

# #52

**COMPLETE**

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## Q1

Contact information

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## Q2

Submissions may be made public (including full name, organisation name and postcode only). You can choose to publish your submission anonymously (using your postcode only). Please select from the options below:

**My submission can be made public (with my full name, organisation name and postcode published)**

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## Q3

What has been your experience with the retain and manage industrial lands policy?

**Respondent skipped this question**

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## Q4

What has been your experience with the review and manage industrial lands policy?

**Respondent skipped this question**

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## Q5

What suggestions would you make for industrial lands policy in the Greater Sydney Region Plan?

**Respondent skipped this question**

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## Q6

Are there any barriers to industrial lands fulfilling their functions?

**Respondent skipped this question**

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**Q7**

Respondent skipped this question

From your perspective, what would be the most productive way to manage industrial lands? What are the opportunities to make industrial areas more productive?

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**Q8**

Respondent skipped this question

Are there particular locations in Greater Sydney that are most appropriate to transition to alternative uses for industrial lands? Why?

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**Q9**

Respondent skipped this question

Are you aware of any new types of industrial or urban services uses occurring in industrial areas?

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**Q10**

Respondent skipped this question

Please provide any further comments below

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**Q11**

Would you like to attach a document?

**2021 09 09 Final Letter Submission GSC Industrial Lands Policy Review - Retain and Manage.pdf (199.6KB)**

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6 September 2021

Greater Sydney Commission  
<https://www.surveymonkey.com/r/J5823NH>

## **RE: Industrial Lands Policy Review**

Thank you for the opportunity to contribute to the review of the Greater Sydney Commission's industrial lands policy. Council considered a report on the proposed review (PLN032-21) on 20<sup>th</sup> September 2021, and has endorsed the following as a submission.

Please note that Sutherland Shire Council has commissioned research from SGS Economics (copy attached) to examine our industrial areas. The study concluded that non-industrial uses (retail and commercial uses) should only be considered where they do not compromise industrial or urban services activities. The existing "Retain and Manage" approach was supported by the Study and is aligned with Council's strategic intent reflected in its Local Strategic Planning Statement. Accordingly, it is Sutherland Shire Council's view that this focus should continue and indeed be strengthened.

The Sutherland Shire has extensive areas of industrial land which are adjacent to major arterial roads and residential areas. High exposure locations and very large sites have attracted the attention of large format retailers and supermarkets. Council preference is for retail and commercial uses remain in and around our existing town centres which are aligned to the rail and bus network, and where sometimes struggling centres would benefit from further commercial investment.

Allowing retail and commercial uses to continue to relocate into industrial areas will:

- Reduce the vitality of our town centres by drawing trade and business away from them.
- Increase traffic congestion on arterial roads because industrial areas are less accessible by walking and public transport.
- Exacerbate congestion and demand for parking in industrial areas which generally have very limited public parking areas.
- Accelerate the occupation of these valuable areas with uses that can be accommodated elsewhere, leading to the decline of available land for industrial activities and urban services that cannot be accommodated elsewhere.
- Increase rents through competition which will force out traditional uses.
- Intensify land use conflicts between essential but "noxious" industrial activities, like concrete batching plants and materials recycling, and more sensitive customer focused retail and business premises.

The Department of Planning Industry and Environment has already taken steps that will, in Council's view, further erode the role of traditional industrial areas. The introduction of the definitions of "artisan food and drink premises" and "specialised retail premises" are so broad and open to interpretation that virtually any retail activity (other than fashion) could be carried out in an industrial zone. The recently exhibited "Building Business Back Better" initiatives propose to widen Complying Development within employment zones. This will simply give Private Certifiers the power to determine whether a use fits these two highly subjective land use definitions. Experience has shown that the Private Certifier is likely to form a view that supports the client's position, whereas Council assessment challenges the legitimacy of the claim. The result of the Department's direction means that it will be increasingly difficult to 'retain and manage' employment land because its character will continue to become more like that of a centre. As this change takes place, business operators and their customers will have less tolerance of

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amenity impacts from traditional uses. The 'retain and manage' policy has been critical for Council in implementing its strategic intent for industrial areas.

Thank you for the invitation to be part of the Local Government Reference Group. Local councils really are at the coal face of this issue and we appreciate the opportunity to provide constructive input and feedback in relation to the review of the policy settings for industrial and urban services land.

Should you require further information please contact me on 9710 0523 or Beth Morris, Senior Policy Advisor on 9710 0376.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Carlon', with a long horizontal stroke extending to the right.

Mark Carlon  
Manager Strategic Planning

## **SURVEY QUESTIONS**

### **1. Contact Information**

Supply the SPU Manager's contact information – Full Name, Organisation, Post Code and Email.

2. Submissions may be made public (including full name, organisation and postcode only). You can choose to publish your submission anonymously (using your post code only). Please select from the options below:

Answer B: My submission can be made public (with my full name, organisation name and post code published).

### **3. What has been your experience with the retain and manage industrial lands policy?**

Sutherland Shire contains approximately 600 hectares of land zoned for industrial and urban service purposes, located across 10 precincts. The Shire's industrial areas play an important operational role and function, particularly given the proximity to Kingsford Smith Airport.

The 'retain and manage' policy has supported Council in refusing or discouraging Planning Proposals which sought to introduce retail supermarkets to industrial sites: for example, at Paraweena Road, Miranda (Woolworths) and discouraging the conversion of the Toyota site at 1-3 Endeavour Road, Caringbah to residential use.

Council's experience has been that where non-industrial uses are permitted, such as specialised retail premises, they displace industrial and urban services activities. The property economics behind these zones allow urban services to locate close to markets in line with their operational needs and therefore supply the higher order economic activities of the city.

Displacement of urban services is most evident along arterial roads where, in Sutherland Shire, the location of multiple large retailers has been a magnet for further retailers. Many such operators arguably do not meet the definition of specialised retail premises – creating compliance burdens for Council. These areas have become de facto town centres - away from public transport and services, creating traffic, parking and pedestrian conflicts.

The 'retain and manage' policy has somewhat reduced the loss of retail and business premises from town centres to industrial areas, particularly where it has been clear that such is not permitted in the zone (supermarkets). While this may not be the primary purpose of the policy, it has facilitated some investment in town centres which is needed – for example two new supermarkets have occurred in town centres - Caringbah Coles and Woolworths at Kirrawee.

### **4. What has been your experience with the review and manage industrial lands policy?** Not applicable – it does not apply to the Sutherland Shire and South District.

### **5. What suggestions would you make for industrial lands policy in the Greater Sydney Region Plan?**

An industrial lands policy should consider the important role of all employment land not just industrial land. Traditional town centres are considered to be the most appropriate places for services and retail activity to occur. It is important that centres are not undermined by this review. What are centres meant to be for, if not the primary place for retail and services? Centres are designed for multipurpose trips, unlike industrial areas. Most centres also have public parking areas to cater for customers. Industrial zones do not.

The industrial lands policy should comprehensively measure the benefits of allowing non-industrial uses (residential, retail and commercial), including opportunity costs, traffic and trip generation costs, and overall impacts on land values. Industrial/urban services uses cannot

compete with 'higher order' uses (retail, residential and commercial uses) and have no place to relocate in Sutherland Shire.

What businesses are seeking to locate in industrial area? And why? Often they are looking for cheaper land. Lack of quality office space or large sites/floorplates for large format retail centres, does not justify the need to locate such in industrial areas. These issues would be better addressed through town centre policies.

Some analysis of new/emerging employment uses and floor space requirements is needed. It is agreed that quality floor space is needed. However, increasingly there is a plethora of new self-storage and small factory unit type development. A greater understanding of what uses are operating from these premises is needed – are they indeed commercial premises? Such small unit development essentially sterilises this land for larger format urban services /employment uses.

Better definitions or descriptions of appropriate uses is required. Exempt and complying development has left a lot of 'planning' planning to self-assessment. Inappropriate uses have the potential to create land use conflicts, undermine centres, and create compliance burdens for councils.

Flexible building design could help sites adapt to changing uses. Flexible floorspace can accommodate future demands of manufacturing and logistics operations that are still emerging. Flexible built form can bridge commercial and industrial uses and support advanced manufacturing. A variety of unit sizes and types should be required. Strata titled small units should be discouraged.

Similarly, investment in the public domain to create great places is required. Sadly, for councils, funding sources continue to be constrained.

#### 6. Are there any barriers to industrial lands fulfilling their functions?

In Sutherland Shire, many industrial areas were zoned as such because they are constrained – affected by hazards or amenity constraints, such as aircraft noise or flooding. Flooding hazards make such areas unsuitable for more intensive uses as they attract the public, who are unlikely to be familiar with the location or risk.

The Shire's industrial areas often have minimal public transport accessibility. If they redevelop as intense retail or service based business areas, customers will use cars to visit, generating additional traffic (trips) on arterial and local roads. Parking issues have been raised by occupants of industrial areas. Non-industrial uses exacerbate such issues. There is not a legacy of public parking areas in industrial zones.

Industrial waterfront land for maritime activities is scarce. Consequently IN4 Working waterfront zoned land must be preserved and it would be beneficial if non-related uses were prohibited.

#### 7. From your perspective, what would be the most productive way to manage industrial lands? What are the opportunities to make industrial areas more productive?

The recent SGS Economics study for Council identified that place-making and public investment could help to improve the amenity and attractiveness of industrial precincts helping the transition to new economy businesses. The role of landscaping, canopy cover, and public domain improvements should not be underestimated. Unfortunately, funding of such works by councils is under-resourced. Similarly creating amenity for workers is required – open space and lunch time space, but again funding is required.

Council's SGS Study identified a number of related measures that should be undertaken to improve industrial areas, including creating on-line directories, branding, growing networks and collaboration, and improve transport options (including active transport). Some of these actions are beyond the traditional scope of Council services and require a defined funding source.

Allowing commercial or retail uses into industrial areas creates land use conflicts. Office development in industrial zones can only be considered where it does not comprise the industrial or urban service activities, nor adversely affect town centres. Similarly artisan food and drink premises, and the like, draw customers to industrial areas where there is very limited public transport and no other complementary uses. Boutique lifestyle products, dark kitchens for food operations, or services like gyms and fitness, all start to have ancillary retailing components – the cumulative impact of such uses is increasingly detracting retail from town centres.

The SGS study concluded that Council should ensure that strategic and statutory planning, actions and development assessment support the 'retain and manage' approach.

8. Are there particular locations in Greater Sydney that are most appropriate to transition to alternative uses for industrial lands? Why?

Given the new South Village development at Kirrawee (Brick Pit), this location has the potential to be developed for complementary, but not competing, uses.

9. Are you aware of any new types of industrial or urban services uses occurring in industrial areas?

Recent new development in the industrial zones has largely been for large warehouse type development – including Tesla car warehouse and distribution centre and ancillary vehicle display. New 'black box' type warehousing and distribution (Woolworths and Australia Post on the Aliro/Toyota site) has the potential to create traffic conflicts.

Large cloud based computing centres (Dicker Data) have highlighted the need for amenities and greater parking provision in such areas.

Increasingly non-industrial uses like recreational uses, gyms, place of public worship, and childcare centres are locating in industrial areas. This creates further land use conflicts with noxious but essential industrial uses. Higher volumes of retail trade traffic result in disruptions for industrial and freight traffic.

10. Please provide any further comments below

11. Would you like to attach a document?  
Yes – attach separate letter/submission.

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**PLN032-21      GREATER SYDNEY COMMISSION INDUSTRIAL LANDS POLICY  
REVIEW**

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**Attachments:** Appendix A

**EXECUTIVE SUMMARY**

- The Greater Sydney Commission (GSC) is undertaking a review of the 'Retain and Manage' Policy for industrial and urban services land set by the Greater Sydney Region Plan. The Policy applies to industrial areas in Sutherland Shire and all similar zones in Greater Sydney. The intent of The Policy was that these precincts should be safeguarded from competing land use pressures. The Policy is aligned with the directions contained in Council's Local Strategic Planning Statement.
- The current 'Retain and Manage' Policy is supported as it seeks to ensure that there is enough land for bona fide industrial and urban services uses. Without protection industrial uses would be forced out by residential and retail uses which can bear higher land costs. However, there are no alternative lands where industrial uses can relocate to. Many industrial uses and urban services are critical to the local economy (such as concrete batching plants and metal fabrication).
- The review is being undertaken in collaboration with the Department of Planning, Industry and Environment and NSW Treasury. The GSC has invited Council to be part of the Local Government Reference Group which is an opportunity to provide constructive input and feedback in relation to the review of the policy settings for industrial and urban services land.
- Council was notified of the consultation by the GSC on 12 July 2021. Submissions close in October. This report seeks Council's endorsement of the attached draft submission.

**REPORT RECOMMENDATION**

THAT:

1. The report 'Greater Sydney Commission Industrial Lands Policy Review' be received and noted.
2. The submission (Appendix A) be endorsed and forwarded to the Greater Sydney Commission.

## **PURPOSE**

This report seeks Council's endorsement of a submission to the Greater Sydney Commission (GSC) in relation to the review of its Industrial Lands Policy.

## **BACKGROUND**

This review is part of a wider review of the employment and urban service lands being undertaken at the State level. Concurrently, the Department of Planning Industry and Environment (DPIE) is seeking stakeholder feedback on other reforms to the employment zones where Council has made detailed submissions, specifically:

- Changes to increase complying development to facilitate greater employment opportunities – Council report 'Building Business Back Better' (PLN021-21 dated 7 June 2021); and
- New proposed zones for business and industrial areas which seek to edit definitions, amalgamate some zones and change the purpose of others, generally adding more flexibility to zones and uses – Council report 'State Reforms of Business and Employment Zones' (12 July 2021; PLN028-21).

Councillors also received a briefing on 3 May 2021, on the recent study commissioned by Council and carried out by SGS Economics 'Sutherland – Industrial and Urban Services Land Review'. Together these new directions will inform the next review of the Local Environmental Plan.

## **DISCUSSION**

Industrial and urban services land plays a critical role in supporting Greater Sydney's economy. Traditionally this land was dominated by manufacturing and blue-collar employment but in most localities their role has changed over time. We have seen the decline of traditional manufacturing and the growth of urban services and cleaner forms of production. Increasingly personal services like gyms, children's activity centres, places of public worship and large format retailers have sought out what is generally cheaper land in these zones. In many Council areas manufacturing has been replaced by residential uses. Several inner-city locations are experiencing growth in cultural and creative activities in these precincts.

Across Greater Sydney, industrial and urban services land is relatively scarce and once it is developed for residential or higher order uses it does not come back to the market for industrial use. It is important to maintain adequate supply of industrial and urban services land because it provides more affordable space for services that are vital to the efficient operation of the local economy, for example we need concrete batching plants and metal fabrication services to support the local construction industry.

Recommendation 7.5 of the recent NSW Productivity Commission's 2021 White Paper states:

*"Evaluate the retain-and-manage approach to managing industrial and urban services land in Greater Sydney against alternative approaches, to identify what would maximise net benefits to*

*the State. Adopt the approach that maximises the State's welfare in the next update to the Greater Sydney Region Plan."*

The review is being undertaken by the GSC in collaboration with DPIE, NSW Treasury, Transport for NSW, Investment NSW and the NSW Productivity Commission. It involves engagement and consultation with relevant stakeholders in industry and local government. Further information on the review is available [here](#).

The consultation seeks Council's experience with the 'Retain and Manage' Industrial Lands Policy. It seeks suggestions for improving the industrial lands policy and more information on the barriers to development on industrial land.

Council commissioned research from SGS Economics (Councillor Briefing 3 May 2021) to examine our industrial areas and the barriers to development. The study generally supports the current planning framework and concluded that non-industrial uses (retail and commercial uses) should only be considered where they do not compromise industrial or urban services activities. The existing "retain and manage" approach was supported by the Study and is aligned well with Council's strategic intent reflected in its Local Strategic Planning Statement. Accordingly, it is considered that that this focus should continue and indeed be strengthened. The 'Retain and Manage' Policy has been critical for Council in implementing its strategic intent for industrial areas and has informed the assessment of Planning Proposals – most notably in Council's refusal of a Woolworths in Parraweena Road, Taren Point and in protecting the Toyota site from conversion to residential use.

The Sutherland Shire has extensive areas of industrial land which are adjacent to major arterial roads and residential areas. High exposure locations and very large sites have attracted the attention of large format retailers and supermarkets. Council preference is for retail and commercial uses remain in and around our existing town centres which are aligned to the rail and bus network and where sometimes struggling centres would benefit from further commercial investment.

Allowing retail and commercial uses to continue to relocate into industrial areas will:

- Reduce the vitality of our town centres by drawing trade and business away from them.
- Increase traffic congestion on arterial roads because industrial areas are less accessible by walking and public transport.
- Exacerbate congestion and demand for parking in industrial areas which generally have very limited public parking areas.
- Accelerate the occupation of these valuable areas for uses that can be accommodated elsewhere, leading to the decline of available land for industrial activities that cannot be accommodated elsewhere.
- Increase rents through competition which will force out traditional uses.

- Intensify land use conflicts between essential but noxious industrial activities, like concrete batching plants and materials recycling, and more sensitive customer focused retail and business premises

The Department of Planning Industry and Environment has already taken steps that will, in Council's view, further erode the role of traditional industrial areas. The introduction of the definitions of "artisan food and drink premises" and "specialised retail premises" are so broad and open to interpretation that virtually any retail activity (other than fashion) can be carried out in an industrial zone.

The recently exhibited "Building Business Back Better" initiatives propose to widen Complying Development within employment zones. This will give Private Certifiers the power to determine whether a use fits these two highly subjective land use definitions. Experience has shown that the Private Certifier is likely to form a view that supports the client's position, whereas Council assessment will challenge the legitimacy of the claim. Similarly, the reduction in the number of employment zones proposed by DPIE is likely to curb council's ability to tailor the provisions for different areas.

The result of these recently proposed directions is that it will be increasingly difficult to 'retain and manage' employment land because the character of the zones will continue to become more like that of centres. As this change takes place, business operators and their customers will have less tolerance of amenity impacts from traditional land uses.

The 'Retain and Manage' Policy has been critical for Council in implementing its strategic intent for industrial areas and have been a key tool in the assessment of Planning Proposals. It is considered that The Policy should be retained and strengthened, rather than being watered down. Attached as Appendix A is a detailed submission on the consultation issues raised by the GSC.

## **RESOURCING STRATEGY IMPLICATIONS**

Submissions to State Policy are been made within resources allocated to the Strategic Planning Unit.

## **COMMUNITY ENGAGEMENT**

Council was notified of the consultation on 12 July 2021. Submissions close in October.

Council has been invited to be part of a Local Government Reference Group. This is appreciated and will give Council the opportunity to provide constructive input and feedback to the review of The Policy settings for industrial and urban services land.

## **STRATEGIC ALIGNMENT**

Advocacy by Council on matters of long-term, strategic planning is crucial to ensuring that the community's interests are protected. This report contributes to the delivery of Our Community Plan - Outcome 1 "A community informed and engaged in its future". It specifically delivers on the following:

Delivery Program (2017-2022) Deliverables	Operational Plan 2021/22
1K Advocate and maintain dialogue across all levels of government and with key stakeholders around issues impacting our community	1K.22.01 Advocacy undertaken for prominent community issues

### **POLICY AND LEGISLATIVE REQUIREMENTS**

The Greater Sydney Commission is in the process of preparing the next District Plan. It is likely that the current review will inform new directions for the management of industrial lands. Council must prepare new Local Strategic Planning Statements every five years which must be in alignment with The Policy directions contained in District Plan. Accordingly, it is important that a Council submission is made because it will ultimately affect how the Local Environmental Plan operates which in turn affects the local economy.

### **CONCLUSION**

The 'Retain and Manage' Policy has been critical for Council in implementing its strategic intent for industrial areas and it is considered that the policy should be retained and strengthened. Council should make a submission to the review and participate in the Local Government Reference Group to ensure local issues are taken into consideration.

### **RESPONSIBLE MANAGER**

The manager responsible for the preparation of this Report is the Manager Strategic Planning, Mark Carlon .

File Number: 2021/414449