



Australian
Retailers
Association

Ms Carolyn McNally
Secretary
NSW Department of Planning and Environment

ARA Position Regarding Proposed Amendments to Retail Land Use Definitions May 2018

About the ARA:

The Australian Retailers Association (ARA) is the retail industry's peak representative body representing Australia's \$310 billion sector, which employs more than 1.2 million people. The ARA works to ensure retail success by informing, protecting, advocating, educating and saving money for its 2,300 independent and national retail members in New South Wales (NSW), covering nearly 20,000 shopfronts. The ARA ensures the long-term viability and position of the retail sector as a leading contributor to the NSW and Australian economy.

Members of the ARA include Australia's most trusted retailers, from the country's largest department stores and supermarkets, to specialty retail, electronics, food and convenience chains, to mum-and-dad operators.

Executive Summary:

This submission has been prepared by the Australian Retailers Association (ARA) in response to the NSW Department of Planning's proposed amendments to the '*Standard Instrument Local Environmental Plan*' (Standard Instrument LEP).

The ARA is the largest association in Australia, representing the \$310 billion-dollar retail sector. It provides industry advocacy, training and support to its members, many of which comprise Large Format Retailers.

The ARA is a strong supporter of the Large Format Retail Association (LFRA) and in line with its submission, **the proposed introduction of '*Specialised Retail Premises*'**,



'Artisan Premises', 'Garden Centre', 'Local Distribution Premises' and 'Neighbourhood Supermarket' is welcomed by the ARA.

The proposed amendments recognise that the retail sector is evolving and will provide clarity, consistency and certainty for Local Government and retailers, which is much needed in the NSW planning system. The ARA and LFRA **fully support the proposed amendments** and believe that they **should be enacted without delay**.

This submission demonstrates the ARA's experience in relation to the challenges that many large format retailers have faced in developing sites in metropolitan Sydney and NSW more generally, due to the existing land use definitions and zoning controls within the NSW Planning System.

1: Background and Industry Challenges:

The large format retail sector within NSW is a significant provider of employment and floor space demand. Specifically, it:

- provides 6.6 million square metres of retail floorspace and 142,000 full-time equivalent direct and indirect jobs; and
- accounts for approximately 40% of all retail floorspace demand within the Sydney Metropolitan Area¹; and
- has experienced a 3% per annum growth since 1992, which is the highest growth rate of all retailer types¹.


Importantly, floorspace demand within the sector is set to increase, with an additional 2.74 million square metres of large format retail floorspace required to cater for demand by 2025.

Whilst the large format retail sector is only one component of the retail industry, until the Retail Expert Advisory Committee issued its *'Independent Recommendations Report'* in November 2017, previous policy and government guidance failed to recognise the significance of the sector and its requirements.

The large format retail sector continues to grow, yet is facing significant challenges which lead directly from the existing planning legislation and zoning controls within

¹ Sydney Retail Demand and Supply Consultancy 2016, *'Stage 1 Report, prepared by Deep End Services'*.





NSW. The existing regulations stifle investment in this sector, limiting the ability of large format retailers to grow and evolve their business models to provide greater consumer choice and experiential benefits.

2: Support for Proposed Amendments:

2.1: Support for the proposed 'Specialised Retail Premises' definition:

The proposed replacement of the *'Bulky Goods Premises'* definition by the *'Specialised Retail Premises'* definition will provide greater clarity. Detailing of the range of products that are able to be sold will contribute to the resolution of some of the challenges that the large format retail sector is currently facing.

The ARA notes that the gazettal of the *'Specialised Retail Premises'* definitions will assist the large format retail sector in terms of providing clarity, consistency and certainty in respect of the goods that can be sold and services provided. Despite this, it will not in itself increase the supply of land on which large format retailing can occur. A separate submission in response to the Discussion Paper *'Planning for the Future of Retail'* has been submitted concurrently to address this issue.

2.2: Support for the proposed 'Artisan Premises' definition:


The ARA agrees with the LFRA's support for the inclusion of artisan premises in light industrial areas. We acknowledge that the Department of Planning and Environment (DP&E) have recognised these new forms of retail and the vitality, opportunities, and benefits they can provide to local communities.


2.3: Support for the proposed 'Garden Centre' definition:

The ARA supports the changes to the definition of garden centres and notes that it will provide certainty for the industry and Local Government Authorities in terms of the types of products and services they offer.

2.4: Support for the proposed 'Neighbourhood Supermarket' definition:

The ARA agrees with the LFRA in support of the creation of a definition for neighbourhood supermarkets and its inclusion in the B1 neighbourhood centre zone. This will increase the supply of local supermarkets, as recognised in the Independent





Retail Expert Advisory Committee (REAC) report. Further, as the LFRA notes, the Victorian experience has demonstrated that the integration of neighbourhood supermarkets within large format retail centres has been successful and without undue impacts on traditional shopping centres.

Conclusion:

The ARA supports the proposed amendments to the Standard Instrument LEP in relation to the proposed retail land use definitions. These amendments will provide greater clarity, consistency and certainty to the large format retail sector in NSW. The economic, employment and community benefits which will flow from the amendments are significant. The ARA supports the LFRA's position on these amendments, which should be enacted without further delay.

We are grateful for the opportunity to respond to the Department of Planning and Environment regarding the proposed amendments. We look forward to any potential future opportunities to work with the Department in the ongoing refinement of the definitions. We would be pleased to discuss our submission further, at your earliest convenience.

Please contact ARA Director of Policy, Government and Corporate Relations, Heath Michael at heath.michael@retail.org.au for further comment.

Kind regards,



Heath Michael

Director of Policy, Government & Corporate Relations

Australian Retailers Association

