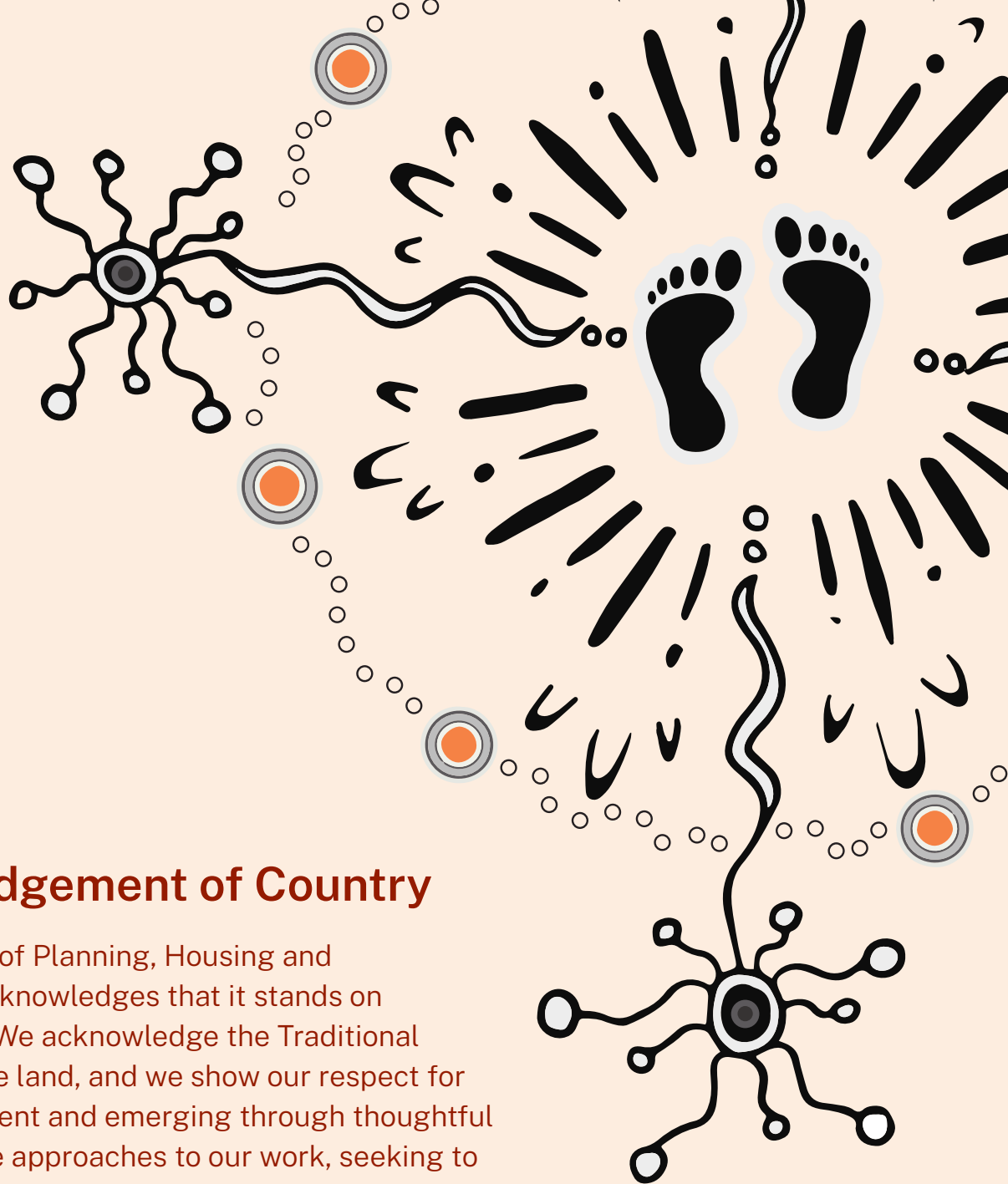

Department of Planning,
Housing and Infrastructure



Industrial Lands Action Plan

January 2025





Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Industrial Lands Action Plan
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Image on front cover: Portside factories in Port Kembla.
Artwork (above) by Nikita Ridgeway.

Our objectives for industrial lands in NSW

Industrial lands are critical for productive cities, regions and the state. They accommodate jobs, businesses and activities that generate a significant portion of NSW's economic output and provide the services a growing population requires. In 2024, industrial-related industries and activities contributed approximately \$174 billion in gross value add to the NSW economy.¹

Escalating land values and rents and almost zero vacancy rates indicates that NSW is facing a shortage of immediately developable industrial lands in certain locations.

This has led to increased operational costs for businesses, which is affecting the price of goods and adding to the cost of construction and living. In addition, jobs are being lost to other states as major freight and logistic operators are leaving Sydney to locate in Brisbane or Melbourne, where there is more suitable and less expensive land.²

NSW requires industrial lands to be well located, serviced and competitive to address these challenges, create jobs close to homes, support the construction industry in the delivery of housing and to drive business investment.

Employment Lands

Land that is zoned for industrial or similar purposes in planning instruments, it contains a mix of businesses involved in manufacturing; transport and warehousing; service and repair trades and industries; integrated enterprises with a mix of administration, production, warehousing, research and development; and urban services and utilities.

– *Employment Lands Development Monitor*

Industrial lands generally do not include areas that are used primarily for commercial and/or retail uses such as central business districts or town centres however, for the purposes of this action plan, all employment lands will be referred to as 'industrial' lands.

A holistic and statewide approach is needed to plan, secure, actively manage and monitor industrial lands across NSW. This action plan outlines the initiatives the Department of Planning, Housing and Infrastructure will implement to provide certainty and support state agencies and councils to plan and proactively manage industrial lands. The delivery of this action plan will provide the transparency and flexibility industry needs to invest in their assets.

Actions:

- 1 Deliver a statewide policy for industrial lands based on the categorisation of areas and precincts as state significant, regionally significant, locally significant and other industrial lands
- 2 Investigate planning and policy interventions to support intensification of state and regionally significant industrial lands
- 3 Finalise and release a statewide approach for an industrial lands supply pipeline
- 4 Create an Employment Land Development Program to manage supply and coordinate infrastructure investment

¹ ABS (2024). Australian System of National Accounts (including Agriculture, forestry and fishing; Mining; Manufacturing; Electricity, gas, water and waste services; Wholesale trade; and Transport, postal and warehousing industries)

² Transport for NSW (2024). Freight Policy Reform: Interim Directions. [Freight Policy Reform Program](#) | [Transport for NSW](#)

Action plan

Action

1

Deliver a statewide policy for industrial lands

Across NSW, land use policies for industrial lands tend to vary and are specific to regions or cities. These policies are often passive in their application, primarily seeking to prevent the loss of existing industrial lands to alternative uses or provide guidance on relevant considerations in planning for or managing industrial lands. There is no coordinated approach to ensure there is a sustainable supply of industrial lands to inform government and private sector investment decisions or remove barriers to support economic development, local jobs and businesses.

The new statewide policy for industrial lands:

- outlines the Government's objectives and aspirations for industrial lands
- provides a consistent framework, categorising industrial land in a way that is more systemic, spatial and evidence-based
- identifies where state intervention is required or where local councils are best placed to plan and manage industrial lands.

The objectives of the statewide policy are to:

- secure, intensify and actively manage significant industrial lands
- support a pipeline of development-ready industrial lands to meet future needs
- plan for new industrial lands in areas that are close to transport and freight networks and will not result in land use conflicts
- respond to the changing needs of industry, including emerging industries, and support diversification, adaptation, innovation or transition to new employment opportunities
- support other government initiatives and programs relating to industry attraction and investment, an efficient freight network, key supply chains, the transition to net zero, or minimising environmental and social impacts
- allow for alternative uses in underutilised industrial lands, with an initial focus on alternative employment uses. Other alternative uses (i.e. residential) are only to be considered subject to meeting certain criteria.

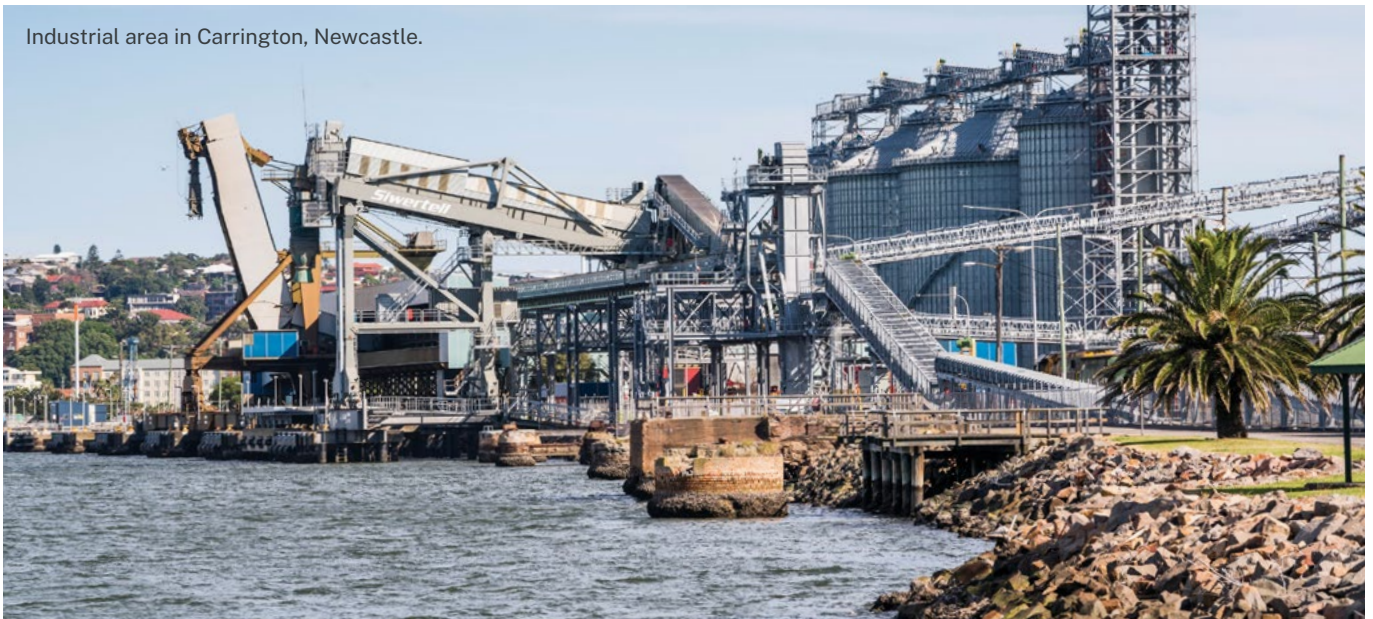
Three categories of industrial lands are defined based on their spatial contribution to economic activity and their significance in a network of industrial lands:

State significant – areas that include or are directly linked to state or nationally significant infrastructure such as national/international airports, ports, intermodals and defence facilities. These areas would be protected from incompatible land uses to give certainty around allowed activity that are crucial to national and state supply chains.

Regionally significant – are of a scale that contributes significantly to local and regional economies. These areas include assets and services that support broader city functions such as waste transfer stations and concrete batching plants. They are located near and have accessibility to major transport routes, intermodals and ports and include regional airports. They support a broad range of industries and employment opportunities and exclude residential or retail uses that are ordinarily located in a centre.

Locally significant & other industrial lands – have smaller local catchments that serve the local area but do not necessarily have a critical mass. These areas are designated locally significant if they are not identified as being state or regionally significant. This category includes areas with the potential to transition to alternative uses or allow additional non-industrial uses based on a strategic assessment, as endorsed by the Department.

Industrial area in Carrington, Newcastle.



Industrial areas could be categorised as state or regionally significant even if they are not currently developed to an extent that warrants that classification (i.e. they may be ‘future’ precincts), such as the Aerotropolis precincts in western Sydney, along future rail freight or motorway corridors, or areas adjacent to or supporting renewable energy zones.

Criteria being investigated for the categorisation of land (quantitative and qualitative)

- Scale e.g., spatial and employment
- Clustering of assets or industries (potential or actual)
- Accessibility and linkages to the freight network and major roads
- Location of assets, infrastructure or business that are critical urban services
- Economic contribution
- Growth potential without impacting surrounding uses

As it will take time to deliver the policy, current policies as per the Greater Sydney Region Plan (such as the Retain and Manage Policy), district plans and regional plans will continue to apply until industrial lands in each region are reviewed and categorised. Ministerial Direction Focus area 7: Industry and Employment will apply to any planning proposals seeking land use change for industrial lands.

Once industrial lands are categorised, existing policies such as the ‘Retain and Manage’ policy in Greater Sydney will no longer apply.

Implementation would be through updates to region plans, having regard to the:

- strengths and specialisations of the region
- spatial application of the objectives of the policy, including mapping the categories of industrial lands
- barriers and enablers to achieving the objectives of the policy and any actions and measures needed for implementation.

Engagement will be undertaken with state agencies, councils and industry to inform the categorisation of industrial lands, as well as the assessment criteria and planning pathways for alternative uses.

Action	Timing
Define criteria for categories of industrial lands and investigate assessment criteria for alternative uses including alternative planning pathways	Q1–Q2 2025
Implement categorisation of industrial lands:	
<ul style="list-style-type: none"> • Initial focus on Greater Sydney in consultation with councils, agencies, and industry • As other regional plans are reviewed and updated 	Q1–Q4 2025 Ongoing
Review the Department’s <i>A guide for local industrial land strategies</i> and update to reflect the statewide policy	Q1–Q3 2025

2

Investigate planning policy interventions to support the intensification of state or regionally significant industrial lands

The Department has an ongoing program to review and improve local and state land use plans and policies. Recent reforms for industrial lands include:

- [employment zone reforms](#) that rationalised business and industrial zones through the Standard Instrument Order, including introducing new land use definitions for creative industries and logistics
- [Building Business Back Better program](#), which expanded exempt and complying development assessment pathways for employment uses through State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP) including the development of a Business Zone Design Guide
- the introduction of the [Special Activation Precincts](#) and [Regional Job Precincts](#) to support strategic planning and investment attraction for areas that have been identified in regional NSW for jobs growth.

Further reforms will continue to be investigated.

Action	Timing
Review Codes SEPP provisions for industrial lands to ensure they are fit for purpose, for example, that they enable modern warehouse construction	Q1-Q2 2025
Once industrial lands have been categorised, investigate whether state or regionally significant industrial lands require amended planning controls to appropriately maximise the use of the land (this will focus on intensifying existing industrial lands, such as changes to height and floor space ratio controls)	2025 and ongoing
Identify industrial land precincts that may require earlier targeted policy intervention such as precinct-specific planning controls to support a sustainable pipeline of serviced industrial land available for development	2025 and ongoing
Investigate opportunities to streamline and bring consistency to design requirements for industrial land uses	2025 and ongoing

3

Finalise and release a statewide approach for an industrial lands supply pipeline

To better manage the supply of industrial lands, a statewide approach is needed to ensure there is a sustainable pipeline of development-ready industrial land. Defining and monitoring the pipeline will not only provide direction to government in future rezoning decisions, it will also provide greater certainty for industry and government to support investment in NSW.

The Department is developing a statewide approach that will consider:

- revisions of ‘take-up’ rate assumptions to better reflect actual market demand
- supply requirements, including the number of years of take-up that support a healthy supply pipeline
- the attributes and servicing requirements for development-ready industrial land.

Action	Timing
Audit of zoned industrial lands across NSW to understand supply (serviced and un-serviced)	underway
Determine the assumed take-up rate (ha/year) to support the pipeline policy for NSW	underway
Release a statewide approach for an industrial lands supply pipeline	Q2 2025



4

Employment Land Development Program to manage supply and coordinate infrastructure investment

The Department is establishing the Employment Land Development Program to help improve the supply of industrial lands in NSW. The program aims to minimise cost-of-living pressures, support housing delivery, provide greater certainty to industry and support jobs close to home across the state. The program will build on and be supported by the Employment Land Development Monitor and will be responsible for:

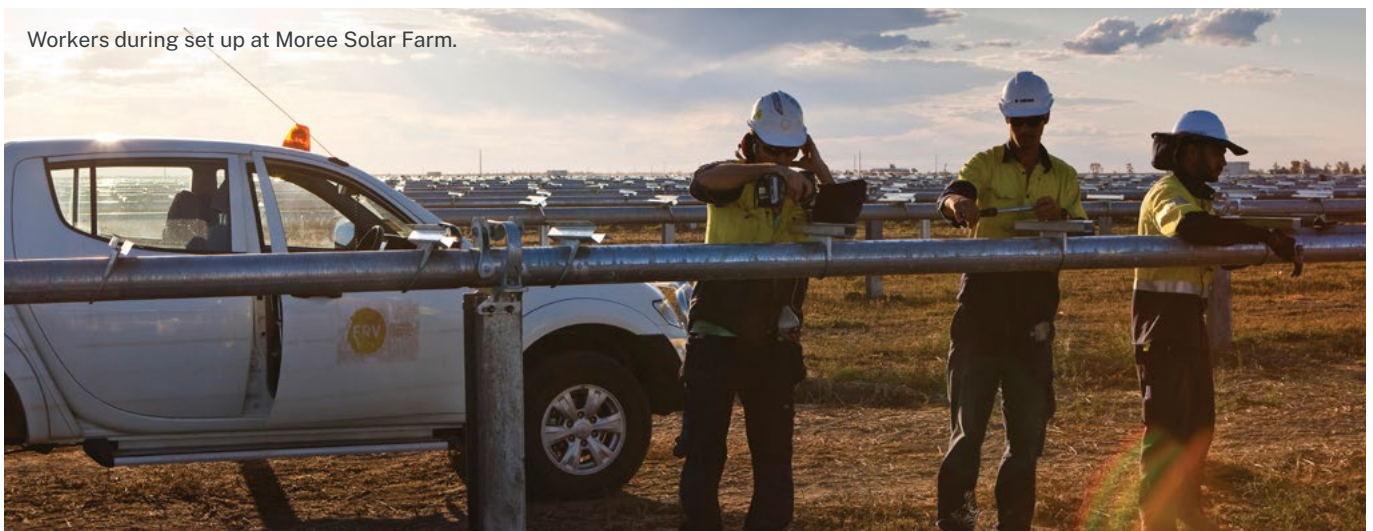
- providing a better spatial understanding of NSW’s industrial lands to understand the role of land within the NSW economy and how the uses will need to evolve over time
- developing the system and tools to actively manage an ongoing 10+ year pipeline of development-ready land to meet particular needs (market sector, scale, proximity to other services/infrastructure, role within a network)
- preparing a funding strategy and governance process to support infrastructure investment decisions by the NSW Government aligned with the industrial land supply pipeline
- identifying areas where government intervention and investment should be directed to ensure that sufficient development-ready industrial land is available in the right locations.

The program will be iterative. The initial focus is on land that has already been zoned with high potential to support the needs of the freight and

logistics sector. Consideration will be given to the targeted interventions and infrastructure investments needed to deliver servicing and make land ‘ready’ for development. By tracking emerging market trends, the program will be able to adapt and shift focus towards other industry sectors and government priorities over time.

Action	Timing
Targeted discussion with key stakeholders to understand development and servicing constraints in priority employment areas	Q1 2025
Shortlisting priority employment areas across NSW and associated infrastructure requirements	Q2 2025
Identify funding sources and develop an investment framework for infrastructure to secure a 10+ year industrial land supply pipeline	Q2–Q3 2025
Publish the priority employment areas selection rationale and infrastructure investment timeline	Q3 2025
Track the supply pipeline and emerging trends to position government to make timely investment decisions	Q4 2025 and ongoing

Workers during set up at Moree Solar Farm.



Working with stakeholders

In delivering this action plan, the Department will be undertaking targeted engagement with a range of stakeholders including other state agencies, councils, peak bodies and industry. Engagement will include technical working groups with councils and agencies, and round table discussions and meetings with peak bodies and industry.



Further information can be found at:

<https://www.planning.nsw.gov.au/employment-lands>



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