

Planning for paper subdivisions



Frequently Asked Questions

June 2014

WHAT ARE PAPER SUBDIVISIONS?

- A “paper subdivision” is a term used to describe land containing lots that only have recognition on paper and, in most cases, have no formed roads, drainage, reticulated water, sewer or electricity.
- Most paper subdivisions have been in existence for many years, some originating as long ago as the late 1800s or early 1900s.

WHERE DO PAPER SUBDIVISIONS EXIST?

- Paper subdivisions are known to exist in the following local government areas across NSW and other councils may also have records of paper subdivisions:
 - Blacktown
 - Shoalhaven
 - Wollongong
 - Eurobodalla
 - Queanbeyan
 - Port Stephens
 - Lake Macquarie City
 - Great Lakes
 - Wyong
 - Maitland and
 - Sutherland

WHO OWNS THE LAND IN PAPER SUBDIVISIONS?

- Land in paper subdivisions may have a wide variety of owners, such as ‘mum and dad’ investors, who have purchased the lots as an investment with the hope that one day they may be zoned to enable development to occur.
- Land may also be owned by companies or public authorities. The fragmented, diverse ownership is often one of the barriers to development.

WHY CAN'T LANDOWNERS JUST BUILD ON THE LOTS THEY OWN?

- While the subdivision pattern of many paper subdivisions may reflect an urban form of development, the land use zoning and lot sizes are often not compatible with urban development. In addition, there is usually limited or no infrastructure to enable urban development on this land.
- For urban development of paper subdivisions to be achieved, the land must be appropriately zoned, typically from rural or other non-urban zones. Even if the land is zoned to enable development, it is necessary for the landowners to work together to bring forward a suitable development proposal.
- This often presents significant challenges as the landowners may not always have the expertise and funding needed to implement a development proposal.

Planning for paper subdivisions



Frequently Asked Questions

WHAT CHANGES HAS THE GOVERNMENT MADE TO OVERCOME THE PROBLEMS WHICH HAVE RESTRICTED DEVELOPMENT OF PAPER SUBDIVISION LAND?

- The NSW Government has established a process that facilitates the development of those paper subdivisions which are suitable for urban development.
- This process enables the Minister for Planning to make a Subdivision Order to appoint a Subdivision Authority and provide that Authority with the powers and functions to implement a Development Plan for the benefit of the landowners.

WHAT ARE THE KEY ELEMENTS OF THE REGULATION?

- The key elements of the Regulation include:
 - What matters need to be included in a Development Plan for land that is to be the subject of a Subdivision Order;
 - The requirements for the preparation, notification, adoption and amendment of Development Plans;
 - Ballot procedures for determining whether the required number of landowners consent to the Development Plan being made;
 - Matters relating to contributions by owners of the land;
 - Circumstances when the land which is subject to a proposed Development Plan may be entered without the owner's consent;
 - A requirement to give the local council notice of a Subdivision Order and the completion of subdivision works on land within their area, as well as a requirement for certain information to be specified on planning certificates.

HOW WILL LANDOWNERS GIVE CONSENT TO IMPLEMENT THE DEVELOPMENT PLAN?

- Under the provisions in the Act, the Minister may only make a Subdivision Order if at least 60 per cent of the landowners, and the owners of at least 60 per cent of the land area, have given their consent to the proposed Development Plan.
- Consent to a Development Plan must be obtained through a postal ballot. The proposed regulation provides that the ballot may be conducted by the Subdivision Authority or by another body with appropriate expertise, such as the Australian Electoral Commission, on behalf of the Authority. It also provides further detail about the procedure for holding the ballot.

WHICH BODIES CAN BE APPOINTED AS A SUBDIVISION AUTHORITY?

- Under the provisions in the Act, a Subdivision Order may designate any of the following bodies as the relevant Subdivision Authority for developing paper subdivision land:
 - The Ministerial corporation established under the *Environmental Planning and Assessment Act 1979*;
 - Local councils;

Planning for paper subdivisions



Frequently Asked Questions

- UrbanGrowth NSW; or
- A development corporation established under the *Growth Centres (Development Corporations) Act 1974*.

HOW CAN A LANDHOLDER IN A PAPER SUBDIVISION INITIATE THE PROCESS?

- A landowner would need to obtain the support of a potential Subdivision Authority to work with the landowners to prepare a Development Plan.

WHAT IS URBANGROWTH NSW'S ROLE IN THE RIVERSTONE SCHEDULED LANDS?

- UrbanGrowth NSW has been working with Blacktown City Council and Riverstone landowners since 2005 to facilitate the orderly development of the paper subdivision known as the Riverstone Scheduled Lands.
- There is potential for UrbanGrowth NSW to seek approval to use this paper subdivision process in the Riverstone Scheduled Lands.
- Further information on UrbanGrowth NSW's role is available at <http://www.riverstonelands.com.au/>

WHAT HAPPENS IF BOTH 60 PER CENT THRESHOLDS ARE REACHED? HOW SOON CAN LAND DEVELOPED?

- Achieving 60 per cent support (both the number of landowners and area of land) satisfies just one of several conditions that have to be met for a Subdivision Order to be made by the Minister.
- Once all the relevant conditions are met, the prospective Subdivision Authority may request the Minister make a Subdivision Order to enable the implementation of the Development Plan.
- The Subdivision Authority would then need to work with the landowners to facilitate the development of the land in accordance with the Development Plan. This is likely to involve a range of development activities such as rezoning, obtaining development consents and subdivision works.

WHAT HAPPENS IF A CLEAR MAJORITY VOTE FOR THE PLAN, BUT THE REQUIRED 60 PER CENT THRESHOLD IS NOT REACHED IN ONE OR BOTH CATEGORIES?

- A Subdivision Order could not be made because the required 60 per cent land owner consent would not have been reached.

Planning for paper subdivisions



Frequently Asked Questions

WHAT COSTS ARE INVOLVED FOR LANDOWNERS?

- There is no fee for seeking a Subdivision Order. However, there will be costs associated with implementing a Development Plan.
- Landowners seeking to use this process are encouraged to hold early discussions with prospective Subdivision Authorities to ensure relevant costs are identified as early as possible. This will reduce the likelihood of incurring costs where the project is not suitable for a Subdivision Order.

FURTHER INFORMATION

- Further information can be found on the Department of Planning & Environment's website: www.planning.nsw.gov.au
- For further inquiries, phone: (02) 9228 6111 or email us at housingpolicy@planning.nsw.gov.au