

Regulatory, Planning and Assessment.MBisson/PMcCarthy.
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Director Employment Zones
NSW Department of Planning, Industry and Environment
Locked Bag 5022
PARRAMATTA NSW 2124

Online submission

Dear Sir / Madam

SUBMISSION – EMPLOYMENT ZONES REFORM

Please find attached City of Newcastle's submission on the NSW Government's proposed Employment Zones Reform, currently on Public Exhibition.

Should you wish to discuss this submission further, I can be contacted directly on

[REDACTED]

Yours faithfully

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MANAGER REGULATORY, PLANNING AND ASSESSMENT

Enc

General Comments:

- City of Newcastle (CN) supports flexibility in the NSW planning system to respond to changing employment functions and land uses.
- CN's Employment Lands Strategy supports providing flexibility in permitted uses and functions of local centres, particularly in relation to retailing as these centres diversify uses to maintain foot traffic and take on a broader experience-based role as “centres of the local community” to compete with online retailing.
- CN notes that the Proposed Employment Zones Framework Position Paper (Position Paper) states that a cost benefit analysis is underway to examine zoning options and provide a baseline costing of Department of Planning, Industry and Environment's (DPIE's) preferred approach, and a social impact assessment is examining the social impacts of the proposed employment zones framework. This work will be important in finalising the draft zones and land use tables. Allowance should be made for refinement of the framework and further consultation with councils once this analysis and assessment is completed.
- CN is looking forward to the release of the proposed toolkit. It may have been helpful if the detailed information to be contained within the toolkit had been made available as part of the exhibition to assist Councils in understanding the proposed Employment Zones. It is noted that the toolkit will contain a detailed explanation of the intent and characterisation of each zone, the type of permissible land uses and the strategic objective each zone will deliver. This information is important to understanding and making an informed submission on the proposed employment zones framework.
- CN reiterates its concern that the changes to the employment codes under *State Environmental Planning Policy (SEPP) Exempt and Complying Development Codes, 2008* is occurring separately to the employment zones reform. These reforms must be viewed together to gain a complete understanding of the employment zones framework.
- Zone names: Currently “E” zones relate to environment zones, having it relate to both employment zones and environment zones will be confusing and should be reconsidered.
- There is insufficient information in the exhibition documents to understand and comment on the proposed SP4 Local Enterprise zone. Noted that this proposed zone is not included in the Draft Amendment Order.
- Noted that land uses permitted under SEPPs will not be listed in LEP land use tables and that the use of parent terms to identify land uses will also continue. CN requests the publication of a Land Use Matrix on the Portal to make it easier to read and understand LEP land use tables.

Proposed Employment Zones

GENERAL

- Zone objectives and land uses – It is important that Councils can include local objectives and land uses for each zone in addition to mandated objectives and land uses.
- CN will seek to maintain its centres hierarchy in zone objectives and ensure that employment opportunities are in accessible locations to maximise public transport patronage and encourage alternative transport options to private vehicles. This will discourage out of centre development.

The zone objectives should set up the centres hierarchy so the intent of planning controls put in place to support the hierarchy (building heights, floor space ratios (FSR), permitted land uses) is clear and justified. This is important in considering rezoning requests (and when an independent panel considers rezoning review requests) and in development assessment.

- CN will seek to include “to support and protect industrial land for industrial uses” as an objective in the E4 and E5 industrial zones.
- Planning controls for the Port of Newcastle are currently under the Three Ports SEPP. There is a deferred matter under the SEPP that should be resolved. It is also not clear how this important employment zone fits into the employment zones framework.

B1 Neighbourhood Centre / B2 Local Centre / E1 Local centre

- CN supports residential development in the local centre zone to support these centres, however the E1 Local Centre objective “to enable residential development if it will encourage a vibrant local centre” is vague. As only shop top housing and boarding houses are mandated as permissible forms of residential accommodation in this zone.

The objective should relate to active street frontages, such as CN’s objective to maintain an active retail / business frontage to maintain a safe / attractive pedestrian environment.

B3 Commercial Core / E2 Commercial Centre

- CN will seek to retain objectives in relation to accessibility, strengthening the role of the CBD and retention and creation of view corridors and commercial floor space in mixed use buildings.
- Newcastle City Centre is identified in the Hunter Regional Plan and Greater Newcastle Metropolitan plan as the major regional centre for the Hunter. This should be identified in the employment zones framework. It should be clear in the planning controls that it is the primary business and entertainment centre of the Local Government Areas (LGA), with a vibrant mix of uses and high amenity-built form. Commercial development should be supported with additional convenience-based retailing. Council supports flexible ground floor spaces in mixed use developments as proposed in the Position Paper.
- Maintaining a strong night-time economy is a key part of building the Newcastle City Centre’s reputation as a vibrant entertainment area and CN will seek to carry this through on the zone objectives.
- CN maintains its objection to ‘build to rent’ (BTR) development being mandated as a permissible use within this commercial centre zone. CN only has a small proportion of its employment land zoned B3 Commercial Core and introducing an exclusively residential land use will undermine the aims of the employment lands strategic framework. Introducing BTR effectively zones the land residential and will erode commercial capacity and the ability for agglomeration economies to form for our key sectors, currently health and education and any emerging industries. It is anticipated that developers will target B3 zoned land due to its lower land value and the proposed 50% reduction on land tax while providing a product that is not more affordable. In addition, existing commercial buildings could be converted to BTR, further reducing the commercial core function of this zone.

B5 Business Development / E3 Productivity Support

- The proposed E3 zone is similar to CN’s proposed B5 zone and is supported.

B4 Mixed Use / MU1 Mixed Use

- The MU1 zone proposes to permit all forms of commercial premises. It is therefore recommended that a zone objective be included that this zone supports nearby commercial centres without adversely impacting on the viability of those centres. The strategic intent of this zone should be clear so that supporting planning controls in relation to permitted land uses and controlling density are understood. This is important when considering rezoning requests and in development assessment.
- CN's Employment Lands Strategy aims, in the short term, to limit mixed-use development with high density residential components outside of the Newcastle City Centre, instead concentrating the market for this type of housing product in the city centre (particularly the eastern end) where it forms an important part of the city's evolving identity.
- An objective to minimise conflict between land uses within the mixed-use zone and land uses within adjoining zones will be difficult to achieve when the land use table permits uses that may be in conflict, for example pubs and residential development.

Industrial zones

- CN currently adopts the IN1 General Industrial Zone for a special precinct known as Steel River. This site formerly housed the BHP steel making plant, which closed in 1999 with the loss of some 2,500 jobs. A new planning regime was put in place for the site with the aim to create jobs to mitigate the job loss impact from the steel plant closure. The general objectives for the development of the Steel River site were identified at the time as:
 - socio-economic objective to provide 2000 jobs,
 - eco-industrial objective to apply principles of industrial ecology to the site,
 - socio-cultural objective to express the site's heritage,
 - environmental management objective included monitoring environmental performance and;
 - community consultation objective
- Engineering, research, and high-tech manufacturing uses are promoted in the Steel River precinct. Translating this zone into the proposed framework will be difficult and require further discussion between CN and DPIE.
- CN's Employment Lands Strategy promotes consideration of industrial land operational need, not just its employment generation. CN supports functions such as warehousing, storage units and distribution centres within industrial zones as critical in serving business and consumer networks.
- CN's current industrial framework supports 'strategic industrial precincts' to provide capacity for new industrial and related uses near major transport infrastructure and the Port of Newcastle. CN's Employment Lands Strategy identifies that there is demand for strategic industrial precincts in Beresfield and Mayfield west. CN recommends that provision for these strategic precincts be included in the employment zones framework.
- In addition, it is recommended that the employment zones framework provides flexibility for remnant industrial sites in urban areas with high levels of amenity to create employment space. Zone objectives should be clear that displacement of industrial uses from the area and/or from the LGA is not supported.

Definitions

- The proposed new, consolidated, and updated definitions are generally supported. CN questions whether the new definition of creative industry should be considered a sub-term of 'light industry' as many activities associated with creative industries would not fit under the definition of "industrial activity", particularly performance activities.

ADDITIONAL MATTERS

Centres hierarchy

- CN's Employment Lands Strategy is based on maintaining a centres planning framework, which provides certainty to the community and development industry and supports our long-term strategic planning objectives.
- The Position Paper notes that Councils and the community generally support a hierarchy of centres, however the proposed employment zone objectives do not reflect a centres planning framework. For example, while the Position Paper states that the local centre zone supports a centre that is smaller than a commercial centre in the centre's hierarchy this is not reflected in zone objectives. This should be stated to support and justify the building heights and FSRs used to control scale and density. This will be important if the Department proceeds with its intention to introduce appeals in relation to rezoning requests.

Out of centre development

- The Position Paper states that councils are to determine their approach to managing out of centre development, however the proposed zones, zone objectives and mandated land uses, limits what councils can do in this regard.
- CN currently discourages out of centre development by including objectives that encourage employment activities in accessible locations that will encourage public transport use and walking and cycling. These objectives are important when considering rezoning requests.

Implementation

- Translation of CN's existing employment lands framework into a standardised framework will not be simple or straight forward. CN urges flexibility so it can tailor the framework to support and maximise productivity for local conditions.
- CN notes and appreciates the support offered to councils to implement the proposed changes, particularly allowing sufficient time to review the proposed translation into the new framework.

