

18 August 2020

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Greater Sydney Commission  
PO Box 257  
Parramatta NSW 2124

Online Submission  
cc: Geoff Roberts, Chief Commissioner, GSC

## Industrial Lands Policy Review

Dear Elizabeth

I write in relation to the *Industrial Lands Policy Review* being undertaken by the Greater Sydney Commission (GSC). This submission supports the earlier survey responses and feedback provided by the Urban Taskforce.

The Urban Taskforce has been vocal in our calls for significant planning reforms in NSW to support economic growth and productivity, particularly in the post COVID world. Urban Taskforce has also called for focussed attention on the delivery of new housing supply to drive down the cost of new homes.

The Urban Taskforce has consistently opposed the introduction of the "Retain and Manage" provisions in the *Greater Sydney Region Plan – A Metropolis of Three Cities*.

While we understand the need to provide jobs and employment opportunities in strategic locations across Sydney, it is important to evaluate and assess the changing nature of employment-generating land uses and balance this with the urgent need for housing supply.

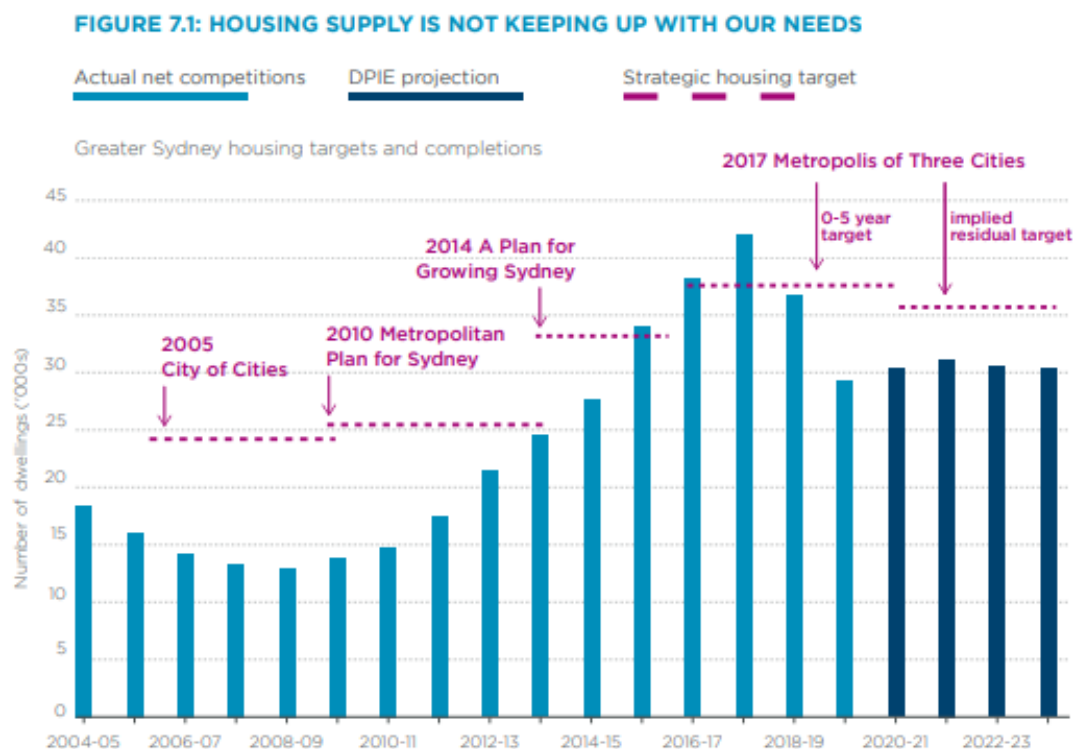
The current "retain and manage" approach to industrial and urban services land under the Regional Plan, is not nuanced enough to be soundly implemented. Our experience of the practical application of the policy is that it has failed to deliver the pragmatic and flexible approach needed for modern times – and is contrary to Sydney and the State of NSW's welfare, economic growth, employment growth, housing supply and housing prices.

This policy was widely rejected by industry groups when it was introduced. Since that time, we have witnessed a massive change in employment through the course of COVID-19. Even prior to COVID, the nature of employment and business was changing rapidly.

Employment lands are already transitioning to industries which provide a higher “employment dividend”. This is happening through shared workspaces, increased remote working, telecommuting and the transition away from manufacturing towards less space intensive industries such as knowledge and serviced based jobs. The current policy inhibits private sector innovation and sterilises mixed use development opportunities leaving sites under utilised or in some cases sterile.

Urban Taskforce members are encouraged by the opportunity that this review provides. The outcomes will be critical to NSW’s capacity to respond to this fast-changing COVID-19 world our eventual recovery from the subsequent economic downturn.

Urban Taskforce welcomed the recommendation from NSW Productivity Commission’s *Rebooting the Economy* White Paper, which included the recommendation to evaluate the industrial and urban services lands retain and manage policy under the Greater Sydney Region Plan to *identify what would maximise net benefits to the State and adopt the approach that maximises the State’s welfare in the next update to the Greater Sydney Region Plan*. The White Paper is clear in exposing the need for a change to the policy, particularly with respect to the policy’s impacts on dwelling completions. Figure 7.1 from the Productivity Commission’s White Paper shows dwelling completions relative to each of the Regional Plans for Sydney. Since the release of the *Metropolis of Three Cities Greater Sydney Region Plan* as a draft, dwelling completions have fallen sharply.



Sources: NSW Treasury; NSW Department of Planning, Industry and Environment (and past NSW planning departments).

By contrast, the 2014 Sydney Metropolitan Strategy, *A Plan for Growing Sydney*, adopted a pragmatic and practical approach to the conversion of industrial-zoned land to alternative land uses. Figure 7.1 highlights the earlier policy position's impact in terms of the meeting and exceedance of housing targets.

The current "retain and manage" approach to industrial and urban service land has broader implications than just impacting housing supply, the meeting of Greater Sydney's Housing Supply targets and the subsequent effect on housing affordability. The current "retain and manage" policy maintains the historic protection of the, now internationally acknowledged, outdated Centres Policy and the associated exclusion of competition and flexibility. This legacy of a planning world where prescription was abundant reflects a world that has long since passed. It is holding NSW back.

The ability to co-locate a wider variety of land uses reduces vehicle dependency and allows workers to live closer to their work. The very vision for a 30 minute city promulgated by the GSC is effectively frustrated by the "retain and manage" policy as it is currently applied. Promotion of mixed-use land use will lead to reduced traffic and emissions. Reduced travel time also leads to greater economic productivity and increased quality of life. More efficient consolidated land uses reduces urban sprawl, with less land needed to fulfill the same function – the housing and employment of our growing population. The private sector is skilled at developing solutions to issues like the provision of critical urban services in urban settings. The successful development of mixed use industry along with significant increases in residential density in South Sydney is clear evidence that old industry can change to fit in with a modern mixed-use land use philosophy.

A more open and flexible approach to land use zoning is reflected in the success of denser cities across the world. With a move of global cities towards greater land use flexibility and consolidation, there is concern that Sydney may be left behind and less internationally competitive if it continues to hold on to outdated planning ideals with unnecessarily separated and static land uses.

Further, the industrial lands policy in its current form fails to recognise that not every industrial or urban services precinct is created equal. Nor does it provide local planning authorities with the ability to recognise that some industrial areas have either run their course, are isolated, are no longer fit for purpose and/or are having significant tensions with their surrounding land use. In this scenario a mixed use zoning that mandates residential as a permitted use is appropriate.

The development of under-utilised and redundant industrial and urban services land for mixed-use purposes has the capacity to revitalise and renew existing areas and provide much-needed housing supply and choice. Mixed use development through residential activation would increase feasibility of employment options beyond offices and office hours through viable entertainment premises, restaurants, bars, shops and other businesses. It would

help facilitate reduced dependence on car travel and allow people to live work and play in these areas and realise their full productivity capacity.

**Urban Taskforce recommends** a more flexible and merit based approach to industrial and urban services land which considers the specific circumstances of each site – such as access to major transport nodes and freight links, jobs currently provided on site and the success or otherwise of the Council in delivering rezonings and approvals consistent with their GSC set housing targets.

To ensure that employment outcomes are still paramount in any re-zoning a “no worse off jobs test” could be applied to sites or precincts. The test could analyse the jobs currently being provided against the potential for new jobs under a proposed rezoning. A rezoning proposal that allows for increased jobs under the test could then proceed for consideration on its merits.

**Urban Taskforce recommends** that the update to the *Greater Sydney Region Plan* removes the reference to retain and manage of urban services and industrial lands and instead issues a revised section 9.1 Direction setting out the requirement for a “no-worse off jobs test.”

**Urban Taskforce feedback on the proposed precincts for review**

**Urban Taskforce recommends** a “no worse off jobs test” being applied to the precincts being examined as part of the review to analyse the jobs currently being provided against the potential for new jobs under a mixed use-rezoning rezoning.

Urban Taskforce notes the inclusion of the following table of precincts which is proposed to be the subject of review by the GSC:

Precinct	District
Alexandria	East
Marrickville	East
Mascot	East
Flemington	East
Gladesville	East
Berrys Bay, North Sydney	North
Brookvale	North
Artarmon	North
Lane Cove West	North
Mona Vale	North
Peakhurst, Boundary Rd	South
Kingsgrove South	South
Revesby	South
Taren Point	South
Kumell	South
Riverstone	Central
Ingleburn	West
Smeaton Grange	West
Jamisontown	West
Erskine Park	West

The list proposed for examination as part of this review does not consider the very many areas where the policy has effectively sterilised or frustrated opportunities for renewal. In fact, it appears to have been developed with a view to demonstrating the success of the current policy.

In many of these areas listed by the GSC for inclusion in this review, there is no development potential for mixed use development. Some, particularly those in the West, are relatively new and are surrounded by opportunities for residential development. In the East, South and North however, the list proposed by the GSC misses the point of the need for this review. The key to the success of this review is the extent to which it examines the lost opportunities for residential and mixed-use development. The effective sterilisation of opportunities for housing supply, for urban renewal and for increased employment numbers is the reason the Treasurer and Productivity Commission directed this review be undertaken. It is therefore critical that these cases be examined in detail.

**Urban Taskforce recommends** that the review include critical corridors of economic activity. These are often well serviced by transport infrastructure (Roads, Rail, metros, bus services). The focus of the review should be on the areas that have potential for mixed use development and are currently under-utilised with the current zoning. The current list of locations is too prescriptive and does not consider many of the locations that have been alienated from development opportunity by the current policy.

**Urban Taskforce recommends** that the GSC review's scope be amended to include:

- **The entire Parramatta Road corridor** from the University of Sydney to 'Auto Alley' in Granville/Parramatta – serviced by the new West Connex, is an ideal corridor of locations for increased residential and mixed-use development. The corridor is widely recognised blight on the landscape of Sydney, yet its development and revitalisation has been hampered by Council miss-use of this GSC policy.
- **The entire Sydenham to Bankstown corridor** – this corridor represents a massive opportunity for renewal generated by the NSW government's investment in the new Metro. The current zoning combined with the current protect and manage policy significantly limits the potential for urban renewal of this entire corridor.
- **Canterbury Road Corridor** – a lot of the urban services along this corridor could be co-located into mixed use developments ensuring the ongoing provision of these services along with increased employment and additional housing. The ground floor activation of many residential developments took some time to establish, but interestingly, under COVID, have thrived. Only urban services that are locationally specific and necessary, need to be retained. The private sector is more than capable of integrating modern urban services into mixed use precincts.

- **Macquarie Park** – the current draft plans for the development of this precinct represent a significant missed opportunity to leverage the government's significant infrastructure investment in the North-West Metro. Despite massive investment in the new Macquarie Hospital, in Macquarie University and in Macquarie Centre, a significant proportion of the surrounding industrial land in this precinct is out-dated and stagnant. This area could be a great example of a live/work/play mixed use urban development – but it remains completely dormant after 4pm and a generally unattractive location.
- **The Turrella industrial area** should be reviewed in the context of the precinct being complimented by the blue and green grids of Cooks River/Wolli Creek and the Bardwell Valley and serviced by an under-utilised Railway Station. Currently the precinct is experiencing land use conflict, particularly in relation to the contaminated land impacts on Wolli Creek. The area has inefficient access for heavy vehicles and is unattractive for urban services land users as reflected in the very low job density now apparent. Its maintenance as industrial land represents a legacy of past planning. The current policy stands in the way of renewal and investment and jobs.
- The **South-East of Sydney surrounding Maroubra and across to Botany** should be considered for mixed use development on a case-by-case basis. It is certainly not the case that all the employment in this area needs to be in that area to service local communities. Opportunities for even more employment along with increased housing supply should be considered and certainly should not be perfunctorily prohibited.
- **Camelia** – The Government along with Parramatta Council and industry generally has already indicated its rejection of the recommendations of the GPOP-PIC concerning the potential for mixed use development in this precinct. This is a case in point regarding the negative impact of the current policy and should be included for objective analysis in this review. It would be critical to get industry's input into this along with that of Council. In the context of the current under supply of housing, this is a significant missed opportunity.
- The proposal to include Taren Point is welcome – but it is too specific. The **Princess Highway corridor** should be examined as it represents a thoroughfare for those that live and work in the area. The current policy of strict separation of land use encourages car use, traffic congestion and pollution. This is an area where demand for housing is strong. The current policy has the effect of restricting residential development and this results in upward pressure on housing prices as evidenced in the recent past.
- **All land zoned for “industrial land use and urban services” located near a public hospital** should be reviewed. It is perverse that car storage and car sales yards are permitted in these locations but nursing homes, aged care facilities, integrated rehabilitation, mental health and hotels are not. All these areas should be revisited to ensure that the urban services are relevant to the critical piece of social infrastructure they support – the hospital and the full suite of health care including serviced apartments and hotels.

The Urban Taskforce is able to provide additional information on the proposals for these precincts at the GSC's request.

In the event that the no worse off jobs test determines that a precinct is not suitable for a more flexible zoning, **Urban Taskforce recommends** the GSC considers opportunities for increased development potential via FSR and height controls and adding to the scope of permissible employment generating land uses. This approach is needed, for at least the short to medium term, to ensure the precincts are competitive and can thrive as employment generators for Sydney.

Further, the review process needs to analyse the current "industrial and urban services activity types" under the Regional Plan to better reflect their practical impact, their locational needs and whether the use warrants inclusion as inclusion in the retain and manage policy. For example, 'large format warehousing' has different impacts, locational and infrastructure requirements to other "urban services".

**Urban Taskforce recommends** Table 5 of the *Greater Sydney Regional Plan* be reviewed in consultation with the Industry Reference Group to deliver a more nuanced and realistic list of service activity types to better inform the industrial lands policy.

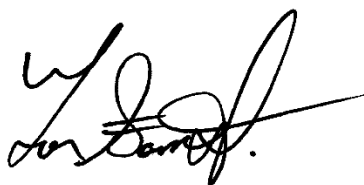
Urban Taskforce welcomes the appointment of Deloitte as the independent analyst for this Review.

**Urban Taskforce recommends** that the analysis of precincts being reviewed by technical consultants on behalf of the GSC be undertaken by an organisation with no known biases in relation to employment lands and centres policy.

The NSW Productivity Commission has been critical of the NSW Planning System, identifying it as a constraint on the productivity of the NSW economy. A review of the retain and manage policy in the Regional Plan (and associated District Plans where relevant) represents an excellent opportunity to drive economic outcomes through additional employment, new housing supply and activation of places.

Urban Taskforce urges GSC to seriously consider our recommendations in undertaking the review and looks forward to further engagement as part of the Industry Reference Group.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', written over a white background.

**Tom Forrest**  
Chief Executive Officer