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PROPOSED PLANNING CHANGES TO SUPPORT COMPETITION

The NSW Government has released a proposed state-wide planning policy which removes artificial barriers on competition between retail businesses.

The new draft State Environmental Planning Policy (SEPP) which has been placed on public exhibition today proposes:

- The commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications;
- The likely impact of a proposed development on the commercial viability of other individual businesses may also not be considered unless the proposed development is likely to have an overall adverse impact on the extent and adequacy of local community services and facilities, taking into account those to be provided by the proposed development itself; and
- Any restrictions in local planning instruments on the number of a particular type of retail store in an area, or the distance between stores of the same type, will have no effect.

Minister for Planning, Tony Kelly, said the proposed changes would allow genuine competition to flourish between retail businesses which would place downward pressure on prices.

“The consumer will be the beneficiary of greater competition between retail businesses.”

“The proposed measures would ensure the planning system cannot be used to hinder competition between individual businesses and puts NSW at the forefront of pro-competitive reform in Australia,” the Minister said.

The creation of a new SEPP was a recommendation of the review undertaken last year by the Department of Planning and the Better Regulation Office into how economic growth and competition were impacted by the planning system.

It also follows inquiries by the Australian Competition and Consumer Commission and the Productivity Commission.

Mr Kelly said it was important to note the draft SEPP would not overturn any existing council location or distance restrictions on brothels and ‘restricted premises’ such as sex shops.

“The draft SEPP in itself does not fetter councils’ existing abilities to limit the clustering or location of these particular business types,” the Minister said.

The draft SEPP is on exhibition until Thursday, August 26, and further details, including how to make a submission, can be found at www.planning.nsw.gov.au.