

IRF21/3217

Gateway determination report – PP-2021-4886

Blue Mountains LEP 2015 Draft Amendment 13A – Amendment to Clause 1.9

October 21



NSW Department of Planning, Industry and Environment | dpie.nsw.gov.au

Published by NSW Department of Planning, Industry and Environment

dpie.nsw.gov.au

Title: Gateway determination report - PP-2021-4886

Subtitle: Blue Mountains LEP 2015 Draft Amendment 13A - Amendment to Clause 1.9

© State of New South Wales through Department of Planning, Industry and Environment 2021. You may copy, distribute, display, download and otherwise freely deal with this publication for any purpose, provided that you attribute the Department of Planning, Industry and Environment as the owner. However, you must obtain permission if you wish to charge others for access to the publication (other than at cost); include the publication in advertising or a product for sale; modify the publication; or republish the publication on a website. You may freely link to the publication on a departmental website.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (August 21) and may not be accurate, current or complete. The State of New South Wales (including the NSW Department of Planning, Industry and Environment), the author and the publisher take no responsibility, and will accept no liability, for the accuracy, currency, reliability or correctness of any information included in the document (including material provided by third parties). Readers should make their own inquiries and rely on their own advice when making decisions related to material contained in this publication.

Contents

1	Pla	anning proposal	. 1
	1.1	Overview	. 1
	1.2	Objectives of planning proposal	. 1
	1.3	Explanation of provisions	. 2
	1.4	Site description and surrounding area	. 2
	1.5	Mapping	. 2
	1.6	Background	. 3
2	St	rategic assessment	. 4
	2.1	District Plan	. 4
	2.2	Local Plan	. 5
	2.3	Local planning panel (LPP) recommendation	. 5
	2.4	Section 9.1 Ministerial Directions	. 6
	2.5	State environmental planning policies (SEPPs)	. 7
3	Si	te-specific assessment	. 9
	3.1	Environmental	. 9
	3.2	Social and economic	. 9
	3.3	Infrastructure	. 9
4	Co	onsultation	10
	4.1	Community	10
	4.2	Agencies	10
5	Ti	meframe	10
6	Lo	cal plan-making authority	10
7		ssessment summary	
8		ecommendation	
0	RE		

1 Planning proposal

1.1 Overview

Table 1 Planning proposal details

LGA	Blue Mountains
PPA	Blue Mountains Council
NAME	Blue Mountains LEP 2015 Draft Amendment 13A – Amendment to Clause 1.9
NUMBER	PP-2021-4886
LEP TO BE AMENDED	Blue Mountains Local Environmental Plan 2015
ADDRESS	LGA-wide
DESCRIPTION	N/A
RECEIVED	17/06/2021
FILE NO.	IRF21/2650
POLITICAL DONATIONS	There are no donations or gifts to disclose and a political donation disclosure is not required
LOBBYIST CODE OF CONDUCT	There have been no meetings or communications with registered lobbyists with respect to this proposal

1.2 Objectives of planning proposal

This planning proposal seeks to deliver two key actions identified in Council's Local Strategic Planning Statement, namely:

1.3 Council will seek an exemption from the Low Rise Medium Density Housing Code in State Environmental Planning Policy (Exempt and Complying Codes) 2008, to ensure local stormwater management controls are maintained and continue to protect the receiving environment of the Blue Mountains World Heritage Area.

5.7 Council will seek an exemption from the Low Rise Medium Density Housing Code in State Environmental Planning Policy (Exempt and Complying Codes) 2008, to ensure local controls are maintained to protect the character of the Blue Mountains

The planning proposal contains an objective and intended outcomes that adequately explain the intent of the proposal, with the following aim:

• to exclude the Blue Mountains LGA from the application of the Low Rise Housing Diversity Code (Low Rise Code) in the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* (Codes SEPP).

The objective of this planning proposal is clear and adequate.

1.3 Explanation of provisions

The planning proposal seeks to exclude the application of the Low Rise Code to relevant land under Blue Mountains LEP 2015. This is proposed by amending *clause 1.9 Application of SEPPs* in the Codes SEPP.

1.4 Site description and surrounding area

The planning proposal applies to land identified on the Land Application Map under the Blue Mountains LEP 2015 (Figure 1 below).

The planning proposal does not apply to several areas in the Blue Mountains LGA which are currently deferred from the Blue Mountains LEP 2015 and are subject to Blue Mountains LEP 2005 and Blue Mountains LEP 1991.



Figure 1 Blue Mountains Land Application Map (source: NSW Legislation website)

1.5 Mapping

The planning proposal does not include any mapping amendments.

1.6 Background

The planning proposal seeks to implement actions in Council's Local Strategic Planning Statement (LSPS). In preparing the LSPS, Council engaged the community and undertook the Greater Sydney Commission's assurance process.

Council indicates that this planning proposal is the culmination of Council's commitment to deliver LSPS' actions and to act upon ongoing discussions and correspondence between Council, the Minister for Planning and Public Spaces and the Department of Planning Industry and Environment.

To achieve the exemption, Council prepared the planning proposal in May 2021 and submitted the proposal for determination. In June, the Department wrote Council undertaking to address Council's concerns through a proposed two-year temporary amendment of the Low Rise Code. In this advice, the Department acknowledged that Council was concerned about the impact of increased density and the larger footprint of development on the environmental values of the World Heritage Area.

Further, the Department noted that Council had provided evidence that dual occupancy development, allowed under the Code in the R2 Low Density Residential Zone, allows for a substantial increase in non-pervious area on a lot allowing more stormwater runoff to the surrounding natural environment.

In conclusion, the Department advised Council that an amendment to the Code would limit the size of dual occupancy development in the R2 Zone in the Blue Mountains that will mirror the FSR controls in the Blue Mountains LEP 2015 *and* be effective from 2 October 2021. This amendment, however, is temporary and will be in force for two years, while a review of the Code is being undertaken.

In view of this, a Gateway determination was issued under section 3.34(2)(b) of the EP&A Act, requiring Council to resubmit of the proposal having considered the (then) amendment. This determination was issued to allow Council to reconsider its position and, if appropriate, amend the intent of the planning proposal or potentially discontinue with the proposal.

Council responded indicating that the Department's June letter does not address Council's fundamental planning issues with the Code. Council's core ongoing issues with the Code is that it poses an unacceptable risk to the environmental values of the World Heritage Area, as it potentially allows for intensification of residential development. This environmental impact centres around two key points:

- allowance under the Code for a substantially greater building footprint and therefore significant increases in stormwater runoff; and
- no adequate controls to manage this increased runoff under the Code.

The Council subsequently formally resubmitted the same proposal.

Need for the planning proposal

Is the planning proposal a result of an assured local strategic planning statement, or Department approved local housing strategy, employment strategy or strategic study or report?

As noted above, the planning proposal is essentially the culmination of Council's commitment to the delivery of LSPS' actions 1.3 and 5.7, and ongoing discussions and correspondence between Council, the Minister for Planning and Public Spaces and DPIE.

Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Council has stated that the best means of achieving the intended outcomes of the planning proposal would be through an amendment to the Codes SEPP, excluding the application of the relevant provisions.

2 Strategic assessment

2.1 District Plan

The site is within the Western City District and the Greater Sydney Commission released the Western City District Plan on 18 March 2018. The plan contains planning priorities and actions to guide the growth of the district while improving its social, economic and environmental assets.

The planning proposal is consistent with the relevant priorities for infrastructure and collaboration, liveability, productivity, and sustainability in the plan, as outlined below.

In this regard, the Department is satisfied the planning proposal gives effect to the District Plan in accordance with section 3.8 of the EP&A Act. The following table includes an assessment of the planning proposal against relevant directions and actions.

District Plan Priorities	Justification		
Planning Priority W12: Protecting and improving the health and	The planning proposal is consistent with Planning Priority W12 as it seeks to maintain the strong local environmental and stormwater management controls that are currently applied to all medium density development under the Blue Mountains LEP 2015.		
enjoyment of the District's waterways	The Low Rise Code allows more intense development with greater site coverage and less pervious area but does not provide substantial controls to manage increased stormwater runoff. In the absence of the Code's requirement for incorporating water sensitive urban design on site detention of stormwater or stormwater management systems to manage water quality, there is the potential for greatly compromised water quality. This potential for inferior water quality is not in accordance with priority W12, which seeks to protect and improve the health of the District's waterways.		
	The proposal therefore seeks to maintain the existing fine-grained approach to stormwater management under the Blue Mountains LEP 2015, which is consistent with priority W12.		
Planning Priority W14: Protecting and enhancing bushland and biodiversity	The planning proposal is consistent with Planning Priority W14 as it seeks to ensure strong local planning provisions be applied to all medium density development within the LGA, to protect and enhance the significant environmental values of the surrounding World Heritage Area and the character values of the Blue Mountains' built environment.		

Table 2 District Plan assessment

2.2 Local Plan

The proposal states that it is consistent with the following local plans and endorsed strategies. It is also consistent with the strategic direction and objectives, as indicated in the following table:

Table 3 Local strategic planning assessment

Local Strategies	Justification
Blue Mountains LSPS	The planning proposal is consistent with Councils LSPS as it seeks to deliver LSPS Actions, as follows:
	 Action 1.3 – Council will seek an exemption from the Low Rise Medium Density Housing Code in State Environmental Planning Policy (Exempt and Complying Codes) 2008, to ensure local stormwater management controls are maintained and continue to protect the receiving environment of the Blue Mountains World Heritage Area; and
	• Action 5.7 – Council will seek an exemption from the Low Rise Medium Density Housing Code in <i>State Environmental Planning Policy (Exempt and Complying Codes) 2008</i> , to ensure local controls are maintained to protect the character of the Blue Mountains.
	The planning proposal is essentially the culmination of Council's commitment to deliver these two actions.
Blue Mountains Local Housing Strategy (LHS) 2020	The planning proposal is not inconsistent with Council's LHS. In particular, the strategy indicates that the 5-year housing target can be met or exceeded under current local planning controls. Consequently, application of controls under the Codes SEPP is not necessary.
Blue Mountains Local Character Study 2020	The planning proposal is generally consistent with the aims of the Blue Mountains Local Character Study 2020. The Local Character Study highlights the importance of character to the Blue Mountains, the typologies of the towns and villages and the threats to local character, including development that is compatible with unique local context.
	The proposal, in seeking exemption for the Blue Mountains LGA from the Low Rise Code, seeks to ensure that appropriate forms of residential development, compatible with the local character, are achieved through the existing planning controls under the Blue Mountains LEP 2015.
Water Sensitive Blue Mountains Strategic Plan	The planning proposal is consistent with the Water Sensitive Blue Mountains Strategic Plan. In particular, the Strategic Plan seeks to: " set a coordinated approach to water management across council, protect the World Heritage values of our catchments, build resilience against climate change and enhance the liveability of our city".

2.3 Local planning panel (LPP) recommendation

The planning proposal was reported to the Blue Mountains Local Planning Panel (LPP) on 19 April 2021. The LPP provided unanimous support for the proposal.

The LPP, in providing support for the proposal, also reiterated its concerns with the Low Rise Code as follows:

- a. The Low Rise Code has the potential to undermine the continued listing of the Blue Mountains as a World Heritage Area.
- b. Council's ability to manage the urban area of the Blue Mountains, and all three levels of government being able to establish that there was an appropriate planning framework in place, is fundamental to the World Heritage listing of the Blue Mountains National Park. A key concern was the ability to manage the urban development area in the middle of the World Heritage listed national park. This was central to the formulation of the LEP and DCP.
- c. The LPP is of a view that the Low Rise Code will not only result in outcomes that are inconsistent with the significant character of urban areas of the Blue Mountains, but also result in potential environmental impacts that could compromise the integrity of the World Heritage listing. Specifically, the Low Rise Code does not:
 - i. adequately respond to the unique environmental conditions of the local government area, particularly in relation to environmental impact or the management of stormwater on the fourteen threatened and endangered communities identified in the World Heritage listing. It does not provide the required level of controls on stormwater management from development sites nor the required controls on clearing;
 - ii. appropriately consider, respond or enable assessment of the bushfire risk within this local government area;
 - iii. provide guidelines which are appropriate to an urban area within a World Heritage listed landscape setting. It does not provide the required design standards that will ensure new residential development appropriately responds to the unique residential character and heritage of the area, including the landscape setting, and
 - iv. built form and landscape development standards contained within the Code will result in higher density residential forms which are out of character with the landscape settings of the villages of the Blue Mountains.

2.4 Section 9.1 Ministerial Directions

The planning proposal's consistency with relevant section 9.1 Directions is discussed below:

Directions	Consistent/ Not Applicable	Reasons for Consistency or Inconsistency
3.1 Residential Zones	Yes	Although Council's controls are more restrictive, the planning proposal is consistent with this Direction as it does not contain any provisions that will reduce the permissibility of housing opportunities or residential density on residential zoned land.
4.3 Flood Prone Land	Yes	The planning proposal is consistent with this Direction. While it concerns residential zoned land that may be flood prone land, there are no provisions within the proposal that impact upon existing development controls related to flood prone land.
4.4 Planning for Bushfire Protection	Yes	The Direction would require Council to consult with the NSW RFS prior to exhibition.

Table 4 9.1 Ministerial Direction assessment

	I	
5.2 Sydney Drinking Water Catchments		The planning proposal is consistent with this Direction as the proposal seeks exemption from the Low Rise Code which contains less stringent controls compared to the stormwater management controls currently required under the Blue Mountains LEP 2015. To ensure consistency with the Direction, Council would need to consult with the Catchment Authority prior to exhibition.
6.3 Site Specific Provisions	Yes	As the proposal seeks to override less site specific Code planning controls and impose more stringent controls, it may be seen as technically being inconsistent with the Direction. The proposal however is only seeking to have existing LEP controls apply and is not seeking to insert any new site specific provisions.
7.1 Implementation of A Plan for Growing Sydney	Yes	The planning proposal is consistent with this Direction as it seeks to address actions in the Region Plan and Western Sydney District Plan (as addressed in Section 3.1 of this report). These actions (W12 and W14) specifically relate to the protection of the natural environment including water quality, through effective stormwater management.
7.8 Implementation of the Western Sydney Aerotropolis Plan	Yes	This proposal only includes sites within the Blue Mountains LGA under the Blue Mountains LEP 2015. This land is not included in the Land Application Map under clause 5 of the SEPP (Western Sydney Aerotropolis).

2.5 State environmental planning policies (SEPPs)

Table 5 Assessment of planning proposal against relevant SEPPs

SEPPs	Requirement	Consistent/ Not Applicable	Reasons for Consistency or Inconsistency
Affordable Rental Housing SEPP 2009	Facilitate the increased supply and diversity of affordable rental and social housing in NSW.	Not Applicable	The planning proposal does not reduce the opportunities for affordable housing provision under the SEPP. The outcome of the proposal seeks to maintain local provisions which presently facilities affordable housing opportunities.
Koala Habitat Protection SEPP 2020	Encourage the conservation and management of areas of natural vegetation that provide habitat for koalas to support a permanent free-living population over their present range and	Not Applicable	The planning proposal does not seek to contradict or diminish the operation of the SEPP.

	reverse the current trend of koala population decline.		
SEPP 55: Remediation of Land	Promote the remediation of contaminated land for the purpose of reducing the risk of harm to human health or any other aspect of the environment.	Not Applicable	The planning proposal does not seek to propose any changes to zoning or land use permissibility.
Sydney Drinking Water Catchment SEPP 2011	Provide for healthy water catchments that deliver high quality water.	Yes	The planning proposal seeks to respond to Blue Mountains LSPS Action 1.3: "Council will seek an exemption from the Low-Rise Medium Density Housing Code in <i>State Environmental Planning Policy</i> (<i>Exempt and Complying Codes</i>) 2008, to ensure local stormwater management controls are maintained and continue to protect the receiving environment of the Blue Mountains World Heritage National Park." The application of Action 1.3 supports the intent of the SEPP.
Sydney Regional Environmental Plan No 20— Hawkesbury- Nepean River (No 2-1997)	Protect the environment of the Hawkesbury-Nepean River system by ensuring that the impacts of future land uses are considered in a regional context.	Yes	The planning proposal seeks to introduce relevant controls to support the intention of the SEPP.

Notwithstanding the strategic merit of the proposal, the Department understands the key concerns are with ensuring more responsive and appropriate built outcomes for the highly constrained and sensitive environment of the Blue Mountains LGA. This outcome is possible through local variations to the development controls in the Low Rise Code, rather than a wholesale exemption. This would enable the *State Environmental Planning Policy (Exempt and Complying Codes) 2008* to continue to apply to the Blue Mountains LGA and ensure the fast track complying development pathway continues to be available as an alternative to lodging a Development Application with Council.

As this approach varies from the intended outcome sought in the proposal, the Department understands that a number of amendments to the proposal will need to be made prior to exhibition. The proposal will need to indicate what controls are intended to be inserted into the SEPP to implement the local variation, such as lot size and storm water management, noting any legal drafting and exact manner in which the local variation will be implemented will be a decision for Parliamentary Counsel's Office.

3 Site-specific assessment

3.1 Environmental

The following table provides an assessment of the potential environmental impacts associated with the proposal.

Table 6 Environmental impact assessment

Environmental Impact	Assessment
Disturbances to critical habitat, threatened species,	It is unlikely that critical habitat, threatened species, populations or ecological communities or their habitats would be detrimentally impacted by this planning proposal.
populations or ecological communities or their habitats	The planning proposal seeks to ensure that strong local environmental provisions, such as the retention of landscaped and pervious areas, are not compromised and by the application of the Low Rise Code. The controls under the Low Rise Code (<i>clause 3B.59 Drainage</i>) are less stringent than the controls within the Blue
Water management and best practice	Mountains LEP 2015 (<i>clause 6.9 Stormwater management</i>), allowing larger building footprints and far greater impervious areas, thereby significantly increasing stormwater runoff to the World Heritage National Park.

3.2 Social and economic

The following table provides an assessment of the potential social and economic impacts associated with the proposal.

Table 7 Social and economic impact assessment

Social and Economic Impact	Assessment
Protection of tourism values	The planning proposal seeks to mitigate potential impacts of the Low Rise Code on the Blue Mountains LGA. This would provide certainty for the community and landowners that the unique local character and environmental values of the area
Preservation of local character and environmental values	will be preserved and maintained. The protection and preservation of the unique local character and natural environment will arguably contribute to the attraction of visitors and associated tourism, both of which are key to the economy of the Blue Mountains. The Department notes that Council's LHS (adopted on 31 March 2020), identified that Council can meet (or may exceed) its 5 year housing targets under existing LEP controls, and is located in the Metropolitan Rural Area which is to cater for local growth.

3.3 Infrastructure

The proposed outcomes of this planning proposal would not increase the need to augment existing infrastructure networks or increase the demand for additional public infrastructure.

4 Consultation

4.1 Community

Consultation is recommended for a minimum of 28 days.

4.2 Agencies

Further consultation with the Planning Policy branch of the Department will be necessary to inform amendments to the proposal prior to community consultation. It is noted that Council may still elect to consult agencies prior to finalising its recommendation to the Department.

5 Timeframe

The time frame for completing the LEP is to be 12 months following the date of the Gateway determination.

6 Local plan-making authority

As the planning proposal relates to the application of the Codes SEPP, the Department recommends that Council not be authorised to be the local plan-making authority for this proposal.

7 Assessment summary

The planning proposal seeks to exclude the Blue Mountains LGA from the application of the Code. The reasons are outlined in the planning proposal. In summary:

Impact on stormwater management

Situated on ridgelines, the urban areas of the Blue Mountains drain into the surrounding World Heritage Area and ultimately into Sydney's drinking water catchment. While the local stormwater controls in Blue Mountains LEP 2015 (*clause 6.9 Stormwater Management*) reflect the location of urban areas and control the quality and quantity of stormwater leaving a site, minimal consideration is given these matters under the Code.

Impact on Residential Character

To ensure the ongoing preservation of local character and environmental values, the Department understands that the exemption is proposed on the basis that the Code:

- erodes defining built character elements of the towns and villages;
- is not an adequate mechanism to ensure retention of residential character; and,
- does not recognise that the size and scale of buildings and the opportunity for substantial landscaping impacts upon the overall character of an area.

Impact on local housing diversity

The Code will allow larger development to occur on smaller lots than would be permissible under local planning controls. Council indicates that should an exemption not be granted, amendments to Council's LEP will need to be made to minimise the impact of the Code.

Blue Mountains LEP 2015 includes provisions (*clause 4.1B* and separate controls for attached and detached dual occupancy) which utilise minimum lot size to provide cascading opportunities for dual occupancy based on the size of land, with current minimum lot sizes under this provision varying from 720m² to 1100m².

Consideration

The Code facilitates the delivery of dual occupancies, terrace and manor houses up to two storeys in height through a fast track complying development pathway and is only applicable where council zoning already permits these forms of housing.

The issues raised by Council are noted and are supporting arguments in conjunction with the proposals strong alignment to the strategic framework (that is, consistency with Councils endorsed LSPS and LHS).

The Department recently committed to an amendment to the Code to limit the size of dual occupancy development in the R2 zone in the Blue Mountains. The amendment is proposed to vary the Code so that the floor space ratio control for dual occupancies in R2 Low Density Residential Zone will mirror the controls in the Blue Mountains Local Environmental Plan 2015 from 2 October 2021.

As noted above, more responsive and appropriate built outcomes for the highly constrained and sensitive environment of the Blue Mountains LGA can be achieved through local variations to the development controls in the Low Rise Code, rather than a wholesale exemption. This avenue is recommended to be pursued before an exemption be considered. It is anticipated that the temporary amendment will provide a short term solution but will be superseded by the finalisation of this planning proposal.

In view of this undertaking, the proposal is supported and it is recommended that it proceeds.

8 Recommendation

It is recommended the delegate of the Minister determine that the planning proposal should proceed subject to the following conditions:

- 1. Prior to public exhibition, the proposal is to be amended to seek local variations to the *State Environmental Planning Policy (Exempt and Complying Codes) 2008.*
- 2. Consultation is required with the Department of Planning, Industry and Environment's Planning Policy Branch to confirm the intent of the proposal. Noting the proposal is to provide the intent of changes sought, rather than propose specific drafting which will be finalised following consideration by Parliamentary Counsel's Office.
- 3. Public exhibition is required under section 3.34(2)(c) and schedule 1 clause 4 of the *Environmental Planning and Assessment 1979* as follows:
 - (a) the planning proposal must be made publicly available for a minimum of 28 days; and
 - (b) the planning proposal authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 6.5.2 of A guide to preparing local environmental plans (Department of Planning and Environment, 2018).
- 4. A public hearing is not required to be held into the matter by any person or body under section 3.34(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).
- 5. The time frame for completing the LEP is to be **12 months** following the date of the Gateway determination.

- 6. The planning proposal must be exhibited 3 months from the date of the Gateway determination.
- 7. The planning proposal must be reported to Council for a final recommendation 9 months from the date of the Gateway determination.
- 8. Given the nature of the planning proposal is to amend a State Environmental Planning Policy, Council cannot be not authorised to be the local plan-making authority to finalise the plan.

<u>Assessment officer</u> Murray Jay, 3 September 2021 Senior Planning Officer, Western 9860 1512

Terry Doran 6 Sept 2021 Manager, Western

Adrian Hohenzollern *11 Oct 2021* Director, Western (CRC&WPC)