

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 Spotlight 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, Spotlight is one of the leading large format retailers in Australia with more than 125 stores currently operating across the country. Spotlight is also a founding and active board member of the Large Format Retailers Association (LFRA) that includes representatives from all leading large format retail organisations.

In New South Wales, Spotlight has thirty-three operating outlets, twenty-four of which are located in Homemaker Centres and are approved under the current definition of 'bulky goods premises'. The remaining nine outlets are located on properties which date back to Spotlights origins in strip centre or main street locations when the business commenced operations in New South Wales in the late 1980's. These remaining stores are all planned for upgrade; expansion and relocation into Homemaker Centres in the next 1-5 years. We also plan to open new showrooms in areas identified within our strategic plan in metropolitan and regional locations across NSW.

Spotlight lodged a submission on 13 December 2017 in response to the previous initiative to make minor amendments to the definition of 'bulky goods premises'. In that submission we supported the proposed amendment to the definition as an interim measure pending a more considered and detailed response to the issue of land use definitions for the large format retail sector. In doing so, we strongly advocate there was an urgent need to undertake the following;

1. *Introduce a new definition for the current land use term - 'Bulky Goods Premises' which is largely based on a list of products that are deemed to satisfy rather than the current drafting of the definition around the issues of 'bulky goods'. The current definition including the proposed revision being exhibited is outdated, not aligned with the retail market, and not consistent with planning reform undertaken in other States.*
2. *Expand the zones in which Spotlight can locate its business to increase the supply of appropriately zoned land. The current inconsistent situation in NSW whereby Spotlight can locate in the B6 zone in one local council and not another is not logical or sustainable.*

In relation to the current proposed amendments we have undertaken a review of the discussion paper – 'Better Planning for the NSW Retail Sector'. In the first instance we are greatly encouraged by its strategic response to the key issues that we raised in our previous submission. We agree that the retail sector has seen substantial change in recent times and there is an immediate need to remove impediments and update the planning system to promote competition and encourage growth.

We provide our response in relation to the details of the proposed amendments as follows –

1. Artisan premises

We support the proposed intent to create a new definition for 'artisan premises' that recognises new and emerging producers of food and drink premises. This is a forward-thinking initiative to encourage innovation and business development and provide recognition and support within the planning system.

2. Garden centre

We support the proposed amendment to the definition of 'garden centre' and the intention to remove ambiguity by defining the principle and complimentary uses by way of product categories.

3. Local distribution premises

We support the proposed intent to create a new definition for 'local distribution premises' that recognises the change in the logistics sector in recent times. This is another example of a forward-thinking initiative to encourage innovation and business development and provide recognition and support within the planning system

4. Neighbourhood Supermarket

We support the proposal to create a new definition of 'neighbourhood supermarket' with the intention to make it permissible in the B1 zone up to 1,500sqm. We believe this will deliver an increase in supply of supermarket floorspace throughout NSW which has been identified as being in short supply for many years now.

5. Specialised retail premises (incorporating bulky goods premises)

As previously highlighted in our submission we are primarily interested in the definition of 'bulky goods premises'.

We believe that the change in title of the land use term from 'bulky goods premises' to 'specialised retail premises' is an important recognition of the change in this sector of the retail market. We strongly believe the terminology 'bulky goods' to be an outdated concept that mis-informs our sector and creates confusion around the issue of permissibility and compliance.

We strongly support the proposed definition as drafted on the basis that it provides a clear list of product categories that are deemed to comply within the definition. There is no clearer way to define a compliant product than by specifically listing it in the definition. This removes the need to undertake a subjective assessment as to whether an item is 'bulky' which has been the source of much confusion and frustration in the existing planning system.

We strongly support the fact that the proposed definition is substantially consistent with equivalent definitions in other States namely Victoria; South Australia and Western Australia. We have strongly advocated for a nationally consistent approach to planning regulations to enable us to operate our national retail stores with a consistent product range and with certainty on our ability to achieve compliance.

In conclusion, Spotlight has been frustrated by the current planning system in NSW and this has influenced our decision to limit, and in some cases, defer investment in property development in NSW until the planning system is repaired and reformed. The proposed amendments to the Standard Instrument LEP by the NSW Government is a major step forward to address our concerns and restore confidence to invest in NSW.

Spotlight supports the proposed amendment to the 'bulky goods premises' definition and believe this 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,



Quentin Gracanin
CEO Spotlight Retail Group