

Our ref: A21/0188

30 June 2021

NSW Department of Planning and Environment
GPO BOX 239
SYDNEY NSW 2001

Sent via the Planning Portal online submission page and via e-mail to
employment.zones@planning.nsw.gov.au

RE: Waverley Council Submission to the Proposed Employment Zones Framework

We wish to thank the Department of Planning, Industry and Environment (DPIE) for the opportunity to make this submission to the exhibition of the proposed Employment Zones Framework. This submission has been prepared by Council officers and not elected representatives.

Background

The proposed aim as outlined by the DPIE of the Employment Zones Framework is to deliver a simplified planning framework for development in current Business and Industrial zoned land. The proposed reform seeks to replace the 12 business (B1–B8) and industrial (IN1–IN4) zones with five core employment zones. The five core proposed employment zones are:

- E1 Local Centre: provides for a range of retail business, entertainment, community uses that service a local area;
- E2 Commercial Centre: large-scale commercial, retail, business and service development in strategic centres;
- E3 Productivity Support: mix of industrial, commercial, creative, warehousing and emerging new industries that need larger floor space;
- E4 General Industrial: light and general industrial and warehousing uses providing important urban services like waste management and concrete batching; and
- E5 Heavy Industrial: hazardous and industries with odour and noise impacts that need to be separated from other urban areas.

In addition, an SP4 Local Enterprise zone is proposed to allow a planning authority to define its own land use table. MU Mixed Use and W4 Working Foreshore zones are proposed to accommodate land uses that are not primarily productivity related.

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Council welcomes the opportunity to have a zoning system that enables the delivery of the community's strategic vision. A zoning system that supports flexibility and economic productivity is strongly supported, however the current zoning system provides an appropriate level of clarity and flexibility. Furthermore, the argument that the B1 zone inhibits the evolution of centres is not supported.

Firstly, not all centres need to be evolved through growth or expansion. The B1 Neighbourhood Centre zone in the Waverley area identifies small centres with unique character and heritage values and should be retained as they are. In addition, these small neighbourhood centres are characteristic of an Inter-War development pattern and therefore have heritage value beyond their immediate aesthetic qualities.

Secondly, both the B1 Neighbourhood Centre zone and the B2 Local Centre zone are crucial in providing a clear hierarchy across centres. Smaller centres are beloved by the local community as they provide equitable access to essential goods and services which increases both community and urban resilience and have distinct characters.

This submission recommends amendments to the proposed framework that could better support the local community and businesses.

Overview of the submission

Based on the vision from the *Waverley Local Strategic Planning Statement* and the *Our Liveable Places Centres Strategy*, this submission recommends that:

- The B1 – Neighbourhood Centre zone should be retained as it has a distinct function and character from the proposed E1 – Local Centre zone;
- The land use 'Creative industries' should be made available as an optional 'permitted with consent' use in E1 Local Centre and E2 Commercial Centre zones
- The land use 'Artisan food and drink industry' should be made available as an optional 'permitted with consent' use in the proposed E1 Local Centre zone

Discussion

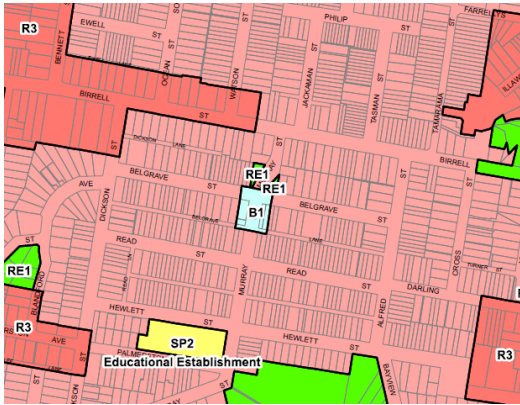

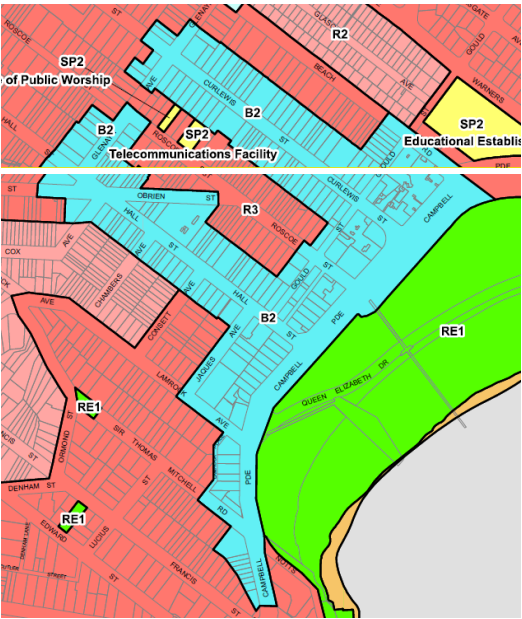
The importance of both Local and Neighbourhood Centres

Waverley's centres are much-loved places that contribute significant heritage and character and provide valuable services and employment not only to Waverley's community, but to Greater Sydney and international visitors as well. The sense of community in Waverley is very strong, due to the local nature of our centres that invite daily connections with people, place and history.

Community feedback indicated strongly that the diversity and quantity of offerings and hence business opportunities in the local centres is highly valued and considered a key asset and characteristic of the centres, see below for an example of the Neighbourhood and Local Centres in Waverley.

Waverley currently categorises smaller centres that service the local community under B4 Mixed Use and B1 Neighbourhood Centre zones. The *Our Liveable Places Centres Strategy* recognised the importance of medium sized centres and recommended changing the zoning of the medium sized centres such as Bondi Beach, Bondi Road, Charing Cross, Rose Bay North and South, and Curlewis Street from B4 Mixed Use to B2 Local Centre.

Table 1: Variations in scale between Neighbourhood and Local Centre example

Neighbourhood Centre	Local Centre
<p>Belgrave Street Neighbourhood Centre</p> <p>Belgrave Street is local, relaxed and beautiful. It is a safe place for parents and children and has a neighbourhood feel. Immediately to the north is a small park that is busy with young families during the week and on the weekends.</p> <p>As illustrated by the Zoning Map below, the centre services the surrounding neighbourhood within walking distance, and provides (currently) food and beverages, and a laundry/dry cleaning service.</p>   <p><i>Belgrave Street, Bondi Beach</i></p>	<p>Bondi Beach Local Centre</p> <p>Bondi Beach has an eclectic mix of goods and services on offer, with a range of interesting shops and local businesses. There are a number of supermarkets for locals to complete their weekly shop, as well as cafes, restaurants and take away stores. With the beach nearby, there will always be visitors to this centre, and the centre’s ability to be accessible, walkable and attractive is important to the success of businesses. This needs to be balanced with the centre’s ability to serve local residents. This centre has a high capacity to support resilience, with a range of essential goods and services, and good open space to gather.</p> <p>As illustrated by the proposed Zoning Map below, the centre services the local area (and region) through the provision of a large range of employment services, specialty retail, supermarkets, food and beverages, and many employment opportunities in commercial and office spaces.</p> 



Retaining Local and Neighbourhood Centres as separate zones will not inhibit the evolution of centres

By retaining Local and Neighbourhood Centres as separate zones, businesses can continue to deliver business types that meet community expectation. A clear zoning hierarchy is enabled by the different objectives of each zone. Local and Neighbourhood Centres could have the same permissible uses and even density controls, however the zone objectives would be different to adequately protect the local character and the nature of smaller centres.

In the *Waverley LSPS Implementation Planning Proposal*, Waverley Council proposes to include B2 Local Centre zone in its Land Use Table and rezone some B4 Mixed Use areas to B2 Local Centre zone. The permissible uses that are currently in the B4 Mixed Use zone are proposed to be retained in the new B2 Local Centre zone, to ensure no loss of developable rights. The intention is to set fit-for-purpose zoning objectives for the B2 Local Centre zone that will ensure the medium-sized centres continue to provide a range of local employment opportunities and offer places for community cohesion. The B2 Local Centre zone is intended for centres that provide a range of commercial, civic, cultural and residential uses that typically service a wider catchment than a neighbourhood centre. Refer to Table 2 for the proposed zoning objectives that were submitted to DPIE as part of the *Waverley LSPS Implementation Planning Proposal*.

In increasing the permissibility and reducing the specificity of objectives, these centres would be at risk from being redeveloped and losing their primary purpose of serving the immediate local area and building community.

Table 2: Proposed zoning objectives

Zone B1 Neighbourhood Centre	B2 Local Centre
<p>Proposed objectives of zone</p> <ul style="list-style-type: none"> 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. 	<p>Proposed objectives of zone</p> <ul style="list-style-type: none"> 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.

<ul style="list-style-type: none"> • To ensure that non-residential uses do not result in adverse impacts on the amenity of existing and future residential premises having regard to building design, operation and activities, transport, traffic generation and the car parking capacity of local roads. • To strengthen the viability of Waverley’s existing business centres as places of vitality for investment, employment and cultural activity. • To provide retail facilities and business services for the local community commensurate with the centre’s role in the local retail hierarchy. • To maximise public transport patronage and encourage walking and cycling. • To maintain existing commercial floor space so that the zone favours commercial development over residential to promote employment growth. • To encourage the provision of affordable housing. • To provide active ground floor uses to create vibrant centres. • To provide for a range of other uses, including light industrial, that serve the surrounding neighbourhood without impacting on the amenity of the adjoining uses. • To increase community resilience by providing equitable access to essential goods and services. 	<ul style="list-style-type: none"> • To encourage employment opportunities in accessible locations. • To maximise public transport patronage and encourage walking and cycling. • To enable residential development that is well-integrated with, and supports the primary business function of, the zone. • To facilitate a high standard of urban design and pedestrian amenity that contributes to achieving a sense of place for the local community. • To minimise the impact of development and protect the amenity of residents in the zone and in the adjoining and nearby residential zones. • To ensure that development is of a height and scale that achieves the desired future character of the neighbourhood. • To provide for a range of other uses, including light industrial, that serve the surrounding neighbourhood without impacting on the amenity of the adjoining uses. • To encourage the provision of affordable housing.
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It is also noted that the Position Statement prepared by the DPIE as part of the Reforms Package, does not identify B1 Neighbourhood Zones as a currently utilised zone by Metropolitan Councils.

A brief desktop review of council zoning maps identified that many of the metropolitan councils currently utilise this zone.

It is recommended that this data is updated to correctly reflect the current usage of this zone, which is an important zone in defining local character.

Figure 1: Zone audit table of business zones table from Position Statement document, page 25

Table: Zone audit of business zones

Zone	Total Number of SI LEPs utilising the zone (160 SI LEP)	%	Metropolitan Councils (46 SI LEP)	%	Regional Councils (114 SI LEP)	%
B1						46%
B2	127	79%	38	83%	89	78%
B3	56	35%	20	43%	36	32%
B4	98	60%	39	85%	59	52%
B5	61	38%	23	50%	38	33%
B6	64	40%	25	54%	39	34%
B7	44	28%	20	43%	24	21%
B8	1	1%	1	50%*	n/a	n/a

*B8 Metropolitan Centre is only available to North Sydney and City of Sydney.

The importance of creative industries and artisan food and drink businesses in the local centres

Council supports permitting creative industries in E3 Productivity Support, E4 General Industry and MU1 Mixed Use zones. Creative industries include traditional and digital media; fine arts and crafts; design and creative products. They can add vibrancy to centres and promote innovation and creativity. As such, Council recommends that creative industries should be included as a permissible use in the E1 Local Centre and E2 Commercial Centre zones.

Council supports permitting artisan food and drink industries in E2 Commercial Centre, E3 Productivity Support, E4 General Industry, and MU1 Mixed Use zones. Artisan food and drink industry refers to the making or manufacturing of boutique, artisan or craft food or drink products. Craft drink products such as beers are often made in microbreweries in inner city areas. These microbreweries sometimes also contain a bar and restaurant that are popular destinations for the local communities and visitors. To support the growing microbreweries industry, Council recommends that artisan food and drink industries should also be permitted in E1 Local Centre areas where food and drink premises are permissible.

Support for E2 Commercial Centre zone

Waverley Council commends the DPIE for the inclusion of the E2 Commercial Centre zone, as this zone is key to the ongoing success of the Bondi Junction Strategic Centre. It is vital for Council to be able to identify a critical commercial core that will enable employment uses to be protected and prioritised over residential uses.

Timing and Policy Implications

The current timeframe for implementation of these reforms is proposed to be completed by June 2022. This does not provide Council adequate time to undertake meaningful community engagement, which is Waverley Council's case is critical to upholding community trust. Throughout 2019-2020, a series of community workshops were held to inform the preparation of the *Our Liveable Places Centres Strategy*. As part of these workshops, the community provided overwhelming feedback on a number of occasions, and via verbal and written submissions, that the retention of the Neighbourhood Centre was vital to the protection of the character of their area. As previously stated, **Council does not support the consolidation of the B1 Neighbourhood Centre and B2 Local Centre zones**. The process of engagement undertaken for the *Our Liveable Places Centres Strategy* was extensive, and has developed a level of trust between Council and the community. Accordingly, if the reform package is to proceed as outlined and require Council to consolidate these zones, adequate time is sought to ensure that the community is able to be informed, and to understand why these changes are proposed.

In addition, Council has submitted to the DPIE the Waverley LSPS Implementation Planning Proposal, which seeks to implement B1 Neighbourhood Centre, B2 Local Centre, B3 Commercial Centre, and B4 Mixed Use zones to adequately reflect the retail and employment hierarchy of the centres across the LGA. The Reforms Package will have implications for how this Planning Proposal will proceed. If the avenue of providing this hierarchy through the land use zones - the most adequate and fitting mechanism to do so – is removed, a new mechanism will be sought to achieve the same outcome that is currently readily available to Council. The DPIE is strongly urged to reconsider the consolidation of the B1 Neighbourhood Centre and B2 Local Centre zones.

Demand for reform

Waverley Council officers acknowledge the importance of providing a planning framework that is *"fit for purpose, supports the future of work, promotes productivity and jobs growth, and delivers the community's objectives set through strategic plans and planning priorities"*, however, concern is raised for genuine need to change the current system at such short notice, and the rapid response to implement reforms for this, fueled by the impacts of the COVID-19 pandemic.

Whilst it is undisputed that the COVID-19 pandemic will have a long-lasting impact on the economic circumstances of communities globally, there is already evidence to suggest that businesses, particularly small ones who have been impacted the most, are improving in New South Wales under the current planning system. Results from a Small Business Survey conducted in May 2021 by the NSW Small Business Commissioner showed that "52% of businesses are fairly or extremely confident about their business prospects."

It is questioned whether it is reasonable to undertake such a quick preparation, consultation and implementation period due to relatively short-term pandemic pressures, to make changes that will have a long term and possibly devastating impact on local character if not prepared properly and with due consideration.

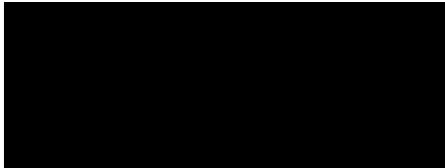
Recommendation

In principle, Council does not support the consolidation of the B1 Neighbourhood Centre and B2 Local Centre zones into the proposed E1 Local Centre zone, for the reason that this contradicts recent place-based and strategic work prepared by Council to clarify and support a retail hierarchy (*Our Liveable Places Centres Strategy, Securing Retail and Urban Services Study*). The existing land use zones are currently an excellent tool to provide the nuanced uses and objectives to ensure that this hierarchy is retained and strengthened. It is therefore recommended that the B1 Neighbourhood Centre and B2 Local Centre zones be retained as separate zones with distinct zoning objectives that support their functions. This is to ensure that the character and role of these centres is retained, as they directly support community and urban resilience, by providing equitable access to essential goods and services.

To support creative industries and a vibrant community, it is also recommended that Creative industries be available as a 'permitted with consent' use in the proposed E1 Local Centre and E2 Commercial Centre zones and that Artisan food and drink industry to be available as a 'permitted with consent' use in the proposed E1 Local Centre zone.

Should you have any questions about the contents of this submission please do not hesitate to contact [REDACTED] between 9am to 5pm Monday – Friday.

Yours Sincerely



Tony Pavlovic
Director | Planning, Environment and Regulatory