

18 May 2018

Our Ref: 17-147

Director
Employment Policy and Systems
Department of Planning and Environment
320 Pitt Street
Sydney NSW 2000

RE: PLANNING FOR THE FUTURE OF RETAIL - DISCUSSION PAPER

Thank you for the opportunity to comment on the Department of Planning and Environment's *Planning for the Future of Retail - Discussion Paper*. This submission has been prepared by City Plan Strategy and Development on behalf of ABAX Contracting, a Sydney-based company specialising in a range of services from civil contracting, to land acquisition and development.

We support the proposed amendments and reform directions for the proposed NSW Retail Strategy that will improve the planning framework for retail land uses. In particular, we support:

- A State-wide retail planning policy to create a standardised albeit flexible approach that allows diverse and innovative retail formats;
- The introduction of a separate definition to distinguish supermarkets from general retail premises, to more accurately reflect their particular circumstances; and
- The replacement of the current definition of 'bulky goods premises' with a new definition 'specialised retail premise' to reflect evolving large retail formats.

Australia is acknowledged as one of the two most concentrated food retail industries in the world, where two major chains account for around 80% of grocery sales. The Australian Productivity Commission released a report in 2011 titled *Economic Structure and Performance of the Australian Retail Industry*. This report "found that planning guidelines on where retailers can locate are extremely complicated, and often prescriptive and exclusionary. In effect, they make it difficult for some businesses to find suitable land and enter the market, and prevent the market from allocating land to its most valued uses."

From a planning perspective, it is acknowledged that appropriate controls are required to manage development, based on locational characteristics. However, planning controls should not limit competition. This should be determined by the needs of a local community and market conditions. For consumers, competition can encourage a greater selection of goods and services at a lower price. For businesses, competition can encourage innovation, leading to different ways goods and services can be delivered, an increased customer base and as a result higher profit margins.

It is our opinion that further amendments to the NSW planning system are required to encourage greater flexibility in the retail sector. This has been demonstrated in our recent experience on a site in Rouse Hill, where City Plan Strategy & Development is assisting ABAX Contracting to work with the Hills Shire Council to amend the *Hills Local Environmental Plan 2012*. We have prepared a Planning Proposal to allow bulky goods premises as an additional permitted use on a site within the 'B6 Enterprise Corridor' zone. This approach has been supported by Council and, following the issue of a Gateway Determination by the Department of Planning & Environment, the Planning Proposal is currently on public exhibition.

The need for this Planning Proposal demonstrates an unintended consequence of the current planning system. The built form outcome of the proposed development (which will ultimately include bulky goods retailing) will be identical to a proposed development currently being considered by Council which is permissible within the B6 zone.

Given the above, it is our view that a mechanism is required to provide flexibility for the retail sector to respond to changing economic and demographic conditions, without restrictive legislative requirements. The discussion paper proposes new "open zones" to provide greater flexibility and enable retail developments to be assessed on their merit. We support this approach, as it will allow the retail industry to efficiently respond to market conditions.

Any new Retail Policy should broaden the scope for accommodating larger retail formats, such as bulky goods, in the B5, B6 and B7 zones where appropriate locational criteria can be satisfied, such as the availability of suitable public transport and road infrastructure. This would provide Councils with strategic guidance to undertake merit based assessment of proposals as they arise.

In conclusion, it is evident that population growth, rising real disposable incomes, and innovation and change within the retail sector require businesses to rapidly adapt. We support the general principles and directions of the Discussions Paper as the first step in achieving the flexibility that is required to support innovation, promote economic activity, improve the cost of living and to create new employment opportunities.

Should you have any questions regarding this submission, please do not hesitate to me on (02) 8270 3500 or julietg@cityplan.com.au

Yours sincerely,



Juliet Grant
Executive Director