

PRODUCTIVITY AND PROSPERITY

OBJECTIVE 15: Provide for a good supply of retail space

The term 'retail' captures a range of goods and services, from small neighbourhood shops, kiosks and markets, to food and drink premises, garden centres, hardware and building supplies, rural supplies, shops, vehicle sales or hire premises and bulky goods premises. Bulky goods premises can also include hybrid warehouse/e-commerce premises.

In most centres, retail uses are the main attractor and when complemented with other economic and social functions they create a hub for a subregion. Supermarkets and large specialist and department stores draw a range of shopping and other services to allow single multi-purpose trips.

The Metropolitan Strategy for Sydney will aim to provide a good supply of retail space to meet the changing needs of our growing population, helping to support the goal of building liveable centres in NSW 2021.²⁷

The Strategy will also encourage retail activity in all emerging and established centres to capitalise on economic and social advantages and to provide viable options for inevitable retail growth.

A strong initial retail presence attracts office jobs to centres. Recognising retail as a significant trip-generating activity, the Metropolitan Strategy for Sydney will encourage the location of large retail primarily in Strategic Centres well serviced by public transport.

Many larger and most new centres can accommodate bulky goods and hybrid warehouse/e-commerce premises. Smaller centres in need of investment may also be suitable; however, the pressure for retailing to occur in industrial areas persists. Any proposal to use industrial land for retail purposes must account for operational

and access needs of existing and future industry, alongside relevant planning directions. Alternative sites for displaced or new industrial development should also be considered so that local communities continue to have reasonable access to the types of services these sites have provided, such as vehicle and appliance repair.

What is the value of retail trade to NSW?

The retail sector is critical to the NSW economy:

- In 2010-11, retail trade and wholesale trade contributed \$10.7 billion and \$14.3 billion to GRP respectively.
- Retail trade, the largest industry sector employer, employed almost 190,000 people in 2012.
- Over 100,000 people were employed in the wholesale trade sector in 2012.²⁸

Where bulky goods premises cannot be accommodated in or close to existing centres, subregional planning and local planning will need to identify alternative locations.

Some forms of bulky goods retailing may be suitable in certain industrial zones as they more directly relate to industrial trade and supplies. Generally, bulky goods retailing generates activity in much the same way as centres. While many shoppers come by car, many use public transport especially as most of the bulkiest items are delivered later, meaning a location adjacent or close to centres can be beneficial.

Retailing on major roads can revitalise high traffic areas, but should not reduce road efficiency or increase congestion or road safety risks, and should contribute to the function of existing or planned centres.

Online shopping is impacting traditional retail and a greater understanding is needed of the implications for demand for retail floor space. For example, online shopping is driving a push towards the need for warehousing to store goods ready for delivery to the consumer, rather than traditional retail shop fronts.

Policy

- a. Centres of all sizes will be the primary location of retail, at a scale reflecting the level of public transport accessibility.
- b. Bulky goods (and hybrid warehouse/e-commerce premises) will be located in existing and planned centres or in clusters close to public transport.
- c. Retailing in industrial zones can occur where it is ancillary to the main industrial use, goods are produced on site or where retailing has industrial-scale impacts, as per the standard instrument definition of 'industrial retail outlet'.

²⁷ NSW Department of Premier and Cabinet 2011, NSW 2021: A Plan to Make NSW Number One, NSW Government, Sydney, NSW, P40.

²⁸ Table E.1, RDA Sydney Metropolitan Region Economic Baseline Assessment Update June 2012, AEC Group