Public Exhibition for Employment Land Zones Reform

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Stakeholder group	□ Industry ⊠ Council □ Aboriginal Community □ Community □ State Agency
Your feedback How to make a formal submission	We welcome your feedback on the Employment Land Zones Reform. Submissions close on 30 June 2021.

Position Paper

Goulburn Mulwaree Council is generally supportive of any review of the planning system which provides greater clarity around zoning and land use. What is concerning is the urgency in which these changes are being rolled out. As stated in the submission to the *EIE Building Business Back Better*, there has been a disjointed approach to the exhibitions of related changes in planning, rather than a holistic approach. There has also been an overload of large scale planning changes on public exhibition, which for smaller rural and regional councils has been overwhelming.

It is understood that the employment environment is changing due to a number of factors, however, some of these factors existed well before the pandemic, and changes to local council strategic planning were already identified in the recent Local Strategic Planning Statement process that all councils were required to undertake.

Introduction/ Background

It is agreed that a review of the Standard Template LEP is overdue, however, rather than approaching this as a standard change which will be introduced to all LEPs by mid-2022, it would be preferable to allow councils to choose from an updated and broadened template that should apply when following their own program for change as identified in the LSPS's? This proposed reform approach is similar to the approach taken with the introduction of the Standard LEP format, which proved difficult for early adopters as it was more limited than the previous framework and did not always have suitable zone alternatives to existing zones (and initially had a limited number of available clauses). Increasing the number of mandated land uses may have some negative outcomes as many areas potentially identified as relatively neighbourhood based business zones (such as the B1 zone) were only intended to support residential. Ultimately, it is councils and the community that will have to pay the price for either refusing or accepting inappropriate development. A slower roll out with less mandated uses provides an opportunity for a more considered transition.

Exclusion of RU5 Village Zone from Review

Council supports the retention of the RU5 Village zone and its exclusion from further changes.

Ongoing work

It would have been beneficial to have the outcomes of the cost benefit analysis and social impact assessment as a part of this exhibition? This information would be relevant in addressing comments such as those made in the section above?

Findings of the LEP Review

B1 Zone

It is agreed that there are a limited range of land uses in the B1 zone, and that this was an area that required attention. Obviously there are some uses which did not readily fall into the category of "neighbourhood shop" as described, but an amendment to this definition to "neighbourhood shop or service" plus a broader range of specific land use inclusions may have been sufficient to address this.

B3 and B4 Zones

It is not clear whether there has been any significant issue with councils interchanging the use of B3 and B4 zones, as presumably the hierarchy of business centres would be obvious in the context of each applicable LEP and its objectives?

The B4 zone is interesting as effectively it is allowing residential specifically as a land use in its objectives as well as within a range of permissible land uses. This is a matter that could be dealt with through the identification of "active street frontages" where the ground level must contain a shop/business that addresses the street and designed for pedestrian usage and provide architectural detail that encourages pedestrian activity, more expansive windows and landscaping etc. This issue was picked up in the *Design and Place SEPP EIE*. Therefore, this is another example of the adhoc approach taken with the variety of documents that have recently been on exhibition.

B5 and B6 Zones and Urban Services

It is agreed that the B5 Business Development and B6 Enterprise Corridor zones are relatively interchangeable. The finding that they largely occupied by urban services is hardly surprising. The introduction of an objective or name change to the zone/s is warranted to provide greater clarity around the intention of these zones. A definition of "urban services" may be a good start? The Position Paper introduces the term "urban services" (p.4) without defining it.

Industrial lands and Hazardous and Offensive Industries

The findings in relation to each of these matters is sensible and really comes down to fundamental planning principles.

Developing the new framework

Master Planned Precincts & SEPPs

It is agreed that some provision for master planned precincts should be provided as an option in the Standard Instrument (SI) LEP, rather than being within a SEPP.

Five new Employment Zones

The use of "E" to number the zones is conflicting with existing Environment zones and numbering (which is E1-E4) and looks confusing. There is no "urban support" zone but a "productivity support" zone, this title does not appear to be any clearer than the current "business development or enterprise corridor" titles.

Two further B or IN zones

The B4 zone currently is called a "mixed business" zone?

Strategic intent

The strategic intent is accepted for the proposed zones, obviously there will need to be a variety of zone objectives to choose from and some flexibility around the use of mandated land uses to allow councils to choose appropriate combinations to reflect the existing zone hierarchy.

New, updated or consolidated land use definitions

- **Business premises** agreed, internet access facility is a redundant land use description and that a business premise is not a "shop".
- Circular economy facility agreed, a new definition is required to provide a distinction between this scale of facility and a waste management facility.
- Creative industry this definition is supported but really it comes down
 to a matter of "scale" and impact on surrounding land uses (depending
 on the nature of what is actually proposed) which is effectively going to
 be a merits assessment and therefore should not be identified as
 complying development in any changes to the Codes SEPP.
- Crematorium agreed.
- Data centre a new definition is agreed, however, the addition of a use
 which may have amenity impacts and should have a merits assessment is
 not supported for inclusion in the Codes SEPP.
- Industrial retail outlet agreed, however in a separate recent DPIE exhibition on the review of Clause 4.6 it should be noted that it is proposed to remove clause 5.4 from the exclusion in clause 4.6 in the SI LEP. This may impact on how councils will choose to use this clause in future. Again, as previously mentioned there have been too many changes to the planning system exhibited at around the same time and with overlaps. Effectively there is a necessity for those writing or reviewing submissions to be across a very broad range of proposals and it really is getting to be a bit much! It appears to be a battle of attrition between DPIE and other not for profit/government stakeholders.
- Kiosk agreed.
- Local distribution premises agreed.
- Neighbourhood shop agreed, this is long overdue, there are many businesses which may support day to day needs including IT support businesses. Maybe change title to "neighbourhood business or shop"?
- Shop top housing agreed, commercial or health services facilities need not be limited to just ground floor area, this should be a minimum requirement. This is especially the case where existing commercial buildings are considered for adaption.

Proposed employment zones framework

• Warehouse and distribution centre – agreed.

Potential consolidated definitions

- Home improvement retail premises the consolidation of the hardware and building and garden supplies is acceptable on the face of it, but the materials are not exclusively supplying the "home" improvement market? The impact on other zones should also be considered, as there may be some zones which permit landscaping material supplies and not hardware and building supplies? Also references to it being permitted within E1 E4 zones is again confusing as these same zone numbers apply to environmental zones also?
- **Trades retail premises** "trades" does not really suggest rural supplies in the title? This may make it obscure to find in relation to rural supplies?
- Storage and distribution premises over the years a number of small scale storage premises have been approved and allowed in proximity to residential areas as they are relatively low impact uses (so often appear in zone interface areas). Warehouse and distribution centres can be more intrusive in relation to amenity impacts. This is acceptable if not included in the Codes SEPP.
- **Self storage units** as per the above comments on storage premises.

Land use tables

As previously stated the mandated uses should be limited with greater flexibility to councils to consider uses which align with the current zone hierarchies for business and industrial.

Variation in objectives

The ability to choose between objectives i.e. in metropolitan versus regional areas is supported. It is assumed that councils will still have the ability to add their own objectives? This is not identified in the draft SI amendment.

Land uses permitted under State Environmental Planning Policies
It would be clearer to have all SEPP mandated land uses included in the LEPs via the SI LEP.

Parent terms to identify land uses

Previous comments on the need to have some flexibly around mandated land uses apply.

The two stated benefits of the framework are:

Benefits of the proposed framework

- Greater land uses within individual zones this could have been achieved without any reforms to zones other than adding uses to the Standard Template LEP as mandatory for each of the zones or updating directions in the template for clarity around usage of zones?
- 2. Consistency in strategic intent this seems to be a minor issue in reality. Developers, businesses and Councils seem to be able to determine quite easily which zones to look at for any specific purpose?

Response to key policy questions

Planning for a centres hierarchy

Generally the proposed framework around the main retail centres (proposed E2 Commercial centre zone) is considered reasonable, however, the extensive list of

mandatory matters for the proposed E1 Commercial Centre may be too expansive for some areas currently zoned B1 Neighbourhood Centre. This zone has often been used to allow relatively small scale neighbourhood centres in the context of a predominantly residential setting. Often uses have been limited to those which offer immediately supporting shops/services to the local residential area. The range of mandatory land uses in this zone should be reduced to allow for greater selection of relevant land uses by Councils when applying this zone in order to provide a best fit for each small centre.

Planning for industrial land

Council agrees that the pressure on industrial land from competing land uses is problematic. Council has recently added additional industrial area to the north of Goulburn to assist with supply of industrial land area with suitable separation from residential. One of the main concerns though, is the other issues relating to industrial such as access to the Hume Highway for heavy vehicles and use of the local road network. Proposed changes identified by DPIE in the *Building Business Back Better EIE* in relation to the scale of development proposed to be complying is of some concern in this regard, as no consideration will be given to road network suitability. Council is concerned at the potential outcome for the collective reforms proposed in relation to being able to manage a range of infrastructure also required to support industry.

Simpler and more flexible planning systems

The Federal Productivity Commission's understanding of the underlying reasons for a planning system may be flawed? Essentially the recommendations seem to come from an understanding that planning only protects the environment and community interest, when in fact planning also supports the economy and the value of land. Better planning and provision for growth is supported but, it is not clear that this priority from the Commission is actually coming from an understanding of what this planning means? The third priority of moving towards "a risk based approach to assessing development proposals" effectively seems to mean more complying development because "what is the worst that could happen"? This is a key issue in the Building Business Back Better EIE. One of the reasons land in general in NSW is valuable on a worldwide basis is due to the planning system and the current level of certainty it does provide now. As previously stated infrastructure planning underpinning a reasonable understanding of growth and future requirements is also a key aspect of planning in NSW. Simplification in approvals could lead to complicated problems with infrastructure.

Relationship to other planning reforms

As previously stated there are too many reforms currently underway at the same time with related components separated into different exhibitions. This comes across as being a reactionary response to the pandemic which will potentially have long term consequences. As previously stated most of the factors generating change in employment have been around prior to the pandemic. Council LSPS's are likely to have commonly identified areas for change in response to these long term trends, particularly for business centres. Unlike via the LSPS approach this State led approach and timeline may have unexpected consequences at a local level which combined with some of the other changes proposed such as the expansion of the development types under the Complying Development Codes.

Implementation

There will be potentially some strategic planning work around the application of the proposed E4 General Industrial Zone and the E3 Productivity Support Zone. Historically, the IN2 Light Industrial Zone and B6 Enterprise Corridor Zone have both been used in residential interface areas. It is noted that the incorporation of light industrial with general industrial may have impacts on nearby residential which will need to be considered.

The LSPS for each council would have typically allowed various timeframes for implementation of recommended actions. This is because there is quite a body of work identified in each LSPS. Not all councils have large strategic planning sections, so a date of mid 2022 for finalisation is relatively brief if the actual framework will not be available until September 2021? Given the council elections there will also be some disruption to councils around September – October, then after this is the lead up to the Christmas break which is also traditionally very busy, with most staff having leave in January.

Next steps

Another concern is how the *Building Business Back Better – EIE* progresses in relation to the substantive expansion to developments proposed for inclusion in the Codes SEPP?

Draft Standard Instrument Principle LEP Amendment Order

Serious consideration needs to be given to the use of numbering which is the same as the numbering for environmental zones which are E1 to E4 also? This is a very strange decision, when one of the stated objectives of this amendment is to improve clarity?

Schedule 1 (1) Clause 2.1

The "consultation note" does state the Environment Protection Zones will need to be changed but it will still cause some unnecessary confusion?

Obviously there will need to be amendments to the SEPPs in relation to their application (given the change in zone titles etc.). This will also have implications for Planning Certificates and required changes to these which will add a bit of work to this whole process.

E1 Local Centre

Objectives

Will additional area specific zone objectives be an option? The accompanying Position Paper indicated that there would be some options for objectives but these do not appear in the draft Amendment?

Land Use Table

The proposed E1 Local Centre zone will apply to areas currently zoned B1, therefore the inclusion of such a wide range of development as mandatory in the "permitted with consent" category may be too expansive and will not provide for much discretion for councils which may seek to limit development permitted with consent to a neighbourhood service scale as appropriate. Uses which may be problematic at a neighbourhood scale (particularly in a predominantly residential setting) may include amusement centres, entertainment facilities, and function centres. These uses should be optional rather than mandatory to allow for the diversity of scale of smaller business zones. It would appear that by having so many uses mandatory that this is a preliminary step in the process of broadening complying development, which does not provide for merits assessment? Previous concerns were raised by Council in its submission to the EIE – Building Business Back Better in relation to this matter. DPIE is not being transparent with its intentions by having so many exhibitions of related information undertaken at different times without a holistic vision of outcomes being provided.

(5) Objectives and Land Use Tables

E2 Commercial Centre

Objectives

As per the above, will additional area specific zone objectives be an option? For example this zone would likely be applied to the Goulburn Town Centre which is a regional centre servicing other local government areas, current zone objectives for the B3 Commercial Core Zone include objectives relating to regional status and heritage.

Land Use Table

It is agreed that the proposed E2 Commercial Centre zone land use table should have a broader range of uses permitted with consent than the proposed E1 zone. It is noted that the following land uses are not included in the proposed E1 zone but are in the proposed E2 zone: Artisan food and drink industry, mortuaries, Recreation facilities (major), Recreation facilities (outdoor), Registered clubs and Restricted premises.

E3 Productivity Support

Objectives

The proposed objectives for this zone are supported.

Land Use Table

It is noted that in the DPIE FAQ associated with this exhibition that it states: "We recognise that in certain locations, where permitted, retail land uses may form the highest and best use and out-compete other businesses for land. Councils will maintain the ability to control the permissibility, size and scale of

specific retail uses in accordance with their strategic plans. In some instances, additional local provisions may be developed."

Council agrees with this approach, noting that the definition of "Retail Premises" is not mandated as "permissible with consent" in this zone.

E4 General Industrial

Objectives

The proposed objectives are supported and are almost the same as the current IN2 zone objectives.

Land Use Table

It is agreed that shop top housing is excluded from the mandated land uses permissible with consent. The reduced number of mandated uses permissible with consent is supported and will allow council's to tailor this table more effectively.

E5 Heavy Industrial

Objectives

This zone appears to be a combination of the current IN1 and IN3 zones. Typically many councils do not have a large area identified for IN3, and where it does occur it is strictly limited to areas quite removed from centres (such as the former Woodlawn Mine at Tarago). Typically there areas are used by heavy industries or industries involving hazardous and offensive material storage/processes.

Land Uses

It is agreed that a more limited range of land uses should apply to this zone. It is unclear though whether broadening the application of this zone in some cases to take in existing IN1 areas is a good idea? Councils will need to be very careful with the application of this zone which may mean that by default the proposed E4 General Industrial Zone will be used more broadly.

It is important that prohibited uses that are mandated are limited as it will provide more flexibility for councils. Uses such as extensive agriculture can be compatible with the use of buffer areas around heavy industrial sites in rural and regional areas.

MU1 Mixed Use

Objectives

The new objectives are supported.

Land Uses

Restricted premises are listed as a mandated permissible use in this zone but not in the proposed E3 Productivity Support Zone? It is likely to be less of an issue in the proposed E3 zone than in a zone which allows residential development?

Employment Zones Implementation Plan

Delivery in two tranches

Council supports the two tranche approach on the presumption that it will be in the second tranche.

Introduction

Support for councils

Council would welcome the proposed support for the transition, particularly in relation to GIS support as Council only has the one GIS officer who is not always available for planning related work.

As per the above, it is assumed that Goulburn Mulwaree Council will be in the second tranche as it does not currently have an LEP amendment in the making which proposes such a broad review.

Overview of the implementation plan

Concern is raised with the timing given the general lack of staffing over Christmas and January periods, it is suggested that expanding this period for map review by another 1-2 months would be more realistic. There may be a relatively high demand for assistance with GIS and mapping from DPIE across the smaller councils.