

25 June 2021

NSW Department of Planning, Industry and Environment  
Locked Bag 5022  
Parramatta NSW 2124

Attention: Director Employment Zones

Dear Sir/Madam;

**Re: Submission – Exhibition of Employment Zones Reform**

Thank you for the opportunity to provide comment in response to exhibition of the NSW Department of Planning, Industry and Environment's (DPIE) proposed employment zones reform, specifically:

- *Proposed Employment Zones Framework: Position Paper, May 2021,*
- *Draft Standard Instrument (LEP) Amendment (Land Use Zones) Order 2021, and*
- *Draft Employment Zones Framework Implementation Plan, May 2021.*

There are three employment zones in Mosman identified under the Mosman Local Environmental Plan 2012 (MLEP 2012):

- Zone B1 Neighbourhood Centre – applies to small-scale centres at:
  - Avenue Road,
  - Mosman Bay Wharf,
  - Parriwi Junction,
  - Spofforth Street, and
  - The Esplanade, Balmoral;
- Zone B2 Local Centre – applies to larger centres at:
  - Cremorne Junction,
  - Mosman Junction, and
  - Spit Junction;
- Zone B6 Enterprise Corridor – applies to certain land within the Military Road corridor west of Spit Junction.

Additionally, there is a maritime business centre located at The Spit zoned RE2 Private Recreation, and employment land uses at Taronga Zoo (Zone SP1), within the Sydney Harbour Federation Trust Lands at Middle Head (Zone SP2) and in public reserves at Balmoral and Mosman Bay (Zone RE1), including restaurants and the like. There is no industrial zoned land in Mosman.

Having reviewed the exhibition material, the following comments are made.

**Loss of centres hierarchy resulting from merging B1 and B2 zones**

The new Zone E1 Local Centre that is proposed to replace the current B1 Neighbourhood Centre and most B2 Local Centre zones would result in the loss of a centres hierarchy in Mosman. There is a difference between Mosman's B1 and B2 zoned land – not only in the size of the centres and scale of development, but also in the intent or purpose of the zones.

Each of Mosman's B1 zoned neighbourhood centres are made up of a small number of lots (1 to 16 lots) surrounded by residential zoned land. These centres include land uses such as pharmacies, newsagents, greengrocers, small supermarkets, cafes and laundromats that primarily cater to the everyday needs of residents living in the surrounding neighbourhood. This function is very different to the B2 zoned local centres of Spit, Mosman and Cremorne Junctions which - owing to their location on main arterial roads, proximity to public transport and size (around 150 lots or more) - cater not only to local residents and workers, but also to visitors to the local area. Boutique fashion stores, fine dining restaurants and entertainment facilities in these centres attract customers from across Sydney.

The primary zone objectives for the B1 and B2 zones in MLEP 2012 are as follows. The differences are in bold text:

<b>B1 Neighbourhood Centre – MLEP 2012</b>	<b>B2 Local Centre – MLEP 2012</b>
To provide a range of <b>small-scale</b> retail, business and community uses that serve the needs of people who live or work in the <b>surrounding neighbourhood.</b>	To provide a range of retail, business, <b>entertainment</b> and community uses that serve the needs of people who live, work in <b>and visit the local area.</b>

By merging the B1 and B2 zones into a single zone, the differentiation between the neighbourhood centres and local centres - between meeting the everyday needs of surrounding residents versus catering to the broader community with a broad range of business activity - will be lost.

This is contrary to feedback from local government workshops that councils want a zoning framework that "supports good planning outcomes and that includes a centres hierarchy" (my underline).

#### **Mandated permissible uses for new E1 zone are incompatible with neighbourhood centres**

The proposed new E1 Local Centre zone includes a range of land uses that would be mandated permitted with consent in the zone, many of which are not currently permissible in Mosman's B1 zone. Responding to the changing nature of business and innovation for emerging uses is supported, however many of the proposed mandated permissible land uses seem incompatible with a neighbourhood centre.

Of concern is the Department's proposal to permit with consent 'tourist and visitor accommodation' in the E1 zone. Tourist and visitor accommodation is defined as including backpackers' accommodation, bed and breakfast accommodation, hotel or motel accommodation and serviced apartments. Permitting such land uses in Mosman's small neighbourhood centres may have a detrimental impact on the form and function of those centres, and is not consistent with the intent or purpose of the B1 zones to meet the everyday needs of local residents and workers. Such land uses within the neighbourhood centre at The Esplanade, Balmoral, is of particular concern.

There are other uses proposed to be mandated as permissible for the E1 zone that similarly seem incompatible with neighbourhood centres. This is as a result of their likelihood to attract customers beyond the local neighbourhood, and likely bulk and/or noise, and includes amusement centres, entertainment facilities, function centres, landscaping material supplies, local distribution premises, major and outdoor recreation facilities, specialised retail centres (i.e. bulky goods), timber yards, vehicle repair stations, and vehicle sales or hire premises.

A consequence of broadening the range of permissible uses in the zone may be the loss of local convenience retailing to the detriment of the surrounding neighbourhood.

#### **Lack of appropriate zone for the Military Road Corridor**

The Military Road corridor, located between the two local centres of Spit Junction and Cremorne Junction, contains land that is currently zoned B6 Enterprise Corridor under MLEP 2012. The character of the corridor is a mix of residential, business, light industrial and commercial land uses, although retailing is limited to maintain the economic strength of the Junction centres. Residential land uses are permissible as part of the mixed use of sites.

The Department proposes to replace the B6 zone with the new E3 Productivity Support zone, however the Department's position paper notes (on page 7) that the E3 zone "generally does not support residential uses". There does not seem to be a zone under the Department's reforms that would adequately fit the Military Road

corridor, noting that retailing should continue to be limited and residential uses continue to be permissible as part of the mixed use of sites.

The following table compares permissible land uses for the B6 zone in MLEP 2012 with new zones proposed under the Department's reforms, reflecting this disparity –

<b>Zone</b>	<b>Residential uses</b>	<b>Retail uses</b>	<b>Business, commercial and light industrial uses</b>
B6 Enterprise Corridor in MLEP 2012 currently	✓	Limited	✓
Proposed new zones under Department's reforms -			
E1 Local Centre	✓	✓	✓
E2 Commercial Centre	✓	✓	✓
E3 Productivity Support	Not desired – page 7 position paper	Limited	✓
E4 General Industrial	✗	Limited	✓
E5 Heavy Industrial	✗	✗	✓
MU1 Mixed Use	✓	✓	✓

An additional new zone – SP4 Local Enterprise – relates to planned precincts and special activation areas, which do not apply to the Military Road corridor.

Council requests further discussion with the Department to ensure that an appropriate solution can be achieved for the Military Road corridor.

#### **'E' code for new employment zones is confusing and unnecessary**

The Standard Instrument Principal LEP was introduced in 2006 with a range of mandated land use zones, including environment zones designated with the code 'E'. These zones are applied to land across NSW, including in Mosman. MLEP 2012 has applied Zone E1 National Parks and Nature Reserves and Zone E2 Environmental Conservation to land in Mosman for almost 10 years.

Department's proposal to apply the 'E' code to the new range of employment zones and designate a different code (yet to be advised) to the current environment zones is unnecessary, confusing and will result in additional work for council staff with the need to update policies, plans, maps, 10.7 planning certificates and other material with the new environment zone details.

Recently Council has submitted a planning proposal to the Department to apply Zone E4 Environmental Living to large areas of foreshore land within the Mosman Scenic Protection Area (PP-2021-3682). This planning proposal is currently under consideration for Gateway determination, and has been the subject of preliminary consultation with the community and councillors over the past 12-18 months. Council intends to undertake a comprehensive public exhibition campaign later this year about the proposed change to Zone E4, subject to Gateway approval. Changing the environment zone name as a consequence of the employment zones reforms will add confusion to this process.

The Department should retain the 'E' code for environment zones and apply an alternate code for the new employment zones, such as 'C' (commercial, centres).

#### **Transfer of local zone objectives**

Currently, zone objectives that are mandated under the Standard Instrument Principal LEP can be supported by local objectives included by a council in consultation with their community. MLEP 2012 contains local objectives for all business zones, as indicated below. With the proposed merging of B1 and B2 zones into a new E1 Local Centre zone, clarification is sought from the Department as to whether the current local objectives in MLEP 2012 for these zones (3 for B1 zone, 4 for B2 zone) would be carried across and applied to the equivalent Zone E1, and similarly, whether the current two local objectives for the B6 zone would be applied to the equivalent Zone E3. These local objectives reflect the community's vision for these centres and should not be omitted.

Council has submitted a planning proposal to the Department for a range of miscellaneous amendments to MLEP 2012, including the amendment of some existing local objectives for the B1 and B2 zones (PP-2021-3823). Work on these amendments has been ongoing for more than 12 months. As part of this process, Council staff have spoken with Departmental staff regarding the employment zones reform and any impact that this may have on changes proposed by Council. The Department's advice has been that Council's work should progress unimpeded by the employment zones reform at this stage – further clarification is sought regarding the impact of the reforms on these changes, shown in red and underlined in the table below.

<b>Zone Objectives – Mosman LEP 2012</b>	<b>Source</b>
<b>Zone B1 Neighbourhood Centre</b>	
To provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood.	Mandated
To maintain active uses at street level <u>which reflect the traditional shop front proportions</u> , with a predominance of retail use.	Local
To minimise the effect of business uses on the amenity of adjacent residential areas having regard to building design, operation and activities, traffic generation and the car parking capacity of local roads.	Local
To encourage residential development as part of the mixed use of sites.	Local
<b>Zone B2 Local Centre</b>	
To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.	Mandated
To encourage employment opportunities in accessible locations.	Mandated
To maximise public transport patronage and encourage walking and cycling.	Mandated
To enhance the viability, vitality and amenity of the local centres, <u>while protecting and enhancing the village atmosphere of Mosman Junction.</u>	Local
To maintain active uses at street level with a predominance of retail use.	Local
To allow the amalgamation and redevelopment of land in Spit Junction.	Local
To encourage residential development as part of the mixed use of sites.	Local
<u>To maintain the local character of Mosman Junction by limiting the bulk and scale of development, and ensuring that development reflects the traditional shop front proportions at street level.</u>	Local
<b>Zone B6 Enterprise Corridor</b>	
To promote businesses along main roads and to encourage a mix of compatible uses.	Mandated
To provide a range of employment uses (including business, office, retail and light industrial uses).	Mandated
To maintain the economic strength of centres by limiting retailing activity.	Mandated
To provide for residential uses, but only as part of a mixed use development.	Local
To ensure a reasonable level of residential amenity within sites in terms of noise, air quality and outdoor landscaped open space.	Local

Thank you for the opportunity to comment on the proposed changes. Please contact the undersigned on [REDACTED] if you would like to discuss these issues further.

Yours sincerely

[REDACTED]

[REDACTED]  
SENIOR STRATEGIC PLANNER