
Item: 13.07

Subject: **PLANNING PROPOSAL THRUMSTER BUSINESS PARK PP-2023-2079 DD32.2023.006.01**
APPLICANT - LOVE PROJECT MANAGEMENT
PROPONENT - THRUMSTER BUSINESS PARK PTY LTD

Presented by: Community, Planning and Environment, Melissa Watkins

Alignment with Delivery Program

4.5.1 Carry out strategic planning to manage population growth and provide for co-ordinated urban development.

RECOMMENDATION

That Council:

- 1. Endorse the draft Planning Proposal (Attachment 1), to enable rezoning of land at Thrumster Business Park and associated amendments prepared under section 3.33 of the Environmental Planning and Assessment Act 1979.**
- 2. Forward the draft Planning Proposal to the NSW Department of Planning and Environment for a Gateway Determination under Section 3.34 of the Environmental Planning & Assessment Act 1979, and request that the Gateway Determination authorise Council to be the local plan-making authority.**
- 3. Delegate authority to the Director Community, Planning and Environment to make any minor updates to the Planning Proposal prior to seeking a Gateway Determination, and action/address conditions of Gateway determination accordingly.**
- 4. Receive a report following the public exhibition period on any submissions received.**
- 5. Notify the proponent of Council's decision.**

Executive Summary

The purpose of this report is to inform Council about a proponent-initiated Planning Proposal concerning land at Thrumster Business Park, located at part of the previous Lot 2 DP 1245588, 314 John Oxley Drive, Thrumster NSW 2444. The Planning Proposal is attached to this report as Attachment 1. The Planning Proposal has been prepared on behalf of Thrumster Business Park Pty Limited by Love Project Management to support a request for the rezoning of sections of the subject land.

The Planning Proposal aims to amend the Port Macquarie Hastings Local Environmental Plan 2011 (LEP) by:

1. Rezoning a portion of the site from E4 General Industrial to E3 Productivity Support.

2. Applying a Schedule 1 Additional Permitted Use for Shop Top Housing and Serviced Apartments over 17 lots within the rezoned E3 Productivity Support area.

The purpose of this proposed amendment to the LEP is to address changing demands and needs in employment lands while providing housing close to employment opportunities. Council's Population Forecasts endorsed at the 20 June 2024 Ordinary Council Meeting and Council's Living and Place Strategy acknowledge the significant population growth occurring in this Local Government Area (LGA) and the increasing demand for smaller housing options that are currently under supplied. This growth not only heightens the necessity for housing but also underscores the importance of maintaining and enhancing the functionality of our Employment Lands.

The Thrumster Business Park Planning Proposal has considered these demands, along with the needs of our manufacturing and business communities. This proposal seeks to ensure that Port Macquarie is well-prepared to adapt to changing economic conditions.

The Planning Proposal has been reviewed by both internal stakeholders and external government agencies. It has been assessed as having strategic planning merit; however, it is not entirely consistent with certain site-specific merits, which presents a manageable level of risk to Council should the proposal proceed.

These risks relate to the following:

- The Port Macquarie Airport's Australian Noise Exposure Forecast (ANEF) Boundary impacts
- Residential and Industrial Land Use potential land use conflicts, particularly the potential for noise generated by Industrial uses
- The impact that amplified noise mitigants may have on the potential cost of the proposed affordable worker housing
- Wastewater Management

These risks and a full discussion appear later in this report. The proponent has attempted to address all the risks identified in the proposal. While the measures go some way to addressing the areas of risk, there is some manageable inherent risk that remains, in the areas identified in the report, that may potentially affect the desired outcomes.

Given the management of the risks and the strategic and site specific assessment that follows in the report, it is recommended that the proposal be submitted for gateway determination, allowing it to undergo public exhibition.

Discussion

1. Background

An initial pre-lodgement meeting was held on the 14 December 2022. A subsequent pre-lodgement meeting followed on the 4 October 2023. The proponent has consulted with Council to address the matters raised during the pre-lodgement phase and lodged a planning proposal on the 15 August 2024.

Thrumster Business Park was originally zoned as IN2 Light Industrial. This zoning was removed under the NSW Government's Employment Land Reforms, and the estate was rezoned to E4 General Industrial as part of these changes. With the new Employment Zones now in place, there has been time to review them and assess how they align with the opportunities and employment demands for both this area and the broader North Coast region.

As a result of this review, Thrumster Business Park has proposed a change for an area of approximately five and a half hectares from the existing Zone E4 General Industrial to E3 Productivity Support. Within this proposed E3 area, a small number of lots identified as Precincts A and B have been designated for a Schedule 1 - Additional Land Use option, which would allow for shop-top housing and serviced apartments. The proponents have indicated that retaining a residential component within the E3 development presents several benefits, which will be discussed later in this report.



2. Strategic Merit and Assessment

The Guideline for Planning Proposals, issued under Section 3.33(3) of the Act, requires that the strategic merit of a proposal be assessed. Council must be satisfied that the planning proposal demonstrates both strategic merit and site-specific merit. This is determined through an evaluation of the proposal's consistency with the plans and strategies set forth by the NSW Government and Council. Relevant plans, policies, strategies, and planning directions are discussed below.

To establish strategic merit, Council must consider whether the proposal:

- Aligns with the Regional Plan.
- Is consistent with the Local Strategic Planning Statement (LSPS) or strategies endorsed by the department or required as part of a regional or district plan.
- Responds to changes in circumstances that the existing planning framework has not addressed.

It is assessed that the planning proposal aligns with the planning priorities of the North Coast Regional Plan 2041 and the Port Macquarie Regional City Action Plan 2036. The land is considered suitable for zone E3 Productivity Support and does not contradict the planning priorities outlined in the LSPS “Shaping Our Future 2041” or the Urban Growth Management Strategy 2018, particularly concerning employment and residential objectives.

To ascertain if the planning proposal has site-specific merit, Council is required to evaluate:

- The natural environment of the site and any other affected land.
- Existing, approved, and likely future land uses in the vicinity.
- The availability of services and infrastructure to cater to the demands arising from the proposal, along with any proposed financial arrangements for infrastructure provision.

Currently, the land is undergoing development for an approved industrial subdivision, with several lots recently released. The development of the subject land for permissible land uses within an industrial zoning has been previously assessed as part of a separate development approval for the industrial subdivision. The land is neither flood-prone nor contaminated and has undergone appropriate stormwater assessments as part of the industrial subdivision process.

The Planning Proposal is consistent with applicable State Environmental Planning Policies (SEPP). It is also consistent with relevant ministerial directions, except for a minor inconsistency with Ministerial Direction 7.1 concerning Employment Zones. This inconsistency is addressed in the proponent provided Retail and Economic Impact Assessment and the E3 Employment Land and Economic Impact Assessment.

The additional permitted uses of shop-top housing and serviced apartments introduce residential land uses in addition to the permissible uses within the E3 Productivity Support Zone. While these residential land uses may lead to a slight reduction in the maximum potential employment gross floor area required by the ministerial direction, this is considered acceptable and consistent with Council's economic development priorities in the LSPS and UGMS.

The assessment of services and infrastructure has been completed. The zone change from E4 General Industrial to E3 Productivity Support does not generate additional demand for land use changes concerning infrastructure services. However, the inclusion of shop-top housing and serviced apartments does create further demand for services. Feedback from Council assets stakeholders has been considered.

The additional traffic generated by the potential residential uses does not necessitate road upgrades. Additionally, the approved industrial Development Application includes localised active transport infrastructure. The existing water infrastructure is deemed adequate to support the additional residential uses.

It should be noted that the proposed residential uses of shop-top housing and serviced apartments will increase the demand on the sewer network. In relation to this, the Council adopted a position on planning proposals at the Ordinary Council Meeting held on 18 August 2022, in consideration of a report regarding current issues with Wastewater Treatment Plant capacities across the Local Government Area. At that meeting, Council resolved to:

1. *Note the capacity issues of the Port Macquarie-Hastings Sewerage Schemes, as outlined in this report.*
2. *Note that a Process Capacity Review and Optimisation Study for the Port Macquarie Wastewater Treatment Plant has been commissioned.*
3. *Continue to implement Council's strategic planning program, including*
 - a) *Complete the higher order strategies that will be used to complement and inform the Blueprint;*
 - b) *Continue to progress the strategic land use planning actions identified in the Urban Growth Management Strategy – Background and Next Steps*
 - c) *Continue to progress the 33 Housing Actions, Economic Development Actions and Making It Happen Actions included in the Urban Growth Management Strategy.*
 - d) *Continue to progress those Planning Proposals reported to Council in Item 14.02 Update On Site Specific Planning Proposal Requests – Bi-Annual Report at the Ordinary Council meeting 16 June 2022;*
4. *Not proceed past Stage 6 Finalisation Stage of the Planning Proposal process for any existing or new Planning Proposals that will increase the loading to the Port Macquarie, Kew / Kendall and Wauchope Wastewater Treatment Plants until such time as all design work is complete and approvals are in place for the respective upgrades.*
5. *Request the Chief Executive Officer to investigate additional resources to support Council's strategic planning team in Implementation of the strategic planning program outlined above.*
6. *Request the Chief Executive Officer to provide a report to Council in November 2022 regarding Council's approach to Planning Proposal Assessment in response to the issues identified above and include in the report, details regarding the following;*
 - a) *How much vacant residential land can be developed under the current zoning(s)*
 - b) *Based on current (and past) growth, when is this projected to be exhausted*
 - c) *Reaffirm the trigger points at which rezoning applications could proceed*
7. *Request the Chief Executive Officer to provide a further report to Council regarding Council's approach to finalising Planning Proposals in the Port Macquarie/Thrumster Sewerage Scheme catchment once the outcomes identified in 2 (above) are known.*

The proponent has submitted a proposed utilities plan to address inconsistencies with the previously stated position. Additionally, an update to the Council's draft Development Servicing Plan(s) has been proposed, which includes an emergency

generator that may be required in the later years for servicing the development and development on surrounding land.

Utilities staff have reviewed the utilities plan and commented that it would help manage sewer ETs within the current land zone loading until the Thrumster Waste Water Treatment Plant is operational. However, the review also noted that it would create additional administrative burdens and risks for Council's utilities and development assessment staff, as they would need to monitor and manage the plan. Furthermore, this creates challenges for future owners and developers of any lots within the planning proposal area. Their developments would need to be assessed on a first-come, first-served basis, potentially leading to situations where some developments may be not supported due to the servicing arrangements outlined in this plan, which would not otherwise apply.

Concerns have also been raised by the Port Macquarie Airport regarding the location of proposed residential land uses in relation to the Airport's Australian Noise Exposure Forecast (ANEF) boundaries. Including residential and industrial uses on the same land is inconsistent with the objective of the PMHC LEP to minimize land use conflicts. Although the proponent has provided studies and examples of mixed employment and residential developments, these examples are from commercial and retail employment zones, not industrial ones. The E3 Productivity Support zone permits industrial land uses that are associated with noise and limited environmental impacts, which could lead to land use conflicts between industrial and residential areas.

While the proponent has sought to mitigate noise concerns by including a noise assessment and specifying building standards for future development assessments, there is a concern that the proposed affordable worker accommodation may face increased construction costs to meet these noise standards. It is crucial to consider the viability of affordability and particularly the proposal's ability to deliver its intended purpose of providing affordable worker accommodation.

The assessment of the Planning Proposal found that it generally aligns with the policies of the NSW Government and the Council. However, valid concerns have been raised regarding wastewater management and potential conflicts related to land use. The proponent has attempted to address these issues by creating a specific utility plan for the site and proposing amendments to the Council's Acoustic Controls Map. While these measures go some way to address the concerns, they do not eliminate the associated risks and may affect the desired outcomes and future development assessment.

Options

In accordance with legislative requirements, Council may take the following actions:

1. Proceed with the planning proposal as submitted and request a Gateway Determination.
2. Make modifications to the planning proposal as deemed necessary by the Council and then request a Gateway Determination.
3. Decide not to proceed with the planning proposal.
4. Request additional information.

If the Council resolves to progress the Planning Proposal. The proposal will be prepared accordingly by Council staff, and submitted to the NSW Government Department of Planning, Housing, and Industry for a Gateway determination.

Option 1 is the recommendation of this report.

Community Engagement and Internal Consultation

There has been significant internal consultation regarding the planning proposal at this stage with relevant stakeholders, including staff from:

- Utilities
 - Infrastructure
 - Natural Resource Management
 - the Airport
 - Economic Development.
- 1.
 2. External Government agencies have also been approached for their comments. At this stage of the planning process, broader community consultation has not been undertaken and is not required. If the proposal proceeds, community engagement will occur in accordance with the *Environmental Planning and Assessment Act 1979*. This Act mandates that community engagement takes place after the Gateway determination and that the proposal will be exhibited in line with the Council's Community Participation Plan 2019 and any additional requirements specified by the Gateway determination.

Planning and Policy Implications

The Environmental Planning and Assessment Act 1979, along with the *Environmental Planning and Assessment Regulations 2021*, establishes the framework for assessing Planning Proposals. These steps have and will be strictly followed throughout the process.

If Council resolve to not proceed with the Planning Proposal, it must inform the proponent that their request to submit to the Department for a Gateway Determination has not been supported. The Council has 90 days to notify the proponent of its decision. The proponent could then opt to undertake a 'pre-gateway review of the planning proposal' which would review and evaluate Council's decision.

Financial and Economic Implications

Should Council determine to proceed with the Planning Proposal, fees and charges consistent with Council's Fees and Charges Schedule will apply.

Attachments

1.  Planning Proposal - Thrumster Business Park

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RESOLVED: Sheppard/Roberts

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- 4. Receive a report following the public exhibition period on any submissions received.**
- 5. Notify the proponent of Council's decision.**
- 6. Request the Chief Executive Officer to provide a report to the March 2025 Ordinary Council meeting providing an update on the development of the Affordable Housing actions being considered under Council's recently endorsed Affordable Housing Plan.**

CARRIED: 8/0

FOR: Edwards, Hornshaw, Intemann, Kirkman, Lipovac, Roberts, Sheppard and Tubman

AGAINST: Nil