

8.5 Employment Zones Reform

REPORT BY THE MANAGER, STRATEGIC PLANNING
TO 16 MARCH 2022 ORDINARY MEETING
GOV400098, lan900010

RECOMMENDATION

That Council:

1. **receive the report by the Manager, Strategic Planning on the Employment Zones Reform; and**
2. **endorse the Return Translation Detail for the employment zones land use tables and pond-based aquaculture, tank-based aquaculture & local distribution premises land use permissibility**

Executive summary

The Standard Instrument (Local Environmental Plans) Order 2006 (SI LEP Order) has been amended to give effect to the employment zones reform. As an outcome of the reforms, the existing Business and Industrial zones will be replaced with new zones.

All local environmental plans in NSW must be made in accordance with the SI LEP Order. The Standard Instrument Order sets standard zones that councils must apply to land within their local government area. This means that a translation amendment to the Mid-Western Regional Plan 2012 (Mid-Western LEP) is required. The Department of Planning and Environment (DPE) is coordinating the translation of LEPs amendments and is proposing a centralised public exhibition of all LEP amendments in April 2022.

A summary of the translation of the Business and Industrial zones is detailed in the body of the report. DPE required Council to prepare a Return Translation Detail for the Mid-Western LEP, a copy of this is provided as Attachment 1.

Council was also asked by DPE to consider the permissibility of a number of land uses and to place them in the applicable land use tables. The following land uses were considered 'pond-based aquaculture', 'tank-based aquaculture' and the new land use definition of 'local distribution premises'. The placement of these land uses is detailed in tables 5, 6 and 7 of Attachment 1.

The purpose of this report is to explain the proposed changes and to seek Council's endorsement of the 'Return Translation Detail'.

Disclosure of Interest

Nil

Detailed report

Background

As part of a broader planning reform program, DPE reviewed and updated the zones that apply to employment uses including within centres and industrial areas in NSW. In Mid-Western it includes the centres of Gulgong and Mudgee and associated industrial areas. The towns of Rylstone and Kandos are zoned RU5 Village and are not impacted by this reform.

The reform was announced as part of the NSW Budget in November 2020, and builds on ongoing work by the DPE, reviews by both the Australian and NSW productivity commissions and broader planning reforms to support strategic planning, economic growth and productivity.

What is an Employment zone?

An employment zone is a zone in which the primary objective is to promote employment-generating activities. Other zones including the rural, special purpose and residential zones, permit employment generating activities as secondary to their primary objectives.

New zones

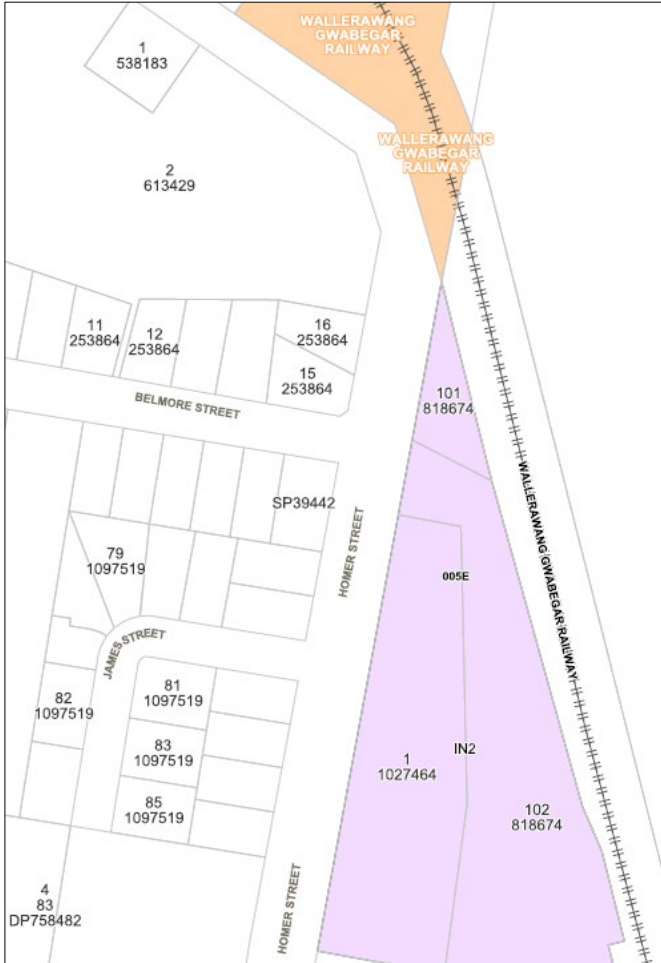
DPE has introduced five employment zones and three supporting zones. The below table provides a comparison of existing zones and proposed zones. Not all zones included in the reforms will be utilised in the Mid-Western LEP. The below table details the change in zone names and the general location of these zonings.

<i>Proposed zoning</i>	<i>Current zoning</i>	<i>Location of zoning</i>
E1 Local Centre	B1 Neighbourhood centre	Southside Mudgee
E1 Local Centre	B2 Local Centre	Gulgong CBD
E2 Commercial Core	B3 Commercial Core	Mudgee CBD
E3 Productivity Support	B5 Business Development	Industrial area fronting Sydney Road
E4 General Industrial	IN1 General Industrial	Gulgong, Hill End, Depot and Industrial Roads
E4 General Industrial	IN2 Light Industrial	Inglis Street, Mudgee and Homer Street, Gulgong
E5 Heavy Industrial	IN 3 Heavy Industrial	Ulan industrial area
MU1 Mixed Use	B4 Mixed Use	Market Street approach to Mudgee and Caerleon

A change in permissibility has been mandated by DPE, so Council has no discretion to change these mandated land uses. In addition, there are a range of land uses that Council has discretion to place as either ‘permitted without consent’ or ‘permitted with consent’, for these land uses Council has maintained the permissibility of the current Mid-Western LEP. The land uses that Council has discretion to place as either ‘permitted without consent’ or ‘permitted with consent’ are detailed in Table 3. of Attachment 1 Return Translation Detail.

As highlighted in the table above there are two current zonings (B1 Neighbourhood Centre and IN2 Light Industrial) with no ‘equivalent’ zonings proposed by DPE. Accordingly, new zonings are being applied to these areas.

The below maps depict the location of the current IN2 Light Industrial zoning. The zoning proposed to be applied to these areas is E4 General Industrial. There will be a minor change in permissibility of this land. Accordingly, to ensure the amenity of the adjoining residential land uses is maintained, Council is proposing a ‘local provision’ clause be drafted to ensure any new development minimises amenity impacts on adjoining residential land uses.



Location: Homer Street, GULGONG



Location: Inglis Street, MUDGEE

The below map depicts the location of the current B1 Neighbourhood Centre. The proposed zoning is E1 Local Centre, which means there will be a minor change in permissibility of this land. Accordingly, to ensure the amenity of the adjoining residential land uses is maintained, Council is proposing a specific zone objective. The zone objective will be considered in the assessment of any future development application.



Location: Southside Oporto Road, MUDGE

Pond-based aquaculture, tank-based aquaculture & local distribution premises land uses

In addition to the change in the Business and Industrial zonings, Council is required to consider the permissibility of ‘pond-based aquaculture’, ‘tank-based aquaculture’ and the new land use definition of ‘local distribution premises’.

The current appropriate permissibly in the Mid-Western LEP of ‘pond-based aquaculture’ and ‘tank-based aquaculture’ has been maintained, as detailed in tables 5 and 6 of Attachment 1.

As part of the reform, DPE are proposing a new land use definition, ‘local distribution premises’. Local distribution premises means *a building or place used for the storage or handling of items (whether goods or materials) pending their delivery to people and businesses in the local area, but from which no retail sales are made.*

The land use ‘local distribution premises’ has been decoupled from the group term ‘warehouse or distribution centres’ to allow the land use to be permitted in a wider range of land use zones. This is reflective of the need to support last mile delivery; for example, click and collect bays and parcel lockers.

Council is required to consider the permissibility of ‘local distribution premises’ in all zones in the Mid-Western LEP, except where it has already been mandated permitted with consent by DPE in the E1, E2, E3, E4 and MU1 zones. Table 7 of the Return Translation Detail provides the justification for the placement of the land use as either permitted with consent or prohibited. It is proposed to

prohibit 'local distribution premises' in the rural zones, as such this land use would not be supported in rural locations. It is also proposed to prohibit 'local distribution premises' in the residential zone due to the potential negative impacts on established neighbourhoods. It is proposed to prohibit 'local distribution premises' in the SP1 Special activities, SP3 Tourist, RE1 Public Recreation and RE2 Private Recreation zones, C1 National Parks and Nature Reserves and C3 Environmental Management zones as such a use would be inconsistent with the purposes of the zone.

Next step

If Council endorse the Return Detail Translation, it will be sent to DPE to progress to public exhibition.

Community Plan implications

Theme	Building a Strong Local Economy
Goal	A prosperous and diversified economy
Strategy	Support the attraction and retention of a diverse range of businesses and industries

Strategic implications

Council Strategies

Not Applicable

Council Policies

The consideration and endorsement of the Return Translation detail will not require any change to relevant policies.

Legislation

The Return Translation Detail has been considered in accordance with the Standard Instrument (Local Environmental Plans) Amendment (Land Use Zones) Order 2021.

The Mid-Western LEP will be updated in line with the Departments reform timeframe.

Financial implications

Not Applicable

Associated Risks

If Council were not to submit a Return Translation Detail, it is anticipated DPE would undertake this work and the local strategic land use context would not be considered in the translation and amendments.

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MANAGER, STRATEGIC PLANNING

JULIE ROBERTSON
DIRECTOR DEVELOPMENT

16 February 2022

Attachments: 1. Return Translation Detail. (separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER