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in April 2026

NSW Department of Planning, Housing and Infrastructure

Online submission via Planning Portal website

Statewide Policy for Industrial Lands

Thank you for the opportunity for Local Government NSW (LGNSW) to comment on the draft Statewide Policy for Industrial Lands (the Policy).

LGNSW is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

This submission is made in draft form, pending approval of the LGNSW Board. It is based on LGNSW policy positions and feedback from councils. The Department of Planning, Housing and Infrastructure (DPHI) is asked to consider this current version. If there are any changes following Board endorsement these will be separately provided to DPHI.

Objectives of the Policy

The draft policy on exhibition responds to feedback from industry, councils and stakeholders and aims to:

- Establish a consistent, evidence-based framework for planning and protecting industrial lands across NSW
- Introduce a framework for industrial lands to be categorised as state, regionally and locally significant industrial lands based on their spatial contribution to economic activity and their significance in a network of industrial lands
- Support better planning for new and intensified industrial areas.

Notably, the Policy will implement roles and responsibilities for managing industrial lands with obligations on DPHI, councils and landholders. Monitoring, review and evaluation will track progress to inform updates, guide infrastructure investments and identify strategic interventions.

Background

The Statewide Policy for Industrial Lands is part of a suite of three strategic planning documents concurrently on exhibition as part of the NSW Government's new approach to strategic planning across the state:

- **A New approach to strategic planning: Discussion paper** proposes a three-tiered strategic planning framework and introduces a new State Land Use Plan and 7 statewide priorities to guide land use planning across NSW.
- **The Sydney Plan** is the first of the new regional strategic plans in the proposed framework and is being positioned to demonstrate how the new statewide approach will be applied at a regional scale.
- **The Draft Statewide Policy for Industrial Lands** outlines how industrial lands will be planned, managed, and categorised in NSW.

LGNSW has provided separate submissions on each of these proposals.

LGNSW acknowledges the extensive gestation of the Policy, commencing with engagement with councils at the beginning of 2025 with the *Industrial Lands Action Plan*¹. With follow-up workshops and council interviews, there has been an important opportunity for councils to input directly as DPHI's policy work has evolved. The focus on reviewing employment lands categorisation alongside *A New Approach to Strategic Planning: Discussion Paper*² emphasises the importance of developing a pipeline for jobs provision equal to housing and infrastructure provision.

Focus areas for consideration

LGNSW supports initiatives that aim to improve the efficiency, clarity and consistency of the planning system with strategic guidance. Teamed with a strategic vision for the State, the Policy could become more robust with further attention to these considerations:

- **Clarifying policy scope and mapping** – Councils have noted the need for clearer classification evidence and transparent review processes to ensure categories accurately reflect on-the-ground economic roles and allow recognition of locally significant precincts. It is also essential that mapping accurately captures regionally significant waste and resource recovery infrastructure and other urban services to avoid land use encroachment and ensure supply chains supporting housing and employment are not undermined.

¹ [Industrial Lands Action Plan](#)

² [A New Approach to Strategic Planning: Discussion Paper](#)

- **Strengthening objectives of economic contribution** – The Policy should explicitly encourage industries that offer strong economic and employment contributions and manage lower-value uses (e.g. large-format storage facilities) that underutilise scarce industrial land.
- **Application to regional settings** – As a statewide Policy, relevance and adaptability to the whole State is imperative, particularly if the NSW Government proceeds with its plan to reduce regional strategic plans for the 84 local government areas to a single plan covering the ‘rest of the State’ as proposed in the *New approach to strategic planning: Discussion paper*. Relevance and adaptability across the whole State matters because, in the absence of regional strategic plans for areas outside the major metropolitan centres, councils will rely heavily on this statewide Policy to guide local decision-making. A policy that is not sufficiently adaptable and capable of responding to diverse regional economic conditions, infrastructure constraints and industry profiles, could lead to inconsistent land-use outcomes, reduced investment certainty, and planning settings that do not align with local economic drivers.

Resourcing councils to update local industrial strategies

The rapidly changing nature of employment and industrial lands presents dilemmas for councils as new and emerging land-use trends outpace static zonings. Policy needs to anticipate and pivot in order to respond to these changes. The examples range from the emerging trend of large land-take-up for data centres to intensification of warehousing and the more challenging location of waste infrastructure including controversial Energy from Waste facilities. The Industrial Lands Policy needs to adapt to uses not yet fully understood in their impact on urban settings.

Councils recognise that local industrial lands are critical to their local economies. They provide flexible, lower-cost spaces for a wide range of activities, including larger-footprint and specialised production uses that cannot compete with higher-value residential or commercial development. Councils understand and value the important role that these ‘marginal uses’ play for local employment and essential services to surrounding businesses.

While there may be circumstances where zoning changes in industrial areas are appropriate, allowing greater flexibility can also create uncertainty and deter investment in local industrial nodes. Clear and up-to-date strategic settings are therefore vital to support sustained industrial activity. Many local industrial lands strategies require renewal to bring them up to date with contemporary trends and to give effect to the new industrial land categories and this undertaking is included in the draft Sydney Plan as an action under Response 8 (Secure an ongoing pipeline of

productive industrial land). This will be important to reduce speculation about potential land-use changes.

LGNSW requests that the State Government agree to share the cost of necessary technical studies so councils can progress this work quickly and provide clarity and confidence for local industry. Further, as noted in LGNSW's submission on the draft Sydney Plan, many of the council actions in the draft Plan involve complex strategic planning work that will place a significant additional funding and resourcing burden on councils.

To allow strategic settings to be clarified as soon as possible and enable councils to prioritise reviewing their local employment / industrial lands policies, LGNSW asks the NSW Government to commit targeted funding to councils and look into how the costs of the necessary supporting technical studies can be shared between councils and the NSW Government.

Recommendation 1:

That the NSW Government commit a multi-year program of targeted funding to councils to support timely review of their local industrial lands strategies and zoning and consider how the costs of the necessary supporting technical studies can be shared between councils and the State Government.

Monitoring and Evaluation

It is important that the proposed monitoring framework includes clear and measurable key performance indicators for all matters being measured. Further work is required to confirm these indicators, establish appropriate review periods, and define reporting requirements - including responsibilities for reporting and transparency around the public release of findings.

Recommendation 2:

Refine the monitoring framework to include clear key performance indicators and clarify details around the period of review responsibilities and transparency and publication of reporting activities.

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LGNSW supports the significant opportunity that the Statewide Policy for Industrial Lands presents to improve the framework for managing industrial lands across the state. LGNSW defers to the detailed spatial analysis and feedback provided in councils' submissions and through their ongoing engagement with the Department.

LGNSW appreciates the opportunity to contribute to this reform initiative and looks forward to ongoing engagement with councils to ensure policy and its implementation delivers on its six key objectives.

For further information, please email LGNSW Planning: LGNSW.Planning@lgnsw.org.au