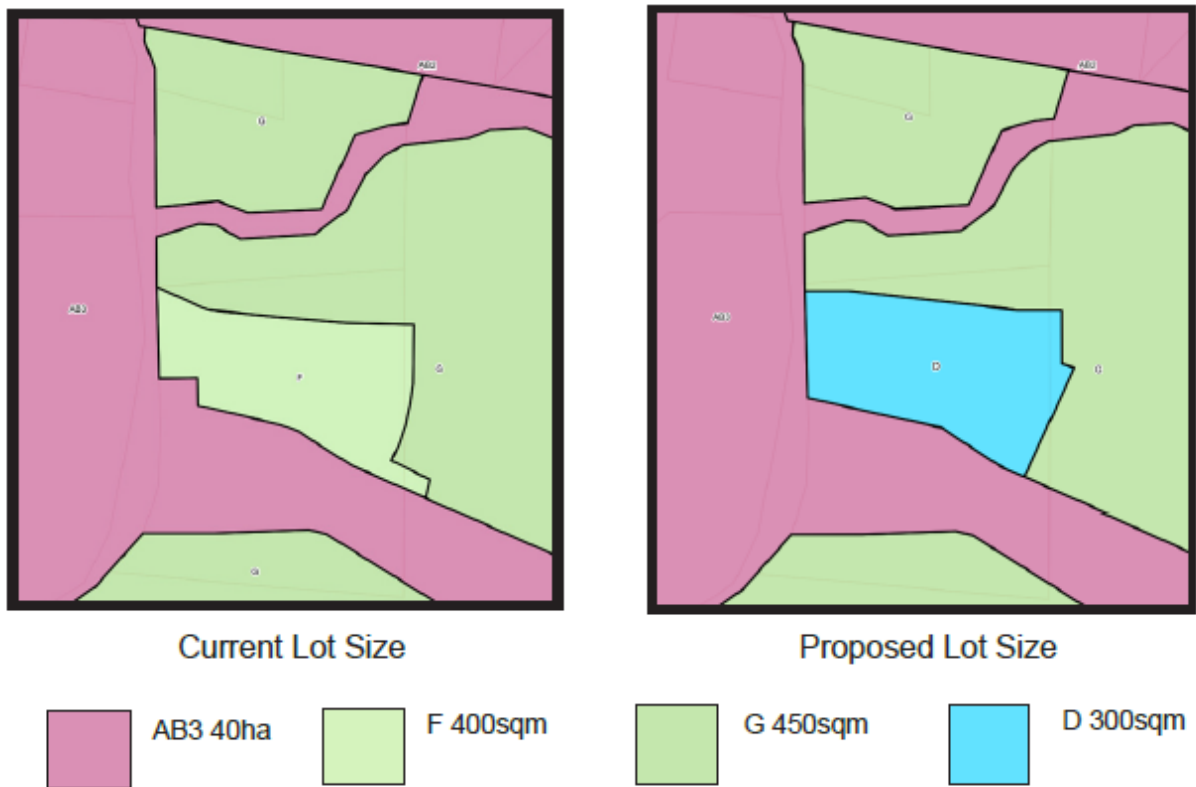


Figure 4– Current and Proposed Height of Building Map



Figure 5– Mixed Use Indicative Subdivision Plan (from Highview Partners)



SITE

Regional Context

The subject site is situated in the suburb of Raymond Terrace, within the Port Stephens Council Local Government Area (LGA), and is located approximately 24km north of Newcastle, and 5km north of the centre of Raymond Terrace.

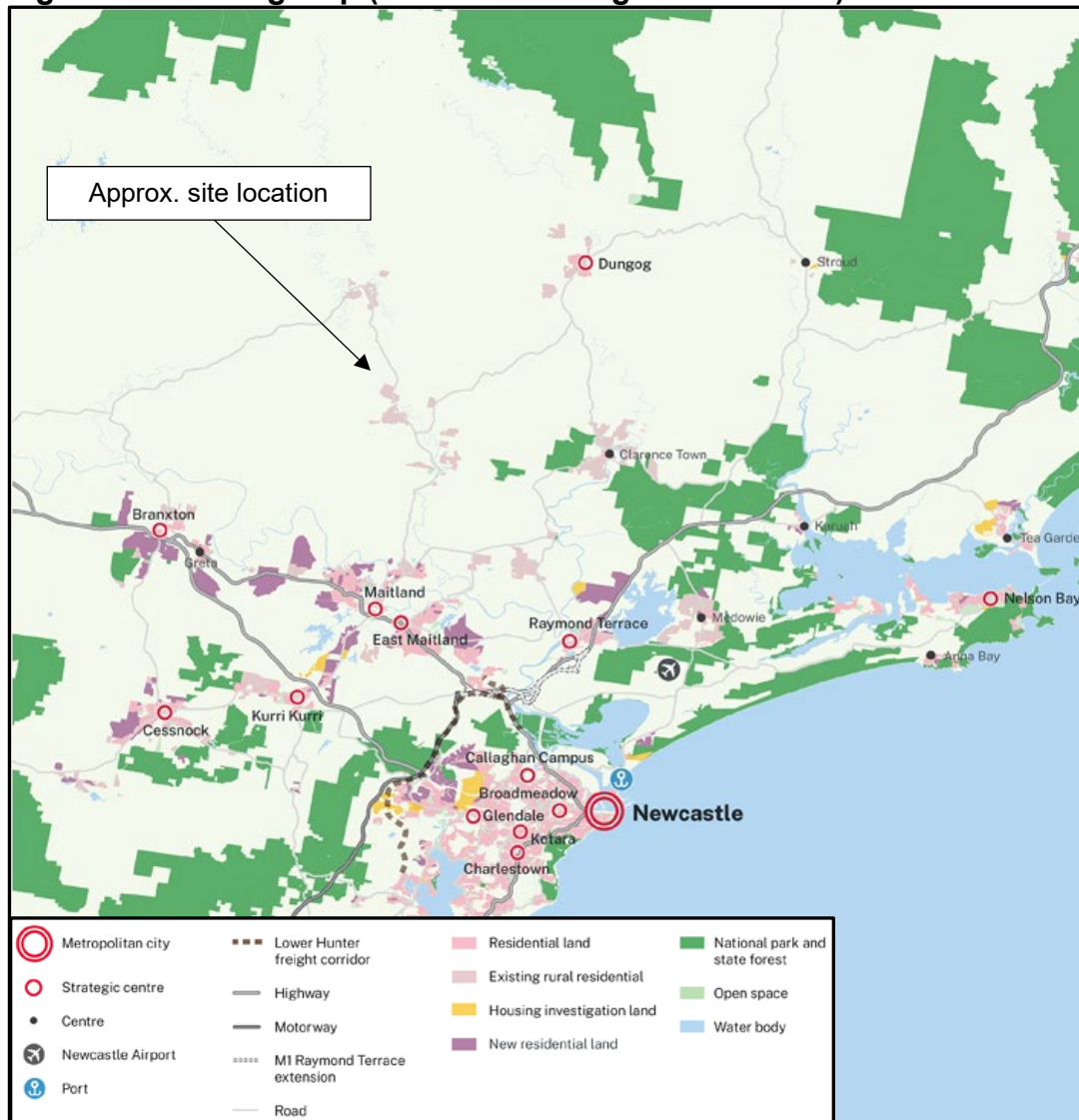
Figure 6 shows the site in its broader regional context.

The site is identified within the Hunter Regional Plan 2041 (HRP) in the vicinity of a housing investigation area. As shown in **Figure 7**, the HRP identifies the locality as 'new residential land'.

Figure 6– Regional Context Map (from SixMaps)



Figure 7– Housing Map (from Hunter Region Plan 2041)



Local Context

The site is situated within Monarch's Rise, part of a planned community within the suburb of Kings Hill in Port Stephens.

The surrounding area is predominantly rural-residential and agricultural land, however, the site itself lies within the designated Kings Hill Urban Release Area. This area is envisioned to be progressively redeveloped to accommodate a diverse range of low-density dwelling types, catering to anticipated growth and varied household demographics.

Kings Hill is a strategic location, positioned between the Pacific Highway and Newline Road, providing excellent access to Newcastle and Sydney to the south, as well as northern NSW and southern QLD to the north. The site itself is situated on the banks of the Williams River and is bisected by Newline Road.

The proposed development of Kings Hill will result in the creation of a residential community, complemented by small-scale retail and service centres to cater to the

daily needs of residents. Upon completion, Kings Hill is expected to comprise approximately 3,500 dwellings.

Site Description

The subject site, located at 587 Newline Road, Raymond Terrace, comprises two (2) lots:

- Part Lot 2 of DP 37430; and
- Part Lot 32 of DP554875.

The site itself is irregularly shaped, spanning approximately 219.49ha, with dual frontages along Newline Road totalling around 1,750m. The site is fragmented into two parcels of land on either side of Newline Road and remains undeveloped.

In terms of surrounding land uses, the site is adjacent to:

- RU2 Rural Landscape and RU1 Primary Production zones to the north;
- The Williams River (zoned W1 Natural Waterways) to the west; and
- C2 Environmental Conservation zones to the south and east.

The figures below depict the location of the Planning Proposal and the properties subject to the Planning Proposal.

Figure 8– Monarch’s Rise – Kings Hill (land subject of this Planning Proposal is shown in orange)

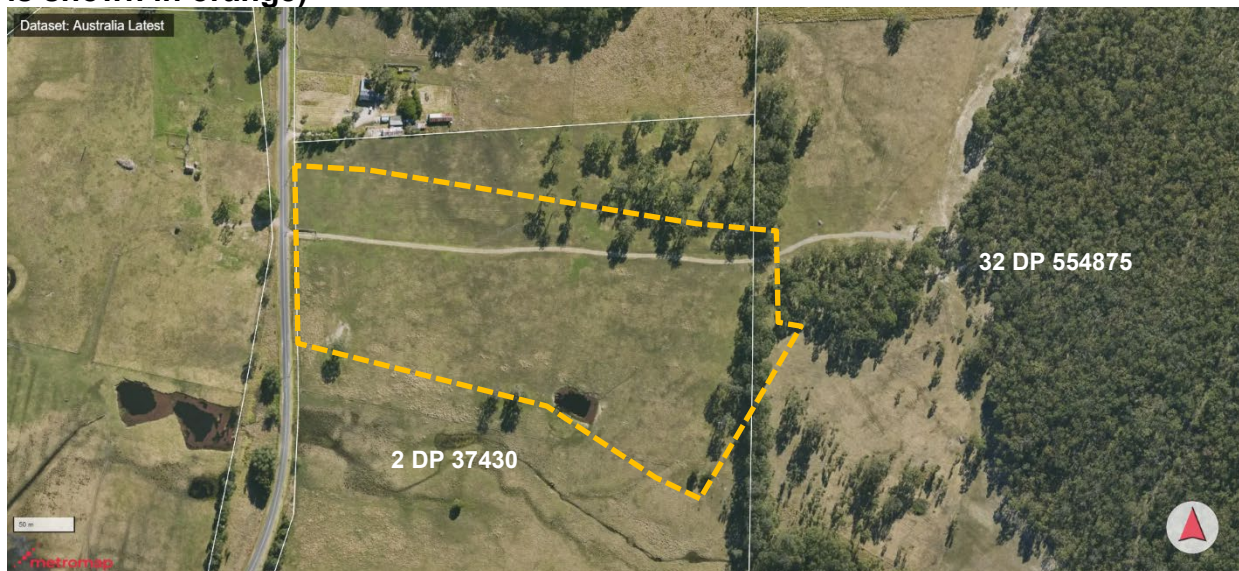


Figure 9– Monarch’s Rise – Kings Hill (lots subject of this Planning Proposal are shown in black with subject land outlined in orange)



PART 1 – Objectives or intended outcomes

The purpose of the Planning Proposal is to amend the *Port Stephens Local Environmental Plan 2013* (LEP 2013) to facilitate the continued supply of orderly housing development in the Kings Hill Urban Release Area. Specifically, the Planning Proposal seeks to amend LEP 2013 by:

- Aligning the MU1 Mixed Use Zone map boundary to be consistent with the lot layout approved under the Concept Masterplan DA Approval (DA16-2013-599-1);
- Extending the MU1 Mixed Use zone map boundary over land currently zoned C2 Environmental Conservation to align with the lot layout approved under the Concept Masterplan DA Approval (DA16-2013-599-1);
- Amending the Lot Size Map to be consistent with the amended zone boundaries
- Reducing the minimum lot size within the MU1 Mixed Use zone for the site from 400m² to 300m²; and
- Applying a consistent height of building limit of 15m within the MU1 Mixed Use zone and 9m within the R1 General Residential zone for the site.

The outcomes of these changes to the LEP 2013 will:

- Ensure that residential allotments within Monarch's Rise are provided with a singular land use zone and height of building, resolving the current situation in which some residential lots approved under DA16-2013-599-1 are subject to two zonings and two maximum heights.
- Allow development to extend onto an area of land that was previously protected from development due to assumed flooding concerns which have since been resolved.

It should be noted that although this would slightly reduce the area of land zoned for conservation purposes by 2,300m², this is in effect already approved for vegetation removal by DA16-2013-599-1 within which a substantial area (17.61ha) of land zoned R2 Low Density Residential was set aside for conservation purposes.

- Responding to market demand by providing for smaller lot housing outcomes in the MU1 Mixed Use zone of the future subdivision, which will contribute towards achieving housing diversity and ensure greater densities of housing are provided in well-located areas.

An indicative plan showing the development outcomes which are intended for the site is illustrated in **Figure 5** (page 7).

PART 2 – Explanation of provisions

The objectives of the Planning Proposal will be achieved by the following amendments to the LEP 2013:

- Amend the Land Zoning Map by:
 - Extending the MU1 Mixed Use Zone boundary by approximately 50 meters north on part of Lot 2 DP 37430.
 - Reducing the MU1 Mixed Use Zone boundary by varying distances at the eastern zone boundary on part of Lot 2 DP 37430 and part of Lot 32 DP554875; and
 - Reducing the amount of land zoned C2 Environmental Conservation on part of Lot 2 DP 37430 at its western boundary by approximately 2,300m².
- Amend the Lot Size Map to reduce the minimum lot size within the MU1 Mixed Use zone from 400m² to 300m² as it applies to part of Lot 2 DP 37430 and part of Lot 32 DP554875.
- Amend the Height of Building Map to apply a maximum height limit of 15m within the corresponding MU1 Mixed Use zone and a maximum height limit of 9m within the corresponding R1 General Residential zone as it applies to part of Lot 2 DP 37430 and part of Lot 32 DP554875.

Figure 10, 11 and 12 identify the proposed changes to the LEP 2013.

Figure 10– Proposed Land Zoning Map

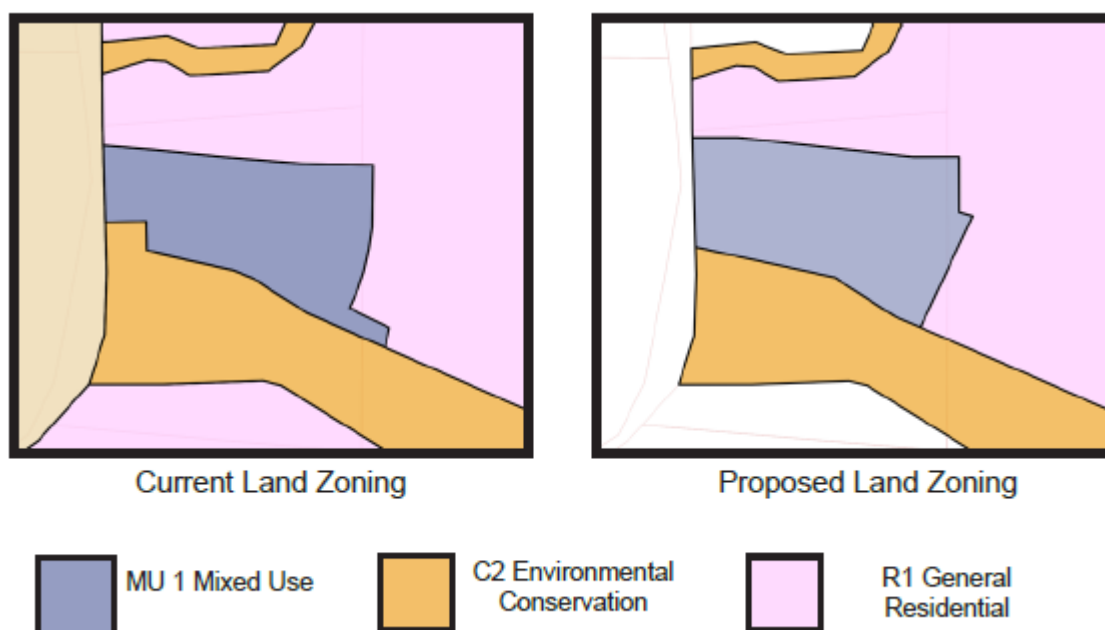


Figure 11– Proposed Minimum Lot Size Map

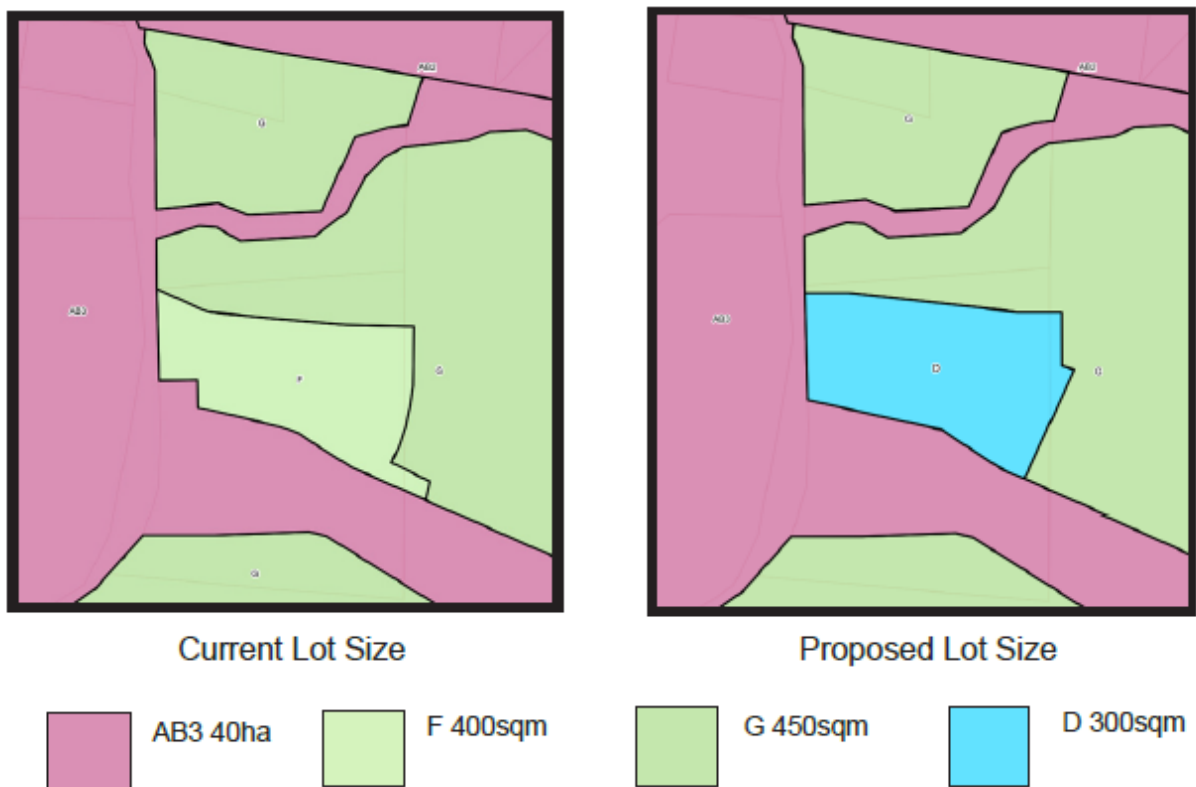


Figure 12 – Proposed Height of Building Map



PART 3 – Justification of strategic merit and site specific merit

Strategic merit

Section A – Need for the Planning Proposal

Q1. Is the Planning Proposal a result of an endorsed LSPS, strategic study or report?

Yes. The original Planning Proposal for the Kings Hill Urban Release Area (URA) was the result of the identification in the following strategic plans:

- Lower Hunter Regional Plan 2006, and
- Port Stephens Planning Strategy 2011

The Lower Hunter Regional Plan 2006 was endorsed by the then Minister for Planning, the Honourable, Frank Sartor, MP. This led to the land being rezoned for a mixture of development and conservation purposes through the Port Stephens Local Environmental Plan (Kings Hill, North Raymond Terrace) 2010, which was then replaced by the comprehensive Port Stephens Local Environmental Plan 2013.

The strategic merit of the site for a mixture of development and conservation purposes has been consistently reinforced by subsequent strategic plans, including the Department of Planning funded and Council developed Raymond Terrace and Heatherbrae Strategy 2015 (the Strategy).

The Planning Proposal aligns with Delivery Actions 25 and 15 of the Strategy by creating small lots which increases housing diversity and density.

Additionally, the Planning Proposal provides diverse housing choices for the people in Raymond Terrace and the surrounding areas within proximity of employment opportunities. This is consistent with the strategies and objectives of the HRP 2041, Greater Newcastle Metropolitan Plan 2036, the Port Stephens Local Strategic Planning Statement (LSPS) and Local Housing Strategy (LHS). Consistency with these documents is outlined further within this report.

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

Yes. Consideration has been given to utilising existing mechanisms within the LEP 2013 to achieve the desired outcomes of the Planning Proposal. Specifically:

- Clause 5.3 (development near zone boundaries) may permit development which is permissible in the MU1 zone to be undertaken on lots that do not align with the Concept Masterplan and DA Approval (DA16-2013-599-1).
- Additionally, Clause 4.6 (Exceptions to development standards) could facilitate variations to the minimum lot size, reducing it from 400m² to 300sqmm² in future subdivision applications.

Relying on these clauses would result in a complex and inconsistent planning framework and provide no certainty to the outcomes for the landowner, compromising long-term planning outcomes. As such, they are not considered viable long-term alternatives to a Planning Proposal.

The desired outcomes to extend the MU1 Mixed Use zone over land adjoining Newline Road cannot be accomplished through existing statutory mechanisms, making a Planning Proposal the only viable option to achieve the intended objectives at the site.

Section B – Relationship to strategic planning framework

The Department of Planning, Housing and Infrastructure's (DPHI) Planning Circular (PS 16-004) notes that a key factor in determining whether a proposal should proceed to Gateway determination should be its strategic and site-specific merit.

The Planning Proposal is considered to meet these tests as outlined in the following sections.

Does the proposal have strategic merit?

The strengthened strategic merit test criteria requires that a Planning Proposal demonstrate strategic merit against at least one of the following three criteria:

1. Give effect to the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, and/or corridor/precinct plans applying to the site. This includes any draft regional, district or corridor/precinct plans released for public comment or a place strategy for a strategic precinct including any draft place strategy; or
2. Demonstrate consistency with the relevant LSPS or strategy that has been endorsed by the Department or required as part of a regional or district plan; or
3. Respond to a change in circumstances that has not been recognised by the existing planning framework.

As described in the subsequent sections, the Planning Proposal demonstrates strategic merit against the first two criteria, in that:

1. The Planning Proposal will give effect to the Hunter Regional Plan 2041 and the Greater Newcastle Metropolitan Plan 2036 as outlined in Q3 below; and
2. The Planning Proposal is consistent with the intent of the Port Stephens LSPS (2020), supporting Raymond Terrace's growth, addressing population and employment needs, and enhancing housing diversity in the LGA as well as being consistent with the Port Stephens LHS and Housing Supply Plan by contributing to a diverse range of housing and increasing housing affordability through the provision of smaller lots.

Detailed discussion regarding these items is provided in the following sections.

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

Yes. The Planning Proposal will give effect to the strategies and actions of the applicable objectives and priorities detailed in the HRP 2041 and the Greater Newcastle Metropolitan Plan 2036 (GNMP), as outlined below.

Hunter Regional Plan 2041

The HRP applies to LGAs within the Hunter Region including the Port Stephens LGA. The Planning Proposal is consistent with the broad intent of the HRP as follows.

Objective 3 of the HRP sets a goal of creating 15-minute neighbourhoods, where residents can live, work, and access daily needs without relying on personal vehicles. By aligning the MU1 zone with the approved subdivision plan and reducing the minimum lot size, the proposal streamlines the planning pathway for greater housing supply in this location. This increase in density around the neighbourhood centre, which will provide a range of services in the future once fully developed, will facilitate 15-minute neighbourhoods by locating more residents in close proximity to their day-to-day needs and promoting a vibrant, walkable community.

Greater Newcastle Metropolitan Plan 2036

The GNMP applies to parts of the Port Stephens LGA, including Raymond Terrace, identifying it as a hub for local housing and job opportunities. Strategy 9 of the GNMP positions Raymond Terrace as an emerging city centre, providing convenient job access and diverse economic activity.

This Planning Proposal is consistent with the GNMP, delivering housing close to job opportunities and contributing to housing targets, supporting the vision for Raymond Terrace as a thriving community.

Q4. Is the Planning Proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Yes. The Planning Proposal is consistent with the LSPS and LHS as outlined below.

Port Stephens Local Strategic Planning Statement (2020)

The Port Stephens LSPS outlines a 20-year vision for Port Stephens, prioritising social, economic, and environmental goals. The LSPS identifies Raymond Terrace as a regionally significant strategic centre and emphasises supporting its growth through Planning Priority 1. The Planning Proposal is consistent in this regard as it will support growth within the broader Raymond Terrace area.

Planning Priority 4 aims to ensure suitable land supply by utilising existing and future residential areas, such as Fern Bay, Kings Hill, and Medowie, to provide housing options within 30 minutes of major employment centres in Williamstown, Maitland, Broadmeadow,

and Newcastle City Centre. The Planning Proposal is consistent with this Planning Priority as it will contribute towards more varied housing options in the future residential area of Kings Hill, via a reduction in minimum lot sizes in the Mixed Use zone of the Monarch's Hill estate.

Planning Priority 5 promotes housing diversity, which this Planning Proposal achieves by offering a new estate with higher densities, small lots, and varied housing types, sizes, tenures, and price points.

Port Stephens Local Housing Strategy

The Port Stephens LHS, adopted on 25 June 2024, outlines a clear vision for future housing growth in the LGA. The LHS responds to pressing housing supply challenges by incorporating recent policy developments, including the Australian Government's Housing Australia Future Fund and National Housing Accord, as well as initiatives from the NSW Housing Strategy 2041 and the HRP.

The strategy's key objectives are to promote housing diversity, affordability, and supply. The strategy provides a framework for land-use planning, emphasising the development of townhouses and apartments near town centres. This approach aims to create vibrant, connected communities with access to public transport, health services, education, and employment opportunities.

The urban release areas targeted for growth are Kings Hill, Raymond Terrace, Medowie, and Karuah. These areas will benefit from increased growth, driving future investment and upgrades in Port Stephens, including improved public transport and connections to strategic centres in Greater Newcastle.

Within the Port Stephens Local Housing Strategy, it states that the 'Housing vision' is:

"that in 2041, Port Stephens will offer homes in diverse neighbourhoods and centres that enable people to live close to work, raise their families in healthy neighbourhoods, surrounded by picturesque landscapes, or enjoy retirement in active communities. People will be able to age in place, allowing them the flexibility of the housing types that suit their stage of life, and ability to retain connection to their community throughout their lifetime. New and existing residents will be spoilt for choice when it comes to choosing their dream home. Local centres will be the hub of community life and provide spaces for people to gather, play, celebrate and explore. Our natural and cultural heritage will help shape our places and can be seen in the local character of our neighbourhoods and centres...."

A mixture of housing types and densities will be on offer within established and new areas to cater for the changing needs of all...

Raymond Terrace will be an attractive, affordable and vibrant centre with homes for people seeking shorter work commutes to Heatherbrae, Williamtown, and Tomago, as well as easy access to other centres in Greater Newcastle."

The Planning Proposal is aligned with this housing vision.

The Port Stephens Local Housing Strategy contains 23 actions. Action 16, encourages the provision of small lot housing to achieve more efficient and sustainable development outcomes in urban release areas. The Planning Proposal aligns with this action by reducing the minimum lot size across the Planning Proposal area, facilitating small lot housing.

The following table illustrates the Planning Proposal's consistency with the relevant outcomes and priorities of the LHS.

Priority		Planning Proposal Consistency
Outcome 1 Ensure suitable land supply		
1.1 Ensure adequate supply of new housing	Existing and future residential areas, such as Karuah, Fern Bay, Kings Hill, and Medowie can provide affordable options for people looking for a relaxed lifestyle less than 30 minutes from major employment areas in Williamstown, Tomago, Maitland, Broadmeadow, and the Newcastle City centre.	<p>The Planning Proposal increases housing supply and density in the Kings Hill area.</p> <p>The Planning Proposal will provide affordable lifestyle options for residents with easy access to major employment hubs in Williamstown, Tomago, Maitland, Broadmeadow, and Newcastle City centre, all within a 30-minute commute.</p>
	The Housing Supply Plan has been developed to map areas that have potential for infill or greenfield development and demonstrate the pipeline of development that is needed to meet our communities' future housing needs.	The Housing Supply Plan is addressed in the following section of this report.
Outcomes 2 Improve housing affordability		
2.1 Respond to housing stress	Opportunities to improve housing affordability in Port Stephens may be directed towards these housing preferences by aiming to increase the supply of smaller lots as well as lower-cost dwellings, including duplexes or townhouses.	The Planning Proposal enhances housing affordability by enabling smaller lot sizes, which in turn will make homeownership more accessible to a wider range of people.
2.2 Provide more affordable housing near jobs	Port Stephens work in employment centres in parts of Greater Newcastle such as Maitland and Newcastle. To provide housing options near jobs, housing supply should be focused within centres that have convenient links to major employment areas, such as Raymond Terrace, Medowie, Fullerton Cove and Fern Bay	The Planning Proposal will increase housing supply and diversity in Raymond Terrace and enhances proximity to employment opportunities.

Priority		Planning Proposal Consistency
	<p>The top employment sectors in Port Stephens are public administration (including Defence), manufacturing, and construction. These types of jobs are closely linked to the major employment hubs of Raymond Terrace, Tomago, Williamtown and Heatherbrae.</p> <p>Providing diverse housing types closer to jobs can boost productivity by reducing the cost of infrastructure, assisting local businesses in securing a workforce, and providing a resident population to the Port Stephens economy.</p>	
Outcome 3 Increase diversity of housing choice		
3.2 Encourage a range of housing types and sizes	To align with the HRP 2041, Council will seek opportunities to increase densities in new housing areas. This will require areas being designed to accommodate small lot housing or multi dwelling housing. Small lot housing typically refers to homes specifically designed for smaller lot sizes, generally between 200 to 450m ² .	<p>The Planning Proposal promotes increased density in the Kings Hill housing area through a reduction in minimum lot size.</p> <p>Specifically, the Planning Proposal proposes to decrease the minimum lot size of the MU1 Mixed Use zone from 400sqm to 300sqm.</p>
3.3 Enable better planning for diverse lifestyles	Small lot housing offering those who want to downsize more convenient living or more affordable housing.	

Housing Supply Plan

The Housing Supply Plan (HSP) is a crucial component of Council's response to the current housing crisis. It builds upon the strategic framework established by the LSPS and the LHS, outlining how Council will facilitate housing provision to meet the needs of Port Stephens' growing community.

Housing Density

To maximise available housing areas and offer a broader range of dwelling types, there is a recognized need to increase densities. This aligns with the objectives of the HRP which advocates for varied densities based on locational criteria.

The HSP uses these nominated densities as a guide to forecast precinct potential. The Kings Hill Urban Growth Area has been identified with a desired density category for as “General Suburban” targeting 15 dwellings per hectare (dw/ha).

The proposed reduction in the minimum lot size from 400 to 300sqm is forecast to enable an additional 50 dwellings within the Zone MU1 – Mixed Use, which means the overall Gross Developable Area (GDA) will increase from 4 to 5 dwellings per hectare (d/ha) and the Net Developable Area (NDA) will increase from 7 to 8 d/ha. This is consistent with the density of other URAs in the Lower Hunter. The shortfall against the 15 dwellings per hectare target is largely reflective of the following two key factors:

1. Market – The SGS Economics & Planning, October 2019, Housing Preferences in Port Stephens Report identified that over 70% of people preferred to live in a separate house, being a detached home with a backyard (p.6), and
2. Biodiversity – Recent determinations handed down by the NSW Land and Environment Court – Planners North v Ballina Shire Council -- have meant that land avoided and placed in an environmental zone at the rezoning stage cannot be considered as avoidance at the Development Application stage.

In turn, 17.61ha, zoned R2 Residential, has been put aside for conservation purposes and will remain undeveloped. This land has the potential for 200 lots, which would have raised the GDA to 6d/ha and the NDA to 10d/ha.

The Urban Development Institute of Australia (UDIA) and other industry groups that are active in the Hunter Region have continually reinforced to Government the unrealistic nature of density targets exceeding 15d/ha in Hunter URAs within the lifetime of the HRP and Greater Newcastle Metropolitan Plan. This URA, which is the only major URA for Port Stephens reinforces this point. This planning proposal is an attempt to achieve greater density and diversity to move closer to the desired targets.

Q5. Is the Planning Proposal consistent with any other applicable State and regional studies or strategies?

Housing 2041

The New South Wales Government launched Housing 2041 in March 2021, a comprehensive 20-year vision for the State's housing future. This strategic plan prioritises delivering better housing outcomes by 2041, focusing on housing in suitable locations, diverse housing options, and homes that meet the needs of individuals and communities.

The Housing 2041 vision is built around four interconnected pillars: supply, diversity, affordability, and resilience. These pillars prioritise delivering housing in the right location at the right time, providing diverse housing options, ensuring housing is affordable and secure, and creating enduring and resilient housing adaptable to natural and social change.

This Planning Proposal aligns with Housing 2041 by supporting three of its four pillars. It does this by increasing housing supply in an area already designated for housing,

offering increased diversity through small lot creation, and supporting housing affordability through smaller lots and increased supply.

Q6. Is the Planning Proposal consistent with applicable SEPPs?

An assessment of the relevant applicable SEPPs against the Planning Proposal is provided in the table below.

Table 1 – Relevant State Environmental Planning Policies

SEPP	Consistency and Implications
SEPP (Housing) 2021	
The objective of SEPP (Housing) 2021 is to enable the development of diverse housing types, to encourage housing that will meet the needs of more vulnerable members of the community, to promote the planning and delivery of housing in locations to make use of existing and planned infrastructure, to minimise adverse climate and environmental impacts of new housing development, to support short-term rental accommodation as a home-sharing activity while managing the social and environmental impacts from this use, and to mitigate the loss of existing affordable rental housing.	The Planning Proposal would not contradict or compromise any of the relevant provisions of the Housing SEPP.
SEPP (Resilience and Hazards) 2021	
Chapter 4 Remediation of Land 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.	Land contamination has been dealt with in previous Planning Proposals for the site and it has been determined that development is suitable for the site. Furthermore, the provisions of Chapter 4 will be further considered at the development application (DA) stage. The Planning Proposal is therefore considered to be consistent with this SEPP.
SEPP (Transport and Infrastructure) 2021	
Chapter 2 Infrastructure Provides a consistent approach for infrastructure and the provision of services across NSW, and to support greater efficiency in the location of infrastructure and service facilities.	The proposed additional residential land and reduction in minimum lot size will not increase the number of traffic movements in the area beyond what was assessed and considered appropriate when the Monarch Rise land was released. The GHD, April 2019, Port Stephens Council Kings Hills Residential Lands

	<p>Rezoning Updated Traffic and Transport Study was based on a proposed development of 3,810 dwellings (p.39).</p> <p>In relation to land owned and to be developed by McCloy Kings Hill Pty Ltd, the land zoned R1 – General Residential had the potential to provide for 900 residential lots.</p> <p>However, the need to avoid land identified as preferred koala habitat on land zoned R1 – General Residential within the Notice of Determination (DA 16-2013-599-1) has resulted in a reduction of 200 residential lots. Because of this, the theoretical increase of 50 lots due to a reduced minimum lot size of 300sqm is already accounted for in planning for the URA.</p> <p>The Planning Proposal is therefore considered to be consistent with this SEPP.</p>
SEPP (Biodiversity and Conservation) 2021	
<p>Chapter 2 Vegetation in non-rural areas Aims to protect the biodiversity values of trees and other vegetation in non-rural areas of NSW and preserve the amenity of such areas through the preservation of trees and other vegetation.</p>	<p>The Planning Proposal does not contain any provisions which undermine or conflict with the provisions of Chapter 2 of this SEPP. Any future development application on the site would be supported by the relevant technical reports should removal of any non-exempt trees be proposed.</p>
<p>Chapter 4 Koala habitat protection 2021 (Applies to all land in Port Stephens except that zoned RU1, RU2, or RU3) Aims to help reverse the decline of koala populations by ensuring koala habitat is carefully considered during the development assessment process, and to provide a process for councils to strategically manage koala habitat through the development of koala plans of management.</p>	<p>As outlined within the Ecological Values Letter (APPENDIX 2), the Planning Proposal is not expected to impact on any koala habitat and is therefore consistent with the aims chapter 4 of this SEPP.</p>

Q7. Is the Planning Proposal consistent with applicable Ministerial Directions (section 9.1 Directions)?

An assessment of relevant Ministerial Directions against the Planning Proposal is provided in the table below.

Table 2 – Relevant Ministerial Directions

Ministerial Direction	Consistency and Implications
1. PLANNING SYSTEMS	
1.1 Implementation of Regional Plans The objective of this direction is to give legal effect to the vision, land use strategy, goals, directions and actions contained in Regional Plans.	The Hunter Regional Plan 2041 and the Greater Newcastle Metropolitan Plan 2036 are both relevant to this Planning Proposal. As demonstrated in response to Q3, the Planning Proposal is consistent with both documents and therefore considered to be consistent with this direction.
1.4 Site Specific Provisions The objective of this direction is to discourage unnecessarily restrictive site-specific planning controls.	The Planning Proposal does not contain any unnecessarily restrictive site-specific planning controls.
3. BIODIVERSITY AND CONSERVATION	
3.1 Conservation Zones The objective of this direction is the protection and conservation of environmentally sensitive areas, by ensuring that Planning Proposals do not reduce the environmental protection standards applying to such land unless it is suitably justified by a relevant strategy or study or is of minor significance.	Direction 3.1 requires a Planning Proposal to include provisions relating to the protection and conservation of environmentally sensitive areas. EMM has prepared an Ecological Values letter provided as (APPENDIX 2). This letter provides details of biodiversity values present within the 2,300sqm of the site to be rezoned from C2 Environmental Conservation to MU1 Mixed Use zoning. The biodiversity impact assessment prepared for the DA Approval (DA16-2013-599-1) assessed this 2,300sqm as being part of the development footprint. Therefore, if rezoned, it is anticipated that no further biodiversity assessment or approvals under NSW legislation would be required. The Planning Proposal is therefore considered consistent with this direction.
3.2 Heritage Conservation The objective of this direction is to conserve items, areas, objects and	Heritage Now Pty Ltd conducted a Due Diligence Assessment (DD) to support the Planning Proposal (APPENDIX 4).

places of environmental heritage significance and Indigenous heritage significance.	<p>The DD concludes that no Aboriginal sites, objects, or potential archaeological deposits were identified within the site. Consequently, no Aboriginal cultural heritage impacts are anticipated from the proposed rezoning.</p> <p>To ensure the protection of Aboriginal cultural heritage, the recommendations have been provided under Q9 below.</p> <p>The Planning Proposal is consistent with this direction.</p>
4. RESILIENCE AND HAZARDS	
<p>4.1 Flooding</p> <p>The objectives of this direction are to ensure that development of flood prone land is consistent with the NSW Government's Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005, and that the provisions of an LEP on flood prone land is commensurate with flood hazard and includes consideration of the potential flood impacts both on and off the subject land.</p>	<p>Torrent Consulting was engaged to provide flood risk management advice (APPENDIX 3) in support of the proposed Planning Proposal, addressing Ministerial Direction 4.1.</p> <p>Torrent Consulting concluded that the Planning Proposal meets the requirements of Ministerial Direction 4.1 Flooding and effectively manages flood risk. The proposal is consistent with NSW flood policy and guidelines, and its implementation will not significantly increase flood impacts or require additional government spending on emergency management services.</p> <p>The Planning Proposal is therefore considered consistent with this direction.</p>
<p>4.3 Planning for Bushfire Protection</p> <p>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>	<p>Ministerial Direction 4.3 mandates that Planning Proposals in proximity to land mapped as bushfire prone land consider the Planning for Bushfire Protection (PBP) 2019 guidelines.</p> <p>To support the Planning Proposal, Bushfire Planning Australia (BPA) was commissioned to conduct a Strategic Bushfire Study (SBS) (APPENDIX 6). The SBS addresses Ministerial Direction 4.3 and aligns with the RFS Planning for Bushfire Protection Guidelines 2019.</p> <p>The SBS concludes that the Planning Proposal is suitable for the site, and bushfire risks can be effectively mitigated</p>

	<p>by implementing PBP 2019 requirements, including temporary and permanent Asset Protection Zones.</p> <p>Furthermore, the SBS demonstrates that the proposed amendments are minor and will not compromise compliance with PBP 2019 for new developments.</p> <p>The Planning Proposal is therefore considered consistent with this direction.</p>
<p>4.4 Remediation of Contaminated Land</p> <p>The objective of this direction is to reduce the risk of harm to human health and the environment by ensuring that contamination and remediation are considered by planning proposal authorities.</p>	<p>Land contamination has been dealt with in previous Planning Proposals for the site and it has been determined that development is suitable for the site. Furthermore, the provisions of Chapter 4 will be further considered at the development application (DA) stage.</p> <p>The Planning Proposal is therefore considered to be consistent with this direction.</p>
6. HOUSING	
<p>6.1 Residential Zones</p> <p>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>	<p>The proposal seeks to facilitate housing in a strategic location within an existing urban area with access to infrastructure and services. A minimum lot size of 300sqm is proposed to encourage a greater housing diversity and choice.</p> <p>The Planning Proposal is therefore considered consistent with this direction.</p>

Site-specific merit

Does the proposal have site-specific merit?

In addition to meeting at least one of the strategic merit criteria, a Planning Proposal is required to demonstrate site-specific merit against the criteria set out in the table below.

As demonstrated, the Planning Proposal demonstrates site-specific merit in relation to all criteria as set out below, with these matters described in further detail below.

Criteria	Response
<i>Does the proposal give regard and assess impacts to:</i>	
<i>the natural environment on the site to which the proposal relates and other</i>	The site has previously been deemed as suitable for a land use outcome generally in line with the intended objective of this Planning Proposal, being residential

Criteria	Response
<i>affected land (including known significant environmental areas, resources or hazards)</i>	<p>subdivision. The Planning Proposal is accompanied by relevant technical studies to assess its specific potential impacts, which includes:</p> <ul style="list-style-type: none"> • Ecological Values Letter (APPENDIX 2); • Flood Risk Management Advice (APPENDIX 3); • Heritage Due Diligence Report (APPENDIX 4); and • Strategic Bushfire Study (APPENDIX 6). <p>Additionally, the Planning Proposal has considered the social and economic, traffic, bushfire, Aboriginal heritage, flood and biodiversity effects within this report.</p> <p>Based on the information in these technical studies, the Planning Proposal is considered unlikely to discernibly impact on the natural environment because of the nature of the LEP amendment sought.</p>
<i>existing uses, approved uses, and likely future uses of land in the vicinity of the land to which the proposal relates</i>	<p>The Planning Proposal would have a negligible impact on existing, approved, and likely future uses of land in the vicinity of land to which it relates. The current land use framework already permits residential subdivision across the land, and the Planning Proposal simply intends to make minor adjustments to the permitted layout and density of such subdivision. These would be generally indiscernible from surrounding land.</p>
<i>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</i>	<p>Clause 7.6 of the LEP 2013 ensures that future development will have adequate services. This clause requires that development consent can only be granted if the consent authority (Council or private certifier) is satisfied that:</p> <ul style="list-style-type: none"> • Water supply is available or arranged. • Electricity supply is secured. • Sewage disposal and management are adequately addressed. • Stormwater drainage or on-site conservation measures are in place. • Suitable vehicular access is provided. <p>This provision guarantees that essential services will be available or arranged before development commences, ensuring a well-planned and serviced site.</p>

Section C – Environmental, social and economic impact

Q8. 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?

No. The Planning Proposal is unlikely to impact critical habitat, threatened species, populations, or ecological communities, or their habitats.

EMM has prepared an Ecological Values letter, which is provided as **APPENDIX 2**, in support of the Planning Proposal. The letter provides details of biodiversity values present within the 2,300sqm of the site proposed to be rezoned from Zone C2 Environmental Conservation to Zone MU1 Mixed Use. It is noted that a broader scale assessment of the lands has also occurred, which is also briefly discussed within the letter.

The area proposed for rezoning from C2 Environmental Conservation to MU1 Mixed Use (**Figure 13**) was previously mapped as "Derived Grassland" by Firebird in 2019. However, site observations suggest a more accurate classification as "Non-Native Grassland".

The area of Zone C2 proposed for rezoning does not appear on the Biodiversity Values Map (**Figure 14**). It contains a single Forest Red Gum (*Eucalyptus tereticornis*) at its southern boundary (**Figure 15**).

As part of the approved Monarch's Rise residential development, a significant area of 17.61ha, zoned R2 Residential, was set aside for conservation purposes and will remain undeveloped. The minor expansion of Zone MU1 Mixed Use by approximately 2,300sqm into Zone C2 Environmental Conservation is more than compensated by the substantial increase in conservation lands being protected under the parent subdivision.

As such, it is concluded that the Planning Proposal will not significantly impact local biodiversity.

Figure 13– Approximate location of land proposed to be rezoned Vegetation map (from Firebird 2019)

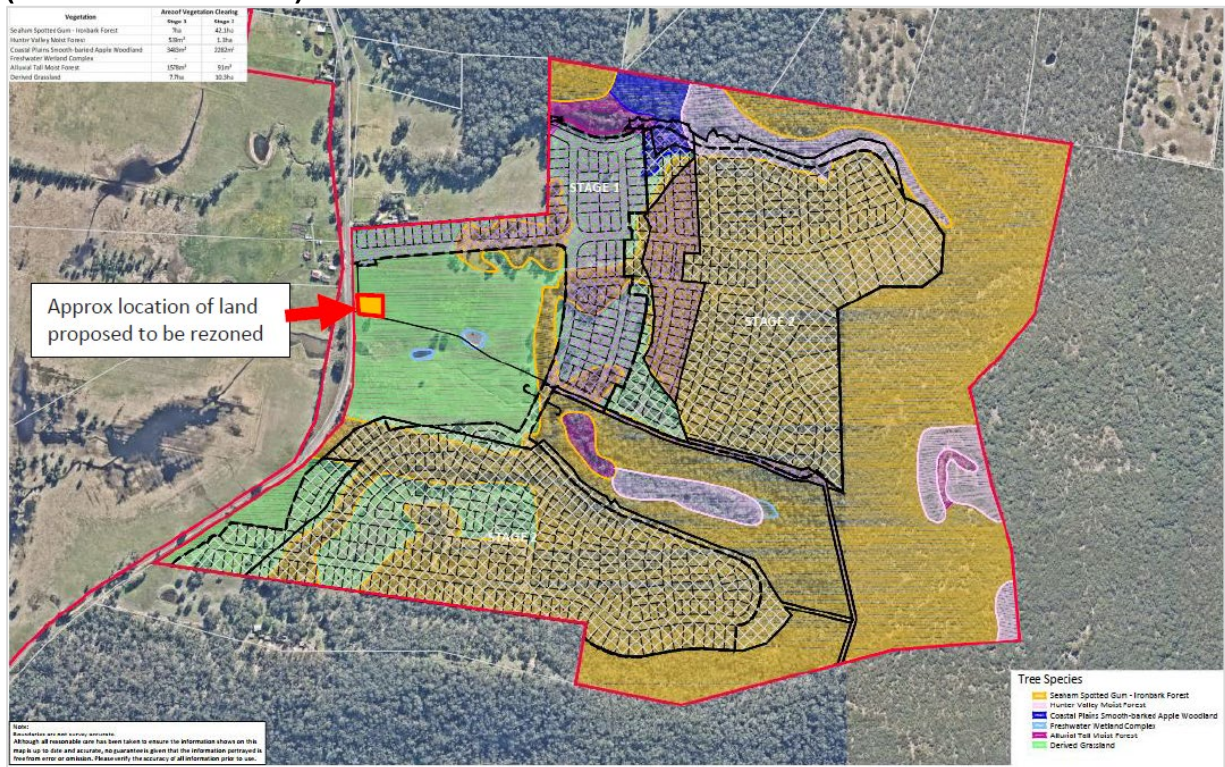


Figure 14– Biodiversity values mapping

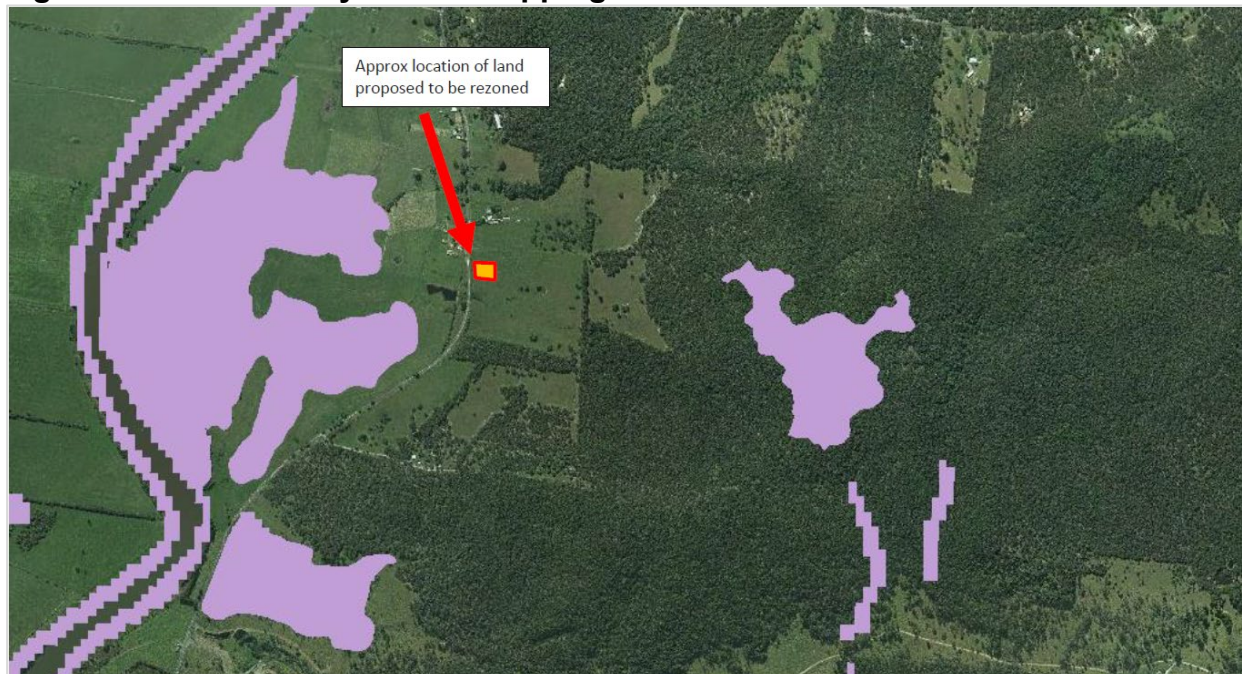


Figure 15– Photos of the area proposed to be rezoned from C2 to MU1, and the tree present at the southern boundary, a Forest Red Gum (*Eucalyptus tereticornis*)



Q9. Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?

Flooding

Torrent Consulting was engaged to provide flood risk management advice for the Planning Proposal (**APPENDIX 3**).

The advice notes that a Flood Risk Assessment (FRA) was prepared for the current DA approval which included detailed modelling and mapping of local catchment flooding conditions and mainstream Williams River flood inundation extents. The proposed Planning Proposal area is outside of the 1% Annual Exceedance Probability (AEP) Year 2100 planning horizon flood condition (**Figure 16**).

The Planning Proposal is consistent with the Ministerial Direction 4.1, ensuring consistency with NSW Flood Prone Land Policy and Flood Risk Management Manual: the management of flood liable land (2023) (as per the Planning Circular, Update on addressing flood risk in planning decisions, 2024). The Planning Proposal does not rezone land within the flood planning area and does not permit development in floodway areas or high hazard areas.

The Williams River Probable Maximum Flood (PMF) extent covers part of the lower portion of the Planning Proposal area. However, significant flood warning time is afforded to the site, and pedestrian and vehicular access to flood-free areas is readily available. The Planning Proposal effectively manages flood risk in accordance with relevant provisions.

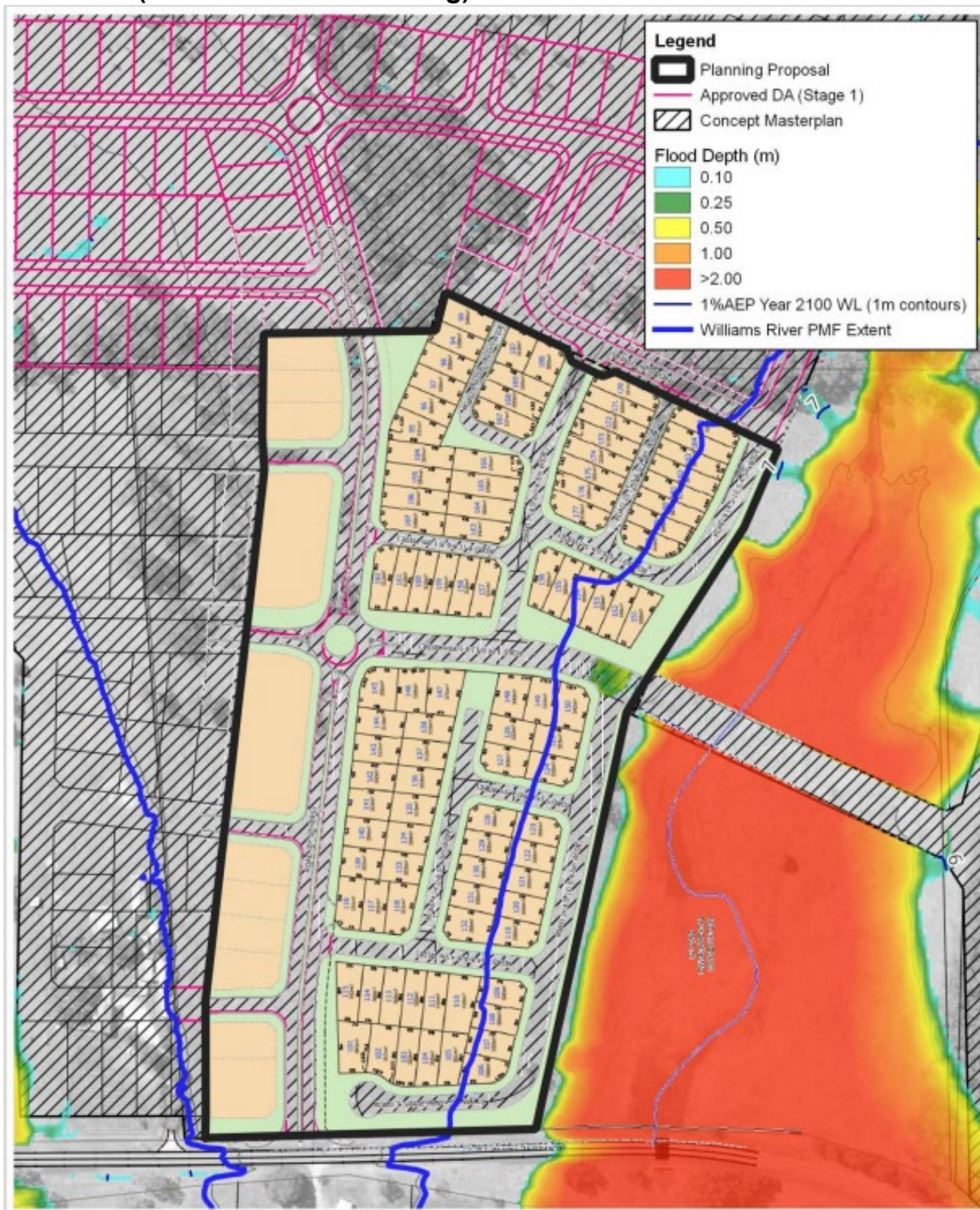
Torrent Consulting have concluded that the Planning Proposal meets the requirements of Ministerial Direction 4.1 Flooding and effectively manages flood risk. The proposal is consistent with NSW flood policy and guidelines, and its implementation will not significantly increase flood impacts or require additional government spending on emergency management services.

Aboriginal Heritage

Heritage Now Pty Ltd conducted a Due Diligence Assessment to support the Planning Proposal (**APPENDIX 4**). The assessment included a review of background information and a site inspection by heritage consultants and representatives from local Aboriginal groups. The Planning Proposal area, located on a low plain near water sources, was previously assessed as having low archaeological significance. No Aboriginal sites, objects, or potential archaeological deposits were identified, and no cultural heritage impacts are anticipated from the proposed development.

Historical land use analysis indicates past vegetation clearance and agricultural activities which have likely disturbed the soil profile. The visual inspection conducted on 15 October 2024 confirmed that the area has been subject to ground disturbance from activities such as the construction of a vehicle track, dam, and fencing, as well as livestock trampling. The inspection revealed minimal topsoil remaining and no evidence of Aboriginal artefacts. The area is also waterlogged and low-lying, making it an unlikely location for long-term Aboriginal occupation.

Figure 16– Indicative Mixed-Use Subdivision and Design 1% AEP Year 2100 Flood Condition (from Torrent Consulting)



The Due Diligence Assessment concluded that the Planning Proposal would not impact upon Aboriginal cultural heritage, and provides a series of recommendations to ensure compliance with the *National Parks and Wildlife Act 1974* which would be replicated into any future development consent.

Bushfire

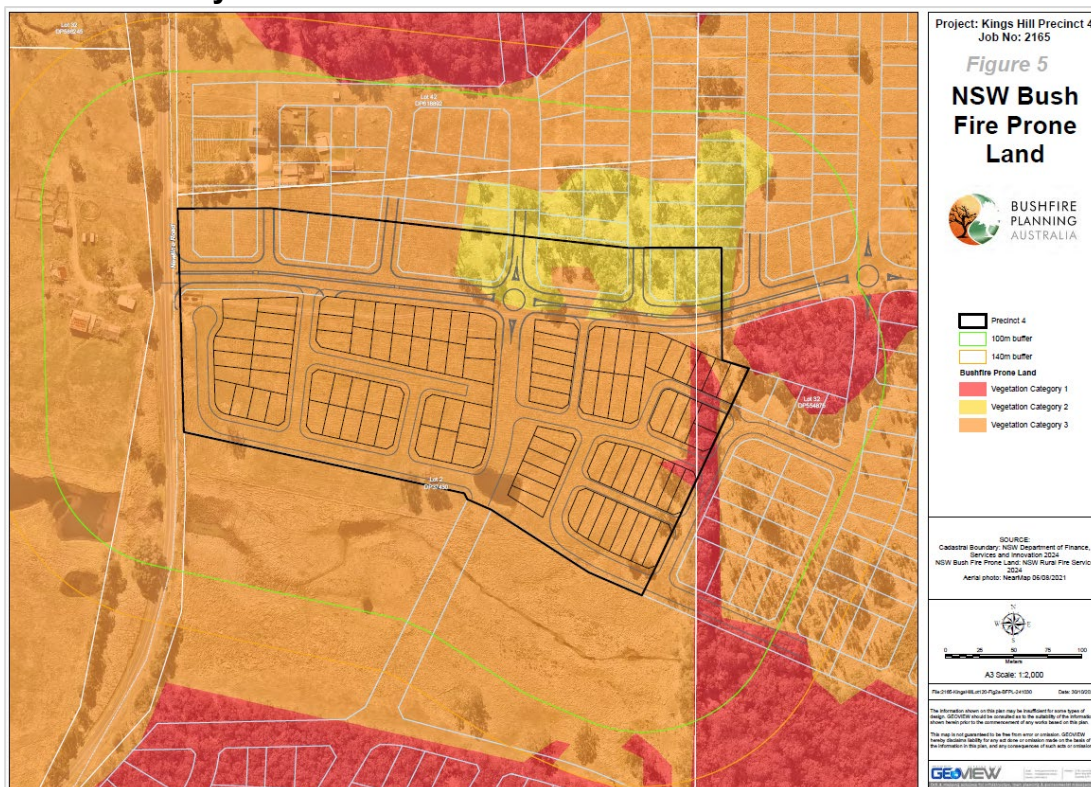
Bushfire Planning Australia prepared a Strategic Bushfire Study (SBS) to support the Planning Proposal and provide mitigation measures for Precinct 4 and part of Precinct 1 of Monarch's Rise.

The SBS includes a preliminary concept plan showing road layout and access overlaid on bushfire mapping. Shown in **Figure 17**, this indicates the entire subject site is mapped as Vegetation Category 2 bushfire prone land with the exception of a narrow corridor of Vegetation Category 1 bushfire prone land located to the east.

The SBS identifies the site as being subject to a high bushfire hazard, primarily from forest vegetation to the north and east, and grasslands to the north and south. The SBS recommends managing the entire site as an Inner Protection Area (IPA) and implementing a combination of temporary and permanent Asset Protection Zones (APZs) to mitigate the bushfire risk. A number of other recommendations are made which would be implemented through future subdivision applications, relating to access and egress, water supply, and landscaping and vegetation management.

The SBS concludes that the Planning Proposal is appropriate for the site, provided the recommended bushfire protection measures are implemented. These measures will help mitigate the bushfire risk and offer an acceptable level of protection to life and property. The SBS highlights the importance of ongoing management and maintenance of bushfire protection measures to ensure the safety of future residents and assets.

Figure 17– Bush Fire Prone Land (from Bushfire Planning Australia, Strategic Bushfire Study)



Traffic

The proposed additional residential land and reduction in minimum lot size will not increase the number of traffic movements in the area beyond what was assessed and considered appropriate when the Monarch Rise land was released.

The GHD, April 2019, Port Stephens Council Kings Hills Residential Lands Rezoning Updated Traffic and Transport Study was based on a proposed development of 3,810 dwellings (p.39).

In relation to land owned and to be developed by McCloy Kings Hill Pty Ltd, the land zoned R1 – General Residential had the potential to provide for 900 residential lots.

However, the need to avoid land identified as preferred koala habitat on land zoned R1 – General Residential within the Notice of Determination (DA 16-2013-599-1) has resulted in a reduction of 200 residential lots. Because of this, the theoretical increase of 50 lots due to a reduced minimum lot size of 300sqm is already accounted for in planning for the URA.

The Planning Proposal is therefore considered to have no traffic impacts.

Q10. Has the Planning Proposal adequately addressed any social and economic effects?

The proposal is expected to yield numerous positive social and economic outcomes by:

- Providing additional housing in convenient and well-located areas with easy access to nearby employment opportunities and goods and services;
- Providing greater housing diversity through the introduction of smaller lot sizes to the residential market, appealing to a wider range of family types and homeowners; and
- Contributing towards more affordable housing outcomes, with greater housing supply providing downward pressure on housing prices.

Section D – Infrastructure (Local, State and Commonwealth)

Q11. Is there adequate public infrastructure for the Planning Proposal?

Yes. The Planning Proposal would be supported by adequate public infrastructure. The site will be connected to the relevant services at the construction stage, which will be considered through future DAs in accordance with Clause 7.6 of the LEP 201

Section E – State and Commonwealth Interests

Q12. What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?

Consultation has been undertaken with the following State and Commonwealth agencies:

- Transport for NSW (TfNSW);
- Department of Climate Change, Energy, the Environment and Water (DCCEEW);
- NSW Rural Fire Service (NSW RFS); and
- Department of Planning, Housing and Infrastructure (DPHI).

None of the agencies consulted objected to the planning proposal. Comments raised by agencies will be, and are currently, being addressed at the development application stage.

PART 4 – Mapping

The Planning Proposal seeks to amend the following maps under the *Port Stephens Local Environmental Plan 2013* as shown in **Figure 18 – Figure 20** and **Appendix 1**:

- Amend the Land Zoning Map Sheet to reflect the shift in the MU1, C2 and R1 zone boundaries; and
- Amend the Minimum Lot Size Map Sheet to reflect the reduction in the minimum lot size control; and
- Amend the Height of Building Map Sheet to align and reflect the shift in the MU1, C2 and R1 zone boundaries.

Indicative mapping is shown in the below figures. Detailed mapping will be prepared before the Planning Proposal is finalised.

Figure 18 – Current and Proposed Land Zoning Map

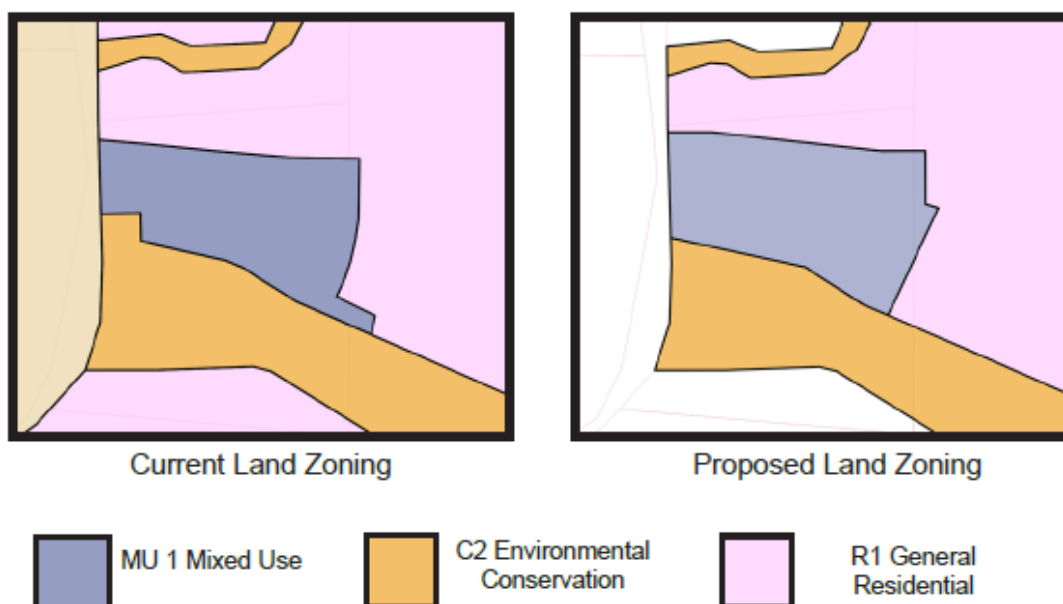


Figure 19– Current and Proposed Minimum Lot Size Map

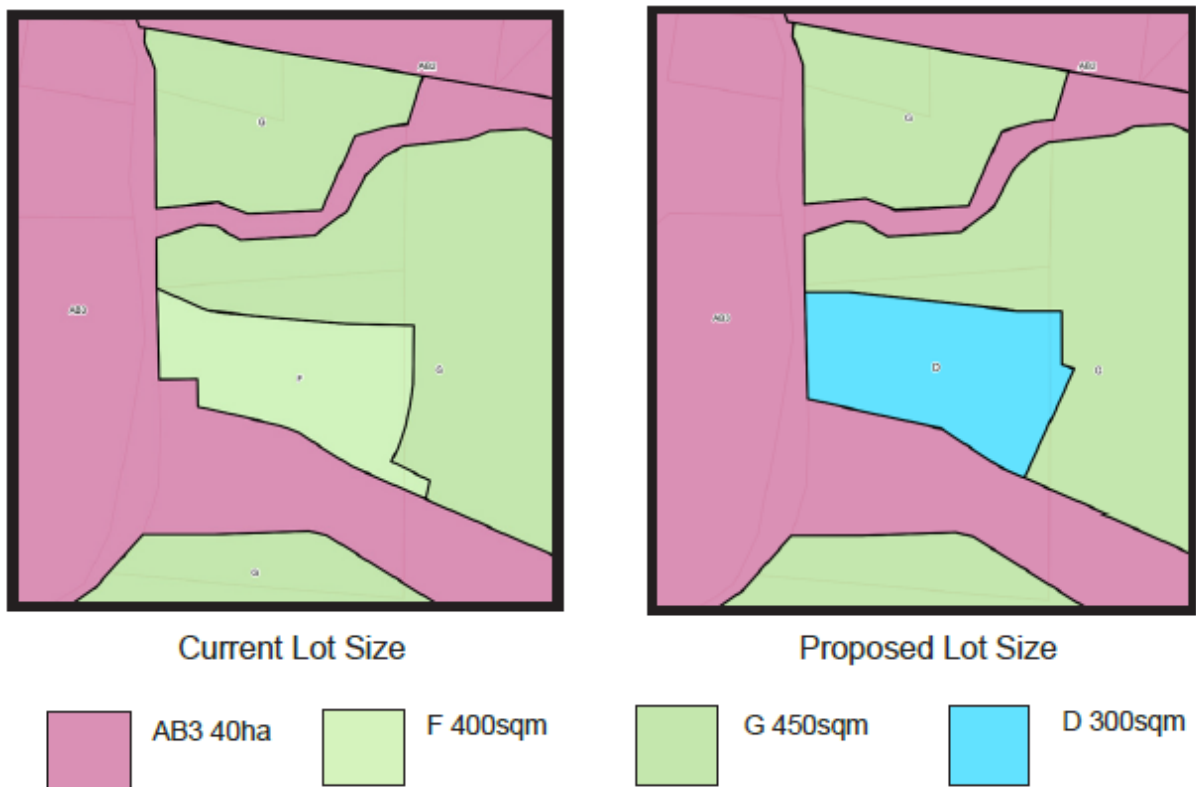


Figure 20– Current and Proposed Height of Building Map



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 the following locations during normal business hours:

- Council's Administration Building, 116 Adelaide Street, Raymond Terrace
- Raymond Terrace Library, Port Stephens Street, Raymond Terrace
- Tomaree Library, 7 Community Close, Salamander Bay

The Planning Proposal will also be available on Council's website.

PART 6 – Project timeline

It is anticipated that the LEP amendment will be completed within 11 months.

An indicative project timeframe is provided below based on the Department of Planning and Environment's benchmark timelines for a 'Standard' LEP amendment Planning Proposal.

Stage	Timeframe and/or date
Consideration by council	December - February 2025
Council decision	February 2025
Gateway referral to the Department	February 2025
Gateway determination	March 2025
Commencement and completion of public exhibition period	April 2025 – June 2025
Finalisation of Planning Proposal	August 2025 – November 2025
Gazettal of LEP amendment	December 2025