
ORDINARY COUNCIL MEETING

ORD02

SUBJECT: DRAFT SUBMISSION TO NSW EMPLOYMENT ZONE REFORMS
FROM: Director Planning & Environment
TRIM #: 21/275629

PURPOSE OF REPORT

The purpose of this report is to inform Council of the exhibition of the NSW Employment Zones Reform by the Department of Planning, Industry and Environment (DPIE) and to seek Council's endorsement of a draft submission.

The draft submission and exhibition documents are provided as **attachments** to this report.

BACKGROUND

In May 2021, the DPIE released a new Employment Zones Framework proposing significant changes to business and industrial zones under the Standard Instrument (SI) Local Environmental Plan (LEP).

The intent given for the proposed changes is to respond to current trends exacerbated by the COVID-19 pandemic, including the growth of online retail, reliance on freight and logistics, the importance of local centres, flexible working arrangements and the continued rise of multi-use businesses and the experience economy.

The reforms seek to maximise productivity and address barriers within the planning system that limit the ability of businesses to establish, expand or adapt.

The reforms propose a new employment zone framework, revising permitted uses and updating land use definitions. The proposed new framework will involve mandated amendments to the Camden LEP 2010 (written instrument and zoning maps). The changes are not proposed to amend the Growth Centres SEPP, which applies to precincts rezoned for urban development within the South West Growth Area.

The DPIE intends to implement the new employment framework by July 2022.

A Councillor briefing was provided on 29 June 2021.

MAIN REPORT

The reforms propose a new employment zone framework which would replace the existing Business (B) and Industrial (IN) zones in the Camden LEP 2010 with five new employment zones and three supporting zones.

The reforms also propose to amend permitted land uses within the new zones, update existing employment land use definitions and include new definitions.

The reforms propose to change the zoning of existing commercial and employment land. Some employment areas may be suited to more than one proposed zone as shown in the following table:

Existing Camden LEP Zone	Proposed Zone	Areas Affected by Changes
B1 Neighbourhood Centre B2 Local Centre	E1 Local Centre	Bringelly, Camden, Camden South, Catherine Field, Cobbitty, Currans Hill, Elderslie, Emerald Hills, Grasmere, Harrington Park, Mount Annan, Narellan, Narellan Vale, Spring Farm.
B2 Local Centre B4 Mixed Use	E2 Commercial Centre	Camden, Emerald Hills, Mount Annan, Narellan.
B5 Business Development Zone IN2 Light Industrial	E3 Productivity Support Zone	Narellan, Smeaton Grange.
IN1 General Industrial IN2 Light Industrial	E4 General Industrial Zone	Camden, Mount Annan, Narellan, Smeaton Grange.
IN1 General Industrial	E5 Heavy Industrial	Mount Annan, Narellan, Smeaton Grange.
B2 Local Centre B4 Mixed Use	MU1 Mixed Use Zone	Camden, Emerald Hills, Mount Annan, Narellan.

Table 1: Current and proposed employment land zones

Draft Submission - Key Considerations

While the broad intent of the reforms is supported, further consideration and/or clarification is required in relation to the following:

1. Potential unintended consequences and land use conflict

The expansion of the mandated uses within certain zones may lead to amenity impacts and land use conflicts. The draft submission highlights the need for DPIE to ensure the proposed reforms do not cause adverse environmental impacts or social and economic disruption. Close collaboration with Council prior to implementation is essential to avoid unintended consequences.

2. Potential impacts on complying development

The draft submission seeks clarification about the relationship between these reforms and DPIE's '*Building Business Back Better*' (BBBB) project, which includes changes to State Environmental Planning Policy (Exempt and Complying Development Codes) 2008.

The inclusion of additional uses as complying development removes the opportunity for the community to comment on large scale local development that may impact them. There may be a need to re-exhibit both reform packages to ensure the implications are fully understood.

3. Applicability to the Growth Centres SEPP

The proposed reforms do not apply to the Growth Centres SEPP. As such, the reforms could create two zoning frameworks for the Camden LGA. For future investment and development confidence, the draft submission seeks clarity on whether the DPIE proposes to expand these reforms into growth areas, noting that greenfield areas require specific planning to ensure local character, scale and function are considered.

4. Clarity on changes to residential uses in employment zones

The draft submission seeks clarification regarding proposed changes to residential uses in employment zones. Measures are required to contain excessive residential development from eroding employment lands.

Specifically, the exhibition material FAQ mentions the Build to Rent SEPP (BTR) however the reform package does not expand on the implications of BTR within the proposed employment lands framework.

5. Impact on the retail hierarchy

The Camden Local Strategic Planning Statement (LSPS) and draft Centres and Employment Lands Strategy (CELS) contain a retail hierarchy for Camden's network of centres. This hierarchy provides long term direction and certainty for industry and the community. The reforms should ensure that Camden's centres and retail hierarchy is not undermined.

6. Legibility and consistency

The naming of the new zoning framework must be consistent and legible. There could be confusion between the naming of the existing Environmental zones and proposed Employment zones.

Also, the draft submission identifies potential resource implications for Council to ensure the new naming is reflected in related planning documents (e.g. the Development Control Plan) and other systems.

7. Community and industry consultation

The proposed reforms are significant and require extensive community consultation. The draft submission advocates for communication and engagement with business and landowners during the public exhibition period.

Summary of Draft Submission to DPIE

The draft submission makes the following recommendations to DPIE:

- Apply the reforms consistently with the adopted retail hierarchy for the Camden LGA;
- Confirm if other controls, such as building heights, will remain unchanged as a result of these reforms;
- Collaborate with Council to identify potential land use conflicts and to mitigate unintended consequences;
- Collaborate with Council to translate the reforms into the Camden LEP;

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- Ensure the new zoning framework is consistent and legible;
 - Ensure councils have adequate resourcing to update related planning documents and systems;
 - Clarify the relationship of the reform with the '*Building Business Back Better*' project and re-exhibit both proposals concurrently;
 - Clarify whether these reforms will apply to the Growth Centres SEPP, noting that greenfield areas require specific planning to ensure local character, scale and function are considered;
 - Ensure ongoing communication with Council as part of the implementation process;
 - Ensure local business and landowners are adequately consulted during the public exhibition period;
 - Retain existing prohibited residential accommodation development types reforms; and
 - Provide clarity regarding how the BTR SEPP will be applied to the proposed employment lands.

FINANCIAL IMPLICATIONS

There are no direct financial implications for Council as a result of this report.

CONCLUSION

The DPIE is inviting feedback on a new Employment Zones Framework proposing significant changes to business and industrial zones under the SI LEP.

While Council officers support the strategic intent of the proposed changes, a draft submission has been prepared seeking further consideration and clarity on a number of issues.

RECOMMENDED

That Council:

- i. endorse the attached draft submission on the NSW Employment Zones Reform; and**
- ii. forward a copy of the submission to the NSW Department of Planning, Industry and Environment for consideration.**

ATTACHMENTS

1. Draft Submission on NSW DPIE Employment Zones Reform
2. DPIE Employment Reforms Package