

## 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](mailto: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; and
- 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

## Department of Planning, Housing and Infrastructure

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.

## Department of Planning, Housing and Infrastructure

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](http://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

## Attachment B – Amendments

- Action 1.3 – Correct reference to ‘Hunter’ UDP with Greater Newcastle UDP Dashboard.
- Action 1.4 - Remove reference to Place Strategy process.
- Action 1.4 – Recommend in addition to Place Plans to also include ‘*Planning Strategies*’
- Remove any reference to the Place Delivery Group and Place Strategies.
- Include the year of the strategy timeframe on the title page and throughout the document.
- Reference the year of preparation.
- Adjust reference to Nelson Bay East Place Strategy and Tilligerry Place Plan until they are prepared.
- Provide consistency of terminology and references between both Appendix wherever possible.
- Consideration of the infill and density targets in the Hunter Regional Plan 2041.
- Ensure that all documents referenced and identified State agencies are reviewed and updated as required.
- Appendix 1:
  - o replace DPHI *Guide to preparing planning proposals* with Local Environmental Plan Making Guideline (2023)
  - o remove reference to Shelter-in-Place Guidelines and replace with “proposals that rely on shelter-in-place to manage risk to life should be assessed against the guidance provided in the 2023 NSW Flood Risk Management Manual.”
  - o replace reference to ‘*biodiversity value, NSW DPHI Biodiversity Value Map*’ with ‘High Environmental Values’.
  - o remove the reference to requiring a BDAR as this a DA assessment process and replace with a biodiversity assessment identifying values and areas to be conserved.
  - o reference to the Department of Planning and Environment in relation to mineral resources to NSW Resources.
  - o removing the words “*able to be connected to reticulated sewer or*”
  - o include reference to HWC’s Guideline for Development in Drinking Water Catchments.
  - o include a requirement to consider transport impacts and that these are avoided or mitigated.

- Appendix 2
  - Remove reference to Port Stephens Rural Residential Strategy (2015) as no longer applicable.
  - Replace DPHI *Guide to preparing planning proposals* with Local Environmental Plan Making Guideline (August 2023).
  - Include additional dot point under ‘to address the location criteria, the rezoning request must include consideration of’ - the location of primary production and conservation lands and should be located west of the Pacific Motorway.
  - Management criteria – flooding – wording to be consistent with Appendix 1 reference (as amended – refer above).
  - Replace reference to SEPP (Coastal Management) 2018 with SEPP (Hazards and Resilience) 2021 and coastal management areas with coastal vulnerability area.
  - Remove reference to Port Stephens Rural Lands Study (2011) as no longer applicable.
  - A Land Use Conflict Risk Assessment (LUCRA) should be used to inform impacts on rural land resources and what further technical investigations may be required to evaluate impacts.