

17 May 2018

Director

Employment Policy & Systems
GPO Box 39
Sydney NSW 2001

**Proposed Amendments to the Standard Instrument LEP
Better Planning for the NSW Retail Sector
Submission in Support**

This submission has been prepared by SPG Investments in response to the proposed amendments to the Standard Instrument LEP as prepared by the NSW Department of Planning and Environment and issued for public consultation in April 2018.

By way of background, SPG is a private Australian company that develops; owns and operates a portfolio of commercial property across Australia and New Zealand.

SPG has a total of twenty-six properties in our Australian portfolio which are predominantly retail and homemaker centres but also includes commercial office and hotels. In New South Wales, SPG has six properties which are homemaker centres accommodating a range of national large format retail tenants.

SPG recently acquired a portfolio of nineteen land parcels which were part of the sale of the Masters Home Improvement business to Home Consortium in October 2017. This land portfolio formed the development pipeline for the Masters business and was intended to be developed for use as a timber; hardware and garden supplies outlet as well as other large format retail tenants. Five of these sites are located in NSW representing a total land area of more than 180,000 square metres. It is our intention to develop these sites predominantly for use by large format retail tenants. As such we have a significant interest in the NSW planning system that regulates this sector.

SPG has have undertaken a review of the discussion paper – 'Proposed Amendments to the Standard Instrument LEP / Better Planning for the NSW Retail Sector'. We are supportive of this project and encouraged by its strategic response to the key issues facing the retail industry at present. The retail sector has undergone substantial change in recent times and there is a need for the planning system in NSW to respond to these changing times as other States in Australia have already done so.

We provide our response to each of the proposed amendments to the LEP as follows –

1. Artisan premises

We support the proposal to create a new land use definition for 'artisan premises' that recognises new and emerging producers of food and drink premises. This is an appropriate response to encourage innovation and business development with support underpinned by the planning system.

2. Garden centre

We support the proposed amendment to the definition of 'garden centre' and revisions to the definition to include product categories that are primary and ancillary.

3. Local distribution premises

We support the proposal to create a new land use definition for 'local distribution premises' that deals with the shift in format in the logistics industry.

4. Neighbourhood Supermarket

We support the proposal to create a new land use definition for 'neighbourhood supermarket' up to 1,500sqm with the intent to make it permissible in the B1 zone. This will deliver an increase in supply of land for the development of supermarkets which was identified in the Retail Advisory Committee Report in June 2017.

5. Specialised retail premises (incorporating bulky goods premises)

SPG strongly supports this proposed amendment.

The change in the land use term from 'bulky goods premises' to the new 'specialised retail premises' is a major step forward in recognising that this sector of retail has changed over time and the current way in which it is defined is obsolete.

We support the proposed new definition based on the list of products outlined as well as the retention of flexibility to cover goods which are not specifically defined.

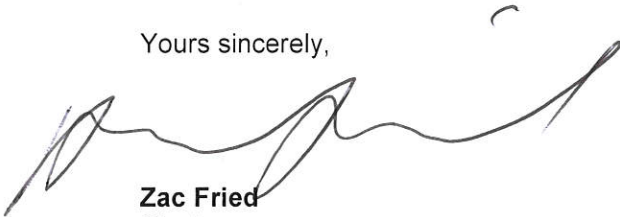
We support the fact that the new definition is drafted in similar terms to other States most notably Victoria.

In conclusion, SPG has been concerned with the planning system in NSW as it relates to the large format retail sector and this led to us prioritising development in other States where the planning system is clearer and provides more certainty and less risk. The proposed amendments to the Standard Instrument LEP is a very positive step towards restoring our confidence to invest in NSW.

In summary, SPG supports the proposed amendment to the 'bulky goods premises' definition as well as the other proposed amendments and believe they should be implemented immediately.

We thank you for the opportunity to provide a submission and welcome the opportunities to provide our views on future planning reform issues.

Yours sincerely,



Zac Fried
Chairman
SPG Investments Pty Ltd