

Department of Planning, Housing and Infrastructure

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# Transport Oriented Development – Guide to strategic planning



Photo: Turella Station

# Acknowledgement of Country

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Transport Oriented Development – guide to strategic planning

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# Introduction

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This guide includes information on the required strategic planning for precincts in Tier 2 of the Transport Oriented Development program.

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The Transport Oriented Development program is a key part of the NSW Government's planning reform program to make sure that NSW is well placed to meet its commitments under the National Housing Accord.

The NSW Government recently released local housing targets for each local government area across Greater Sydney, the Illawarra and Shoalhaven, Central Coast, the Lower Hunter and Greater Newcastle. The homes delivered under the Transport Oriented Development program will be critical to meeting these targets.

This guide will help councils to undertake local planning in a swifter way to make sure that the intended effect of the Transport Oriented Development provisions is achieved as quickly as possible. This approach could represent a new way for councils and the Department of Planning, Housing and Infrastructure to work together to deliver local planning outcomes.

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## Background

On 24 April 2024, the NSW Government amended the State Environmental Planning Policy (Housing) 2021 (Housing SEPP), to introduce new Transport Oriented Development provisions.

From 13 May 2024, the Transport Oriented Development provisions apply new planning controls to land generally within 400 m of the 18 stations in **Table 1**. These planning provisions will remain in place until councils have finalised strategic planning work to deliver suitable alternative local planning controls for the identified station precincts in ways that align with the NSW Government's policy objectives, if they wish to do so.

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Table 1. Initial stations included in the policy

Station	Local government area	Station	Local government area
Adamstown	Newcastle	Lindfield	Ku-ring-gai
Booragul	Lake Macquarie	Morisset	Lake Macquarie
Corrimal	Wollongong	Newcastle Interchange	Newcastle
Gordon	Ku-ring-gai	Roseville	Ku-ring-gai
Hamilton	Newcastle	Teralba	Lake Macquarie
Killara	Ku-ring-gai	Turella	Bayside
Kogarah	Bayside/Georges River	Wyong	Central Coast
Kotara	Newcastle	Cardiff	Lake Macquarie
Lidcombe	Cumberland	Woy Woy	Central Coast

The Transport Oriented Development provisions will apply to the remaining identified stations in **Table 2**, over a staged finalisation throughout 2024 and early 2025.

Table 2. Remaining stations – staged finalisation

Station	Local government area	Month for finalisation
Banksia	Bayside	July 2024
Dapto	Wollongong	July 2024
Gosford	Central Coast	July 2024
Rockdale	Bayside	July 2024
Tuggerah	Central Coast	July 2024
Berala	Cumberland	October 2024
Canterbury	Canterbury Bankstown	October 2024
North Strathfield Metro	Canada Bay	October 2024
Ashfield	Inner West	December 2024
Dulwich Hill	Inner West	December 2024
Marrickville	Inner West	December 2024
Croydon	Burwood/ Inner West	January 2025
North Wollongong	Wollongong	April 2025
St Marys Metro	Penrith	April 2025
Wiley Park	Canterbury Bankstown	June 2025

Station	Local government area	Month for finalisation
Belmore	Canterbury Bankstown	December 2024
Lakemba	Canterbury Bankstown	December 2024
Cockle Creek	Lake Macquarie	April 2025
Punchbowl	Canterbury Bankstown	June 2025

These commencements will allow councils to master plan the remaining precincts and complete the required strategic planning to introduce provisions that are equivalent to or exceed the Transport Oriented Development provisions, prior to the scheduled finalisation date. This will be determined based on a range of provisions including building heights and floor space ratios across the precinct.

If councils do not complete the required strategic planning in line with the NSW Government's main priority of delivering more high quality, well-located homes near transport, community services and open spaces, the Transport Oriented Development provisions will switch on from the scheduled commencement.

This guide explains the strategic planning process to complete the necessary master planning to amend or replace the Transport Oriented Development provisions and the expectations of the Department.

## Summary of Transport Oriented Development provisions

The Transport Oriented Development provisions introduced new development standards (as summarised in **Table 3**) for land within 400m of the identified stations.

Table 3. Changes and corresponding zones

Feature	Zones to which changes apply	Residential flat buildings	Shop-top housing
Permissibility	R1, R2, R3, R4	✓ Yes	✗ No
	E1 (B2)	✓ Yes	✓ Yes
	E2 (B2)	✗ No	✓ Yes
Floor space ratio	All zones*	2.5:1	2.5:1

Feature	Zones to which changes apply	Residential flat buildings	Shop-top housing
Building height		22 m	24 m
Lot size		No minimum lot sizes	No minimum lot sizes
Lot width		21 m	21 m
Active street frontages	E1 (B2)	✓ Yes	✓ Yes

\*Relevant zones are defined in Section 151 of the Housing SEPP.

### Varying development standards

The above development standards in **Table 3** can be varied through clause 4.6 of the Standard Instrument – Principal Local Environmental Plan (Standard Instrument LEP). The clause allows councils to grant consent to development that varies one or more development standards.

See the [Guide to Varying Development Standards](#) for more information on the requirements for preparing, assessing and determining requests to vary development standards.

## Strategic planning guidance

The purpose of this guidance is to provide certainty and clarity for councils affected by the Chapter 5 of the Housing SEPP. Councils should use this guidance for:

- The purposes of undertaking masterplanning in Transport Oriented Development precincts that have been staged to allow for local planning, or
- The purposes of undertaking masterplanning and a planning proposal to replace the Transport Oriented Development provisions.

For the staged precincts, if the necessary strategic planning work is not completed by the relevant date, or will not provide equal or greater housing outcomes, the Transport Oriented Development provisions will come into effect in those identified locations and remain in place until suitable alternative local planning controls are developed.

For these staged precincts, to expedite the strategic planning process, a planning proposal will not be required to introduce alternative local planning controls. A SEPP will be prepared to

amend the relevant LEP, based on the strategic planning information provided by council. Council will be consulted on drafting of the instrument and mapping.

Council will need to provide a masterplan and map(s), with heights of buildings and floor space ratios, plus any other development standards they would like to see in their LEP, subject to including the below.

Council strategic planning for any Transport Oriented Development precinct must consider:

- an increase in housing in the precinct equal to or exceeding the Transport Oriented Development provisions
- use of planning controls and land use zones that reflect medium-high density potential in the precinct
- a residential supply pipeline into the future
- provisions for long-term affordable housing
- amenity outcomes, including provisions for open space
- any environmental or hazard matters.

Councils may choose to extend the application of the provisions beyond the proposed 400 m radius for their Transport Oriented Development precinct where this will deliver a better outcome. The impact of proposed low- and mid-rise housing reforms should also be considered in that case.

As with the Transport Oriented Development provisions, any alternative local planning controls will not apply to local or state heritage items, but will apply to heritage conservation areas. Councils are very well placed to assess applications for the impact on heritage conservation areas and often encourage new development to occur in those areas where it's contributing to the heritage values of those locations. That might involve the removal of a non-contributory building to the heritage value of that area. That new development may improve and enhance the heritage values of those locations.

To remove duplication and potential conflict between the two policies, the proposed low- and mid-rise housing reforms will not apply to the Transport Oriented Development precincts.

Further studies into heritage or infrastructure capacity are not required as such issues were considered in the development of the Transport Oriented Development precinct. Councils should focus on other considerations such as:

- solar access
- interface with open space and adjoining areas
- site constraints like hazards or biodiversity
- tree canopy and landscape areas, and



- ability to comply with ADG requirements.

Ministerial directions issued under section 9.1 of the *Environmental Planning and Assessment Act 1979* are to be considered to the extent of their relevance to council's masterplanning.

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## Considerations for switching off the Transport Oriented Development provisions

### Reflect or exceed the Transport Oriented Development provisions

Councils must demonstrate how the proposed local planning controls reflect or exceed the Transport Oriented Development provisions.

Specifically, the proposed local planning controls must:

- maintain or add to the permissible land uses for land within the precinct
- maintain or exceed the 2% affordable housing requirement with a published schedule to increase the affordable housing requirement over time.
- match or exceed maximum floor space ratio and building heights across the relevant precinct
- maintain, remove or reduce minimum site width requirements
- maintain, remove or reduce parking requirements.

Council's planning information must demonstrate that the increase in housing in these locations meets or exceeds that provided by the Transport Oriented Development program and aligns with other government priorities. This will be assessed based on metrics including building heights, floor space ratios, and other measures, and the Minister for Planning and Public Spaces will be the final decision maker for any proposals.

### Reflect medium-high density potential

Planning controls for identified locations must be amended to reflect a medium-high density built form to increase the capacity for homes in these locations.

Amendments to planning controls to ensure a residential outcome of medium-high density may include:

- changing permissibility to include residential flat buildings in all residential zones and the E1 local centre zone
- changes to maximum floor space ratios with a maximum floor space ratio of at least 2.5:1 and maximum building heights of at least:
  - 22 m for residential flat buildings

- 24 m for shop-top housing
- changes to minimum lot sizes and widths.

## Sustaining housing supply into the future

Housing delivery in the Transport Oriented Development precincts is critical to meeting the NSW Government's recently released housing targets for each local government area across Greater Sydney, the Illawarra and Shoalhaven, Central Coast, the Lower Hunter and Greater Newcastle and its commitments under the National Housing Accord. Monitoring housing delivery in these locations, as well as housing need, will make sure that undersupply can be addressed.

Dwelling capacities and targets will need to ensure rates of housing delivery and supply are sustained into the future. This may include monitoring occupation certificates, as well as indicators of the housing supply pipeline, such as development application approvals and lodgements.

The capacity of potential new homes can also be based on feasibility analysis calculated for the precinct, local government area or region. Council can acquire its own feasibility analysis of the number of potential new homes, or the Department can provide this information through its Development Capacity Model with Council's inputs.

## Long-term affordable housing

Longer term strategic planning for Transport Oriented Development areas should set ambitious yet feasible rates of affordable housing. Regional plans will guide the target contribution rate of new floor area provided as affordable housing, if a site is viable for development.

In the first instance, the prescribed affordable housing rate within the Housing SEPP will apply. In the event that a council takes a different rate or approach, we expect that councils will prepare an affordable housing contribution scheme that prescribes the rate and mechanism for delivering affordable housing. This may be through delivery of dwellings on site, and dedication to council or a community housing provider, or an equivalent monetary contribution or a land dedication.

It is expected that any proposed local planning will match the applicable affordable housing rate required under the Housing SEPP at that time. A published schedule to increase the affordable housing requirement over time will also be required. Where a higher affordable housing rate is proposed, this will need to be supported with feasibility testing. This can be considered across the Transport Oriented Development precincts in a local government area - e.g. higher affordable housing rate in some areas and lower in others.

## Parking

Parking will be an important element of the strategic planning process in the Transport Oriented Development precinct areas. The Department encourages councils to develop parking rates that are suitable for Transport Oriented Development precincts, based on local characteristics. The future parking provisions will shape travel behaviour and community expectations of public transport. Proposed parking rates should be equal to or lower than those that currently apply under the Housing SEPP.

# Timeframes

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## Consultation

While we expect councils to undertake consultation, this consultation may be shorter than the normal consultation period outlined in Council's Community Participation Plan.

A targeted 2 week public exhibition is considered reasonable because:

- The intended uplift in the Transport Oriented Development precincts has already been communicated through the Transport Oriented Development program and these are precincts where the NSW Government has made it clear that growth is happening.
- The adequacy of State and local infrastructure to accommodate the anticipated growth has already been considered. Heritage considerations have already been taken into account.

If councils choose to conduct further community consultation, this must be carried out prior to the scheduled finalisation date for the Transport Oriented Development precinct. Otherwise the Transport Oriented Development provisions will take effect and remain in place until suitable alternative local planning controls are developed.

Councils should consult with agencies in the NSW Government that might have advice as a result of impacts not considered in detail by the Transport Oriented Development provisions, or local planning results in impacts greater than envisaged by the Transport Oriented Development provisions. Councils should discuss with the Department of Planning, Housing and Infrastructure on which agencies to consult with on local planning.

Proposed exhibition material is to be shared with the Department's Local Planning and Council Support and Housing Policy and Codes teams for validation prior to commencing community consultation.