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NSW Department of Planning and Environment  
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## **Submission on the Amendment of the Definition of ‘bulky goods premises’ under the SI LEP**

### **Overview**

Coles Group Property Development Ltd (CGPD) welcomes the opportunity to make a submission in relation to the proposed amendment to the definition of ‘bulky goods premises’ under the SI LEP, however, would like to see a more thorough consideration of options for the definition in terms of the opportunity to incorporate large format retail as proposed in the *Retail Expert Advisory Committee’s Independent Recommendations Report* (the Report).

### **About Coles Property Development Group**

Coles has over 260 stores in NSW, making a significant contribution to the NSW economy. Our activities allow us to create and deliver innovative and high-quality retail and commercial projects across the entire state. This provides us with a unique perspective and experience in terms of the variability in the application of the planning framework from small towns and larger regional centres to projects responding to the growth pressures in the Greater Sydney region, both infill and greenfield. We pride ourselves on our ability to work closely with local councils to deliver retail developments that are responsive to individual needs within their communities.

Our experience in the sector ensures Coles is well positioned to work with the Department of Planning and Environment (DPE) to ensure that the retail policy is responsive to the land use planning needs having regard to the diversity in retail precincts across NSW and with a more consistent approach to both application and interpretation of land use zones and definitions.

### **Retail Expert Advisory Committee’s Independent Recommendations Report**

Completed in June 2017 and released by the Minister for Planning in November 2017, the key finding of the Committee is *that the planning system does not provide sufficient flexibility to accommodate the dynamic and rapidly evolving nature of the retail sector, resulting in an ad hoc approach to retail development, an undersupply of retail floor space and inconsistent land use outcomes.*

Accordingly, the Committee recommends the implementation of a new planning framework for retail development, underpinned by the principles of increased land supply for retailers, increased access to retail services and convenience for the community, greater certainty and increased consistency in decision making on the types and locations of retail development.

The Report makes five recommendations as follows:

1. Develop a State-wide Retail Planning Policy
2. Identify retail supply and demand and articulate objectives in strategic plans
3. Amend the standard instrument local environmental plan to prioritise retail in the business zones,

- review and consolidate the existing zones and broaden their permissible uses
4. Improve clarity and consistency in assessment processes, and
  5. Provide clear planning guidance

CGPD supports the recommendations of the Report.

In a media release on 8 November 2017, the DPE confirmed that they were adopting the recommendations of the Committee.

One of the key retail drivers identified in the Report is that Sydney is undersupplied with supermarkets to the tune of approximately 400,000m<sup>2</sup> of retail GFA. While the key issues acknowledged that there were opposing views in terms of the suitability of large floorplate stores in either local centres and/or bulky goods zones, CGPD would promote the view that the larger floorplate is consistent with the bulk and form of other bulky goods premises and very well suited to operate alongside other bulky goods in B zones where the latter are permissible.

Another of the key drivers relates to the demands by consumers for the service offerings of retail formats which by their nature need a large floorplate. In the same way bulky goods retailers require and seek out large floorplates, so to do full line supermarkets with the typical GFA requirement in excess of 3,800m<sup>2</sup>. Allowing these larger stores to co-located within Business and Employment zones where other bulky goods premises are permissible will free up space in compact town centres for more traditional retail uses and smaller foodstuffs retailers.

### **Bulky Goods Retail Definition**

The DPE have released *The Proposed Standard Instrument Local Environmental Plan Bulky goods premises definition* document explaining the proposed change and soliciting submissions. While initially anticipating the amendment, CGPD were disappointed that the change is very narrow and insufficient to enable large format retail development, such as supermarket retailers to benefit with the definition as it maintains the exclusion for foodstuffs retail unless ancillary to bulky goods.

In the first instance, the statement of intention document that accompanies the amendment provides no clarification as to the particular “form” of bulky goods retail that would benefit from the change by way of example. The definition will still remain open to interpretation in terms of what is and isn’t and how “ancillary” is applied to land use characterisation.

The amended definition is as follows:

***bulky goods premises*** means a building or place the principal purpose of which is the sale, hire or display of bulky goods, being goods that are of such size or weight as to require:

- (a) a large area for handling, display or storage, or
- (b) direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire, and including goods such as floor and window supplies, furniture, household electrical goods, equestrian supplies and swimming pools, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to the sale or hire or display of bulky goods.

CGPD propose that DPE reconsider the definition to focus on the format in which the goods are offered rather than the goods themselves, thereby including large floorplate retail development such as supermarkets.

***bulky goods premises*** means a building or place the principal purpose of which is the sale, hire or display of goods, being goods that are of such size or weight, or **sufficient in volume of product or product lines** as to require:

- (a) a large area for handling, display or storage, or
- (b) direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire, and including goods such as floor and window supplies, furniture, household electrical goods, equestrian

supplies and swimming pools, but does not include a building or place used for the sale clothing unless their sale is ancillary to the sale or hire or display of bulky goods.

CGPD further note, that if it is the intention of the DPE to review the full suite of retail definitions, an amendment such as to one proposed above, would facilitate the delivery of large format retail (foodstuffs) in B5 zones with reasonable consistency across the State immediately creating efficiencies in the planning process by reducing the timeframes and need for rezoning. The merit assessment will continue to act to ensure that such developments are undertaken on sites that can sufficiently accommodate the land use.

This change will not undermine the strategic planning process that is considered necessary to investigate the opportunity to broaden the scope for accommodating large retail formats, including to address the needs of the digital and on-line retail needs within B5, B5 and B7 zones, reviewing all definitions and the potential of other planning based controls like floor space caps in some areas as proposed in the recommendations.

### **Retail Policy**

CGPD support the initiative by DPE to prepare a state-wide policy for retail development including addressing the definitions and to include a separate definition for a supermarket. In considering the definitions, CGPD recommend that DPE consider the floorplate requirements for a range of supermarket typologies tailored to better addresses the changes in retail driven largely by the demands and expectation of customers.

It is noted the Report discusses the difference in the retail hierarchy in metropolitan areas compared with regional NSW. Having assets across the state in small towns, regional centres and Sydney metro greenfield and infill highlights the difficulties of the "one size fits all" approach. That said, it should be noted that even within regional NSW there is a significant difference in the arrangement of land use activities between small, medium and large towns and cities. A balance is needed to ensure that high quality retail development and a wide product range continues to be made available across all centres and that there is sufficient flexibility in the planning system to facilitate this.

### **Conclusion**

Thank you for the opportunity to provide feedback on this important issue. As a major stakeholder in the retail sector and presence across NSW, CGPD would welcome the opportunity to work with DPE to ensure that the policy outcome is clear, responsive and achieves better outcomes for both consumers and retailers.

Should you require clarification on any issue raised or an understanding of the needs of our industry I would welcome the opportunity to meet to discuss further.

Yours sincerely



**Hamish Boots**  
**State Capital Transaction Manager**  
**On behalf of Coles Group Property Developments Pty Ltd**