

17 May 2018

Director

Employment Policy & Systems
GPO Box 39
Sydney NSW 2001

**Planning for the Future of Retail
Discussion Paper 2018**

This submission has been prepared in response to the 'Planning for the Future of Retail' report as prepared by the NSW Department of Planning and Environment and issued for public consultation in April 2018.

By way of background, SPG Investments Pty Ltd (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 & 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.

We are aware of the recent work undertaken in NSW by the Retail Expert Advisory Committee (REAC) and have reviewed the Independent Recommendations Report dated June 2017. This report provides relevant information to inform the future planning of retailing in NSW and should be used as important background to this current review. We agree with the key findings in the report which define 8 key 'Retail Drivers' and proposed an outline planning policy response for those drivers.

SPG has also made a separate submission to the Proposed Amendments to the Standard Instrument LEP. In this submission we support the change to the definition of bulky goods premises to create a new land use term - 'specialised retail premises'. We also support the other four amendments proposed in this project which seek to include emerging new business formats in the planning framework.

We have undertaken a review of the discussion paper – 'Planning for the Future of Retail' and make the following specific comments in response –

Direction 1 – Better local strategic planning for retail.

We support the objectives contained in Direction 1. The key issue for SPG is that the planning system provides certainty for developers in terms of aligning the strategic policy with the land use zoning and development controls that apply to the land. There is high demand for land that can be developed for retail uses in NSW particularly supermarket based retail centres and this needs to be addressed by the creation of new supply. It is important for government to identify land for development and strategically plan for development in a practical way.

Direction 2 – A modern approach to retail development that reflects a range of retail formats in centres.

We support the principles contained within Direction 2.

We strongly believe that industrial land in metropolitan areas provides the opportunity for an increase in supply of land for retail, commercial and mixed development and a proper review at State Government level needs to be undertaken.

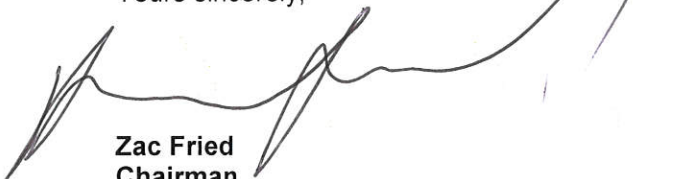
Direction 3 – Adaptability and certainty for retail.

In relation to Direction 3, we believe that the Government should be reviewing the various zones in the standard instrument LEP to reduce the number of zones and increase the range of permissible uses within those zones. By way of benchmarking, the Victorian Government's zoning reform undertaken in 2013 produced a more flexible approach to retail development and has been operating successfully since its introduction. This has made Victoria a more conducive place to invest in commercial property development in favour of NSW. There is a need to clarify and streamline the planning system in NSW to align itself with other States.

We support the direction to introduce flexible 'open' zones to remove the constraints on retail land uses that currently exists in many zones.

We support the development of an "innovation in retail" provision that can allow for consideration of uses that are not defined in the planning framework. The same 'innovation' principle should apply equally to other land uses and not be limited to the retail sector.

Yours sincerely,



Zac Fried
Chairman
SPG Investments Pty Ltd