



NEWS RELEASE
The Hon. Kristina Keneally MP
Member for Heffron
Minister for Planning
Minister for Redfern Waterloo

Thursday 9 April, 2009

NEW PLAN FOR GREATER COMMERCIAL COMPETITION AND VIBRANT CENTRES

Planning Minister, Kristina Keneally, today put forward a plan which is designed to promote investment and jobs in the retail and commercial development industry.

Once finalised, after public and industry feedback and a formal submissions period, the policy will ensure the supply of commercial land exceeds the market's demand, encouraging competition by allowing space for new businesses to open.

It will also help stop uncontrolled sprawl of retail centres, a mistake which could cost Sydney alone an average of \$1 billion per year over the next 20 years.

"The retail and commercial sectors are the backbone of the modern NSW economy and a key contributor to the creation of the kinds of communities in which people want to live," Ms Keneally said.

"In 2007 the retail and commercial sectors contributed 41 per cent or \$125 billion to the State's economic growth, as well as 1.5 million jobs – almost half of all employment in this state.

"The NSW Government can, should and must do what we can to provide a planning system which helps businesses and communities grow."

Ms Keneally said the planning system can be used to encourage competition and thereby business investment, or it can be used by companies to stop competitors moving nearby.

"That's a point which has been made in studies by the Australian Competition and Consumer Commission (ACCC) and the Productivity Commission, both of which stressed the need to ensure land use planning is not a barrier to market entry," Ms Keneally said.

"The challenge for the planning system is to create the right framework for new businesses to enter the market to keep competition strong, and that's what this policy aims to do.

"Once finalised, the *Centres Policy* will consolidate the Government's position into one clear framework, and outline how this approach can be implemented on the ground."

Ms Keneally said the policy discourages uncontrolled sprawl of isolated, car-dependent retail areas.

"This approach will avoid the massive costs associated with a much looser, more decentralised model as is commonly seen in the United States," Ms Keneally said.

"Such an approach in Sydney alone would significantly increase car travel and its associated impacts, leading to a reduction in NSW growth of up to \$19.6 billion over a 20 year period.

"By identifying and supporting centres we can ensure efficient use of infrastructure, provide jobs closer to home, and reduce car trips through co-location of retail with other facilities.

"The Final Centres policy will establish a framework which allows creation of vibrant local and regional centres throughout this state where people want to live, work and shop."

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FACT SHEET: HOW THE NEW CENTRES POLICY WILL WORK

The draft *Centres Policy* is based on six key planning principles:

- **Principle 1:** Retail and commercial activity should be located in centres to ensure the most efficient use of transport and other infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.
- **Principle 2:** The planning system should be flexible enough to enable centres to grow, and new centres to form.
- **Principle 3:** The market is best placed to determine the need for retail and commercial development. The role of the **planning** system is to regulate the location and scale of development to exceed market demand.
- **Principle 4:** The planning system should ensure that the supply of available floorspace always exceeds the market **demand**, to help facilitate new entrants into the market and promote competition.
- **Principle 5:** The planning system should support a wide range of retail and commercial premises in all centres and should **contribute** to ensuring a competitive retail and commercial market.
- **Principle 6:** Retail and **commercial** development should be well designed to ensure they contribute to the amenity, accessibility, urban context and sustainability of centres.

Under the exhibited draft policy:

- Regional and subregional Floorspace Supply and Demand Assessments (FSDAs) will be undertaken by the Department of Planning in partnership with local councils and industry to determine the current supply and likely future demand for retail and commercial floorspace.
- These FSDAs will provide the basis on which to plan for new development by identifying specific floorspace requirements at the regional, subregional and local levels.
- The Department and councils will continue to regularly monitor the supply of retail and commercial floorspace to ensure it exceeds market demand.
- Councils will need to identify areas of land in existing and new centres that can be zoned to allow for appropriately-located retail and commercial uses.
- Councils should ensure the design of centres appropriately considers their public, civic and sustainability values, as well as their economic role. In particular the design should consider:
 - **Public amenity** – promoting high quality urban design with a dynamic mix of land uses and attractive public spaces;

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- **Public access** – providing direct pedestrian and cycling network access, close co-ordination with public transport and other infrastructure and ensuring safe and appropriate levels of traffic;
- **Urban context** – considering local character, requiring design excellence and a suitable mix of building types; and
- **Sustainability** – requiring flexible and sustainable building design that incorporates efficient use and re-use of energy, water and natural light.

Submissions on the draft policy can be sent during the public exhibition period to assessments@planning.nsw.gov.au or

Centres Policy Review
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