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Director
Planning Reform
NSW Department of Planning, Industry and Environment
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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 Spotlight 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, Spotlight is one of the leading large format retailers in Australia with more than 139 stores currently operating across the country. Spotlight is also a founding and active board member of the Large Format Retailers Association (LFRA) that includes representatives from all leading large format retail organisations.

In New South Wales, Spotlight has thirty-six operating outlets, twenty-five of which are located in Homemaker Centres and are approved under the 'specialise retail premises' definition. The remaining nine outlets are located on properties which date back to Spotlights origins in strip centre or main street locations when the business commenced operations in New South Wales in the late 1980's. These remaining stores are all planned for upgrade; expansion and relocation into Homemaker Centres in the next 5 years. We also plan to open new showrooms in areas identified within our strategic plan in metropolitan and regional locations across NSW.

Spotlight has reviewed the Proposed Employment Zones Framework. We are generally supportive of the proposal to reform employment zones and the introduction of the E3 Productivity Support Zone as the primary location for "specialized retail premises" subject to revision of the objectives to the E3 zone as explained below.

We provide our response to the proposal below:

1. We support the new framework of zones to create a reduced number of broader "employment zones". Each zone should have a clear strategic intent and clear position on the retail uses within the zones.
2. We support the creation of the E3 Productivity Support Zone as the primary zone where "specialised retail premises" are encouraged to locate. Specialised retail premises must be mandated as a permissible use in the E3 zone. The consolidation of the existing B5, B6 and B7 zones into the new E3 zone will facilitate a substantial increase in sites available for the Spotlight store network to expand in NSW. This increase will enable us to deliver on our planned store network expansion and investment in capital works and ongoing retail employment.
3. The State Government should take the lead in ensuring a consistent and correct approach in implementing the new zones into LEP's across the State.

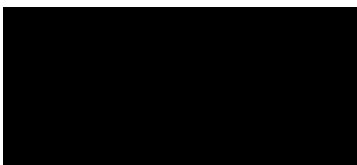
4. The drafting of the objectives in the proposed E3 zone needs revision so it doesn't adversely affect expansion of our store network:
 - a. Third dot point reads – "To provide for land uses that are compatible with, but do compete with, land uses in surrounding local and commercial centres." This statement contains 'anti-competitive' sentiment and is inconsistent with objectives to support employment generation and economic sustainability. This objective does not help clarify the objectives of the E3 zone and we believe it should be deleted outright.
 - b. 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 overly negative and seeks to restrict retail rather than encourage it. It also rehashes part of the redundant land use definition of 'bulky goods premises' which reinforces the sentiment seeking to restrict retail. As a result, the objective reads as confusing and unhelpful in defining the objectives of the zone. If the E3 zone is intended to be the principal zone where "specialised retail premises" is encouraged to locate there must be a clear objective in the zone to direct that outcome. We believe the objective as 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 we have reviewed the potential consolidation of existing land-use definitions and understand the Department is seeking feedback on a range of issues. Of the four definitions highlighted in the exhibition draft, Spotlight is most interested in the potential definition of 'Home improvement Retail Premises'. Spotlight provides a large range of merchandise that would broadly be captured under the common meaning of the term "home improvement. These products include window furnishings; curtains and blinds; floor coverings; furniture and home furnishings. The proposal to introduce a new group term and/or new definitions to cover this sector is an interesting proposal but in order for us to form a clear view on the matter we would need more information to understand how this would operate in conjunction with the current definition of 'specialised retail premises'. We would be most interested in participating in any further consultation relating to this issue.

In conclusion, Spotlight has been affected by the planning system in NSW and this led to us prioritising store development in other States where the planning system was more supportive and predictable for the large format retail sector. The introduction of the "specialised retail premises" definition in 2018 was a very positive forward step for NSW and the proposed employment zone framework builds on those reforms.

In summary, Spotlight supports the proposed employment zones and in particular the introduction of the E3 Productivity Support Zone as the primary location for "specialized retail premises" in which it must be a mandated permissible use.

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,



Quentin Gracani
CEO Spotlight Retail Group