

PREMIER BOB CARR, NSW - SYDNEY FUTURES FORUM  
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First of all, thank you for being here because if we cannot extract a better approach to Sydney's growth out of this gathering we will not get it from any. You have the experience and professionalism to guide us in these major tasks.

What is different about this exercise from other attempts at better planning Sydney is that the money is invested. This is linked to funding and, as I said when I launched this whole process, from a year ago we've had Craig Knowles as Minister for Infrastructure and Planning. We have a centralised budget that unites infrastructure planning and funding. We created a new department to manage Sydney's development in a cohesive way.

And again I said when we launched this process, we are committed to having a variety of sources globalised to provide the funding for those areas that will grow and those sources include PFPs, mobilisation of super funds, developer contributions, budget funding, value capture and borrowings. Not relying on just one of those, but deploying most likely all of them.

So these are the elements different about this process from other exercises in structuring plans for the metropolis.

Can I respond to Tim Flannery's challenge to you last night. I agree that global warming is coming to hit us, and it is alarming and it is real. There are still a handful of naysayers, but I have not found one yet who is not linked directly or intellectually to the carbon lobby. They are the hold outs. There are a few last bastions of people who are arguing, (1) the world is not warming or, (2) if it is, it is unrelated to the activities of human beings.

The tragedy is that that handful of people have had disproportionate influence in the United States and in Russia. As I said yesterday, celebrating the enlargement of the European Union, we look to Europe for a number of things but one of them is leadership on global warming.

Global warming will be a special menace for this continent and for this city in at least two respects. One of them is the impact of longer, hotter, more severe droughts - longer periods of baking hot, dry weather. It has now been established that our last two droughts have each cut in at higher average temperatures than the droughts we used to know and that brings severe problems with water as a consequence.

The second is more extreme weather fluctuations. You would recall that hail storm that came without warning across Sydney. I can still remember giving a speech and hearing it rumbling in the distance. Within hours, Sydney had witnessed the most expensive natural disaster in Australia's history, and the economic consequences were huge and could have been much worse if that swathe of hail had not expended itself across Centennial Park. There could have been tens of thousands of more roofs destroyed.

But the insurance industry already has calculations that confirm we could experience hail storms ten times as extensive and ten times as expensive as that one in mid-1999, and global warming will make itself felt in Australia in terms of longer, hotter, drier droughts, more expensive, more economically damaging and wilder weather fluctuations like hail storm damage.

The great lesson out of all the discussion of greenhouse is that the cost of compliance has been vastly overstated. The cost of getting to those Kyoto targets over the timeframe we have would represent the expense foisted on us by one year's drought. The cost of compliance has been vastly overstated.

So we have to build this into our calculations and bear in mind - and this is the last point I will make about global warming and the challenge it presents this great task - that an increase in the world's average temperature of 0.7 percent has already been accounted for. It is measured; it is there. But some scientists believe an extra 0.5 percent is already in the pipeline waiting to have its impact felt.

Whatever we do it is already there in the pipeline. 0.7 percent notched up over the past century, 0.5 percent already in the pipeline. We are getting perilously close to that increase of an average two degrees in the world's temperature in which bad things happen and happen fast, namely, the total disintegration of the polar ice caps, the impact on the oceans, the flooding of land masses, with implications in that for Australia beyond

the immediate challenge of global warming. So I welcome the challenge that Tim Flannery has thrown down to all of us.

As a further measure of our seriousness, our linking of funding with infrastructure, our linking of infrastructure and planning, we have set out an agenda and there are a few key developments that set the tone for what is to come that I will touch on:

- ❖ the appointment of Professor Ed Blakely as Chair of the Metropolitan Strategy Reference Panel;
- ❖ the appointment of Professor Peter Newman as the first Sustainability Commissioner;
- ❖ the implementation and expansion of BASIX from July 1;
- ❖ the upgrading of the Parramatta and Canterbury Rd precincts;
- ❖ the inner city transport strategy being canvassed, and
- ❖ an exploration of development corporation models for the major new land releases in Sydney's west.

Today I want to add to that list of goodwill measures something else that will feed into the Metropolitan Strategy process and help sustain its credibility.

I am honoured to announce the appointment of our second Sustainability Commissioner. It will be the former Reserve Bank Governor Bernie Fraser. He is a very distinguished Australian and his expertise will be especially valuable as we approach the economic and financing aspects of infrastructure development. Again, one of our big themes here is linking that funding to the city's expansion.

Today I want to announce that we want to sustain the growth of Sydney's centres and we are going to allocate \$200,000 to each of the centres to help strengthen their development of strategies for these sub-regional centres of Penrith, Blacktown, Fairfield, Parramatta, Liverpool, Campbelltown and Bankstown.

I am very encouraged by the growth of sub-regional centres. A large part of the answer to the challenge of Sydney's growth will be the intensification of development in these sub-regional centres. It means people being able to get the services they want, in many cases the jobs they are after, not by coming into Sydney's Central Business District but Penrith, Blacktown, Fairfield, Parramatta, Liverpool, Campbelltown and Bankstown.

Parramatta's Central Business District is huge encouragement here. It confirms what can happen in such a centre when governments, local business and community work together. It is now home to one of Sydney's largest retail centres. Employment has doubled over the last 20 years with 39,000 people now working in Parramatta's Central Business District. Its finance and business sector is now growing faster than that of the City of North Sydney, and it is home to Sydney's third largest legal precinct. Not even our tort law reforms have hurt that development!

So that confirms that thesis that people are getting serviced in these centres, not having to come into Sydney's Central Business District. The shopping, the professions, and the residents dwelling in apartments in downtown Parramatta. We want to build on that achievement. We are still building Parramatta. We have big clusters of state government employment - Sydney Water and the police administration - moving out there. There is a plan we have developed with the council for enhanced design in that civic precinct in Parramatta. We want to build on that achievement as we approach those other six centres I mentioned.

Now, those six centres and Parramatta surround what might be regarded as Australia's greatest building precinct, the Western Sydney Employment Lands. They are located in the strategic corridor of the M4, M5 and the M7 under construction and proceeding brilliantly. They have direct links to Canberra and Melbourne. They have a direct link to Port Botany, the airport and the Sydney Central Business District.

There are going to be two big things I will touch on here that change the pattern of Sydney's growth.

One is the concentration of investment in those centres. The success of the centres policy, enabling us to deal with the increased population that is projected, is a strategy that is already working and it will work better in the future.

The other one is this huge shift of employment to Sydney's greater west, facilitated by the transport infrastructure M4, M5 and, above all, by that Western Sydney Orbital, the M7. And the day is rapidly approaching when the more common commuter journey from home to employment is from east to west.

And with the investment being laid out and the lands that we have set aside for employment growth that will be accelerated. To assist that process, we are increasing the lands being brought under State Environment Planning Policy 59.

That includes a \$173 million steel products paint line that will create a couple of hundred jobs, and placing the 58 hectare Wonderland Site and 43 hectares of Huntingwood West into the employment zone, and there is the potential for 5,000 jobs on those lands. And we will add the Ropes Creek area to the employment zone, including a proposed link road between Erskine Park employment area and the Westlink M7.

These additions will bring to 1,300 hectares the amount of land between Penrith and Blacktown dedicated to industrial distribution and storage, high-tech and research employment. And it will build on the recent successes like those at Greystanes, the former CSR land, the quarry land that we have set aside for employment growth. There is \$101.5 million invested in Greystanes in warehouse, industrial and office space.

When I have been there, as I have done on a few occasions now to open new investments, I have spoken to the workers who talk about their journey times and it is terrific; they have relatively short journey times for a workforce located in the Greater West, finding employment in these centres. There is also the \$80 million Macquarie Goodman industrial site that will eventually employ up to 600 people.

We have already got in Sydney's Greater West 70 percent of workers who find employment in that region. That just dumps the old stereotype that Western Sydney is a dormitory region with workers coming to the Central Business District or the central industrial zone for employment. That is not the case.

Already, before we have packed jobs tight into these new industrial lands, already we have 70 percent of employees in Western Sydney working in the region. Now the resolution of the transport and jobs issues is a large part of the optimistic transformation of Sydney's planning. So these are the two big themes. I cannot over stress their importance - the growth of centres and the distribution of jobs to Sydney's West.

We are already encouraged by the success on both fronts and further success will, I think, be one of the strongest features and characteristics of our whole Metropolitan Strategy. These successes, in fact, prove transformation in the prospects of this city and its sub-regions is achievable.

These are some contributions to your thoughts today:

- ❖ the leadership of Bernie Fraser, Ed Blakely and Peter Newman is encouraging;
- ❖ the fleshing out of the centres policy;
- ❖ the successful drive to pack jobs tight into these industrial lands in Sydney's West, figuring very large in our thinking as well.

Let us see ourselves as a city able to take control of our future and not just struggling with a future forced on us by matters outside our control. This Australia of ours is internationally competitive. It has a smart people. There is no more competitive or open economy in the world and no more adaptable people.

We want to see that reflected in the planning of the nation's biggest city, its only global city. I thank you for your considerations. We are very, very grateful for your participation in this exercise.