

29 June 2021

Director Employment Zones
NSW Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta
NSW 2124

Attention: Aoife Wynter

Dear Ms Wynter

SUBMISSION ON EMPLOYMENT ZONE REFORMS

Amart Furniture would like to thank the Department of Planning, Industry and Environment (“the Department”) for this opportunity to make a submission on the proposed Employment Zone reforms. Amart Furniture is an Australian retailer of indoor and outdoor furniture, homewares, and bedding with 69 locations across Australia. With 17 stores in NSW and plans for future expansion of the network in the State, Amart Furniture has a particular interest in this planning reform process.

Amart Furniture is proud to be part of the large format retail industry sector that operates in NSW – a sector which generated \$30.5 Billion dollars in sales in the past year while directly employing 60,196 people¹. As one of the largest occupiers of space in the sector, Amart Furniture currently operates under the land use definition of “Specialised Retail Premises.”

Fewer and Broader zones

The position paper released by the Department proposes the creation of fewer but broader employment zones. We support the principle of fewer zones and the creation of a singular edge/out of centre zone to be known as the E3 Productivity Support zone, in which Specialised Retail Premises will be a mandated permissible use. We note that this addresses the amendments sought by the Large Format Retail Association (LFRA) in its position document “Competition + Investment = Jobs” in 2015 and will result in an increase in the total area of land in which Specialised Retail Premises will be permissible.

The lack of suitably zoned land for Specialised Retail Premises has historically been of concern to both Amart Furniture and other large format retailers. In Amart Furniture’s case we, to be able to display our broad range, typically operate showrooms of between 3,000 m² and 4,000 m² supported by warehouses of 800 m² to 1,200 m². Unfortunately, the scarcity of appropriately sized and zoned land for Large Format Retail uses compared with other states and territories has meant that

¹ Large Format Retail Association – Submission – NSW Building Business Back Better – 9 May 2021

opportunities to locate a full range store either do not exist or are cost prohibitive to secure. We have even been working on a significantly smaller format to allow us to open additional stores in NSW but the issue with that is customers will miss out on the range we can make available elsewhere.

Zoning reform which seeks to increase the number of viable sites and the amount the land on which large format retail uses can operate, will result in greater economies of scale, the benefits of which can be passed on to consumers.

We understand that local Councils will work with the Department to transform their existing zones into the new employment zones. Whilst we understand that the Department will offer guidance to Councils on this process, it is imperative in our view that the Department ensures that there is real and substantial growth in the amount of E3 zoned land available within those local government areas that are currently under supplied with appropriately zoned B5 Business Development land.

For large format retailers such as Amart Furniture, the creation of fewer and broader employment zones will only be judged as a success if there is a significant increase in the amount of land that is zoned for large format retailing purposes to enable the sector to meet the demands of consumers well into the future. We ask that the Department is vigilant in ensuring this outcome.

Definition of Home Improvement Retail Premise

Through these reforms, the Department is also seeking feedback on the creation of a new land use definition entitled “Home Improvement Retail Premises”. Whilst the Department has not set out a draft of this definition in its position paper, we note it suggested that the new definition will be composite of the following existing definitions:

***hardware and building supplies** means a building or place the principal purpose of which is the sale or hire of goods or materials, such as household fixtures, timber, tools, paint, wallpaper, plumbing supplies and the like, that are used in the construction and maintenance of buildings and adjacent outdoor areas*

***garden centre** means a building or place the principal purpose of which is the retail sale of plants and landscaping and gardening supplies and equipment. It may include a restaurant or cafe and the sale of any of the following—*

- (a) outdoor furniture and furnishings, barbecues, shading and awnings, pools, spas and associated supplies, and items associated with the construction and maintenance of outdoor areas,*
- (b) pets and pet supplies,*
- (c) fresh produce.*

In our opinion, the combining of these two existing definitions to create a new definition of “Home Improvement Retail Premises” will do little to advance growth in large format retailing. Specifically, the new definition may confuse the public and retailers in their understanding of what Home Improvement Retailing involves.

As previously noted above, Amart Furniture stores are concerned with the sale of furniture, homewares and bedding, with these stores being legitimately understood by the public as being for 'home improvement'. However, Amart Furniture retail stores would not, under these reforms, be characterised as "Home Improvement Retail". This is because the primary purposes of our stores are not to sell hardware and building supplies or plants and gardening supplies as provided by these land use definitions. As previously stated, Amart Furniture stores would be defined as being Specialised Retail Premises.

There is, in our view, a disconnect between what the common understanding of what 'home improvements' is (and what products are sold accordingly) and the narrow definition which the Department is suggesting.

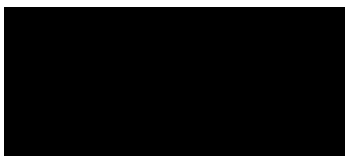
As such, we do not see any benefit in the creation of a new definition of "Home Improvement Retail Premises". The Department is encouraged to revisit and consider a broader definition of "Home Improvement Retail Premises" that would better encompass the type of goods that are commonly thought of and sold to the public as home improvement retail.

Conclusion

Amart Furniture is encouraged that the Department is proposing the creation of fewer and broader employment zones and in particular, mandating that Specialised Retail Premises will be a permissible use in a large singular edge/out of centre employment zone. The success of these new zones will not be in their creation but in their implementation by Councils and the Department. Given the size of the Large Format Retail sector and its contribution to the NSW economy, the Department should ensure that there is a significant increase in viable land that is zoned for Specialised Retail Premises before the SEPPs are exhibited in early 2022.

We thank you for the opportunity to make this submission and look forward to ongoing engagement with the Government to ensure that the growth of this sector continues for the benefit of the people of NSW.

Yours sincerely,



Richard Champion

General Manager - Property