

Department of Planning, Housing and Infrastructure

IRF24/1992

Mr Tim Crosdale
General Manager
Port Stephens Council
PO Box 42
Raymond Terrace NSW 2330

Via email: council@portstephens.nsw.gov.au

Attention: Mr Brock Lamont

Subject: Port Stephens Local Housing Strategy 2024-2041

Dear Mr Crosdale,

I refer to Council's correspondence requesting the Department's approval of the Port Stephens Local Housing Strategy 2041 and associated Housing Supply Plan.

I would like to acknowledge and commend Council on its significant efforts and commitment to strategic planning for the Port Stephens LGA in preparing the strategy.

I am pleased to approve the Local Housing Strategy (LHS) and Housing Supply Plan, with the exception of:

- the use of Appendix 1 or 2 criteria of the LHS to support a rezoning as proposed by Action 1.1 of the strategy. Rezoning requests should demonstrate alignment with the criteria and be supported by either a revised strategy or addendum approved by the Department, unless the proposal can be justified as a minor inconsistency to the overall strategy. The dwelling threshold requirement for the criteria should also be removed;
- the identification of only 700 potential dwellings for the Kings Hill Urban Release Area (KHURA) in the Housing Supply Plan.

Until further detailed assessment is completed to determine the potential dwelling yield of the KHURA, and noting its current residential zoning, Council and State agencies should in their housing delivery continue to consider and plan for the entire existing URA and the potential anticipated yield of up to 3,500 dwellings, rather than limiting the release area based on temporary infrastructure issues. The next revision of the strategy should be updated accordingly.

Any consideration of additional greenfield land outside the strategic growth areas identified in the LHS should occur through regular reviews of the strategy or the strategy addendum process. A revised strategy or addendums should be submitted to the Department for review and approval

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before planning proposals are lodged for rezoning for land not identified in the current strategy. It is considered this approach will best support the effective and efficient delivery of land supply and supporting infrastructure.

The Department consulted with relevant government agencies as part of its review of the LHS (**Attachment A**). Agencies were generally supportive of the directions and actions proposed, and suggestions were provided about how the criteria could be improved. Council should consider these matters when undertaking the next review of the strategy or in the preparation of any future addendums and planning proposals. In particular, Council is requested to consider:

- recommendations from Homes NSW, including implementing findings from the Raymond Terrace Sub-Precinct Study;
- strategically identifying areas suitable for rural residential development (not already strategically identified) and direct to west of the Pacific Highway;
- recommendations from Hunter Water Corporation on Integrated Water Management;
- whether changes may be required to the LHS in response to any new or updated flood studies that may be finalised;
- require master plans to be prepared for greenfield sites as part of the addendum process so that there is a clear understanding of how and when infrastructure would be provided, and land fragmentation and constraints managed; and
- changes recommended by agencies for Appendix 1 and 2 of the LHS and other miscellaneous matters as outlined in **Attachment B**.

To improve the strategy for users, Council is also encouraged to consider revising the strategy to incorporate these changes in the near future rather than awaiting the next five-year review.

The strategy acknowledges a range of barriers that can affect delivery of the forecasted housing supply including fragmented land ownership, environmental constraints and challenges in funding and providing necessary infrastructure. Due to these constraints, the strategy includes an action to monitor and report where the forecast demand is not being met and sites are not being developed.

To support this approach, it is recommended that further infrastructure and constraints analysis of the housing precincts (except for Tier 1a sites) be undertaken to inform a staging and sequencing plan. The plan would allow Council to better understand the supply pipeline and the potential need and timing for additional supply, as well as prioritise and co-ordinate Council's planning and delivery across its many housing precincts.

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In implementing the strategy, I encourage Council to also take appropriate measures to ensure that any future proposals are supported by relevant technical studies and demonstrate consistency with the Hunter Regional Plan 2041, relevant local planning directions, and applicable State Environmental Planning Policies.

Council should also continue to undertake five yearly reviews of the strategy to ensure implementation is monitored and to identify additional housing opportunities to maintain an appropriate ongoing long term housing supply pipeline. These reviews should also consider and address the Department's guidelines for the preparation of local housing strategies.

As you are aware, the Department is undertaking a number of planning reforms to assist councils to deliver the housing needed to support their local communities. Further details regarding the reforms are available at www.planning.nsw.gov.au/policy-and-legislation/planning-reforms

Should you have any enquiries about this matter, I have arranged for Stacey Stephens, to assist you. Stacey can be contacted on 9228 6239.

Yours sincerely

A handwritten signature in black ink, appearing to read "Craig Diss".

17 December 2024

Craig Diss

Director, Hunter and Northern Region

Local Planning & Council Support

Encl: Attachment A – agency submissions

Attachment B – recommended miscellaneous amendments