

**Submission
No 101**

INQUIRY INTO DEVELOPMENT OF THE TRANSPORT ORIENTED DEVELOPMENT PROGRAM

Organisation: Port Stephens Council

Date Received: 27 March 2024

The Hon. Sue Higginson MLC Chair
Legislative Council Portfolio Committee No. 7–
Planning and Environment
Via portal

Dear Chairperson,

Re: Legislative Council Portfolio Committee No. 7: Inquiry into the development of the Transport Oriented Development Program

Port Stephens Council (Council) welcomes the opportunity to provide this submission to the above inquiry specifically in relation to the impacts of the proposed 'Diverse and Well-Located Homes process and program', as referred to in the Terms of Reference.

Port Stephens is currently experiencing a period of unprecedented growth, which is driving the need for more diverse and affordable housing. Council has commenced a comprehensive review of our Local Housing Strategy to identify infill housing opportunities that can deliver growth within the existing urban footprint.

The low and mid-rise housing reforms proposed will be crucial to assist Council in addressing the housing needs in Port Stephens now and into the future. Without these reforms, the financial, resourcing and time costs for Council to achieve similar changes would be financially unfeasible and realisation of housing targets over the next 2 decades unachievable. Council has already undertaken significant strategic planning to support the objectives of the reforms as set out in the submission to the reforms (**Attachment 1**).

The proposed reforms present a valuable opportunity to fast track the delivery of the strategic planning work that has already been undertaken by Council.

Please direct any further enquiries that you may have to Brock Lamont – Strategy and Environment Section Manager via email at

Yours sincerely,

Tim Crosdale
GENERAL MANAGER

26 March 2024

Attachment 1: Port Stephens Council submission to the Diverse and Well-Located Homes program.

For enquiries please quote file no: 24/76919

PORT STEPHENS COUNCIL





Ms Kiersten Fishburn
Secretary
Department of Planning, Housing and Infrastructure
Locked Bag 5022
Parramatta NSW 2124

Dear Ms Fishburn,

Re: The Explanation of Intended Effect: Changes to create low and mid-rise housing

Thank you for the opportunity to make a submission on the 'Explanation of Intended Effect: Changes to create low and mid-rise housing'. Port Stephens Council is supportive of the Government's efforts to improve housing affordability and diversity in NSW. This aligns with much of the strategic work Council has already undertaken since the adoption of the [Port Stephens Local Housing Strategy \(2020\)](#).

These reforms proposed by Government will be crucial to assist Council in addressing the housing needs in Port Stephens now and into the future. The State's Hunter Regional Plan 2041 (HRP2041) identifies Port Stephens with a housing forecast requirement of 11,100 new dwellings to be delivered by 2041. When compared to the State target, Council's projections result in a dwelling shortfall of 4,000 dwellings over the 20 year planning horizon. To address this projected shortfall, Council has commenced a comprehensive review of our Local Housing Strategy (LHS) to proactively examine future housing supply options, with the constrained nature of our local government area requiring a significant increase in the amount of infill housing being delivered.

Council is committed to striving to meet the housing forecasts of the State. With this in mind, Council also notes that without these reforms, realising the State vision and achieving the required number of new homes over the next 2 decades will be unachievable for Port Stephens. The significant costs associated with rezoning, significant deficiencies with existing local infrastructure and public transport, as well as the significant time that it takes to deliver homes from rezoning to completion are just some of the major barriers presented at a local government level, only highlighting the need for State reform.

Council's support for the reforms is subject to the NSW Government also committing to increasing investment in express and more frequent public transport services for regional NSW as well as addressing increasing local infrastructure deficiencies faced by local government.

As an example, Council has had success addressing this issue in Shoal Bay through securing grant funding under the Regional Housing Strategic Planning Fund. The funding support has allowed for a review of the Shoal Bay Drainage Study to be undertaken which



will provide the specific local drainage infrastructure upgrade requirements in order to enable increased infill housing development in the area. Upon completion of the study, Council will have an investment ready local drainage infrastructure solution but no funding secured to deliver this outcome.

When progressing the reforms, Government should consider funding mechanisms available to councils to unlock low and mid-rise growth in the town centres. Raising height limits and increasing densities alone may not be enough to stimulate new development. If the supporting infrastructure upgrades required are too expensive for the market to support, the take up of the reforms will be impacted, stifling the realisation of the reforms.

The types of local infrastructure upgrades likely to be needed to support the reforms includes:

- Aged and undersized suburb level storm water drainage systems
- Aged and inadequate suburb level traffic, parking and active transport infrastructure
- Aged and inadequate public domain and town centre areas to facilitate and encourage infill development.

The reforms will support higher densities within walking distances of our town centres which is considered to be particularly important in Port Stephens given the significant deficiencies that exist in the public transport network (LHS Priority 4.2 – Communities are connected). Port Stephens does not benefit from the existing infrastructure (and associated cost savings) that other areas of the Hunter are able to leverage from such as the heavy rail network servicing Newcastle, Maitland and Lake Macquarie. Planning for density and additional housing where people can easily access shops and services without relying on public transport aligns with existing planning strategies and centres hierarchy for Port Stephens. This also strongly aligns with the Government's focus on active transport and 15 minute neighbourhoods. Notwithstanding the above, Council will continue to advocate for significant Government investment in more frequent and express bus services between key employment and lifestyle centres, but acknowledges that this remains a longer term reality.

Port Stephens Council has already been working with our communities to begin the process of improving housing diversity and availability in our local centres (LHS Priority 1.3 Increase the proportion of infill housing and 3.1 Facilitate new housing within existing urban areas). In 2020, we began preparing Place Plans in partnership with our communities to support future planning changes that can deliver more housing close to transport and services, whilst seeking to retain the unique local character of our towns. These local plans are our approach to informing place specific controls that can respond to the important elements of local character that should be retained and protected. It is our view that this will help Port Stephens avoid the associated risks of the necessary broad scale planning reform relating to low and mid-rise housing.

The Minister for Planning and Public Spaces was recently quoted stating that ["Regional NSW plays an important role in the housing supply story for the state, and in making sure that NSW meets its targets under the National Housing Accord."](#) Without these reforms the

financial, resourcing and time costs for councils to achieve similar changes would be financially unfeasible and realisation of housing targets over the next 2 decades unachievable.

Given the alignment with existing strategic planning in Port Stephens and the significant benefits these changes will have on local housing supply, implementation of these reforms should not be delayed. Should any consideration be given to a delay or modification of the reforms, Port Stephens Council would support a staged approach where the reforms might be implemented in the Lower Hunter and Greater Newcastle, Central Coast and Illawarra-Shoalhaven regions. This would allow for areas outside of metropolitan Sydney to play their part in addressing the NSW Housing Crisis whilst also encouraging higher density housing delivery in areas where continued urban sprawl is a real challenge.

These reforms are considered critical to secure and accelerate housing supply in Port Stephens. It is Council's understanding that the recent changes in the Transport Oriented Development State Environmental Planning Policy as well as the reforms to the Housing SEPP to enable more affordable housing supply will not be available to Port Stephens. This makes the changes proposed under the low and mid-rise housing reform even more crucial should Port Stephens Council strive to deliver its forecast housing requirements.

The proposed reforms would encourage development of low and mid-rise housing in well located areas – locating more of our population closer to the shops, services and transport connections that are required for everyday living. This aligns with much of the strategic work Council has already undertaken since the adoption of the [Port Stephens Local Housing Strategy \(2020\)](#).

In order for Council to strive to deliver its forecast housing requirements under the HRP2041, Port Stephens must increase building heights in town centres. Port Stephens is a highly constrained LGA with limited new opportunities for greenfield housing development. Our community strongly values our natural environment and the promotion of different housing types with increased densities will ensure a balanced development outcome as we cater for the LGA's continued growth.

Council has already undertaken significant strategic planning to support the objectives of the reforms with the following documentation completed and well aligned:

- Port Stephens Local Housing Strategy (2020) (currently under review)
- Draft Port Stephens Housing Supply Plan (current)
- Port Stephens Infill Housing Study (2019)
- Housing Preferences in Port Stephens Study (2019)
- Port Stephens Centres and Employment Land Study (2024)
- Raymond Terrace Heights Planning Proposal - scoping (current)
- Raymond Terrace Public Domain Plan (2021)
- Raymond Terrace and Heatherbrae Strategy (2015)
- Nelson Bay Public Domain Plan (2019)



- Nelson Bay Town Centre and Foreshore Strategy (2012) and Delivery Program (2018)
- Medowie Place Plan (2023)
- Medowie Planning Strategy (2016)
- Draft Shoal Bay Place Plan (current)
- Shoal Bay Drainage Study (2016) (currently under review)
- Tilligerry Place Plan (current)
- Karuah Place Plan (2022)
- Karuah Planning Strategy (2004)

Within Port Stephens, a number of opportunities exist for new infill housing in existing communities that are walking distance to the shops, services and transport connections that are required for everyday living. Centres such as Raymond Terrace, Nelson Bay, Shoal Bay, Medowie, Salamander Bay and Tanilba Bay have the ability to support greater housing diversity and increased housing densities as per the reforms. As Council has undertaken the strategic studies to identify suitable opportunities for new infill development in our local government area, all of these centres should be included in the reforms.

To improve certainty and transparency for the community, the reforms should specifically identify the centres where the changes will apply and should not rely on subjective criteria such as 'a full line supermarket, shops and restaurants' to determine the application of the planning changes. Specific mapping and listing the eligible centres will also reduce challenges at the development application stage.

In Port Stephens, the reforms for mid-rise housing should apply to specific centres nominated by Council (rather than identification by reference to the underlying zoning). This will ensure the local centres' hierarchy is considered and the strategic planning work that some councils have already undertaken is reflected in the planning outcomes. The attached commentary sets out the justification for specific centres in Port Stephens where the strategic planning supports the application of the proposed low and mid-rise housing reforms.

Port Stephens Council appreciates the opportunity to review and provide comment on the NSW 'Explanation of Intended Effect: Changes to create low and mid-rise housing'. The proposed reforms present a valuable opportunity to fast track the delivery of the strategic planning work that has already been undertaken by Council. Subject to the State consideration and resourcing of local infrastructure and regional public transport needs, the implementation of the proposed reforms would enable Council to strive to meet the housing needs identified by the State and Federal Governments.



PORT STEPHENS
COUNCIL

Please direct any further enquiries that you may have to Brock Lamont – Strategy and Environment Section Manager on [redacted] or via email at [redacted]

Tim Crosdale
GENERAL MANAGER

23 February 2024
Telephone enquiries

Please quote file no: 24/44427

cc. NSW Minister for Planning and Public Spaces – Paul Scully



PORT STEPHENS COUNCIL

116 Adelaide Street
Raymond Terrace NSW 2324

PO Box 42
Raymond Terrace NSW 2324

p 02 4988 0255
e council@portstephens.nsw.gov.au

w portstephens.nsw.gov.au



Supporting information on centres for consideration relative to Port Stephens

Raymond Terrace

Raymond Terrace is appropriate for increased housing density and inclusion in these reforms as it is identified in the Hunter Regional Plan 2041 (HRP2041) as an important strategic centre. It is a service, retail and administrative hub for Port Stephens and surrounding communities in the Lower Hunter region. Raymond Terrace benefits from its proximity to the M1, as the gateway to the Hunter from the north, a short drive to Newcastle Airport, the Newcastle City Centre and Maitland to the west.

The Raymond Terrace town centre precinct is supported by a walkable catchment. It adjoins several parks and recreational areas including park land along the river front. Increasing housing availability in the area will ensure easy access to these and other community facilities (including sporting grounds and libraries). Increasing density in Raymond Terrace will facilitate new dwellings within a 15 minute walk of open space, local shops, services and public transport connections. Through the Raymond Terrace Public Domain Plan (2021), Council continues to improve pedestrian and active transport connections, contributing to its growth as a liveable mixed use community.

There are several economic development opportunities in close proximity to Raymond Terrace including the expansion of the Newcastle Airport, major transport projects in relation to the M1, the inclusion of Raymond Terrace within the Hunter-Central Coast Renewable Energy Zone (REZ) and the growth and transformation of Tomago and Williamstown as an area for innovation. These factors are expected to continue to support and provide for local jobs and business opportunities through construction and operation. Additional housing opportunities in Raymond Terrace will be vital to the supply of a local workforce.

The current upgrade of the M1 Pacific Motorway to Raymond Terrace is expected to reduce travel time between Raymond Terrace and Newcastle by 7 to 9 minutes in peak traffic and improve accessibility from Raymond Terrace to Heatherbrae and Tomago. Building height limits in Raymond Terrace should be increased now to be ready to respond to future growth associated with improved accessibility to the region and employment areas close by.

Our strategic vision for Raymond Terrace is for it to be a strong regional centre and a great place to live, work and play. The Raymond Terrace and Heatherbrae Strategy 2015-2031 states that the future success of Raymond Terrace and Heatherbrae is dependent upon increasing the residential density of the Raymond Terrace town centre.

The HRP2041 classifies Raymond Terrace as a General Urban area with a target density of 50 dwellings per hectare. It has limited capacity for greenfield supply and therefore infill housing is essential to reach this housing target. The increase of building height limits in commercial areas as well as within the existing R3 zone would provide opportunities for additional infill housing.



The Port Stephens Infill Housing Study has identified a number of infill opportunity sites in Raymond Terrace which would benefit from the proposed reforms. Increasing height limits could positively impact feasibility and stimulate investment in the area.

Currently, the height limits in the E2 zone are 12, 14 and 19 metres and the reforms would result in new development on the surrounding land exceeding these by up to 9 metres. To ensure an appropriate urban form and a reasonable planning outcome, the building height limits in the Raymond Terrace E2 Commercial Centre zone should also be raised to either match or exceed the surrounding residential zone.

Council has already completed the strategic planning work to support the increase of building heights in the commercial town centre and a planning proposal is currently being prepared. If this change could be achieved through this planning reform process, the benefits of this change will be fast tracked and the cost savings for our Council would be significant.

Nelson Bay

Nelson Bay is also identified in the HRP2041 as a strategic centre in the Hunter region and is a centre appropriate for increased density and inclusion in these reforms. It is a service, retail and tourism hub for Port Stephens and surrounding communities in the Lower Hunter region. It is identified as a strategic centre for its unique role in anchoring the tourism economy, with significant hospitality, recreation and entertainment offerings. It also serves as the local centre for a substantial residential population.

The HRP2041 identifies that Nelson Bay has limited capacity for greenfield housing supply and therefore infill housing in and around the centre will be essential to meet housing needs. Increasing building height limits in the adjoining R3 zone would provide for additional opportunities for infill housing development that is appropriately located. This is consistent with the significant body of strategic planning work and studies that have already been undertaken to support increased building heights in Nelson Bay.

Nelson Bay contains a range of retail and hospitality venues, including a full line supermarket. There is also a marina, bowling club, tennis courts and golf club nearby. The town centre precinct is supported by a walkable catchment and increasing housing availability in the area will ensure easy access to these and other community spaces and facilities and will facilitate all new dwellings to be within a 15 minute walk of open space. Through the Nelson Bay Public Domain Plan (2019), Council will continue to improve pedestrian and active transport within the centre, contributing to its growth as a liveable mixed use community.

Council has been working with the community over the last decade to improve Nelson Bay and provide a range of diverse housing. In 2012, Council adopted the Nelson Bay Town Centre and Foreshore Strategy, seeking to guide Nelson Bay towards becoming more attractive to tourists, the business community and residents as well as to increase densities. In 2018, Council adopted the Progressing the Nelson Bay Town Centre and Foreshore Strategy: A revised implementation and delivery program (the Delivery



Program) and increased building heights in 2020. Council introduced specific and detailed local controls to retain the unique local character of Nelson Bay that could be extended to the area subject to the proposed reforms.

Medowie

An outlier in the proposed reforms is Medowie, Council's fastest growing centre. As this centre has emerged relatively quickly, the reforms should enable mid-rise housing to be realised in proximity to the town centre notwithstanding that Council has not yet completed an update to the underlying zoning for medium density residential development in accordance with our strategic plans.

Medowie is a priority location for future housing in the HRP2041 because of its proximity to major employment precincts such as the Newcastle Airport in Williamstown and the Hunter - Central Coast Renewable Energy Zone in Tomago. It is also within 35 minutes from Newcastle City centre.

The urban character of Medowie is changing rapidly, particularly around the town centre. Medowie has developed from a small rural town into a thriving hub with full line supermarkets, restaurants, schools, sporting and community facilities. The Medowie Place Plan earmarks the town centre for further growth and expansion in the near future (residential, commercial, mixed use, and recreation uses) which will support the justification for encouraging mid-rise housing around this location.

Council's Medowie Strategy and Place Plan identify opportunity sites for infill development within walking distance to employment zones, and the HRP2041 and the Greater Newcastle Metropolitan Plan 2036 both seek additional residential development be provided in the areas identified in the local strategy. Council is supportive of density in this location and the development of smaller lot housing to increase the diversity of housing choice.

As set out above, Council has not yet completed updating the underlying zoning for medium density residential development in accordance with our strategic plans for Medowie. The reforms should nevertheless facilitate medium density residential development around this town centre because the strategic planning has been completed to justify the changes. The reforms should enable mid-rise housing around the Medowie employment precinct which contains local employment, retail and local services, open spaces, and is close to sporting facilities and active transport opportunities.

Shoal Bay

Shoal Bay is surrounded by National Park and there is limited opportunity to provide new housing outside of the current developed area. However, Shoal Bay continues to attract strong development interest, particularly for multi-dwelling housing and residential flat buildings. The centre includes a variety of shops and services including a pharmacy, multiple small retail stores, cafés, restaurants, bars, an express grocery store, takeaway



outlets, a liquor store and a medical facility. Shoal Bay offers a walkable town centre precinct that meets the intent of the reforms.

The existing E1 Local Centre and the R3 Medium Density Residential zones in Shoal Bay already permit medium density development, however, the maximum height of buildings within the E1 and R3 zones is limited to 15 and 9 metres respectively.

In the Port Stephens Infill Study and Port Stephens Local Housing Strategy, Shoal Bay is identified as a suitable location for infill housing in the LGA. Council currently has the Shoal Bay Place Plan on exhibition and is openly engaging with the community on what the future of the area might look like. This plan identifies the R3 areas within Shoal Bay that would be suitable for increased height limits. The Place Plan also discusses the necessary local infrastructure upgrade requirements to achieve this outcome (particularly the revised Shoal Bay Drainage Study outcomes). To this end, Council supports the inclusion of Shoal Bay in the proposed reforms and proposes that the building height limits within the Shoal Bay E1 zone also be increased to match the residential zone.

The E1 zone in Shoal Bay is 36,000m², and whilst it doesn't include a full line supermarket, it is sufficient enough to support the goals of the reforms and has the potential for a supermarket to be included in future developments in the area. The zone includes a variety of shops and services including a pharmacy, multiple small retail stores, cafés, restaurants, bars, an express grocery store, takeaway outlets, a liquor store and a medical facility.

Tanilba Bay

Tanilba Bay is the largest centre on the Tilligerry Peninsula. The centre is supported by a walkable residential catchment and includes a variety of specialty stores and services, a full line supermarket, cafes, extensive waterfront access, nearby parks and a golf club. It provides for the daily retail needs of local residents including the neighbouring communities of Mallabula, Oyster Cove and Lemon Tree Passage.

The town centre is zoned E1 Local Centre and R3 Medium Density Residential, which both permit medium density developments such as residential flat buildings. The current height limits of 8m and 9m, respectively, are considered limiting to the development potential of this centre. The Port Stephens Infill Housing Study and the Local Housing Strategy have identified Tanilba Bay as a suitable area for infill housing and, in particular, for affordable or seniors housing.

Council is currently preparing the Tilligerry Place Plan in partnership with the community, which includes a draft action to create opportunities for diverse housing. The strategic vision for Tanilba Bay is for it to be a major centre for the peninsula and be a great place to live, work and play. Council has already undertaken strategic planning work to review building heights in proximity of the commercial centre and supports the inclusion of Tanilba Bay in the planning reforms. Increasing height limits could positively impact feasibility and stimulate new investment in the area.



Currently, the height limit is 8 metres in the E1 zone and the reforms would result in the adjacent R3 zoned land changing to 21 metres, creating a difference of 13 metres. To ensure an appropriate urban form and a reasonable planning outcome, the building height limits in the Tanilba Bay E1 Local Centre zone should also be raised to either match or exceed the adjacent residential zone.

Salamander Bay

Salamander Bay is a growing retail and employment precinct in Port Stephens. It is projected to grow as a knowledge-sector employment hub and the Port Stephens Centres and Employment Land Study has identified that Salamander Bay will have the highest level of retail/service demand in the Tomaree Peninsula in the future. It will be important that there is enough housing in the area to support this demand and to deliver housing affordability.

The Salamander Bay precinct is supported by schools, a public library, sport fields and facilities and a bus interchange. Increasing housing availability in the area will ensure easy access to these and other community spaces and facilities. The E2 Commercial Centre zone in Salamander Bay includes a prominent stand-alone shopping mall with several large-scale supermarkets and retailers. It is centrally positioned and provides a wide range of essential retail for residents of the Tomaree Peninsula.

As with several other centres in Port Stephens, the height limit in the Salamander Bay employment zone would need to be increased to ensure an appropriate urban form if the reforms increase the height limits of the medium density residential zone. Currently, the height limit is 15 metres in the E2 zone and the reforms would result in the adjacent R3 zoned land exceeding this by 6 metres. To ensure an appropriate urban form and a reasonable planning outcome, the building height limits in the Salamander Bay E2 zone should also be raised to either match or exceed the adjacent residential zone.

Height limits in employment and mixed use zones

As set out above, there are some centres in Port Stephens where the height limits of the employment zones would need updating to accurately reflect the centres' hierarchy should the reforms proceed. Council should not be required to progress a separate planning proposal for these employment and mixed use zones to correct this planning outcome as a result of the reforms.

Manor Homes

Manor homes are currently only permitted as complying development and must meet strict criteria under the complying development code. To date, no Complying Development Certificates for manor homes have been lodged with Council. This suggests that the standards in the complying code are unfeasible or unable to be met in Port Stephens.

If the State Government wants to encourage more manor homes, it could amend the Standard LEP Instrument to include 'manor homes' in the land use table. This would enable the assessment of a development application by Council.

The proposed reduction in car parking requirements for manor homes is not supported, especially in regional areas like Port Stephens, where public transport options are severely limited. It would be requested that the State provide alternative parking requirements for regional areas.

Multi Dwelling Housing

The Port Stephens Local Environmental Plan 2013 currently permits multi dwelling housing in the R1, R2, R3, and MU1 zones. Council assesses many applications for multi dwelling housing and, typically, receives objections from the surrounding community that raise traffic and parking as issues. The proposed reduction in car parking for this type of development is not supported as a blanket requirement, especially in regional areas.

Public transport services are not available in Port Stephens at the same level of service as they are in the Sydney Metropolitan area. We recommend that the State provides alternative parking requirements for regional areas.

Minimum lot size for residential flat buildings

The reforms propose to remove minimum lot size requirements for residential flat buildings which could negatively impact local character in some centres. In 2019, Council increased building height limits in the Nelson Bay Town Centre and introduced a 12 metre minimum site width development standard to address community concerns about building form and impacts on local character. The existing 450m² minimum site area requirement for residential flat buildings was retained to support the amendment.

Since this time, Council has received a number of development applications for narrow residential flat buildings on small lots that are incapable of compliance with the NSW Apartment Design Guide. The key design issues relate to setbacks, privacy, solar access, overshadowing, ventilation, non-compliant or impractical parking design, passive surveillance and a lack of deep soil planting area.

Council's minimum site and width requirements are already relatively small compared with other areas which typically require minimum site areas of 900m² and minimum widths of at least 15-20 metres.

Council would be concerned that removing the minimum lot size requirements altogether would exacerbate the problem of receiving applications for residential flat buildings on small lots that are incapable of compliance with the NSW Apartment Design Guide.

These applications create a significant resource drain on Council staff and our Urban Design Panel. Removing standards for minimum lot size and widths to allow a merit based decision is likely to increase the number of speculative applications that do not meet the



NSW Apartment Design Guide. The time spent dealing with these inadequate applications could otherwise be directed to development with greater prospects of approval and a more positive contribution to housing supply.

Should the State consider changes to the minimum lot size and width requirements, consideration should be given to establishing a standard requirement within the Standard Instrument LEP or the Housing SEPP.

Upgrades to existing local infrastructure

One of the existing barriers to increasing density around existing centres is that medium density development often requires upgrades to existing local infrastructure that may make new development unfeasible. For example, significant upgrades are required to suburb drainage systems to facilitate further medium density development and the increased site coverage that comes with it.

Port Stephens Council has recently secured funding under the Regional Housing Strategic Planning Fund for the Shoal Bay Drainage Study review. This study will identify the upgrades required to local drainage infrastructure, however, this study will only identify additional local infrastructure costs that are unable to be funded solely by Council. Council may be unable to carry out the recommended works to unlock growth without alternative funding methods.

When progressing the reforms, Government should consider funding mechanisms available to councils to unlock low and mid-rise growth in the town centres. Raising height limits and increasing densities alone may not be enough to stimulate new development. If the supporting infrastructure upgrades required are too expensive for the market to support, the take up of the reforms will be impacted, stifling the realisation of the reforms.

The types of local infrastructure upgrades likely to be needed to support the reforms includes:

- Aged and undersized suburb level storm water drainage systems
- Aged and inadequate suburb level traffic, parking and active transport infrastructure and
- Aged and inadequate public domain and town centre areas to facilitate and encourage infill development.

To ensure that infrastructure can accommodate the increase in density, Council requests that the State review and evaluate different funding models that could fund the improvements to local infrastructure that are required to support higher densities. This could include:

- Increasing the Local Infrastructure Contributions (LIC) cap of \$20,000 per new dwelling, as Port Stephens Council is already charging local contributions at the maximum rate;



- Developing and funding a State investment or loan program targeted at local infrastructure projects that can unlock infill housing;
- If contributions and contributions caps are increased for infill development, there could be a reduction to the State Housing and Productivity Contribution (HPC) amount for infill development as a development incentive;
- Facilitating a precinct based approach to funding the infrastructure upgrades in a precinct through individual voluntary planning agreements (VPAs). This would involve councils pooling funds and would require reforms to make VPAs quicker and cheaper for smaller developers to be feasible.
- Increase the LIC and HPC amounts for new greenfield development and urban release areas and make changes to allow the additional revenue to be directed back into enabling infrastructure for infill development (without requiring any nexus to the greenfield development).

