



planning consultants

18 May 2018
Our Ref: 8168A.13DK_Retail Submission

Director
Employment Policy and Systems
Department of Environment and Planning
GPO Box 39
SYDNEY NSW 2001

Dear Sir,

**Retail in NSW
Submission to Exhibition Material**

DFP Planning has been engaged by Bunnings Group Limited ("Bunnings") to review the following material that has been placed on public exhibition:

- Planning for the Future of Retail Discussion Paper, April 2018; and
- Proposed Amendments to the Standard Instrument LEP Better Planning for the NSW Retail Sector.

We have also considered the Retail Expert Advisory Committee Independent Recommendations Report, June 2017.

Upon review of these documents we generally support the strategic directions contained within the exhibited material and make the following submissions on behalf of Bunnings.

1.0 NSW Retail Strategy

1.1 Purpose of the Strategy

We note that both exhibited documents make reference to a future NSW Retail Strategy that will align with regional and district planning objectives and provide guidelines to assist local councils in the preparation of local strategic planning statements and to inform local retail strategies.

During the preparation of the NSW Retail Strategy, Bunnings supports the continued engagement with the Large Format Retail Association as being essential to ensure that the nuances of this retail sector are understood and considered.

We question whether the forthcoming NSW Retail Strategy should align with the regional and district planning objectives, but rather guide those strategic plans. We note that the District Plans do not contain any Actions in relation to the retail sector and it is therefore not clear how proposed NSW Retail Strategy can align with District Plans. In our opinion, the very specific and targeted nature of the work to date and a State wide retail strategy should be used as a guiding document for the Regional and District Plans (not the other way around). The NSW Retail Strategy can then be used to identify actions and directions for each Region and these



can then filter through to the District Plans. This approach is consistent with Sections 3.3 and 3.4 of the Environmental Planning and Assessment Act 1979 in relation to the preparation and content of regional and district plans.

1.2 Retail Sector Employment Contribution

The Discussion Paper notes (at page 9) that in 2017, the retail sector was the second largest employing industry in NSW. Based on this evidence we question why retail is not given more recognition as an employment generating land use.

In our experience the term 'employment and urban services lands' typically relates to industrial and certain types of business zoned land and this land is often seen as the preferred form of employment land to be protected. This position appears to be at odds with the evidence presented in this Discussion Paper, particularly with respect to the contribution the retail sector makes in terms of employment. This interpretation (and the weight afforded to the established view of what constitutes "employment lands") has sometimes imposed an obstacle on Planning Proposals for large format retail type uses.

When the NSW Retail Strategy is prepared Bunnings supports the recognition of the fact that retail is "A Critical economic sector for NSW" (*Discussion Paper, pages 9-10*) and is the second largest employment industry in the State, accordingly greater weight should be given to confirming that retail is, in fact, a legitimate employment land use to in turn inform regional, district and local plans.

2.0 Local Retail Strategies

The Retail Expert Advisory Committee Independent Recommendations Report was informed by advice from MacroPlan Dimasi. One of the key issues in their advice was that "*bulky goods and large format retailing has been unnecessarily constrained.....*" In our experience this has, in part, been due to unnecessarily restrictive zonings and complications arising due to local strategies not being up to date. Not only does this result in unnecessary and lengthy delays in planning processes, it also delays the employment benefits that the provision of new retail development can deliver in local economies, particularly in regional locations.

We therefore support the need for councils to either prepare or update their local retail strategies, and when doing so, respond to trends in the retail industry including large format retail. Councils should be given direction to genuinely consider where large format retail should be located in their local strategies and consider the established trend for large format retail to be located in 'out of centre' locations where land is typically not fragmented and large land holdings are more readily available and road infrastructure better suited for their traffic and servicing needs.

We therefore support the Department's intention to provide guidance to support councils in planning for retail, and this guidance should include consideration of large format retail facilities given the significant contribution this form of retail development makes to the retail sector, as noted in the Discussion Paper.

3.0 Zoning and land use definitions

We note that the definition of '*hardware and building supplies*' is not proposed to be amended. We are aware that this definition was inserted in the Standard Instrument LEP in February 2011 and in Bunnings' experience the current definition has been operating satisfactorily.

The Discussion Paper contemplates a new definition for bulky goods retail as "specialised retail premises", and a new zoning framework, consideration of 'open zones' (rather than 'closed



zones') to provide greater flexibility for changing and emerging land uses and further amendment of definitions to reflect contemporary retail practices.

We support the consideration of these approaches to land use planning as a means of providing flexibility that appears to be increasingly required to respond to the rapid changes which occur in the retail sector. The open zone approach is a useful means to achieve flexibility to enable planning instruments to be adaptable and compete with on-line retail which is known to be having an impact on the traditional retail sector. This will become increasingly important in regional locations where changes in retail employment has a greater impact to local economies and the vitality of towns.

As noted in the Discussion Paper, development control plans can be used as a planning tool to also strike a balance between the need to provide flexibility to plan for the rapidly changing retail sector and the need to provide for the vitality of established centres. The framework to accommodate this approach (i.e. open zoning and DCPs) exists, but guidance from the Department would be necessary to encourage and support councils to achieve better flexibility.

We also note that with the introduction of the District Plans, the draft Centres Policy referenced in the previous subregional plans has been removed. The draft Centres Policy contained a net community benefit test that was a useful planning tool to assist in the merit assessment of retail proposals. The re-introduction of a Centres Policy/net community benefit test in our opinion would be a useful tool that can be applied consistently across NSW to supplement the open zone approach.

On behalf of Bunnings we support the Discussion Paper and the proposed amendments to the Standard Instrument LEP and thank you for the opportunity to comment on the proposed amendments

Yours faithfully

DFP PLANNING PTY LTD

A handwritten signature in black ink, appearing to read 'D. Kettle', written over a horizontal line.

**DAVID KETTLE
DIRECTOR**

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Reviewed: _____

A handwritten signature in black ink, appearing to read 'E. R. St', written over a horizontal line.