

16 May 2018

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**Carolyn McNally**

Secretary

Department of Planning and  
Environment

320 Pitt Street

Sydney NSW 2000

Dear Ms McNally,

**Submission in response to the proposed amendment to the Standard Instrument LEP**

This submission has been prepared by Arkadia Property Services (Arkadia) in response to the NSW Department of Planning and Environment's (DP&E) proposed amendments to the '*Standard Instrument Local Environmental Plan*' (Standard Instrument LEP).

Arkadia is a Private Real Estate Investment Organisation that owns and manages 3 hotels together with 16 retail centres along the east coast of Australia which include large format retail centres. The portfolio remains domestically based from Melbourne to the south right up to Rockhampton in the north with assets over \$800 million.

Within NSW we manage and own four large format centres which include:

- Alexandria Harvey Norman Clearance Centre;
- Alexandria Homemaker Centre;
- Blacktown Megacentre; and
- The Zone Caringbah.

We are actively seeking opportunities to grow business in NSW and support the State's ongoing economic development.

As a member of the Large Format Retail Association (LFRA), our interest in the proposed amendments to the Standard Instrument LEP relates specifically to the introduction of the 'Specialised Retail Premises' definition, however in line with the LFRA's submission, we also support the DP&E is recognising new forms of retail within the sector.

The proposed introduction of 'Specialised Retail Premises', 'Artisan Premises', 'Garden Centre', 'Local Distribution Premises' and 'Neighbourhood Supermarket' **is welcomed** by Arkadia.

As a member of the LFRA, we support its position in that we **fully support the proposed amendments** and believe that they **should be enacted without delay**.

Within this submission we take the opportunity to share our experience in relation to the challenges that Arkadia has faced in developing sites in metropolitan Sydney and NSW generally and reflect on the current planning and zoning system and in particular, the land use descriptions and zoning controls.

### **Background and Industry Challenges**

From our experience, the Large Format Retail sector suffers from a lack of clarity in relation to the NSW planning definitions with the current legislation causing confusion as to what is and what is not permissible under the '*Bulky Goods Premises*' definition, due to inconsistent application of the definition across the various LEP's and each local council's own interpretation.

This limits our ability to approach certain retailers such as Spotlight and provides uncertainty for our investments throughout NSW.

The Large Format Retail Sector within NSW is a major contributor to the NSW economy and is deserving of clarity, consistency and certainty in order to grow the sector.

These large format retailers are typically attracted to homemaker centres as they display the following operational and physical characteristics, which distinguish them from standard retail premises:

- Large floor plate requirements to display and store goods
- Direct, at-grade access to customers' vehicles for loading; and
- Good access and exposure to arterial roads to attract a broader customer base.
- Strength in numbers providing high levels of in centre comparison shopping.

The Large Format Retail industry in Australia is facing difficulties as a direct result of planning and zoning legislation across Australia, particularly in NSW. As acknowledged in the Retail Expert Advisory Committee's Report, which was issued in November 2018, the Large Format Retail sector principally suffers from a lack of clarity in determining whether retailers 'fit' within the current available land use definitions.

Accordingly, new Large Format Retail developments in NSW currently face a high risk, uncertain and lengthy planning pathway, which often involves the rezoning of land through a planning proposal.

The proposed replacement of the '*Bulky Goods Premises*' definition by the '*Specialised Retail Premises*' definition and the clarity it provides through the detailing of the range of products that are able to be sold will contribute to the resolution of some of the challenges that Arkadia are currently facing.

### Conclusion

Arkadia supports the position of the LFRA in regard to the proposed amendments to the Standard Instrument LEP and request that the proposed amendments are **enacted without delay**.

We thank you for the opportunity to provide a submission to the proposed amendment to the definitions in the *Standard Instrument LEP*. Arkadia would welcome any further opportunities to work collaboratively with the DP&E in contributing to the refinement of the definition.

Yours sincerely,



**Peter Cortis-Jones**  
Director  
Arkadia Property Services