

30 June 2021

Director  
Planning Reform  
NSW Department of Planning, Industry and Environment  
[employment.zones@planning.nsw.gov.au](mailto:employment.zones@planning.nsw.gov.au)

**Proposed Employment Zones Framework, Position Paper and Draft Standard Instrument  
NSW Department of Planning, Industry and Environment  
Submission in Response**

This submission has been prepared by SPG Investments (**SPG**) in response to the Proposed Employment Zones Framework, Position Paper and Draft Standard Instrument (Local Environmental Plans) Amendment (Land Use Zones) Order 2021 as prepared by the NSW Department of Planning, Industry and Environment issued for public consultation in May 2021.

By way of background, SPG is a private Australian company that develops; owns and operates a portfolio of commercial property across Australia and New Zealand.

SPG has a total of 55 properties across Australia and New Zealand which are predominantly retail and homemaker centres but also includes commercial office, hotels, lifestyle and convenience services. In New South Wales, SPG has 12 properties which include operating homemaker centres accommodating a range of national large format retail tenants.

SPG acquired a portfolio of nineteen land parcels which were part of the sale of the Masters Home Improvement business to Home Consortium in October 2017. Five of these sites are in NSW representing a total land area of more than 180,000 square metres. Sites in Padstow, Sydney and Bennetts Green, Newcastle have been developed as large format retail centres including Bunnings. These two development projects were completed in 2021 representing a total investment value of \$165 Million. SPG plans to develop the other sites predominantly for use by large format retail tenants representing an investment of approximately \$500 Million over the next 5 years. As such we have a significant and ongoing interest in the NSW planning system that regulates this sector

SPG has reviewed the Proposed Employment Zones Framework, Position Paper and Draft Standard Instrument. We are supportive of the proposal to reform employment zones and the introduction of the E3 Productivity Support Zone as the primary location for "specialised retail premises" subject to revision of the objectives to the E3 zone as explained below.

We provide our response to each of the key issues in the Proposed Employment Zones Framework and Draft Standard Instrument as follows:

1. We support the new planning framework to create a reduced number of broader "employment zones". However, it is important to have a clear strategic intent for each of those zones and clear position on the retail uses within those zones.
2. We support the creation of the E3 Productivity Support Zone as the principal zone where "specialised retail premises" is encouraged to locate and that "specialised retail premises" is a mandated permissible use in the E3 zone. The general consolidation of the existing B5, B6 and B7 zones into this new E3 zone will facilitate a substantial increase in available land and floor space for development in large format retail sector in NSW. This increase in opportunity will enable us to deliver on our planned investment in capital works and generate significant employment.

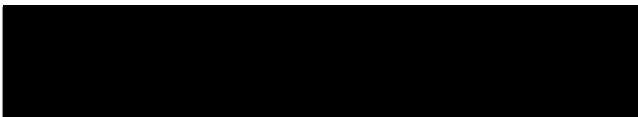
3. It is important that the State Government takes the lead in relation to ensuring a consistent and correct approach in implementing the new zones across the State. We encourage the State Government to avoid inconsistencies arising from amendments to the Standard Instrument by Councils in amending their Local Environment Plans (LEP's).
4. We are concerned that the objectives contained in the draft Standard Instrument Zone E3 are poorly drafted and require further consideration and amendment -
  - a. In Section 1 the third dot point reads – “To provide for land uses that are compatible with, but do compete with, land uses in surrounding local and commercial centres.” This statement contains ‘anti-competitive’ sentiment and appears at odds with the intention of the planning framework to create opportunities for employment generation and economic sustainability. It should go without saying that the zone should provide opportunities for land uses that are compatible with the objectives of the zone. We believe this objective is anti-competitive and serves no purpose in clarifying the objectives of the E3 zone and as such we believe it should be deleted outright.
  - b. In Section 1 the final dot point reads – “To enable limited retail uses to meet the day to day needs of workers or to sell goods of a large size weight or quantity or goods manufactured on site”. This statement is drafted in an overtly negative tone that seeks to limit retail rather than encourage it. It also contains language that appears to be taken from the redundant land use definition of ‘bulky goods premises’ which in turn reinforces the sentiment of seeking to categorise retail for the purpose of imposing restrictions. The combined effect of these issues makes the objective confusing and unhelpful in defining the objectives of the zone. It is our understanding that the E3 zone is intended to be the principal zone where “specialised retail premises’ is encouraged to locate and hence there must be a clear objective to provide clarity to achieve that outcome. In summary we believe the objective as currently drafted should be deleted and replaced with words to the effect of – “To provide for retail uses including specialised retail premises; building and hardware supplies; neighbourhood shops and food and beverage uses.”
5. In relation to land-use definitions:
  - a. We support the schedule of updated and new definitions as exhibited on the basis they provide a logical update to the standard instrument to reflect modern trends and the common understanding of land-uses in 2021.
  - b. In relation to the potential consolidation of definitions – (home improvement retail premises; trades retail premises; storage and distribution premises; self-storage units), we can see merit in the proposal as it has been exhibited but understand that only comment and feedback is being sought at this time. In our view there should only be a change to land-use terms and/or group terms where there is a need to change arising from either inconsistency, redundancy or lack of clarity in the existing definitions. In our view there does not appear to be any of these issues currently in play that would trigger the need for change. In order for SPG to form a clear view as to whether benefits can be derived from this proposal, we would require more information to be published in relation to the actual definitions that would replace or consolidate the existing definitions in operation. We would welcome the opportunity to make submissions on this issue in the future following this exhibition process.



In conclusion, SPG has been concerned with the planning system in NSW as it relates to the large format retail sector and in the past few years this led to us to prioritise development in other States where the planning system is clearer and provides more certainty and less risk. The introduction of the "specialised retail premises" definition in 2018 was a very positive step forward for NSW and the proposed Employment Zones Framework substantially builds on those reforms. The net result once implemented will be a Planning Framework with greater clarity that is more conducive to investment.

We thank you for the opportunity to provide a submission and welcome the opportunities to provide our views on future planning reform issues.

Yours sincerely,



**Avi Gilboa**  
**Director**  
**SPG Investments Pty Ltd**