

Planning Proposal

Housing Diversity

Summary	Details
Name of draft LEP:	Housing Diversity Planning Proposal
Subject land:	R1 General Residential zoned land R2 Low Density Residential zoned land R3 Medium Density Residential zoned land
Proponent:	Lake Macquarie City Council
Landowner:	The planning proposal is not site specific
Planning portal reference:	PP-2024-278
Council reference:	RZ/4/2023
Version:	3 – Post- exhibition
Date:	11 November 2024
Author:	Abigail Hawtin – Strategic Landuse Planner
Attachments	1. Hunter Regional Plan Assessment Checklist 2. Coastal Design Guidelines 2023 assessment checklist (available on the NSW planning portal)

Version	Author	Date	Details
1	Abigail Hawtin	11/01/24	Attachment 1 to Council report 'Housing diversity planning proposal' - D11307921
1A	J Dunkerley	21/3/24	Update Hunter Regional Plan strategies, SEPP's and Ministerial Directions
2	Abigail Hawtin	11/09/2024	Update agency consultation
3	Abigail Hawtin	11/11/2024	Post-exhibition changes

3A	Abigail Hawtin	30 May 2025	Addition of (7) under Part 2 Explanation of Provision to address minor administrative amendment to repeal Schedule 1 (31) and amend the Additional Permitted Uses Map
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Part 1 – Objectives and intended outcomes

Objective

- To increase the supply and diversity of housing types in Lake Macquarie City's residential zones.

Intended outcomes

- Implement the Hunter Regional Plan 2041 and Lake Macquarie Housing Strategy by enabling more opportunity for development of various housing types, particularly smaller forms of housing.
- Avoid encroachment of urban development into environmentally sensitive land by making more efficient use of available urban land.
- Improve viability of public transport and services within new and existing residential areas.
- Facilitate future housing growth in infill areas.
- Enable a greater mix of housing types to accommodate Lake Macquarie's growing population.

Part 2 – Explanation of provisions

1. Permit "residential accommodation" in R2 Low Density Residential zone and R3 Medium Density Residential Zone.
2. Amend Clause 4.1A to enable small lot sizes commensurate to the changes to housing types permitted in the R2 and R3 zones, including:
 - Subdivision of land in the R1 and R2 zone into two lots of at least 250m², if the consent authority is satisfied a dwelling could be appropriately located on each resulting lot
 - Subdivision of land in the R3 zone into two lots of at least 200m², if the consent authority is satisfied a dwelling could be appropriately located on each resulting lot, or erection of a dwelling for lots less than 200m²
 - Subdivision of land in the R2 zone into three or more lots of at least 250m², if the consent authority is satisfied a dwelling or attached dwelling could be appropriately located on each lot and each resulting lot has frontage to a road
3. Clarify the meaning of road frontage to ensure it does not enable small-lot battle axe subdivisions for 3 or more lots.
4. Amend 4.1B to reduce the min lot size to 250m², consistent with Clause 4.1A.
5. Amend 4.2B to prohibit dual occupancies on battle-axe lots in Zone R3
6. Amend Clause 7.25 Development on land in Catherine Hill Bay Village Precinct and Middle Camp Village Precinct: to include multi-dwelling housing, attached housing and residential flat buildings.
7. Repeal Schedule 1 Additional permitted uses, 31 Use of certain land in Lake Macquarie amend the Additional Permitted Uses Map to remove references to land identified as "A".

Part 3 – Justification of strategic and site-specific merit

Australia is currently experiencing a 'housing crisis' affecting regional communities including Lake Macquarie. Across our city new dwelling commencements have fallen, building costs have increased, vacancy rates are low at around one per cent (CoreLogic, Sep 2023), social housing waitlist times exceed ten years, rental costs and median house prices are continuing to climb resulting in significant rental and mortgage stress. Migration and decreasing household sizes continue to increase the demand for well-located and well serviced homes. As such, it is essential that Council looks for ways to support housing across the city.

The Lake Macquarie Housing Strategy (Housing Strategy), adopted by Council in April 2020 and updated in 2021, was informed by significant research into the housing market, liveability, affordability, design and feasibility and included significant community and industry consultation to understand the city's housing needs. The outcomes showed the need for a focus on infill housing and increased housing diversity in the city. Focusing housing growth close to jobs and services and increasing housing diversity are strategic directions supported by the Lake Macquarie City Local Strategic Planning Statement, the Hunter Regional Plan 2041 and the Greater Newcastle Metropolitan Plan. In November 2023, Council received a letter from the Minister for Planning and Public Spaces stating that NSW is in a housing crisis and there is a need to increase housing supply and diversity of homes across our suburbs. The letter requests that councils look at their policy settings with the aim of expanding the number of homes in their LGA. This planning proposal has the potential to facilitate greater housing supply and diversity across the LGA and is consistent with the NSW Government's position.

There is increasing need to provide more diverse housing in Lake Macquarie to support future growth, an ageing population and smaller household sizes. By 2036 couple families without children and lone person households will account for almost 50 per cent of all households. These trends suggest greater demand for smaller and/or more affordable dwellings to match these forecast shifts in mix of household types. Currently 84 per cent (2020) of houses in Lake Macquarie are detached dwellings. Current supply is heavily biased towards detached dwellings, despite increasing demand for semi-detached dwellings and apartments. There is a high proportion of households living in housing stress in Lake Macquarie LGA and low supply of affordable rental housing to relieve this stress. This is creating demand for a diversity of dwelling options that are affordable.

A study was undertaken in 2012 of housing preferences in the Lower Hunter region. Based on the stated preferences 46 per cent of households would prefer to occupy a semi-detached dwelling or an apartment. Only 16 per cent of the existing stock in 2011 provided these housing options. However, 30 per cent of the new supply between 2001 and 2010 was non-detached dwellings, indicating a shift towards the preferred dwelling types in new dwelling construction.

To support the supply of smaller dwellings, it is proposed to enable more flexible, smaller subdivision and permit a broad range of housing across the R2 and R3 residential zones. It is intended that by permitting more types of housing, more opportunities for diverse housing forms will be enabled throughout the city.

Currently the R2 Low Density zoned areas of the city mainly supply single dwellings and dual occupancies. The R3 Medium Density zoned areas mainly supply single dwellings and in certain areas such as Warners Bay and Charlestown higher density types such as apartments and multi-dwelling units. Lower intensity infill forms are restricted to the R2 zone and R1 zone as shown in Table 1. Whereas the R3 zone allows more intensive medium density forms: attached dwellings, multi-dwelling housing and apartments.

The basis of the existing policy is to prevent higher intensity infill in the R2 zone and restrict lower intensity infill in the R3 zone, however given the subtle difference between the residential development types, this approach is unnecessarily restrictive. The intensity and character of development can be managed through other controls including maximum building heights, zone objectives and development controls.

The planning proposal aims to permit (with consent) “residential accommodation” in the R2 Low Density Residential and R3 Medium Density Residential zones. Residential accommodation is an umbrella term which includes a broad range of housing types. A comparison of the main residential accommodation uses currently permitted and proposed is shown in Table 1:

Table 1- existing and proposed housing types permissible in the R2 Low Density and R3 Medium Density Zone

	Dwelling house	Secondary dwelling	Dual occupancy	Semi-detached dwellings	Attached dwellings	Multi-dwelling housing	Residential flat buildings (or Manor Houses)
Existing							
R2 Zone – buildings up to 2 storeys							
R3 Zone – buildings 3 to 4 storeys							
Proposed							
R2 Zone - buildings up to 2 storeys							
R3 Zone- buildings 3 to 4 storeys							

The planning proposal would permit dual occupancies in the R3 Medium Density Residential zone. It would also permit attached dwellings, multi-dwelling housing and residential flat buildings in R2 Low Density Residential zone. Although this means both zones will permit similar uses, the low-density and medium-density zones are still differentiated by zone objectives, building height controls and minimum lot sizes controls.

Permitting dual occupancies in the R3 zone will enable low-scale infill medium density where more intensive forms of medium density may not be feasible. Feasibility and site amalgamation are key barriers to infill development under the current planning regime (Lake Macquarie Housing Study 2018). As part of the Lake Macquarie Housing Study, SHAC Architects developed a series of eight infill housing designs suited to the lots identified as common types in the four case study locations in Lake Macquarie. Options to develop sites without amalgamation were seen as a key strategy for

the new housing designs. Five of the eight infill housing design incorporated some form of dual occupancy development, demonstrating it's potential as a viable form of infill. Additionally, dual occupancies do not require amalgamation, and do not always necessitate demolition of an existing dwelling.

The Hunter Regional Plan 2041 supports the full spectrum of medium density housing, including dual occupancies, attached dwelling and multi dwelling housing being permissible within residential zones that apply to urban core, general urban, inner suburban and general suburban contexts. Within the state's emerging six cities region reforms, dual occupancies are permitted in 65 per cent of lots in the Medium Density Residential zone.

The planning proposal will also permit multi-dwelling housing, attached housing and residential flat buildings in the R2 Low Density Residential zone. The intention is to facilitate more infill development and diverse housing in the R2 Low Density Residential zone.

The planning proposal will allow residential flat buildings in the R2 zone which will be controlled by a maximum building height of 8.5m. The Lake Macquarie Housing Strategy includes an objective to promote and support a broader range of housing types including manor houses. Manor houses are a low scale form of residential flat building which typically contain three or four dwellings in a two storey building, with two dwellings on the ground floor and two located directly above. Manor houses provide a more affordable housing type within low and medium density contexts. Manor houses typically present as an oversized double storey house and as such can blend in with low density streetscapes. Permitting residential flat buildings with an 8.5m height limit will support low rise manor houses.

Changes to Clause 4.1A are proposed to enable small lot sizes commensurate to the changes to housing types permitted in the residential zones. Other minor changes are also proposed to enable subdivision of existing dual occupancies and clarify the meaning of road frontage.

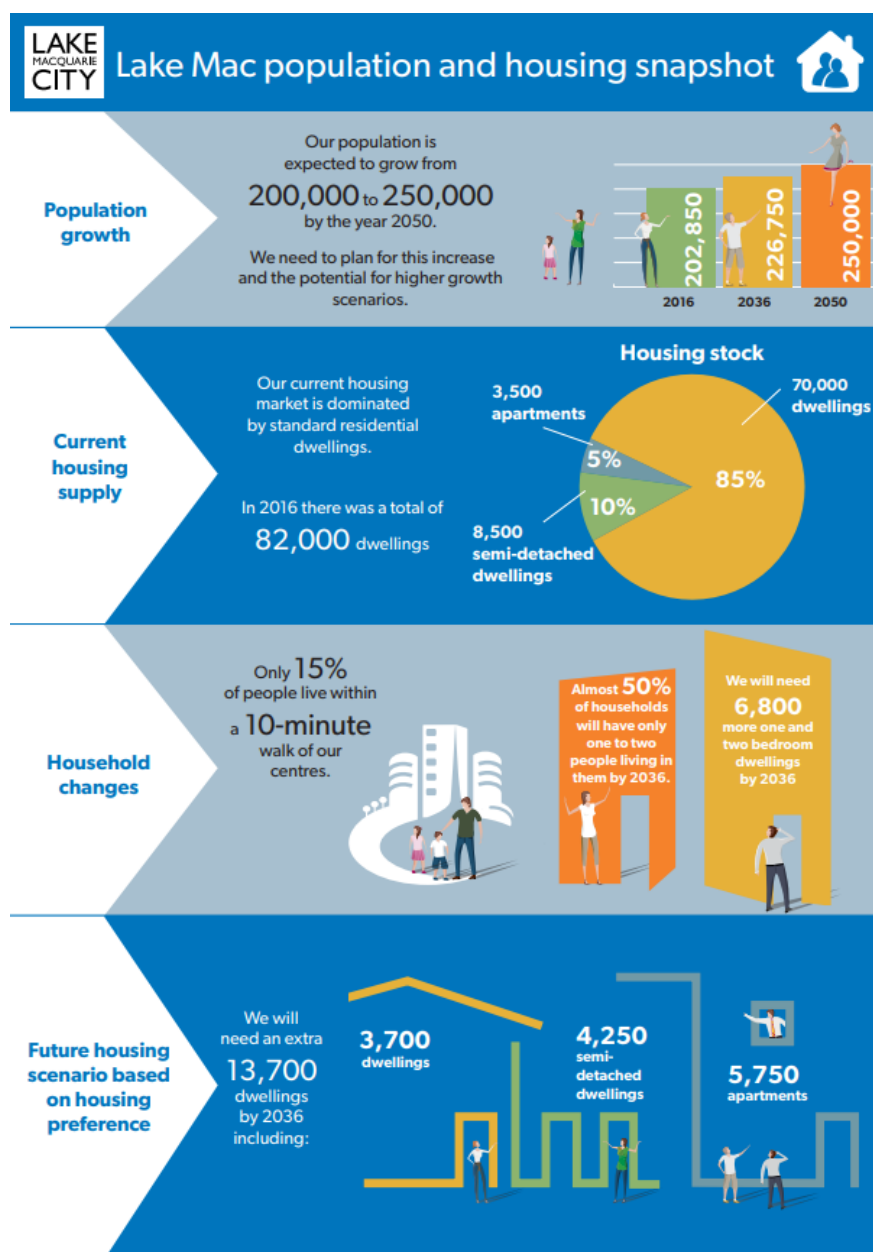
Following exhibition, the following amendments have been included in the planning proposal:

Additionally, it is proposed to amend Clause 4.2B "Dual occupancies on battle-axe lots in Zone R2" to also apply to the R3 zone. This will ensure the existing policy will apply to the R3 zone where dual occupancies will be permitted. The intention of this clause is to prevent more than two lots being serviced by a single battle axe handle. This ensures development sites are situated appropriately to accommodate vehicle access, utilities and services.

Amend Clause 7.25 Development on land in Catherine Hill Bay Village Precinct and Middle Camp Village Precinct: to include multi-dwelling housing, attached housing and residential flat buildings. Clause 7.25 applies specifically to the state heritage listed area of Catherine Hill Bay. It applies additional heritage considerations to land uses which will increase residential density. Currently, the clause applies to development for the purposes of dual occupancies, secondary dwellings and semi-detached dwellings. Given this planning proposal aims to introduce multi-dwelling housing, attached housing and residential flat buildings to the R2 Low Density Residential zone, it is appropriate to include in the clause to ensure the heritage considerations will continue to apply.

As part of the finalisation process of the planning proposal, the Additional Permitted Use map is to be amended and Schedule 1 – 31 repealed. This was previously introduced (Amendment 54) to enable dual occupancies on certain land in the R3 zone. All of the land identified as "A" is located on R3 zoned land. Given PP-2024-278 aims to permit dual occupancies on all R3 zoned land, the additional permitted use clause will be obsolete upon gazettal of the amendment.

Repeal of the clause and amendment to the map is a minor administrative change, which supports implementation of the planning proposal. This is consistent with the intent of the planning proposal and will reduce confusion for landowners by removing an obsolete site-specific provision.



Source: Lake Macquarie Housing Strategy 2020

No.	Question	Considerations
Section A – need for the planning proposal		
1	Is the planning proposal a result of an endorsed LSPS, strategic study or report?	<ul style="list-style-type: none"> • Yes, the planning proposal will implement the Lake Macquarie Local Strategic Planning Statement (LSPS) and Lake Macquarie Housing Strategy. Both strategies have fundamental aims of improving housing diversity and supply across the city. The planning proposal will provide opportunities for housing growth, particularly infill housing, by permitting a broader range of medium density housing in residential zones. • The LSPS contains the following planning priority: • Planning Priority 2: A City to Call Home – where diverse housing options cater to everyone’s needs: The city will provide opportunities for substantial growth in new housing, including a greater mix of housing types to accommodate our growing population. • Planning Priority 2 includes a principle to “implement policy to facilitate the supply of diverse housing that is sustainable, affordable and caters for a variety of life stages, lifestyles, demographics, and enables social inclusiveness.” • Action 2.4: Implement the Lake Macquarie Housing Strategy, including LEP and DCP amendments to support infill housing.
2.	Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?	<ul style="list-style-type: none"> • A planning proposal is the best means of achieving housing diversity. Permissibility and minimum lot size is controlled through the LEP and Clause 4.6 will not enable exceptions where the land use is not permissible in the land use table. • Amending the land use table is the most straight forward approval pathway. It will also provide consistency with state policy reforms currently being exhibited. • The R1 General Residential zone permits a broad range of housing types. The option to rezone land to R1 General Residential zone was not pursued so that the R2 and R3 zones can still be differentiated according to building heights, minimum lot sizes and DCP controls. • An Additional Permitted Use was not pursued as amending the land use table is a more simple and conventional approach and will enable more opportunities for diverse housing throughout the city.

No.	Question	Considerations
Section B – relationship to the strategic planning framework		
3	Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?	<p>Hunter Regional Plan 2041 (HRP)</p> <p>The HRP 2041 builds on the previous plan and resets the regional plan priorities to ensure it continues to respond to the region’s needs for the next 20 years. The HRP 2041 contains nine objectives and identities strategies to achieve the objectives. A planning proposal must be consistent with an identified strategy or demonstrate how the relevant performance outcomes will be achieved. Attachment 1 contains an assessment of the planning proposal against these strategies. The objectives relevant to this planning proposal are:</p> <p>Objective 3: Create 15-minute neighbourhoods to support mixed, multi-modal, inclusive, and vibrant communities</p> <ul style="list-style-type: none">Although there are no specific strategies directly relating to this planning proposal, the proposal will support achievement of this objective. Enabling more diverse housing forms in existing residential areas will support the creation of vibrant, inclusive 15-minute neighbourhoods. It will increase opportunities for feasible infill housing maximising use of existing infrastructure and increasing the viability of local shops, services, public and active transport <p>Objective 4: An inter-connected and globally-focused Hunter without car dependent communities</p> <ul style="list-style-type: none">Although there are no specific strategies directly relating to this planning proposal, the proposal will support achievement of this objective. Enabling more diverse infill housing forms in existing urban areas will increase urban density and make better use of existing active and public transport routes. Increased density will also support public transport improvements. <p>OBJECTIVE 5: Plan for ‘nimble neighbourhoods’, diverse housing, and sequenced development</p> <ul style="list-style-type: none">The planning proposal will support achievement of this objective. More diverse housing forms enable the growth of existing urban areas towards the desired dwelling densities. A mix of housing types provides opportunities for people to remain in their desired community as their needs change throughout each life-stage.The planning proposal is consistent with Strategy 5.3 because it will broaden the range of permitted residential accommodation types including attached

No.	Question	Considerations
		<p>dwelling, boarding houses, dual occupancies, group homes, multi dwelling housing, secondary dwellings and semi-detached dwellings.</p> <p>OBJECTIVE 6: Conserve heritage, landscapes, environmentally sensitive areas, waterways and drinking water catchments</p> <ul style="list-style-type: none"> Although there are no specific strategies directly relating to this planning proposal, the proposal will support achievement of this objective. Enabling greater diversity and density of housing in existing zoned areas reduces the needs for rezoning land on the urban fringe and the impacts environmentally sensitive areas often associated with greenfield development. <p>Greater Newcastle Metropolitan Plan 2036 (GNMP 2036)</p> <ul style="list-style-type: none"> The planning proposal is consistent with the GNMP which identifies that providing housing diversity and choice will improve affordability, help meet the needs of an ageing population and support the reduction of household size. To support the changing population and dwelling needs, the GNMP sets a 60 per cent target for new dwellings in the existing urban area by 2036. This may be achieved with a variety of housing types, including secondary dwellings, apartments, townhouses, and villas. Demographic household changes are creating the need for a more diverse mix of homes to meet a wide range of lifestyle needs and budgets, including young families, older people and singles. This means a range of housing types, tenures and price points are required to make it easier for people to own their own home. The provision of rental housing for lower income households, and affordable and social housing for the most vulnerable is equally important. The Plan sets a target of 25 per cent small lot and multi-dwelling housing by 2036. This may include a mix of apartments, dual occupancies, townhouses, villas and homes on lots less than 400 square metres, by 2036. Figure 8: Housing opportunities map (2018) identifies R2 and R3 residential zoned land in Lake Macquarie as “Infill Urban Area with Infill Housing Opportunities”. The planning proposal will support infill opportunities across the R2 and R3 zones. In particular, the planning proposal delivers on: <p>Outcome 3: Deliver housing close to jobs and services.</p>

No.	Question	Considerations
		<p>Strategy 16: Prioritise the delivery of infill housing opportunities within existing urban areas.</p> <p>Action 16.1 Greater Newcastle councils will focus new housing in existing urban areas, particularly within strategic centres and along urban renewal corridors.</p>
4	<p>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</p>	<p>Lake Macquarie Local Strategic Planning Statement (LSPS)</p> <ul style="list-style-type: none"> • Yes, the planning proposal will implement the Lake Macquarie Local Strategic Planning Statement which has a planning priority to improving housing diversity and supply across the city. The planning proposal will provide opportunities for housing growth, particularly infill housing, by permitting a broader range of medium density housing in residential zones. • The LSPS contains the following planning priority: • Planning Priority 2: A City to Call Home – where diverse housing options cater to everyone’s needs: The City will provide opportunities for substantial growth in new housing, including a greater mix of housing types to accommodate our growing population. • Planning Priority 2 includes a principle to “implement policy to facilitate the supply of diverse housing that is sustainable, affordable and caters for a variety of life stages, lifestyles, demographics, and enables social inclusiveness.” • Action 2.4: Implement the Lake Macquarie Housing Strategy, including LEP and DCP amendments to support infill housing. <p>Lake Macquarie Housing Strategy</p> <p>The Lake Macquarie Housing Strategy identifies the following strategy objectives:</p> <ol style="list-style-type: none"> 1. facilitate efficient housing supply & infrastructure co-ordination. 2. increase diversity & choice in housing. 3. facilitate infill opportunities for housing near jobs and services. 4. increase affordable rental housing and home ownership. 5. facilitate housing design for innovation and sustainability. <ul style="list-style-type: none"> • The planning proposal will provide land and housing development opportunities to meet demand, by enabling more supply and diversity of housing in new and existing communities.

No.	Question	Considerations
		<ul style="list-style-type: none"> The planning proposal will enable more efficient use of greenfield land and infrastructure by enabling marginally higher density housing and provide housing options to suit different needs.
5	Is the planning proposal consistent with any other applicable State and regional studies or strategies?	<ul style="list-style-type: none"> NSW Government low-and mid-rise housing reforms The NSW Government is exhibiting reforms to promote housing diversity and supply in NSW. The NSW reforms aim to permit three to six storey residential flat buildings in the R3 Medium Density Residential Zone within 800m proximity of town centres and train stations. It also aims to permit multi-dwelling housing, attached housing and two storey residential flat buildings in the R2 Low Density Residential zone within 800m proximity of town centres and train stations. The planning proposal is consistent with the NSW reforms, in that the planning proposal will permit the same housing types proposed for the R2 Low Density and R3 Medium Density zones. However, the proposed NSW reforms will allow additional building height and density where justified by the amenity of the location. Adopting the same land uses in the LEP as the NSW reforms will enable a more simple and consistent approval pathway. The application area of the reforms covers a large proportion of R2 and R3 zoned land in Lake Macquarie, so permitting the proposed land uses according to zone will provide better clarity. Landowners will be able to determine permissibility based on the land use table in the LEP.
6	Is the planning proposal consistent with applicable State Environmental Planning Policies (SEPPs)?	<p>The following State Environmental Planning Policies are applicable to the planning proposal:</p> <p>SEPP (Biodiversity and Conservation) 2021</p> <ul style="list-style-type: none"> The planning proposal is not site specific and applies to land that is already zoned for urban development. The provisions of this SEPP will be considered at the development application stage. <p>SEPP (Housing) 2021</p> <ul style="list-style-type: none"> The planning proposal is consistent with the principles of SEPP (Housing) 2021 as the changes will enable the development of diverse housing types in existing urban areas, making better use of existing infrastructure and services.

No.	Question	Considerations
		<p>SEPP (Resilience and Hazards) 2021</p> <ul style="list-style-type: none"> The planning proposal is not site specific and applies to land that is already zoned for urban development. The provisions of this SEPP will be considered at the development application stage. <p>SEPP (Sustainable Buildings) 2022</p> <ul style="list-style-type: none"> The planning proposal is not site specific and applies to land that is already zoned for urban development. The provisions of this SEPP will be considered at the development application stage.
<p>7 Is the planning proposal consistent with the applicable Ministerial Directions (section 9.1 Directions)?</p>		<p>The following Ministerial Directions are applicable to the planning proposal:</p> <p>1.1 Implementation of Regional Plans</p> <p>The planning proposal is consistent with the Hunter Regional Plan 2041 as detailed in Part A of this planning proposal.</p> <p>1.3 Approval and Referral Requirements</p> <ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it does not include provisions that require concurrence, consultation or referral to a minister or public authority. <p>1.4 Site Specific Provisions</p> <ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it does not contain site-specific provisions. <p>3.2 Heritage Conservation</p> <ul style="list-style-type: none"> Some R2 and R3 zone land in Lake Macquarie is also located within a heritage conservation area or contains heritage items. The planning proposal is consistent with this Direction because it does not alter the existing heritage provisions in the <i>Lake Macquarie Local Environmental Plan 2014</i> that facilitate the conservation of heritage. Heritage conservation will continue to be considered at the development application stage in accordance with all relevant LEP and DCP provisions. <p>4.1 Flooding</p> <ul style="list-style-type: none"> Some R2 and R3 zone land in Lake Macquarie is also identified as flood affected land.

No.	Question	Considerations
		<ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it does not propose to rezone specific land and it will not alter the existing flood planning provisions in the <i>Lake Macquarie Local Environmental Plan 2014</i> that ensure development is considered in accordance with the Flood Risk Management Manual 2023. Expanding the diversity of permissible dwelling types does not automatically confer rights for additional dwellings on flood-prone land. Flood risk will continue to be considered for all forms of development at the development application stage in accordance with NSW Flood Prone Land Policy and other relevant LEP and DCP provisions. <p>4.2 Coastal Management</p> <ul style="list-style-type: none"> Some R2 and R3 zone land in Lake Macquarie is also identified as being in the coastal zone. The planning proposal is consistent with this Direction because it does not propose to rezone specific land or increase development standards that results in an intensification of land use. Expanding the diversity of permissible dwelling types does not automatically confer rights for additional dwellings in the coastal zone. Coastal management will continue to be considered for all forms of development at the development application stage in accordance with the Coastal Management Manual, Guidelines and other relevant SEPP, LEP and DCP provisions. Attachment 2 contains the Coastal Design Guidelines 2023 assessment checklist. Attachment 2 is available on the NSW planning portal. <p>4.3 Planning for Bushfire Protection</p> <ul style="list-style-type: none"> Some R2 and R3 zone land in Lake Macquarie is also mapped as bushfire-prone land, requiring referral of this planning proposal to the NSW Rural Fire Service. The planning proposal seeks diversify the types of dwellings permitted in the R2 and R3 residential zones across the Lake Macquarie local government area. It does not seek to rezone specific land or confer additional development rights to specific properties. As such the changes are outside the scope for a Strategic Bush Fire Study as detailed in Table 4.2.1 of <i>Planning for Bush Fire Protection 2019</i>.

No.	Question	Considerations
		<ul style="list-style-type: none"> Additional dwelling types are comparable with uses currently permitted in the R2 and R3 residential zones. Expanding the diversity of permissible dwelling types does not automatically confer rights for additional dwellings on bushfire-prone land. Bushfire risk will continue to be considered for all forms of development at the development application stage in accordance with <i>Planning for Bushfire Protection 2019</i> and other relevant LEP and DCP provisions. Consultation occurred with NSW Rural Fire Service and no issues were raised. <p>4.4 Remediation of Contaminated Land</p> <ul style="list-style-type: none"> Some R2 and R3 zone land in Lake Macquarie is also known to be contaminated or potentially contaminated. The planning proposal is consistent with this Direction because it does not propose to rezone any contaminated or potentially contaminated land. Contamination issues will continue to be considered at the development application stage for any development proposed on a contaminated or potentially contaminated site. <p>4.5 Acid Sulfate Soils</p> <ul style="list-style-type: none"> Some R2 and R3 zoned land in Lake Macquarie is identified as having a probability of containing acid sulfate soils. The planning proposal is consistent with this Direction because it does not propose to rezone any specific land or increase development standards that results in an intensification of land use. <p>4.6 Mine Subsidence and Unstable Land</p> <ul style="list-style-type: none"> Some R2 and R3 zone land in Lake Macquarie is within a declared mine subsidence district. The planning proposal is consistent with this Direction because it proposes to diversify the types of dwellings permitted on land where development for residential purposes is already permitted. Mine subsidence issues will continue to be considered at the development application stage. Consultation occurred with Subsidence Advisory NSW and no issues were raised.

No.	Question	Considerations
5.1 Integrating Land Use and Transport		
		<ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it will enable more efficient use of existing zoned land and support the use of active transport infrastructure and the viability of public transport services.
5.2 Reserving Land for Public Purposes		
		<ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it does not affect existing zonings or reservations of land for public purposes.
5.5 High pressure dangerous goods pipelines		
		<ul style="list-style-type: none"> Some R2 and R3 zoned land is in the application area of relevant pipelines. The inconsistency is of minor significance as the land is already zoned for residential purposes and there is only a small potential intensification. Additionally, State Environmental Planning Policy (Transport and Infrastructure) 2021 includes controls to consider safety risks associated with development adjacent to pipeline corridors.
6.1 Residential Zones		
		<ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it will broaden the types of residential dwellings permissible across the Lake Macquarie local government area and make more efficient use of existing infrastructure and services. Enabling greater diversity of infill housing in existing zoned areas reduces the needs for rezoning land on the urban fringe.
6.2 Caravan Parks and Manufactured Home Estates		
		<ul style="list-style-type: none"> The planning proposal is consistent with this Direction because it does not propose any changes to zoning of existing caravan parks or the permissibility of new caravan parks.
Section C – environmental, social and economic impact		
8	Is there any likelihood that critical habitat or threatened	The planning proposal applies to residential zoned land and will not increase risk to critical habitat or threatened species, populations or ecological communities, or their habitats.

No.	Question	Considerations
	species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?	
9	Are there any other likely environmental effects of the planning proposal and how are they proposed to be managed?	The planning proposal will support infill development within existing urban land, reducing pressure to accommodate housing and population growth on land with high conservation value.
10	Has the planning proposal adequately addressed any social and economic effects?	<p>The purpose of the planning proposal is to generate social and economic improvements by increasing housing diversity and affordability consistent with the outcomes of the Lake Macquarie Housing Strategy. The Strategy projects that an additional 6,800 one- and two-bedroom dwellings are required by 2036 to accommodate projected growth and demographic changes. The planning proposal will encourage more affordable infill residential development in Lake Macquarie that will also assist in avoiding urban sprawl into more environmentally sensitive areas or agricultural land.</p> <p>The planning proposal will improve the viability of infill housing, by enabling more flexibility of housing development options. The planning proposal will support the supply of diverse housing, to meet needs of growing population, ageing population, and smaller households.</p> <p>Medium density dwellings are typically 25 per cent cheaper than detached houses. Facilitating smaller households will also reduce living and energy costs associated with maintaining a smaller property.</p>
Section D – Infrastructure (Local, State and Commonwealth)		
11	Is there adequate public infrastructure for the planning proposal?	The planning proposal will support infill development and enable the more efficient use of existing infrastructure and improve the viability of public transport services.
Section E – State and Commonwealth interests		
12	What are the views of state and	NSW Rural Fire Service

No.	Question	Considerations
	federal authorities and government agencies consulted in order to inform the Gateway determination?	<p>The understood approach of creating additional housing diversity in areas zoned R2 Low Density Residential and R3 Medium Density Residential Zones when compared with zoning types such as RU2 Rural Landscape, C3 Environmental Management and C4 Environmental Living zones which are more likely to be in proximity to higher risk bushfire hazards is supported.</p> <p>Future development within the R2 Low Density Residential and R3 Medium Density Residential zones, including subdivision or residential infill development, will still require assessment under the relevant sections of Planning for Bush Fire Protection 2019 where they intersect the Bush Fire Prone Land Mapping and where considered appropriate by Council as part of assessment of development applications.</p> <p>Subsidence Advisory NSW</p> <p>There are varying subsidence risks associated with Lake Macquarie City's residential zones. As the proposal is not site specific no detailed requirements can be provided at this stage.</p> <p>Where development is located within a declared Mine Subsidence District future development will require approval from Subsidence Advisory NSW. Please note Mine Subsidence Districts may change over time.</p> <p>Hunter Water</p> <p>Hunter water had no objection to the planning proposal. Hunter Water will assess and advise on the water and sewer servicing requirements via the Section 50 application for individual development applications.</p>

Part 4 – Mapping

N/A

Part 5 – Community Consultation

The planning proposal was exhibited from 16 September to 14 October 2024 in accordance with the Gateway Determination. The planning proposal was exhibited on Council's Shape Lake Mac webpage and advertised via a media release and Councils e-newsletters. The Shape Lake Mac page received 1779 project pageviews and reached 3382 through Councils e-newsletters.

Council received a total of 20 submissions including 13 supporting the planning proposal. A summary of submissions and a response is provided in Attachment 2 of the Council report.

Submissions raised the benefits of the proposal, being increased development options for smaller developers, greater housing diversity and enhanced opportunities for intergenerational living. Submissions also requested Council consider further options to improve housing affordability and to consider the need for supporting infrastructure. Some submissions were concerned the planning proposal will not effectively reduce housing prices.

Some changes were made to the planning proposal in response to submissions.

Part 6 – Project Timeline

Stage	Timeframe and / or date
Gateway determination	25 working days
Pre-exhibition	50 working days
Commencement and completion of public exhibition period	20 working days
Consideration of submissions	10 working days
Post-exhibition review and additional studies	10 working days
Post exhibition planning proposal consideration / preparation	55 working days
Submission to Department for finalisation (where applicable)	10 working days
Gazettal of LEP Amendment	45 working days

Attachment 1: Assessment of Hunter Regional Plan 2041 Strategies

OBJECTIVE 1: Diversify the Hunter's mining, energy and industrial capacity

Strategy 1.1 Planning proposals for mine or power station sites identified as regionally significant growth areas will be supported by a place strategy which demonstrates how the proposal will	Compliance
<ul style="list-style-type: none"> • maximise employment generation or will attract visitors to the region. 	N/A
<ul style="list-style-type: none"> • make use of voids and/or site infrastructure such as rail loops, hard stand areas, power, water and road access. 	N/A
<ul style="list-style-type: none"> • support the growth of adjoining industrial areas or settlement areas. 	N/A
<ul style="list-style-type: none"> • enhance corridors within the landscape such as biodiversity corridors or disused infrastructure corridors. 	N/A
<ul style="list-style-type: none"> • complement areas with special amenity value such as critical industry clusters, open space, villages and residential areas 	N/A
<ul style="list-style-type: none"> • have considered the existing and likely future uses of adjoining land and avoid land use conflict. 	N/A
<ul style="list-style-type: none"> • align with any specific guidance in the district planning priorities section of this plan 	N/A
Strategy 1.4 Planning proposals for new employment lands will demonstrate they:	Compliance
<ul style="list-style-type: none"> • are located in areas which will not result in land use conflict. 	N/A
<ul style="list-style-type: none"> • can be adequately serviced and any biodiversity impacts are manageable 	N/A
<ul style="list-style-type: none"> • respond to the employment land needs identified for that local government area. 	N/A

OBJECTIVE 2: Support the right of Aboriginal residents to economic self-determination

No relevant PP matters

OBJECTIVE 3: Create 15-minute neighbourhoods to support mixed, multi-modal, inclusive and vibrant communities

Strategy 3.1 Planning proposals that propose a residential, local centre or commercial centre zone will not prohibit the following land uses within urban core, general urban, inner suburban and general suburban contexts:	Compliance
business premises	N/A
restaurants or cafes	N/A
take-away food and drink premises	N/A
neighbourhood shops and supermarkets	N/A
educational establishments	N/A
early education and care facilities	N/A
health services facilities	N/A

markets	N/A
community facilities	N/A
recreation areas	N/A

Strategy 3.2 Planning proposals will incorporate:

<ul style="list-style-type: none"> a small neighbourhood centre if the proposed residential yield exceeds 1,500 dwellings or a large neighbourhood centre if the proposed residential yield exceeds 4,000 dwellings. 	N/A
The neighbourhood centre will:	N/A
<ul style="list-style-type: none"> support a floor area informed by a local retail demand analysis have enough developable area to accommodate the uses over one level with at grade parking to reduce costs be located to maximise its convenience for the vast majority of residents of which it serves be located in a high profile location (i.e. main arterial road or precinct with strong pedestrian traffic) be supported by a walkable catchment and pedestrian friendly environment. 	N/A

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OBJECTIVE 4: An inter-connected and globally-focused Hunter without car dependent communities

Strategy 4.10 Planning proposals will:	Compliance
<ul style="list-style-type: none"> align with the growth of defence, aeronautics, aerospace, freight and logistics capacity at Williamtown and the Port of Newcastle, taking into consideration the Port of Newcastle Port Master Plan 2040; maximise opportunities to increase capacity to manage freight through the ports/airports and provide access to new markets; and protect ports and airports via assessment of the impacts of development on the port/airport to avoid land limiting their future growth. 	N/A
Strategy 4.11 Planning proposals must not undermine the long-term capacity of inter-regional connections to meet future freight and logistics movements.	Yes
Strategy 4.13 Planning proposals will not allow incompatible land uses that could affect the long-term growth of defence -related assets, key strategic links and training areas.	N/A

OBJECTIVE 5: Plan for ‘nimble neighbourhoods’, diverse housing and sequenced development

Strategy 5.3 Planning proposals will not prohibit the following housing typologies within residential zones that apply to urban core, general urban, inner suburban and general suburban contexts:	Compliance
attached dwellings	Yes
boarding houses	Yes
dual occupancies	Yes
group homes	Yes
multi dwelling housing	Yes
secondary dwellings	Yes
semi-detached dwellings.	Yes

OBJECTIVE 6: Conserve heritage, landscapes, environmentally sensitive areas, waterways and drinking water catchments

	Compliance
Strategy 6.3 Planning proposals will ensure the biodiversity network is protected within an appropriate conservation zone unless an alternate zone is justified following application of the avoid, minimise, offset hierarchy.	N/A
Strategy 6.4 Planning proposals should promote enterprises, housing and other uses that complement the biodiversity, scenic and water quality outcomes of biodiversity corridors. Particularly, where they can help safeguard and care for natural areas on privately owned land.	Yes
Strategy 6.11 Planning proposals will demonstrate that development within a drinking water catchment or sensitive receiving water catchment will achieve a neutral or beneficial effect on water quality.	Yes

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OBJECTIVE 7: Reach net zero and increase resilience and sustainable infrastructure

Strategy 7.5 Planning proposals will: protect sensitive land uses from sources of air pollution, such as major roads, railway lines and designated freight routes, using appropriate planning and development controls and design solutions to prevent and mitigate exposure and detrimental impacts on human health and wellbeing.	Yes
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OBJECTIVE 8: Plan for businesses and services at the heart of healthy, prosperous and innovative communities

	Compliance
Strategy 8.2 Planning proposals will accommodate new commercial activity in existing centres and main streets unless it forms part of a proposed new community or is an activity that supports a 15-minute neighbourhood.	N/A
Strategy 8.6 Planning proposals to facilitate tourism activities will:	
• demonstrate that the scale and type of tourism land use proposed can be supported by the transport network and complements the landscape setting	N/A
• be compatible with the characteristics of the site and existing and likely future land uses in the vicinity of the site	N/A
• demonstrate that the tourism land use would support the function of nearby tourism gateways or nodes	N/A
• be supported by an assessment prepared in accordance with the Department of Primary Industries' Land Use Conflict Risk Assessment Guide if the use is proposed on or in the vicinity of rural zoned lands.	N/A

OBJECTIVE 9: Sustain and balance productive rural landscapes

	Compliance
Strategy 9.1 Planning proposals will consider the location of mineral and energy resources, mines and quarries and ensure sensitive land uses would not encroach on those operations. A noise study may be required to demonstrate impacts on the operations can be avoided or mitigated.	N/A
Strategy 9.6 Planning proposals to expand rural town and village growth boundaries will be supported by an assessment prepared in accordance with the Department of Primary Industries' Land Use Conflict Risk Assessment Guide to limit or avoid conflicts between residential uses and agricultural activities.	N/A
Strategy 9.4 Planning proposals for lands within or near critical industry cluster land will demonstrate they are	
• compatible with equine and viticultural activities and:	N/A
• complements scenic values, visual amenity and local character	N/A
• provides suitable separation distances for sensitive uses, like tourist accommodation, having regard to spray, noise, and lighting considerations	N/A
• considers existing and likely future agricultural and rural uses of adjoining lands and the cumulative impact of similar proposals on the locality.	N/A