
Planning Matters - 26 March 2024

ITEM 5.2

Planning Proposal – New Employment Zones

AUTHOR

Planning

PURPOSE AND BACKGROUND

The Department of Planning, Housing and Infrastructure (DPHI) has instructed all councils in NSW to update their local environmental plans (LEP) by carrying out an administrative ‘best fit’ translation of their existing business and industrial zones to the DPHI’s new employment zones. The statewide reform aims to reduce the number of existing business and industrial zones and to mandate more permitted uses in employment areas.

The statewide reform is in response to the NSW Productivity Commission’s 2021 White Paper *‘Rebooting the Economy’*. The Commission recommended reducing the number of existing business and industrial zones in the Standard Instrument Local Environmental Plan to simplify the development assessment process and to remove prescriptive rules that hinder the evolving economy.

The DPHI is staging the implementation of the statewide reform. In April 2023, the DPHI introduced the new employment zones in the local environmental plans of all other councils in NSW, however as Council’s 2023 LEP was not yet finalised, Canterbury-Bankstown was deferred, and therefore, this Planning Proposal has been drafted.

Based on legislative requirements, the translation will result in Council’s eight existing business and industrial zones being reduced to five new employment zones, together with more mandated permitted uses in the Land Use Table, as outlined in this report. The planning proposal does not change density controls – existing height and floor space ratio controls will remain unaffected.

The next step is for Council to request a Gateway determination to exhibit a planning proposal to update the Canterbury-Bankstown Local Environmental Plan 2023. The planning proposal, as provided in Attachment A, is an administrative ‘best fit’ translation of Council’s existing business and industrial zones to the DPHI’s new employment zones. The intended outcome is to ensure the right zone is selected to reflect Council’s strategic intent for an employment area. The Local Planning Panel has reviewed this proposal and provided its advice, considered in this report.

The matter would be reported to Council following the Gateway and exhibition. Council has until April 2025 to update its LEP as the DPHI will be repealing Council’s existing business and industrial zones at that point.

ISSUE

The DPHI has instructed Council to update its LEP by carrying out an administrative 'best fit' translation of the existing business and industrial zones to the DPHI's new employment zones. The proposed changes are largely administrative and mandatory.

RECOMMENDATION That -

1. The planning proposal to amend the Canterbury-Bankstown Local Environmental Plan 2023, as provided in Attachment A, proceed to Gateway and exhibition.
2. Council delegate authority to the Chief Executive Officer to make necessary changes to the planning proposal and maps to ensure consistency with the Gateway determination and the Department of Planning, Housing and Infrastructure's mapping guideline prior to the exhibition.
3. The planning proposal be reported to Council following the exhibition.
4. Council prepare and exhibit draft amendments to the Canterbury-Bankstown Development Control Plan 2023 and other planning policies to support the planning proposal (if required), and the matter be reported to Council following the exhibition.
5. Council seek authority from the Department of Planning, Housing and Infrastructure to exercise the delegation in relation to the plan making functions under section 3.36(2) of the Environmental Planning and Assessment Act 1979.

ATTACHMENTS

- A. Planning Proposal
- B. DPHI Employment Zones Land Use Matrix
- C. DPHI Employment Zones Reform Implementation – Explanation of Intended Effect
- D. Land Zoning Map – Existing
- E. Land Zoning Map – Proposed
- F. Local Planning Panel Meeting – Report
- G. Local Planning Panel Meeting – Minutes

POLICY IMPACT

Statewide reform

In May 2022, the DPHI released the '*Employment Zones Reform Implementation – Explanation of Intended Effect*', as provided in Attachment C. The document discusses the background to the statewide reform and provides instructions on how councils may translate their existing business and industrial zones to the DPHI's new employment zones, which include:

- Four centres-focused zones (E1 Local Centre, E2 Commercial Core, E3 Productivity Support and MU1 Mixed Uses);
- Two industrial zones (E4 General Industrial and E5 Heavy Industrial); and
- Two supporting zones that capture land uses and locations that have a focus beyond jobs (W4 Working Waterfront and SP4 Enterprise).



Figure 1: DPHI's new employment zones (Explanation of Intended Effect, page 11)

Council's planning proposal to implement the statewide reform

The next step is for Council to request a Gateway determination to exhibit a planning proposal to update the Canterbury-Bankstown Local Environmental Plan 2023. The planning proposal, as provided in Attachment A, is an administrative 'best fit' translation of Council's existing business and industrial zones to the DPHI's new employment zones.

Based on the *Environmental Planning and Assessment Act 1979* and DPHI guidelines, the following key policies are relevant to the preparation of the planning proposal:

- Greater Sydney Region Plan;
- South District Plan;
- State Environmental Planning Policies;
- Ministerial Directions;
- *Standard Instrument (Local Environmental Plans) Order 2006*;
- DPHI Employment Zones Land Use Matrix, as provided in Attachment B;
- DPHI publications: '*Local Environmental Plan Making Guideline*' and '*Employment Zones Reform Implementation – Explanation of Intended Effect*'; and
- Council's '*Connective City 2036*' Local Strategic Planning Statement, Employment Lands Strategy and Housing Strategy.

The translation will result in Council's eight existing business and industrial zones being reduced to five new employment zones, together with more mandated permitted uses in the Land Use Table, as outlined in this report. The planning proposal does not change density controls – existing height and floor space ratio controls will remain unaffected.

The planning proposal does not propose to undertake further technical studies or investigations to justify the translation of the existing business and industrial zones to the new employment zones, given the proposed changes are largely administrative and mandatory. This is consistent with the approach taken by the NSW Government in amending all other LEPs.

The planning proposal will result in consequential changes to the Canterbury-Bankstown Development Control Plan 2023 and other supporting planning documents. The DCP will be exhibited and reported to Council, and may consider other appropriate control changes to deal with the proposed changes and improved design outcomes.

FINANCIAL IMPACT

The planning proposal has no financial implications for Council.

COMMUNITY IMPACT

The planning proposal ensures the new employment zones are employment focussed to deliver Council's jobs target of 41,000 additional jobs by 2036. According to Council's *Connective City 2036* (page 50), it is important to have increased employment opportunities in the new employment zones:

- To provide a greater range of jobs for Canterbury-Bankstown's growing population, which is one of the largest in NSW;
- To provide a diversity of jobs in a prosperous local economy that services Australian and global markets;
- To increase jobs in the knowledge-based sectors; and

- To increase the employment self-containment rate.

The planning proposal is also consistent with the adopted centres hierarchy in Council's *Connective City 2036*, Employment Lands Strategy and Housing Strategy to ensure these jobs are located near transport and other land uses, so that more people can get to work on public transport and access other services or shopping.

DETAILED INFORMATION

Planning proposal

The intended outcomes of the planning proposal are:

- To reduce the eight existing business and industrial zones in the Canterbury-Bankstown Local Environmental Plan 2023 to five new employment zones as summarised in the table below. The five new zones are E1 Local Centre, E3 Productivity Support, E4 General Industrial, MU1 Mixed Use and SP4 Enterprise;
- To ensure the right zone is selected to reflect Council's strategic intent for an employment area;
- To apply the new employment zones in locations that are consistent with Council's *Connective City 2036*, Employment Lands Strategy and Housing Strategy. The overarching strategy is to 'retain and manage' industrial lands, while supporting significant employment growth in Bankstown and Campsie, and other locations consistent with the centres hierarchy;
- To ensure the objectives and permitted land uses in the new employment zones are employment focussed to deliver Council's jobs target; and
- To update the Land Use Table to align with the mandated permitted uses under the NSW Government's *Standard Instrument (Local Environmental Plans) Order 2006*.

Council's existing business and industrial zones	'Best fit' zone translation to the DPHI's new employment zones	Action
<u>Zone B1 Neighbourhood Centres</u> The objective of the B1 zone is to provide a range of small-scale retail, business and community uses that serve the needs of people who live or work in the surrounding neighbourhood. The zone applies to corner shops in the suburban neighbourhoods.	<u>Zone E1 Local Centre</u> The E1 zone combines the B1 and B2 zones into a single zone. The objective of the E1 zone is to provide a diversity of retail, business, office, community, accommodation and entertainment uses to the community. While the zone is commercial focussed, it also allows entertainment and dining options, tourist and visitor accommodation, after hour uses, community and social infrastructure. The permissibility of existing residential uses, such as shop top housing, apartment buildings and seniors housing will remain unaffected.	Replace the B1 and B2 zones with the E1 zone.
<u>Zone B2 Local Centre</u> The objective of the B2 zone is to provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area. The zone applies to village, local and town centres.		
<u>Zone B4 Mixed Use</u> The objective of the B4 zone is to integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking	<u>Zone MU1 Mixed Use</u> The MU1 zone is employment focussed and replaces the B4 zone. The objective of the MU1 zone is to encourage a diversity of business, retail, office and light industrial land	Replace the B4 zone with the MU1 zone.

Council's existing business and industrial zones	'Best fit' zone translation to the DPHI's new employment zones	Action
and cycling. The zone applies to strategic centres, namely the Bankstown City Centre.	<p>uses that generate employment opportunities.</p> <p>The permissibility of existing residential uses, such as shop top housing, apartment buildings and seniors housing will remain unaffected.</p>	
<p><u>Zone B5 Business Development</u> The objective of the B5 zone is to enable a mix of business and warehouse uses, and specialised retail premises that require a large floor area, in locations that are close to, and that support the viability of, centres. The zone applies to out-of-centre locations along the Canterbury Road and Hume Highway corridors.</p> <p><u>Zone B6 Enterprise Corridor</u> The objective of the B6 zone is to promote businesses along main roads and to encourage a mix of compatible uses. The zone applies to out-of-centre locations along the Canterbury Road and Hume Highway corridors.</p>	<p><u>Zone E3 Productivity Support</u> The E3 zone combines the B5 and B6 zones into a single zone.</p> <p>The objective of the E3 zone is to provide for a range of urban or rural services in employment corridors and urban support areas that cater to the local population and businesses.</p> <p>The permissibility of residential accommodation as an existing additional permitted use on certain land previously zoned B5 along the Canterbury Road corridor (Schedule 1, APU 13) will remain unaffected.</p> <p>The permissibility of seniors housing, apartment buildings and multi dwelling housing as existing additional permitted uses on certain land previously zoned B6 along the Hume Highway corridor (Schedule 1, APU 18) will remain unaffected.</p>	Replace the B5 and B6 zones with the E3 zone.
<p><u>Zone B7 Business Park</u> The objective of the B7 zone is to provide office and light industrial uses to unique areas that require tailored land use planning.</p> <p>The zone applies to the Potts Hill Business Park, which is subject to its own tailored Land Use Table. Sydney Water and Ausgrid use the business park to support critical infrastructure.</p>	<p><u>Zone SP4 Enterprise</u> The objective of the SP4 zone is to support unique areas with an enterprise focus that require tailored land use planning. It replaces the B7 zone.</p> <p>This zone is appropriate as:</p> <ul style="list-style-type: none"> • The Potts Hill Business Park is a truly unique precinct with an enterprise focus. It is important to protect the strategic intent and character of the business park, consistent with Council's <i>Connective City 2036</i> and Employment Lands Strategy. • Other zones, such as the E3 zone, combined with other 	Replace the B7 zone with the SP4 zone.

Council's existing business and industrial zones	'Best fit' zone translation to the DPHI's new employment zones	Action
	<p>mechanisms cannot achieve the same outcome.</p> <ul style="list-style-type: none"> Council's strategic plans do not propose to transition the business park to an alternative zone. 	
<p><u>Zone IN1 General Industrial</u> The objective of the IN1 zone is to provide a wide range of industrial and warehouse land uses. The zone applies to the industrial precincts.</p>	<p><u>Zone E4 General Industrial</u> The E4 zone combines the IN1 and IN2 zones into a single zone.</p> <p>The objectives of the E4 zone are to protect land for industrial purposes; and to provide a wide range of industrial, warehouse, logistics and related land uses that encourage employment opportunities.</p>	Replace the IN1 and IN2 zones with the E4 zone.
<p><u>Zone IN2 Light Industrial</u> The objective of the IN2 zone is to provide a wide range of light industrial, warehouse and related land uses.</p> <p>The zone generally applies to the periphery of the IN1 General Industrial zone and provides a buffer with neighbouring residential areas to minimise any adverse effect of industry on other land uses.</p>		

Implications of the administrative 'best fit' zone translation

The planning proposal must be consistent with the NSW Government's *Standard Instrument (Local Environmental Plans) Order 2006*, which legislates the new employment zones with a significant increase in mandated permitted uses. The DPHI is seeking to provide greater flexibility within the new employment zones to allow businesses and industries to respond to changing economic conditions and market demand.

According to the DPHI's *'Employment Zones Reform Implementation – Explanation of Intended Effect'* (page 10), the DPHI *'took an approach to capture the land uses of the more expansive zone (for example, we captured the land uses of the B2 zone instead of the B1 zone). Where we identified a conflict between permitted individual land uses in a combined land use table, we adopted a productivity focus'*.

The implications of the mandated permitted uses on the Land Use Table are summarised below.

Implication	Action
Currently prohibited in the B1 zone, to be mandated as permitted uses in the new E1 zone:	Apply a new local provision to provide additional considerations when assessing proposals for land uses not previously permitted in the B1 zone

Implication	Action
Amusement centres; Commercial premises; Entertainment facilities; Function centres; Garden centres; Hardware and building supplies; Home industries; Landscaping material supplies; Local distribution premises; Passenger transport facilities; Plant nurseries; Public administration buildings; Registered clubs; Restricted premises; Retail premises; Roadside stalls; Rural supplies; Timber yards; Tourist and visitor accommodation; Vehicle repair stations; Vehicle sales or hire premises	<p>While Council cannot alter the mandated permitted uses in the Land use Table, the DPHI has drafted a model clause for the smaller centres in the E1 zone. This is a result of combining the B1 and B2 zones into the E1 zone.</p> <p>The intent is to provide additional considerations when assessing proposals for land uses not previously permitted in the B1 zone. These considerations are:</p> <ul style="list-style-type: none"> (a) the impact of development on— <ul style="list-style-type: none"> (i) the amenity of surrounding residential areas, and (ii) the desired future character of the local centre, and (b) whether the development is consistent with the hierarchy of centres. <p>It is proposed to include the model clause:</p> <ul style="list-style-type: none"> • to avoid the impact of intensive uses on the scale of smaller centres, • to ensure the operation of these uses would not have an unreasonable impact on nearby residential amenity. <p>An amendment to the Land Zoning Map will show the smaller centres previously in the B1 zone as “Area 1” to indicate where the model clause will apply.</p>
<p><u>Currently prohibited in the B2 zone, to be mandated as a permitted use in the new E1 zone:</u></p> <p>Home industries (meaning an industrial activity carried out by the permanent residents of the dwelling)</p>	<p><u>No action</u></p> <p>Council cannot alter the mandated permitted uses in the Land Use Table.</p>
<p><u>Currently prohibited in the B4 zone, to be mandated as permitted uses in the new MU1 zone:</u></p> <p>Light industries; Vehicle repair stations</p>	<p><u>No action</u></p> <p>Council cannot alter the mandated permitted uses in the Land Use Table.</p>
<p><u>Currently prohibited in the B5 zone, to be mandated as permitted uses in the new E3 zone:</u></p> <p>Animal boarding or training establishments; Boat building and repair facilities; Community facilities; Depots; Early education and care facilities; Hotel or motel accommodation; Industrial retail outlets; Industrial training facilities; Information and education facilities; Light industries; Neighbourhood supermarkets;</p>	<p><u>No action</u></p> <p>Council cannot alter the mandated permitted uses in the Land Use Table.</p>

Implication	Action
<p>Places of public worship; Recreation facilities (major); Recreation facilities (outdoor); Registered clubs; Research stations; Rural supplies; Storage premises; Vehicle body repair workshops; Vehicle repair stations</p>	
<p><u>Currently prohibited in the B6 zone, to be mandated as permitted uses in the new E3 zone:</u> Animal boarding or training establishments; Boat building and repair facilities; Depots; Home businesses; Home occupations; Recreation facilities (major); Recreation facilities (outdoor); Rural supplies; Storage premises; Vehicle body repair workshops</p>	<p><u>No action</u> Council cannot alter the mandated permitted uses in the Land Use Table.</p>
<p><u>Currently permitted in the B6 zone, to be prohibited in the new E3 zone:</u> Serviced apartments</p>	<p><u>Maintain serviced apartments as an additional permitted use for certain B6 zoned land in the Hume Highway corridor</u> An issue is the E3 zone combines the B5 and B6 into a single zone. Serviced apartments are prohibited in the B5 zone, but permitted in the B6 zone. It is not mandated as a permitted use in the E3 zone.</p> <p>Council's Employment Lands Strategy recommends prohibiting all tourist and visitor accommodation uses (including serviced apartments) in the B5 zone.</p> <p>It is therefore not proposed to amend the Land Use Table to permit serviced apartments in the E3 zone as this change would be inconsistent with the Employment Lands Strategy and would inappropriately permit serviced apartments on land previously in the B5 zone.</p> <p>The planning proposal will address the issue by:</p> <ul style="list-style-type: none"> • Hume Highway corridor (mostly B6 zone) – amend the existing control in Schedule 1 (APU 18) to add serviced apartments as an additional permitted use on certain B6 zoned land. • Canterbury Road corridor (mostly B5 zone) – the implementation of the Campsie Town Centre Master Plan and master plans for other centres may consider the suitability of serviced apartments along the corridor. The Campsie Town Centre Master Plan (page 98) encourages bulky goods retail and light industry on land previously in the B5 zone as it aligns with the overall aim of the Canterbury Road Review, which is to

Implication	Action
	support Canterbury Road's function as an enterprise corridor. The Master Plan does not encourage tourist and visitor accommodation uses (including serviced apartments).
<u>Currently prohibited in the IN1 zone, to be mandated as permitted uses in the new E4 zone:</u> Goods repair and reuse premises; Research stations	<u>No action</u> Council cannot alter the mandated permitted uses in the Land Use Table.
<u>Currently prohibited in the IN1 zone, to be permitted in the new E4 zone:</u> Animal boarding or training establishments; Landscaping material supplies; Plant nurseries; Recreation facilities (indoor); Timber yards; Veterinary hospitals; Wholesale supplies	<u>Permit animal boarding or training establishments, landscaping material supplies, plant nurseries, recreation facilities (indoor), timber yards, veterinary hospitals, and wholesale supplies in the E4 zone</u> An issue is the E4 zone combines the IN1 and IN2 into a single zone. These land uses are prohibited in the IN1 zone, but permitted in the IN2 zone. These land uses are not mandated as permitted uses in the E4 zone. The Local Planning Panel considered this issue at its Meeting of 4 March 2024. The Panel recommended to permit these land uses in the E4 zone. The planning proposal reflects this recommendation.
<u>Currently permitted in the IN1 zone, to be prohibited in the new E4 zone:</u> Crematoria	<u>Make crematoria an additional permitted use on land in the E4 zone that was previously in the IN1 zone</u> An issue is the E4 zone combines the IN1 and IN2 into a single zone. Crematoria are permitted in the IN1 zone, but prohibited in the IN2 zone. It is not mandated as a permitted use in the E4 zone. The planning proposal will address the issue by adding crematoria as an additional permitted use where they are already permitted in the IN1 zone. This change will ensure crematoria continue to not be permitted in the future combined E4 zoning where they are considered inappropriate due to impacts on surrounding land uses, and to maintain a buffer between crematoria adjacent to residential lands.
<u>Currently prohibited in the IN2 zone, to be mandated as permitted uses in the new E4 zone:</u>	<u>No action</u> Council cannot alter the mandated permitted uses in the Land Use Table.

Implication	Action
Freight transport facilities; General industries; Goods repair and reuse premises; Transport depots; Truck depots	

Other changes

Change	Action
<u>LEP, Parts 1 to 6</u> The translation will result in consequential changes to various clauses i.e., changing the zone names.	<u>Administrative change</u> Change the zone names to comply with the <i>Standard Instrument (Local Environmental Plans) Order 2006</i> .
<u>LEP, Schedule 1 (Additional Permitted Uses)</u> While the planning proposal does not change the existing additional permitted uses in Schedule 1, the translation will result in consequential changes i.e., changing the zone names.	<u>Administrative change</u> Change the zone names to comply with the <i>Standard Instrument (Local Environmental Plans) Order 2006</i> .
<u>Maps</u> Subject to the issue of a Gateway determination, Council will need to prepare digital spatial data to amend the Land Zoning Map, in accordance with the DPHI publication ' <i>Standard Technical Requirements for Spatial Datasets and Maps</i> '.	<u>Request delegation to prepare maps</u> This report requests that Council delegate authority to the Chief Executive Officer to make necessary changes to the planning proposal and maps to ensure consistency with the Gateway determination and the DPHI's mapping guideline prior to the exhibition.
<u>Council's DCP and supporting policies</u> The Canterbury-Bankstown Development Control Plan 2023 is a planning document which provides more detailed design guidelines to support the LEP. The design guidelines include storey limits, setbacks, urban design, landscaping, parking rates and amenity requirements. Other Council policies that support the LEP and DCP include the Contributions Plan and Planning Agreements Policy. The planning proposal will result in consequential changes to these planning documents, such as changing the zone names.	<u>Prepare and exhibit consequential changes</u> This report recommends preparing and exhibiting the consequential changes, and may consider other appropriate control changes to deal with the proposed changes and improved design outcomes. The matter would be reported to Council following the exhibition.

Local Planning Panel Meeting – 4 March 2024

The Local Planning Panel considered the planning proposal report, as provided in Attachment F, in accordance with the Minister for Planning's Local Planning Panels Direction.

The Panel's recommendation, as provided in Attachment G, reads:

The Panel generally supports Councils approach to the implementation of the new Employment Zones. However, the Panel considers that the current permitted uses in the IN2 zone should be permitted in the new E4 zone. These uses include: Animal boarding or training establishments; Landscaping material supplies; Plant nurseries; Recreation facilities (indoor); Timber yards; Veterinary hospitals; Wholesale supplies.

In allowing a broader range of uses in the E4 zone the Panel recommends that the DCP contain adequate provisions to address potential impacts and mitigation of impacts at interfaces with other zones. Subject to the above change the Panel supports the Planning Proposal proceeding to gateway.

In considering the Panel's recommendation, Council officers reviewed the approach taken by other councils with large-scale industrial precincts, including Bayside, Blacktown, Campbelltown, Cumberland, Fairfield, Liverpool, Parramatta and Penrith. The review found that most councils permit these land uses in the E4 General Industrial zone.

The planning proposal therefore incorporates the Panel's recommendation, which is to permit animal boarding or training establishments, landscaping material supplies, plant nurseries, recreation facilities (indoor), timber yards, veterinary hospitals, and wholesale supplies in the E4 zone.

Next steps

Should Council support the planning proposal as outlined in this report, the next steps are:

- Council submit a planning proposal to the DPHI to seek a Gateway determination;
- Exhibit the planning proposal in accordance with the Gateway determination and Council's Community Participation Plan; and
- Report the matter to Council following the exhibition. A review of community feedback and any additional information may see updates and amendments to the planning proposal.



Council is also processing numerous other site specific and housekeeping planning proposals, and the DPHI is preparing new planning controls for the Bankstown Accelerated Precinct (to be completed by November 2024). Should any of the LEP Amendments be made prior to the finalisation of this planning proposal, it is proposed to incorporate the LEP Amendments in this planning proposal, including the introduction of the E2 Commercial Centre zone (equivalent to the proposed B3 Commercial Core zone in the Bankstown City Centre Master Plan).