

REPORT – REVIEW TO IDENTIFY OPPORTUNITIES FOR INFILL DEVELOPMENT AND SUBDIVISION IN ZONE LR (LOW DENSITY RESIDENTIAL)

Prepared pursuant to Section 81B of the *Planning Act 1999*



15 March 2026

Mark Coffey

Chairperson

Northern Territory Planning Commission

Contents

1	Introduction.....	3
	Purpose	3
	Background	3
2	Matters raised during consultation	5
3	Enabling infrastructure challenges	7
4	Principles for enabling infill development	8
	Consent and oversight for infill development.....	8
	Flexible minimum lot size requirements	9
	Design controls	9
	Acceptable housing typologies.....	10
	Further consultation	10
5	Planning pathways	11
	Benefits and risks	11
	Recommended planning pathway	12
6	Recommendation.....	13

1 Introduction

Purpose

This report provides Government with an outline of matters raised during consultation and recommendations to amend the Northern Territory Planning Scheme 2020 (NTPS) to allow infill development and subdivision within Zone LR (Low Density Residential).

Background

In May 2025, the Northern Territory Government released the report "Saying 'Yes' to Business – Approvals Fast Track Taskforce Supplementary Report." The report contains recommendations aimed at implementing improvements to regulatory approval processes to eliminate unnecessary and burdensome regulations. The report advocates for greater flexibility in the application of regulations and recommended various planning reforms, including:

Recommendation 11 - *allowing more flexibility in how regulations are applied, which focus on business complying with regulatory outcomes rather than specific activities.*

The specific planning reform proposals related to Recommendation 11 are:

- *11B – Review existing restrictions on lots that are currently restricted to single dwellings; and*
- *11C – Undertake a review of minimum lot sizes to ensure Design Codes support the delivery of housing supply.*

On 10 November 2025, the Minister for Lands, Planning and Environment wrote to the Northern Territory Planning Commission (the Commission) requesting it undertake consultation with the community, with support from the Department of Lands, Planning and Environment to inform a report to the Minister on options to address the above planning reform proposals under Section 81B of the *Planning Act 1999* (the Act).

The Minister provided a Terms of Reference (ToR) (Attachment A) to guide this work to identify opportunities within the NTPS to:

- a. Facilitate infill development to promote greater housing diversity and affordability, optimise the use of existing urban infrastructure and respond to contemporary residential needs and strategic planning objectives; and
- b. Remove existing barriers to the subdivision of smaller lots within Zone LR.

Specifically, the Commission was asked to examine the following as potential amendments to facilitate infill development and subdivision in Zone LR to enable:

- Dwelling-group and dwelling-multiple, supported by adequate infrastructure where a minimum density of one dwelling per 450m² can be achieved
- A new minimum lot size of 450m²
- Lots having a frontage to the street of 12 metres

- Lots that can accommodate a building envelope of at least 120m² and that is 8 metres wide
- Location of vehicle crossovers to ensure there is a continuous street frontage of 6.5 metres.

A Discussion Paper was prepared by the Commission and released for consultation in late 2025 to seek feedback on options to facilitate infill. It presented these potential amendments to prompt community consideration and encourage informed submissions.

2 Matters raised during consultation

A Consultation Summary Report (Attachment A1) has been prepared which outlines the consultation methodology, engagement results and a summary of the key issues raised by submitters. The report details that there are mixed views on infill development in the Territory. Of the 28 written submissions received:

- 4 expressed clear support,
- 14 expressed conditional support,
- 7 were not supportive, and
- 3 provided comment without expressing a clear position.

Of the 97 responses from the online tools (survey and a quick poll):

- 50 were positive,
- 16 were mixed/uncertain, and
- 31 were concerned.

Taken together, the results indicate broad overall support; however, much of this support is conditional and accompanied by important considerations that would need to be addressed moving forward such as ensuring adequate infrastructure capacity, appropriate design controls and an appropriate assessment level to ensure oversight of proposals. Several consistent themes emerged across all submission formats:

Evidenced and Place-based Planning

- Some stakeholders favoured location-specific planning, and alignment with Area Plans.
- Allowing for staged implementation, with monitoring and review before broader rollout.
- Litchfield Council provided strong opposition to infill development in their local government area, maintaining that it conflicts with Litchfield's identity as a rural lifestyle municipality, requesting removal from the project.
- Infill should be focused around activity centres, major transport corridors, and areas with existing infrastructure capacity.

Infrastructure Capacity and Servicing

- There is strong concern about overloading existing infrastructure (power, water, sewer, roads, drainage).
- Some stakeholders emphasised the need for clear evidence of infrastructure capacity, cumulative impacts, upgrade triggers, and developer contributions, supported by place-based analysis, before enabling higher-density development.
- Some Government agencies highlight the need to review Area Plans and headworks to ensure community facilities (particularly schools) and services can support increased density, noting that population growth may place additional pressure on community infrastructure and require coordinated planning and investment.

Design, Amenity, and Environment

- Good design is essential, including privacy, landscaping, shade, airflow, and community amenity.
- Environmental risks such as flooding, runoff, mosquito breeding, and urban heat must be managed through design and green infrastructure.
- Some submissions suggested any increased density should be concentrated, not scattered randomly through low-density suburbs.

Governance, Engagement, and Transparency

- Councils and industry stressed the importance of continued engagement, collaborative decision-making, and transparent communication.
- Recommendations included the development of Memorandums of Understanding with councils to guide collaborative consultation and decision-making for the advancement of the infill project.
- There were calls for the publishing of spatial plans and site information to provide clarity on proposed infill locations to enable meaningful feedback.
- Providing regular, transparent updates on planning reform commitments and progress.

Resourcing, and Operational Impacts

- Local governments warn that infill may shift maintenance, upgrade, and operational costs onto councils without additional funding.
- Increased density may also create traffic, parking, and road maintenance pressures, and require more resourcing for planning teams.

The Commission sees value in publishing the Consultation Summary Report on the Commission's website, so that outcomes of the Commission's consultation on infill are clearly presented and to promote objectives (d) and (l) of the Act.

3 Enabling infrastructure challenges

A key theme emerging from consultation with both community and industry stakeholders, that requires close attention, was the importance of ensuring that infill development and subdivision occur only in areas where existing infrastructure has sufficient capacity.

Stakeholders consistently framed this as a condition of their support for infill, emphasising that unmanaged increases in density could place unacceptable pressure on essential services.

Power and Water Corporation (PWC) provided detailed feedback on the discussion paper and on the broader infill concept. PWC highlighted several constraints associated with increasing residential density, particularly in older suburbs where infill is most likely to occur.

- Increasing density will likely necessitate significant and unanticipated upgrades to support additional load and becomes more challenging as existing infrastructure ages.
- Although networks were originally constructed with capacity for future growth, actual growth has exceeded expectations, leaving limited remaining capacity to support infill without substantial infrastructure investment.
- Any amendments to the NTPS to facilitate infill should clearly articulate that subdivision approval is subject to PWC assessment and contingent upon available capacity.
- Early engagement with relevant authorities to identify infrastructure constraints in targeted infill locations is necessary to help prioritise suitable areas for infill and avoid locations where substantial investment would be required.
- Where existing infrastructure cannot support additional development, the onus would be on developers and proponents to fund any required upgrades to enable their proposal to proceed.

Given the likelihood that some level of infrastructure upgrade will be necessary, it is also possible that the scale and cost of required works may render certain developments unfeasible. Also, a “first-come, first-served” scenario, may result in frustration amongst stakeholders, if later applicants are unable to secure PWC approval due to limited capacity.

This reinforces the need for:

- A clear understanding of infrastructure capacity from the outset to enable sustainable delivery that will also support informed discussions about future priority areas for upgrades.
- Clear communications and early coordination with authorities so developers understand what is expected (and possible) from an infrastructure perspective for an infill proposal.

4 Principles for enabling infill development

Consultation with community and industry stakeholders indicates that the conversation around infill development has evolved since previous proposals, such as dual occupancy provisions that were introduced in 2016 and subsequently removed. As part of the recent consultation undertaken by the Commission, a poll identified the top four priorities for infill development in the Territory, listed below in order of importance as ranked by respondents:

- Better use of existing infrastructure,
- Increasing housing affordability,
- Boosting housing supply, and
- Supporting multi-generational living.

Although the number of submissions received limits the statistical strength of the findings, the feedback received demonstrates a clear and consistent recognition of the need to increase housing supply and provide greater housing choice in locations where people want to live.

The Commission's recent engagement provides a timely opportunity to build on this shift in expectations and to respond to emerging housing needs in the Territory. The Commission considers that there is merit in amending the NTPS to facilitate infill housing to meet the intent of the Approvals Fast Track Task Force Recommendations.

The Commission recognises the importance of balancing any potential changes with the protection of residential amenity and the management of climate and urban heat impacts. While removing planning barriers in Zone LR represents a positive step toward improving housing affordability, it is unlikely to result in a significant increase in overall densities in some suburbs. This is particularly the case in areas where infill development may be most desirable but where substantial infrastructure upgrades are required, which may affect development feasibility.

Based on the Commissions' review, key principles that should form part of any planning response to enable infill development are outlined below.

Consent and oversight for infill development

Infill development must avoid adverse impacts on infrastructure and neighbourhood amenity. Allowing development as of right, without oversight, would limit community input and limit Government's ability to understand how a policy is affecting infrastructure capacity.

Policy Position:

- All infill proposals should be merit assessable and require consent through a development application. This will ensure infrastructure capacity is assessed by relevant service and local authorities, provides community visibility and input and places all infill proposals within a single assessment pathway to ensure consistent assessment against the NTPS requirements.

- The onus should be on the proponent/developer to fund any required infrastructure upgrades, with clear communications at the outset to ensure realistic understanding of costs.

Flexible minimum lot size requirements

Current minimum lot size and density restrictions in Zone LR limit flexibility for infill housing. Any reductions are to provide for flexibility whilst respecting amenity and character of existing neighbourhoods.

Policy position

- Smaller lots and higher densities in Zone LR should be pursued and would increase flexibility for development outcomes and enable infill to occur.
- A minimum lot size of 450m² will provide more flexibility in Zone LR, and in combination with appropriate design controls will help safeguard neighbourhood character, provide appropriate separation between buildings and landscaping opportunities.
- Provisions to facilitate battle-axe lots that retain neighbourhood character and amenity with no adverse impacts on parking should be introduced to provide further flexibility but should only be allowed where the axe-handle is excluded from the minimum lot size.
- Allowing the Consent Authority to exercise discretion to vary the 450m² lot size and density by 5-10% will provide flexibility where lots can functionally support residential development, vehicle access, street parking and planting without causing adverse impacts on surrounding properties. For example this could include configurations that seek to retain an existing dwelling.

Design controls

Submissions strongly raised concerns that increased housing density and smaller lot sizes may affect amenity through reduced breezes, ventilation, landscaping, tree canopy, and parking. These issues were identified as key factors influencing the success of any infill initiative.

Policy position

- Apply design requirements to mitigate impacts relating to privacy, ventilation, and urban heat effects and to ensure infill development responds to the climate in the Territory.
- A maximum site coverage requirement could help maintain adequate outdoor living areas, natural ventilation, space for meaningful landscaping, tree planting and development that responds to the climate in the Territory.
- In many jurisdictions, a 50% maximum site coverage is adopted and would likely be suitable in the Territory, subject to further testing to confirm local appetite and applicability.
- Minimum lot frontage requirements should be considered to ensure adequate space is provided for dwellings, car parking, vehicle access and private open space, while maintaining amenity, liveability and compatibility with surrounding development. Allowing the Consent Authority to exercise discretion to approve variations to lot configuration and design requirements, provided the proposed design can support residential development appropriate to its locality.

Other considerations

- Additional analysis is needed to determine how the design controls would interact with existing provisions in the NTPS. For example, provisions in Clause 5.4.6 (Private Open Space) would need to be reviewed to understand whether amendments are necessary to ensure alignment with any new controls that are introduced.

Acceptable housing typologies

Zone LR was traditionally conceived to facilitate low-rise development. While higher-density forms can increase housing supply, submissions raised concern that they may also impact infrastructure, services, and neighbourhood character, requiring careful management.

Policy position

- An infill policy should facilitate 'dwelling-group' in Zone LR, complementing the 'dwelling-single' and 'dwelling-independent' uses which are already allowed in the zone.
- An infill policy could also include 'dwelling-multiple' in Zone LR, only where it has a maximum height of two storeys to ensure compatibility with the zone's low-rise residential character.

Further consultation

The discussion paper released for consultation focused primarily on the concept of infill development, rather than outlining the specific details of an amendment to the NTPS. Many of the submissions provided support for the concept of infill, but this support was conditional.

Policy position

- Further consultation with the community, local government and service providers on details of an amendment to the NTPS to facilitate infill is necessary to obtain specific feedback on the proposed changes.
- Consideration should be given to the release of materials/maps during consultation which show:
 - o The location of likely affected lots, and/or
 - o Details of known infrastructure capacity (if available and consented to by owner of data).

5 Planning pathways

There are several available pathways, under the Act and NTPS, that could be pursued to facilitate infill development including:

- Creation of a new strategic planning policy to focus on the ‘missing middle’ (low- to low-medium density infill),
- Review of existing land use plans to facilitate infill development,
- Amendment to the following parts of the NTPS to enable infill and subdivision in Zone LR, with new controls to guide development,
 - o Part 4 – Zones and Assessment Tables
 - o Part 5 – Development Requirements
 - o Part 6 – Subdivision and Consolidation Requirements
- Utilise an Overlay approach to allow infill development and subdivision in Zone LR,
- Continue use of Exceptional Development Permits (EDP) process to consider infill, and
- Introduction of a new Interim Development Control Order (IDCO) under section 31 of the Act.

Benefits and risks

The Commission considers that some of these identified pathways are better suited to address the sensitivities and challenges raised during consultation and achieve the objectives of the Approvals Fast Track Task Force recommendations.

A new strategic planning policy focused on the “missing middle” or review of land use plans would provide clear direction for low- to low-medium density infill and help guide future rezonings. However, these will have limited immediate impact on development outcomes due to the need to still rezone land once these policies and plans are adopted.

Amending Parts 4, 5 and 6 of the NTPS offers a comprehensive, statutory mechanism to enable infill in Zone LR and would provide a more immediate change to the NTPS and greater certainty about the location and scale of infill development. The trade-off is the complexity and time to undertake broad amendments, along with the risk of unintended consequences of comprehensive changes to existing development requirements.

A more targeted approach could be achieved through the introduction of an Overlay to allow infill and subdivision in Zone LR. Overlays can respond to local sensitivity and character, but they introduce an additional layer of planning controls that may be perceived as complex, difficult to navigate and have the risk of conflicting with other provisions that will remain in the NTPS such as the purpose of a zone. Alternatively, reliance on Exceptional Development Permits (EDPs) for infill allows flexibility on a case-by-case basis which can be useful in some circumstances but does not provide strategic direction or certainty for the broader market and heavy reliance on them may raise concerns about ad-hoc decision-making.

Finally, IDCOs provide pathways to temporarily override or suspend development provisions. While their strength is their immediacy, an IDCO is not suitable in this context because an IDCO cannot be used to introduce new policy settings or enable development that the Scheme does not currently contemplate.

Recommended planning pathway

The Commission considers that an amendment to parts 4, 5 and 6 of the NTPS consistent with the policy positions outlined throughout this report offers the strongest long-term statutory planning pathway to facilitate infill. However, such broad amendments to the NTPS will require testing and detailed analysis to ensure they can deliver the intended outcomes, are suitable for development in Zone LR, and appropriate across the diverse contexts of the Territory. This approach is preferred over alternatives such as overlays, land use plan reviews, new policies or reliance on EDPs which carry potentially greater uncertainty regarding future development outcomes. The Commission acknowledges that EDPs can facilitate infill in the interim until broader amendments to the NTPS are implemented.

6 Recommendation

Feedback from consultation highlighted both the opportunities and sensitivities associated with enabling infill development and provided clear guidance on the conditions required to give confidence in such initiatives.

The Commission considers there is an opportunity to build on this feedback and progress actions consistent with the *“Saying ‘Yes’ to Business – Approvals Fast Track Taskforce Supplementary Report.”* To ensure the success and acceptance of any initiatives, care must be taken to allow sufficient time to develop a considered response, guided by evidence and stakeholder input.

The Commission recommends that the Minister:

- **Continue** to advance a planning response to facilitate infill development in Zone LR, consistent with the principles/policy positions outlined in Section 4 of this report relating to:
 - o Consent and oversight for infill development
 - o Flexible minimum lot size requirements
 - o Design controls
 - o Acceptable housing typologies
 - o Further consultation
- **Note** that the Commission considers the most appropriate pathway to facilitate infill development and subdivision is through an amendment to Parts 4, 5 and 6 of the NTPS, as this approach embeds the necessary reforms within the NTPS rather than reliance on quick fix measures that may have adverse consequences;
- **Request** the Commission publish this report including the Consultation Summary Report (Attachment A1) on the Commission's website so that the Commission's recommendations can be understood alongside the community and stakeholder views, supporting transparent and accountable decision-making;
- **Acknowledge** infrastructure capacity constraints, particularly in established suburbs where networks are ageing and have limited remaining capacity may affect the timing, cost and extent of outcomes of an infill policy. Consequently, the need for substantial upgrades can undermine the feasibility of development, limiting the extent to which infill can contribute to housing supply and affordability outcomes;
- **Acknowledge** that amendments to the NTPS to facilitate infill will provide greater flexibility for development in Zone LR, but uptake may be modest given constraints relating to lot configuration, infrastructure capacity, feasibility and landowner appetite; and
- **Undertake** appropriate consultation with community and stakeholders on any proposed initiatives and amendments to the NTPS to ensure broad understanding, support and successful implementation.