



REPORT: Planning Proposal R22-006 - 13L Narromine Road Dubbo - Proposed Amendments to Land Use Zones

DIVISION: Development and Environment
REPORT DATE: 8 March 2023
TRIM REFERENCE: ID22/2166

EXECUTIVE SUMMARY

Purpose	Seek endorsement	
Issue	<ul style="list-style-type: none">A Planning Proposal was lodged by GLN Planning Pty Ltd, on behalf of the Bathla Group, to amend the Dubbo Regional Local Environmental Plan 2022 by changing the existing land use zones in the northern portion of 13L Narromine Road Dubbo (Lot 22 DP1038924).The Planning Proposal seeks to rezone part of the existing land from IN2 Light Industrial to B2 Local Centre and B5 Business Development. As part of the NSW Government Employment Zones Reform that will commence on 26 April 2023, the new zones, which are proposed in this Planning Proposal will be E1 Local Centre and E3 Productivity Support. The total area to be rezoned is approximately 66.86 Ha.Assessment of the Planning Proposal shows that the proposal has strategic merit and should be submitted to NSW Department of Planning and Environment for a Gateway Determination. If issued, the determination will require community and stakeholder consultation.	
Reasoning	<ul style="list-style-type: none">Environmental Planning and Assessment Act 1979Local Environmental Plan Making Guidelines	
Financial Implications	Budget Area	Growth Planning
	Funding Source	Application Fees
	Proposed Cost	Council received \$26,000 upon lodgement, and will receive a further \$14,000 if a Gateway Determination is issued, as part of the application fees.
	Ongoing Costs	Nil
Policy Implications	Policy Title	Dubbo Regional Local Environmental Plan 2022
	Impact on Policy	The Planning Proposal will rezone the land use zones at 13L Narromine Road Dubbo.

STRATEGIC DIRECTION

The Towards 2040 Community Strategic Plan is a vision for the development of the region out to the year 2040. The Plan includes six principle themes and a number of objectives and strategies. This report is aligned to:

Theme:	3 Economy
CSP Objective:	3.3 A strategic framework is in place to maximise the realisation of economic development opportunities for the region
Delivery Program Strategy:	3.3.1 Land is suitably zoned, sized and located to facilitate a variety of development and employment generating activities

RECOMMENDATION

1. That Council note the process and key steps for amending the Dubbo Regional Local Environmental Plan 2022 (attached in Appendix 1).
2. That Council endorse the Planning Proposal (attached in Appendix 2) to amend the Dubbo Regional Local Environmental Plan 2022 by rezoning the northern portion of 13L Narromine Road Dubbo (Lot 22 DP 1038924), subject to a suitable provision being included in the Dubbo Regional Local Environmental Plan 2022 that:
 - Limits the total floor area of any supermarket to 1500 square metres;
 - Limits the overall floor space of any future retail shops to 3000 square metres;
 - Requires any future development application within the B2 Local Centre Zone to consider the economic impact of the development, and ensure it is consistent with the Dubbo Employment Lands Strategy.
3. That Council submit the planning proposal to the NSW Department of Planning and Environment for a Gateway Determination.
4. That Council request the Chief Executive Officer (or delegate) be authorised as the Local Plan Making Authority under Section 3.36 of the Environmental Planning and Assessment Act, 1979.
5. That Council support a minimum 28 days public exhibition period for the planning proposal, subject to the conditions of a Gateway Determination.
6. That following the completion of the public exhibition period, a further report be presented to Council for consideration, including the results of public exhibition.

Stephen Wallace
Director Development and Environment

CC
Growth Planner

BACKGROUND

1. Previous Resolutions of Council

The Bathla Group initiated a number of planning processes for the Central West Urban Release Area to provide further housing and development opportunities. As part of the planning processes for the site, Council has considered Planning Proposals to enable a variety of residential land use zones and densities in the southern portion of the precinct.

The subject Planning Proposal relates to employment generating uses in the northern portion of the precinct.

The previous resolutions of Council are shown below and outlined in **Figure 1**.

Council Resolution Date	Planning Proposal
21 September 2022	Planning proposal R22-004 (red outline) This Planning Proposal will involve a minor zone boundary realignment to better align with the arterial road that will connect Minore Road and the Newell Highway. Consideration by Council for the purposes of public and stakeholder consultation.
23 February 2023	Consideration of public submissions and adoption for the purposes of finalisation of the Planning Proposal.
9 February 2023	Planning proposal R22-005 (purple outline) This planning proposal will change the land use zone from R2 Low density residential to R1 General residential, and reduce the minimum lot size from 600m ² to 300m ² Consideration by Council for the purposes of public and stakeholder consultation.
23 March 2023	Planning proposal R22-006 (blue outline) This planning proposal is the subject of this report
23 March 2023	Development Control Plan (yellow outline) This development control plan will provide detailed planning and guidance to support the aims, objectives and planning controls in the Dubbo Regional Local Environmental Plan (LEP) 2022. To be considered by Council

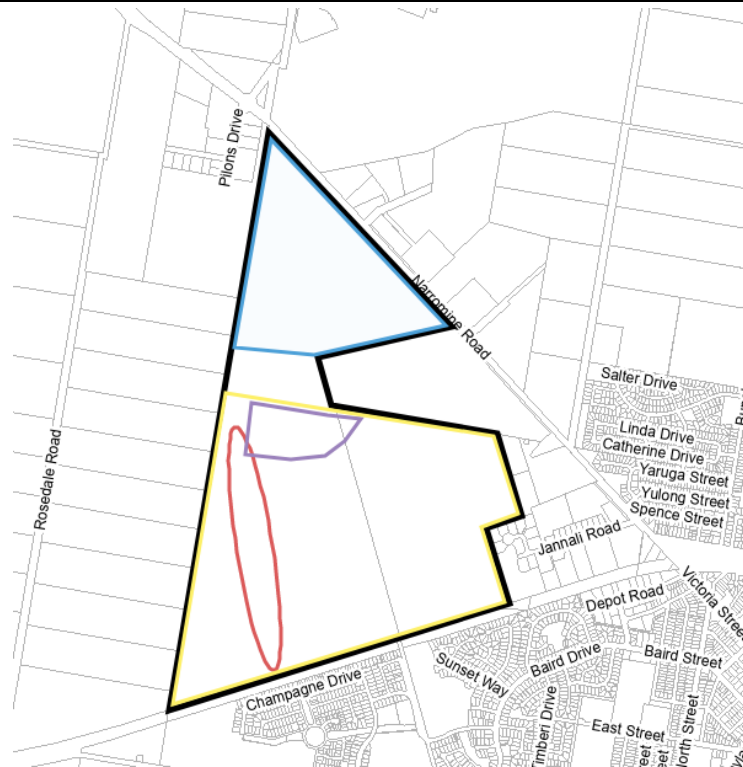


Figure 1 – Previous resolutions of Council

2. What is a Planning Proposal?

A Planning Proposal is a document that explains the intended effect of, and justification for, a proposed amendment to the Dubbo Regional Local Environmental Plan (LEP) 2022. It can be prepared by a proponent or Council, however, it must be endorsed by Council and the NSW Government Department of Planning and Environment (DPE) in order to take effect. This process must be undertaken in accordance with Division 3.4 of the Environmental Planning and Assessment Act 1979.

The six key stages for amending a LEP are attached in **Appendix 1** and are as follows:

- Stage 1 – Pre-lodgement;
- Stage 2 – Lodgement and assessment (current stage);
- Stage 3 – Gateway Determination;
- Stage 4 – Post Gateway;
- Stage 5 – Public exhibition and assessment; and
- Stage 6 – Finalisation

REPORT

1. Details of the Planning Proposal

Applicant:	GLN Planning
Site	13L Narromine Road Dubbo (Lot 22 DP1038924)
Site Area:	Land to be amended is approximately 66.86Ha
Proposed LEP Amendment:	Amend the land use zone from IN2 Light Industrial to B2 Local Centre and B5 Business Development. As part of the NSW Government Employment Zones Reform that commence on 26 April 2023, the new zones will be E1 Local Centre and E4 General Industrial. Changes to Land Zoning Map (LZN_001A)

The objective of the Planning Proposal (attached in **Appendix 2**) is to amend the Dubbo Regional LEP 2022 to rezone the northern portion of the site from IN2 Light Industrial to B2 Local Centre (approximately 2.6 Ha) and B5 Business Development (approximately 63.4 Ha). This aims to meet the long term demand for West Dubbo having a mix of business, industrial, commercial and retail uses.

The proposed amendments are generally shown in **Figures 2-4**.

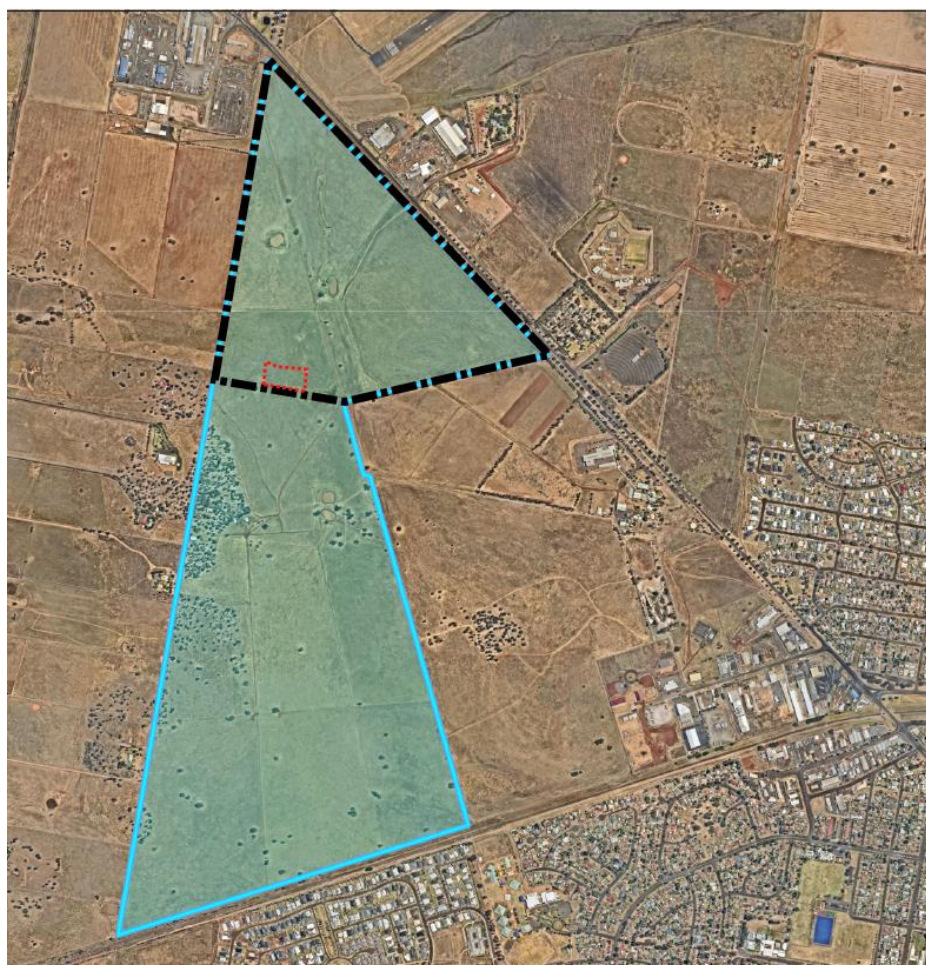


Figure 2: Location of site and proposed amendments

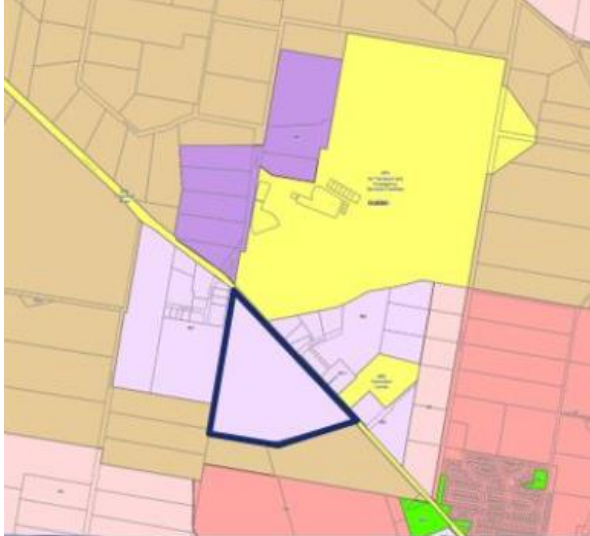


Figure 3: Current land zone (IN2 Light Industrial)

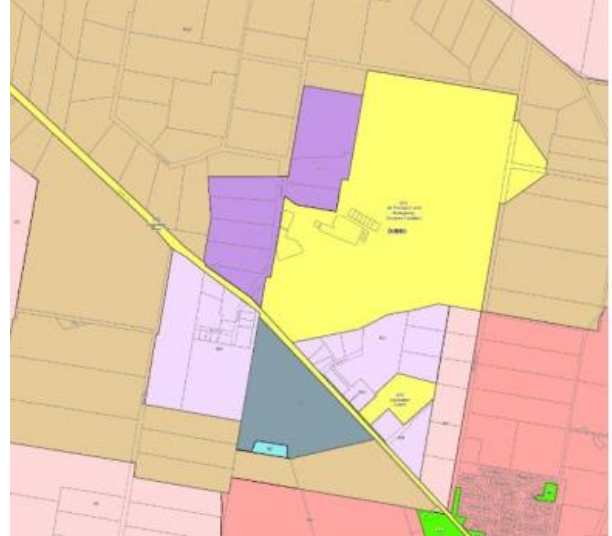


Figure 4: Proposed land zones (B5 Business Development and B2 Local Centre)

The intent of the Planning Proposal is to:

- enable business, warehouse and specialised retail premises that require a large floor area;
- meet the projected undersupply of floor space in the B5 Business Development zone to service the future residential development in West Dubbo;
- enable local shops to be located close to the surrounding sports field, residential and industrial areas; and
- create long-term development opportunities and encourage the consolidation of isolated, unused or underused pockets of industrial land.

2. Site Characteristics

The land is approximately 3.2 km north-west of the Dubbo Central Business District. The land is located on the south-western side of the Mitchell Highway and to the north of the main Western Rail Line.

3. Planning assessment and considerations

(a) Strategic and site-specific merit

To determine whether a Planning Proposal should be supported, it must be demonstrated to have both strategic and site specific merit.

The proposal has been assessed against relevant regional and sub-regional strategies, Council strategies and policies, applicable State Environmental Planning Policies (SEPPs), and Section 9.1 Ministerial Directions.

Strategy	Requirement	Consistency
<p>Central West and Orana Regional Plan 2036</p> <p>This Plan is the NSW Government strategy for guiding land use planning priorities and decisions for the Central West and Orana Region over the next 20 years. It was repealed after lodgement of the planning proposal.</p>	<p>Vision</p> <p>The most diverse regional economy in NSW with a vibrant network of centres leveraging the opportunities of being at the heart of NSW.</p> <p>Goal 1</p> <p>The most diverse regional economy in NSW.</p> <p>Goal 3</p> <p>Quality freight transport and infrastructure networks.</p> <p>Direction 10:</p> <p>Promote business and industrial activities in employment lands.</p>	<p>The Planning Proposal is consistent with this Plan.</p>
<p>Central West and Orana Regional Plan 2041</p> <p>This Plan is the NSW Government's strategy for guiding land use planning priorities and decisions for the Central West and Orana Region over the next 20 years. It came into effect after lodgement of the Planning Proposal.</p>	<p>Objective 11</p> <p>Strengthen Bathurst, Dubbo and Orange as innovative and progressive regional cities.</p> <p>Objective 18</p> <p>Leverage existing industries and employment areas and support new and innovative economic enterprises.</p>	<p>The Planning Proposal is consistent with this Plan.</p>
<p>Towards 2040 Community Strategic Plan</p> <p>This Plan is the highest level strategy that guides and influences the direction of Council, the communities and other levels of Government over the coming years.</p>	<p>Vision</p> <p>In 2040 we will be an innovative, resilient and sustainable region with opportunities to grow and a high quality of life.</p> <p>Objective 3.2</p> <p>Employment opportunities are available in all sectors of our economy.</p> <p>Objective 3.3</p> <p>A strategic framework is in place to maximise the realisation of economic development</p>	<p>The Planning Proposal is consistent with this Plan.</p>

Strategy	Requirement	Consistency
	opportunities for the region.	
<p>Local Strategic Planning Statement (LSPS)</p> <p>This Plan sets Council's land use planning priorities, including economic, social and environmental outcomes, for the next 20 years.</p>	<p>Priority 8</p> <p>Ensure supply of employment generating land</p>	<p>The Planning Proposal is consistent with this Plan.</p>
<p>Employment Land Strategy</p> <p>This Strategy aims to ensure Dubbo has an appropriate level of commercial and industrial zoned land that can meet the long term requirements of the community and region.</p>	<p>14.8: Airport Precinct</p> <p>Identified as a long term industrial expansion area due to its location and easy access to the airport and highway.</p> <p>Opportunity to accommodate the projected undersupply of commercial floor space and service the needs of West Dubbo's residential development.</p>	<p>The Planning Proposal is partly consistent with this Strategy as it does not reference a local centre on the site.</p> <p>Additional commentary is provided below.</p>
<p>Dubbo Transportation Strategy 2020</p> <p>This Strategy identifies the strategic road requirements to accommodate future growth.</p>	<p>Central West Spine Road</p> <p>The Central West Spine Road is a strategic road.</p>	<p>The Planning Proposal is partly consistent with this Strategy as only one central spine road is referenced.</p> <p>Additional commentary is provided below.</p>
<p>Dubbo Regional Local Environmental Plan 2022</p> <p>This Plan guides planning decisions in the region through development controls and provisions.</p>	<p>Central West Urban Release Area</p> <p>Ensure urban release area occurs in a logical and cost-effective manner, in accordance with a staging plan and site specific development control plan.</p> <p>Zone IN2 Light Industrial</p> <p>Provide a wide range of light industrial, warehouse and related land uses.</p> <p>Encourage employment opportunities and support the viability of centres.</p>	<p>The Planning Proposal is consistent with this Plan.</p>

(i) Dubbo Employment Land Strategy

The Dubbo Employment Land Strategy aims to ensure Dubbo has an appropriate level of commercial and industrial zoned land that can meet the long term requirements of the community and region. It forms the basis for business zonings and planning controls in the Dubbo Regional LEP 2022.

The Strategy identifies that part of the land could be developed in the future for the purposes of allowing development with a zoning of B5 Business Development. However, any rezoning would be subject to the requirements of an Economic Impact Assessment.

The Strategy does not include any reference to any area of the land being zoned B2 Local Centre.

The Applicant provided an Economic Impact Assessment (attached in **Appendix 3**). The Economic Impact Assessment included the following information in respect of the B2 Local Centre zone:

- The Central West Urban Release Area is currently remote from other local centres, will therefore benefit from a local centre;
- It will encourage higher density living around transport, open space and service nodes;
- The size of the site and future population can support a local shopping centre;
- The local centre will benefit from being in close proximity to the future arterial road; and
- The local centre will be a compatible land use with the adjoining road, open space and residential development.

In order to consider the overall impacts of the B2 Local Centre zone on the Dubbo commercial centres hierarchy, Council engaged an independent property and economic consultant to peer review the Economic Impact Assessment (attached in **Appendix 4**). The peer review indicated the following:

- The applicant's originally proposed trade area and serviced populations are greater than expected and should be reduced in size to accommodate only the Central West Urban Release Area and rural properties within 5km to the north of Narromine Road. The reduced trade area would have implications for the size of the local centre that could be supported on the site;
- The size of the applicant's originally proposed B2 Local Centre could impact the development of a future neighbourhood centre in the North West Urban Release Area, which is included in the Strategy;
- Although the Strategy does not reference a local centre on the site, future residents would benefit from a local scale centre, particularly given they are not well connected to other local retail offers. A supermarket should not have a gross floor area greater than 1,500m², and the total floor space of the retail speciality should not exceed 3,000m²; and
- The B5 Business Development zone is consistent with the Strategy.

Following provision of the peer review, it is recommended that in respect of the proposed rezoning of part of the land to B2 Local Centre (proposed E1 Local Centre as part of the Employment Zone Reform) that the following provisions be included in the Dubbo Local Environmental Plan 2022:

- Limits the total floor area of any supermarket to 1500 square metres;
- Limits the overall floor space of any future retail shops to 3000 square metres;
- Requires any future development application within the B2 Local Centre Zone (E1 Local Centre) to consider the economic impact of the development, and ensure it is consistent with the Dubbo Employment Lands Strategy.

However, it should also be noted that any commercial development will also be subject to the provision of an Economic Impact Assessment at the development application stage to ensure Council can accurately consider economic impacts as part of regular assessment processes.

(ii) Dubbo Transportation Strategy 2020

The Dubbo Transportation Strategy 2020 identifies the strategic road requirements to accommodate future growth, and is supported by a design and maintenance program for roads, footpath and cycle ways.

The Strategy recommends one central spine road through the site to provide a continuous connection from Blackbutt Road, Minore Road and the Newell highway. As part of Council's planning for the North-West Urban Release Area, additional connections were recommended to provide long-term access to the north and to connect to Richardson Road.

(b) State Environmental Planning Policies (SEPP)

The following table provides an assessment of the Planning Proposal against the provisions of relevant State Environmental Planning Policies.

SEPP	Comment
SEPP (Biodiversity and Conservation) 2021 The aim of this SEPP is to maintain a healthy, productive and resilient environment for the greatest well-being of the community, now and into the future, consistent with the principles of ecologically sustainable development.	The environmental impact is negligible as the site is currently zoned IN2 Light Industrial, noting the clearing of some native vegetation may be required despite the rezoning. A Biodiversity Development Assessment Report has been submitted, and considered the principle of 'avoid and minimise'.
SEPP (Resilience and Hazards) 2021 Chapters 4 provides a state-wide planning framework for remediation of contaminated land and to minimise the risk of harm to human health or any other aspect of the	Issues in respect of contamination have been considered on the site by the Proponent and Council as part of the planning processes being undertaken on the site. This has included the preparation of a Stage 1 Preliminary Site Investigation for the land.

SEPP	Comment
<p>environment.</p> <p>Stage 1 – Preliminary Site Investigation is the first step in assessing the contamination status of a site proposed for redevelopment. It defines the potential contaminating activities carried out onsite, the areas where contamination is most likely to exist and, if any remediation is required.</p>	<p>Although Council Staff are working through further information requirements as part of this process, it is considered that there is nothing identified that will impact progression of the subject Planning Proposal.</p>
<p>SEPP (Transport and Infrastructure) 2021</p> <p>Chapter 2 is applicable for the proposal. The aim of this SEPP is to facilitate the effective delivery of infrastructure across NSW.</p>	<p>It is considered that the Planning Proposal is consistent with the provisions of the SEPP.</p>
<p>SEPP (Exempt and Complying Development Codes) 2008</p> <p>The aim of this SEPP is to provide streamlined assessment processes for development that complies with specified development standards.</p>	<p>It is considered that the Planning Proposal is consistent with the provisions of the SEPP.</p>

(c) Ministerial Directions under Section 9.1

The Planning Proposal is generally consistent with the following Directions.

Direction	Requirement	Consistency
1.1 Implementation of Regional Plans	Planning proposals must be consistent with a Regional Plan released by the Minister for Planning	The Planning Proposal is consistent with the Regional Plan, both the Central West and Orana Regional Plan 2041 and the Central West and Orana Regional Plan 2036.
1.4 Site specific provisions	Planning proposals must allow that land use without imposing development standards or requirements in addition to those already contained in the Dubbo Regional LEP 2022.	The Planning Proposal will introduce similar provisions included in Clause 7.13 of the Dubbo Regional LEP 2022, which limits floor space for commercial development in Southlakes Estate.

Direction	Requirement	Consistency
3.1 Conservation Zones	Planning proposals must include provisions that facilitate the protection and conservation of environmentally sensitive areas. This applies to land within a conservation zone or land otherwise identified for environment conservation or protection purposes in the LEP.	The planning proposal is not located in any identified conservation zone or area.
3.2 Heritage Conservation	Planning proposals must contain provisions that facilitate the conservation of items, places, buildings, works, relics, moveable objects of environmental heritage significance and indigenous heritage significance.	The site is not identified as containing items of aboriginal cultural significance. Any future development is required to comply with the relevant provisions within the LEP, National Parks and Wildlife Act 1974, and Heritage Act 1977.
4.3 Planning for Bushfire Protection	Planning proposals must have regard to Planning for Bushfire Protection 2019 and avoid placing inappropriate development in hazardous areas.	The site is identified as being subject to Council's draft bushfire prone land map. Consultation with the NSW Rural Fire Service will be required to be undertaken.
4.4 Remediation of Contaminated Land	Planning proposals must reduce the risk of harm to human health and the environment by ensuring that contamination and remediation are considered.	Issues in respect of land contamination have been previously discussed in the report.
5.1 Integrating Land Use and Transport	The Direction applies when a planning proposal will create, alter or remove a zone or a provision relating to urban land, including land zoned for residential, business, industrial, village or tourist purposes.	It is considered that the Planning Proposal is consistent with the Direction.

Direction	Requirement	Consistency
5.3 Development Near Regulated Airports and Defence Airfields	The Direction applies when a planning proposal will create, alter or remove a zone or a provision relating to land near a regulated airport.	It is considered that the Planning Proposal will not compromise the operation of the airport. Any future development must incorporate appropriate mitigation measures to ensure it does not protrude into operational airspace, and is not adversely affected by aircraft noise. In addition, any future development applications on the land will be required to be assessed in accordance with the National Airports Safeguarding Framework Guidelines.
7.1 Industry and Employment	A Planning Proposal must retain the areas and locations of employment zones, not reduce the total potential floor space area in employment zones, and must be in accordance with and Employment Lands Strategy	The Planning Proposal is consistent with the Direction.

(d) Site Specific Merit

For site-specific merit, the planning proposal must outline potential impacts on the natural environment and potential mitigation measures, and demonstrate its suitability having regard to the availability of services and infrastructure.

(i) Environmental Hazards

The site is not mapped as flood prone or bushfire prone. However, the land is mapped as bushfire prone land on Council's draft bushfire mapping and must be considered as such. It is considered that the Planning Proposal is unlikely to impact aboriginal heritage, geotechnical and contamination, acoustic, and dark sky planning issues on the site.

(ii) Social and Economic Effects

It is considered that the Planning Proposal will facilitate additional employment zoned land and increase the capacity of retail and commercial development. The economic benefits generated by the development will create additional employment within the precinct and the support the future surrounding population.

(iii) Infrastructure

It is considered that the Planning Proposal will increase the demand for public facilities and services. Proposed works are subject to a staged approach, and specific water and sewer infrastructure upgrade requirements will be confirmed at a later stage. This will not prevent the Planning Proposal from progressing.

4. Employment Zones Reform

As part of the NSW Government Employment Zones Reform that commence on 26 April 2023, the new zones will be E1 Local Centre and E3 Productivity Support.

The E3 Productivity Support zone will introduce a broader range of permissible land uses such as shop top housing, business premises, office premises and service stations. The E3 Productivity Support zone will not significantly change the nature of the area, and this zone will allow a range of large format commercial uses and light industrial uses. This includes the bulky goods, warehouse and distribution centres, industrial training facilities, freight transport and passenger, and transport and truck depots.

5. Consultation and Planned Communications

If Council supports the Planning Proposal and receives a Gateway Determination from the Department of Planning and Environment, it is likely the proposal would be publicly exhibited for 28 days in accordance with the Local Environmental Plan Making Guidelines.

Council will engage with State Agencies, adjoining land owners and the public as per the Gateway Determination. This will include a notice on Council's website and in Customer Experience Centres, the NSW Planning Portal, and letters to the affected and adjoining landowners.

A further report will be presented to Council for consideration following the completion of public exhibition and consultation processes.

5. Timeframe

The below estimated timeline provides a mechanism to monitor and resource the various steps required to progress the planning proposal through the plan making process:

Key date	Explanation
23 March 2023	Council decision
Late March 2023	Submit the planning proposal to the Department of Planning and Environment for Gateway Determination
Late April 2023	Gateway determination issued
May 2023	Post-gateway review and requirements
July 2023	Public exhibition period
August 2023	Consideration of submissions
October 2023	Consideration by Council

November 2023	Submit the planning proposal to the Department of Planning and Environment for finalisation
January 2024	Gazettal of the LEP amendment

6. Resourcing Implications

Council received \$26,000 upon lodgement, and will receive a further \$14,000 if a Gateway Determination is received, as part of the application fees.

Total Financial Implications	Current year (\$)	Current year + 1 (\$)	Current year + 2 (\$)	Current year + 3 (\$)	Current year + 4 (\$)	Ongoing (\$)
a. Operating revenue	\$40,000	0	0	0	0	0
b. Operating expenses	0	0	0	0	0	0
c. Operating budget impact (a – b)	\$40,000	0	0	0	0	0
d. Capital expenditure	0	0	0	0	0	0
e. Total net impact (c – d)	\$40,000	0	0	0	0	0
Does the proposal require ongoing funding?			No			
What is the source of this funding?			Lodgement and assessment fees			

Table 1. Ongoing Financial Implications

APPENDICES:

1⇒	Planning Proposal Flowchart	Provided under separate cover
2⇒	Planning Proposal	Provided under separate cover
3⇒	Preliminary Market Potential Report	Provided under separate cover
4⇒	Peer Review of Market Potential Report	Provided under separate cover