



18th May 2018

Ms Carolyn McNally
Secretary
Department of Planning & Environment
320 Pitt Street
SYDNEY NSW 2000

Dear Ms McNally

Re: Planning for the Future of Retail: Discussion Paper

1.0 Introduction

Thank you for the opportunity to provide this submission to the Discussion Paper – “Planning for the Future of Retail”.

Woolworths is Australia’s largest supermarket chain. We operate almost 750 stores in NSW, with approximately 49,000 employees in stores, distribution centres and support offices to provide our customers with superior service, range, value and convenience.

Therefore, as one of the most important retailers in NSW, Woolworths welcomes this review by the NSW Department of Planning & Environment, recognising both the vital role that retailing provides to our community and economy, but equally the highly dynamic retail sector. We strongly endorse the sentiment in the discussion paper that *“retailers have responded by increasing their speed to market, engaging their customers across the day and through multiple channels, and innovating their production, supply and distribution networks.”*

It is therefore important that the NSW planning system keeps pace with changes in technology and consumer behaviour and expectations.

The Discussion Paper offers much promise to provide the basis of a robust retail policy for NSW, that will facilitate the retail sector and support innovation and change. However, we have identified aspects of the discussion paper that require further consideration prior to adoption as part of a new retail policy.

2.0 Directions for Reform

We have identified two specific directions for reform that require further review relating to:

- Better local strategic planning of retail
- Creating adaptability and certainty for retail



These are discussed in detail as follows.

2.1 Local Strategic Planning to Guide Future Retail Directions

The Discussion Paper places a greater emphasis on strategic planning to determine the role and function of centres with a focus on place-based outcomes rather than prescribed outcomes. However, based on our extensive experience in dealing with most local Councils across NSW, we do not have the confidence that the approach advocated in the Discussion Paper will achieve timely and effective reform. Indeed, it has significant risk of failure, due to:

- The heavy reliance on Councils to be pro-active in approach and act in a timely fashion. Council processes are often very slow and costly;
- The need for Councils to be strategic and forward thinking (as opposed to generally preserving the status quo);
- The need to undertake timely and contemporary retail studies to inform policy direction.

In our opinion, a more 'top down' approach will be required to achieve real planning reform and support effective long term strategic planning. Such an approach would be more aligned to the recommendations of the REAC report which outlined the need for a more consistent State-wide approach to planning controls for retail development.

Summary & Recommendations

We recognise the intent of greater emphasis on strategic planning but strongly question the ability for effective strategic planning to be undertaken without significance guidance, direction and funding from the NSW State Government.

We Recommend:

- 1. Stronger State Government intervention consistent with the recommendations of the REAC report to drive reform.**
- 2. Prioritise the strategic planning work to facilitate change in a timely way; to keep pace with change and facilitate growth of retail services.**
- 3. Balance the local 'placed based' approach with the need to deliver consistency over many Local Government Areas while avoiding excessive complexity.**

2.2 Creating Adaptability and Certainty for Retail

The Discussion Paper recognises that greater emphasis on strategic planning for retail centres needs to be supported by a complementary and supportive planning control framework. There is some overdue recognition that the current Standard Instrument framework is complicated and burdensome, which should be the catalyst for change.



The key initiatives identified are:

- Broadening or standardising permissible uses in retail zones by creating more open and flexible zones and new land use definitions (which is separately addressed);
- Establishing the concept of 'innovation in retail', specifically designed to facilitate new retail formats that don't sit comfortably within the current control framework;
- A longer term more radical 're-think' of zoning controls, that could result in a consolidation and simplification of business zones with a greater emphasis on specific objectives for that particular centre.

In addition to the above, more immediate new land use definitions have been proposed and Woolworths has provided a submission in respect to this under separate cover.

Innovation in Retail

The "innovation in retail" approach is supported, recognising the need for greater flexibility and adaptability in our planning system to facilitate new retail ideas and formats. We agree that there should be the ability for a Council to have the discretion to assess and approve a use that may be 'undefined' but one which is aligned to the retail planning objectives of a particular location and without causing adverse environmental impacts. This approach provides the ability to apply discretion where the merits warrant it and this will avoid the need to undertake lengthy and costly LEP amendment processes.

An example of innovation in retail is the changing way that consumers purchase and receive goods. There is an increasing use of on-line shopping allowing for direct home delivery (via 'dark stores') or 'click and collect' which typically occur at retail centres. However, looking into the future, it is likely that more hybrid uses will emerge in response to customer needs. This could see warehousing evolving to combine ability for some retailing, allowing customers to purchase their goods in a variety of ways. The concept of an innovation in retail provision, would allow these hybrid models to be further explored with local authorities on a case by case basis to assess the nature of the use and the suitability for the site context.

Summary & Recommendations

We recognise and support the intent for greater flexibility in the NSW Planning System.

We Support the concept of an "innovation in retail" provision being included in all Local Environmental Plans via the Standard Instrument.

3.0 Conclusions

Thank you again for the opportunity to comment on the Discussion Paper concerning planning for the future of retail.

WOOLWORTHS GROUP



As a major stakeholder in the retail sector, Woolworths would welcome the opportunity to liaise with the NSW Department of Planning & Environment and contribute further to the preparation of a NSW Retail Strategy and implementation of other retail reforms.

Should you wish to discuss matters raised in this submission further, please contact Andrew Loveday on 0403 499 790.

Yours sincerely

Andrew Loveday
Head of Property Development