



INDUSTRIAL LANDS POLICY REVIEW - SUMMARY

Introduction

The Greater Sydney Commission (the GSC), in collaboration with the Department of Planning, Industry and Environment (DPIE), Investment NSW, Transport for NSW (TfNSW) and the NSW Productivity Commission, will lead a review (the Review) of the existing Industrial and Urban Services Land 'retain and manage' policy under the Greater Sydney Region Plan (the Policy).

This Review responds to Recommendation 7.5 of the NSW Productivity Commission's 2021 White Paper:

"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."

Background

Industrial and urban services lands play a critical role in supporting Greater Sydney's economy, although in many places this role has changed over time. A wide range of activities operate in these areas, from heavy industry to cultural and creative uses.

Prior to the current *Greater Sydney Region Plan: A Metropolis of Three Cities* (GSRP), there was no coordinated city-wide approach to managing industrial and urban services lands. As a result, areas of industrial zoned land have been rezoned and developed for other purposes putting pressure in some areas on the availability of land for industrial uses and urban services. In response to these circumstances and the importance of such land for the functioning of the Metropolis, an Objective was included in the GSRP and became Government planning policy:

Objective 23: 'Industrial and urban services land is planned, retained and managed'.

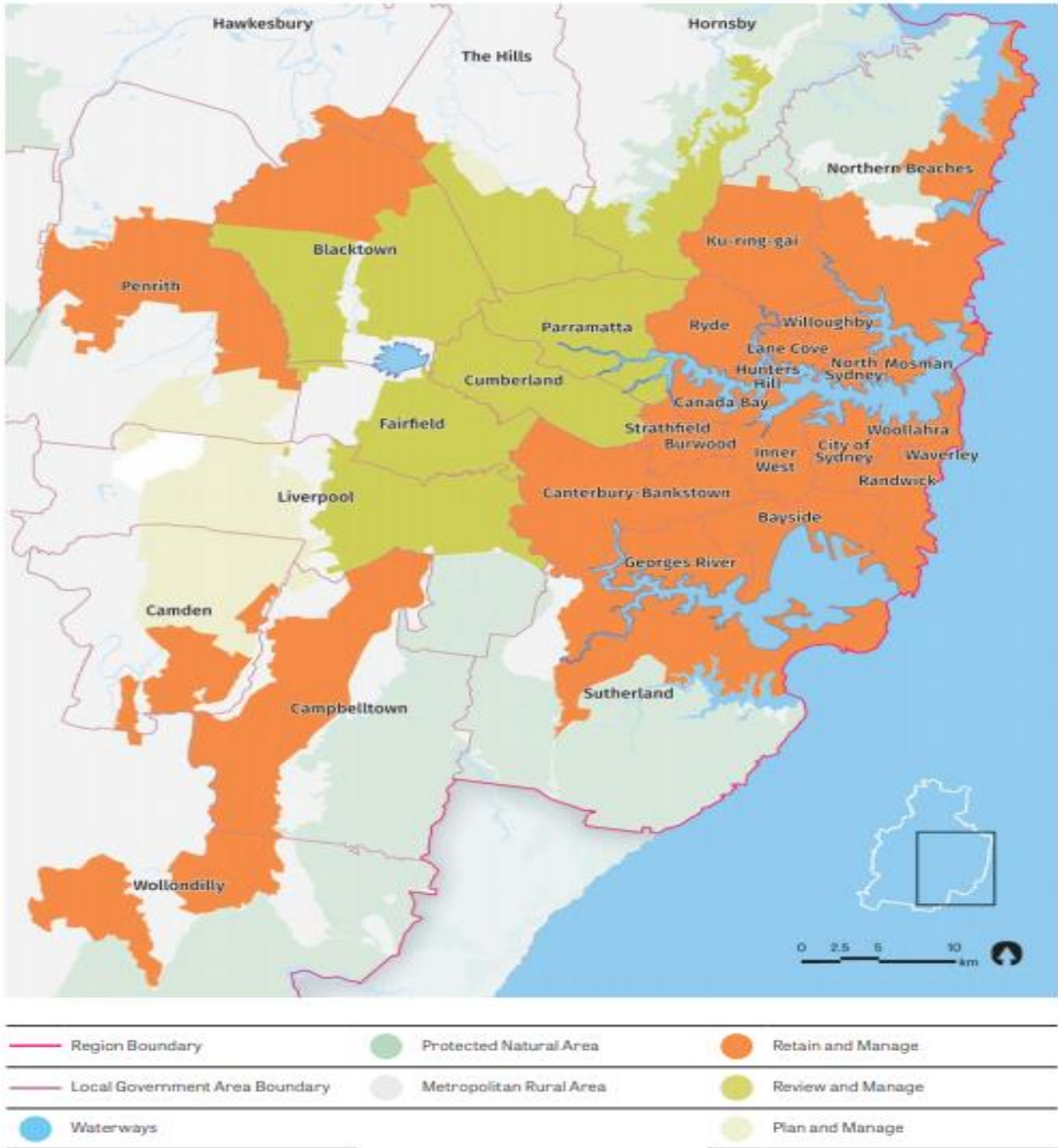
The GSRP and the supporting District Plans released in March 2018 set out three specific approaches to industrial and urban services land:

- Retain and Manage;
- Review and Manage; and
- Plan and Manage.

For lands covered by the retain and manage Policy, all existing industrial and urban services land should be safeguarded from competing pressures, specifically residential and mixed-use activities. The intent of this approach is that this land is retained for employment purposes.

An extract from the GSRP shows which areas are subject to the Policy. See Figure below.

Figure 42: Approaches to planning for industrial and urban services land in existing and planned urban areas



The GSRP acknowledges that the management of ‘retain and manage’ lands should accommodate evolving business practices and changes in needs for urban services. It states:

‘there will be a need from time to time to review the list of appropriate activities within any precinct in consideration of evolving business practices and how they can be supported through permitted uses in local environmental plans.’

Since release of the GSRP, the Commission has released the following:

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- A thought leadership paper: *A Metropolis that Works* (October 2018)
- Employment lands database (October 2019)
- Employment lands analysis report (October 2019)

Project Overview

The Review involves the collection of evidence on industrial and urban services lands using technical consultants and undertaking an evaluation of alternative policy options that can maximise net benefits to the State, as recommended in the Productivity Commission White Paper. The Review will also seek input from stakeholder groups such as industry representatives, peak development and planning groups, councils and government agencies.

An on-line consultation survey will be provided through the GSC website for industry groups and individuals to make comment on the review and make submissions.

Industry Group #2 <https://www.surveymonkey.com/r/J5823NH>

The GSC will also draw on previous research undertaken on industrial lands and may seek advice from an Expert Advisory Peer Review Panel comprising relevant international experts.

In parallel with the Review by the GSC, DPIE are also reviewing the existing employment zones (Industrial and Business Zones) and land uses under the Standard Instrument Local Environmental Plans to ensure the zones are fit for purpose. A proposed zones framework was announced for consultation during May 2021.

The Consultants

The main evidence collection and evaluation of policy alternatives for the review will be undertaken by consultants with input from key stakeholders. The Technical Consultancy work is split into two phases which are briefly summarised below.

Phase one

This first phase of work will establish a robust evidence base for the need for policy action and clearly articulate the Government's desired outcomes. These critical inputs will inform the Phase two work, which will consider a range of alternative approaches to meeting these objectives and make a recommendation.

Phase two

The objectives of this phase are to:

- evaluate the retain and manage approach in meeting the objectives defined in Phase one against alternative policy approaches. This will include a cost benefit analysis and multi-criteria analysis of the policy options; and
- provide advice and a recommendation for an approach to managing industrial land that maximises net benefits to the State.

Project Review Group

A Project Review Group (PRG) will provide direction for the Rand will be involved in reviewing findings. Representatives of the GSC, DPIE, Investment NSW, TfNSW and the NSW Productivity Commission, with the Deputy Chief Commissioner make up the PRG. The PRG will:

- provide oversight of the consultancy program and reference group engagement;
- consider information and advice from the consultants;
- consider input from stakeholder reference groups;
- review and provide feedback on the Review Report before reporting to the Commission.

Timing

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- The consultation with industry groups, councils and agencies will commence in July and continue through till October.
- The online consultation portal will be available on the GSCs website from July till the end of August.
- The reporting and recommendations will be drafted between August and November with a final report expected by the end of the year.

Giving Effect to any Policy Changes

The findings of the industrial lands review will help to frame any new policy direction as advice to Government. Any change to the policy can be incorporated in the update to the Greater Sydney Region Plan and District Plans scheduled to be exhibited in 2022 and adopted by 2023.