Submission to Draft State Planning Policies for South Australia

SUBMISSION FROM THE
Large Format Retail Association (LFRA)

21st September 2018
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1.0 Introduction

The Large Format Retail Association (LFRA) welcomes the opportunity to make a submission on ‘Consultation: Draft State Planning Policies for South Australia’ published for public comment until 21st September 2018. The LFRA is striving for a planning and zoning regime across Australia that provides the Large Format Retail industry with clarity, consistency and certainty.

The State Planning Commission recognises that South Australia is undergoing an economic transition, as the manufacturing sector has decreased as the predominant employment provider and key economic driver. These draft policies have addressed this restructuring; and thus, employment and economic development have been incorporated as major focuses.

The LFRA commends the State’s acknowledgement of the increasingly diversification of retail and, as a result, its aim to foster competition through the provision of sufficient land supply to all formats (that are accessible to communities). The policies seek to ensure industries can grow, develop and diversify with flexibility. This will encourage improvement to the liveability, sustainability and prosperity of South Australia.

The LFRA welcomes the State Government’s next round of planning reform, and the opportunities it presents and achieve greater clarity, consistency and certainty in the South Australian planning system.

This submission provides an overview of the Large Format Retail industry and its planning requirements, recent challenges and key reform recommendations.
2.0 The Large Format Retail Association (LFRA)

The LFRA is Australia’s peak body representing the interests of its membership base, being Large Format Retailers, investors, owners, developers and service suppliers. Its vision is to encourage, develop and foster awareness of the Large Format Retail industry in Australia.

Retail members of the LFRA include some of Australia’s largest and most respected Large Format Retailers including the 56 individual business brands listed in the following table:

<table>
<thead>
<tr>
<th>Large Format Retail Association (LFRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The LFRA is Australia’s peak body representing the interests of its membership base, being Large Format Retailers, investors, owners, developers and service suppliers. Its vision is to encourage, develop and foster awareness of the Large Format Retail industry in Australia.</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Large Format Retail Association (LFRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS Automotive Service Centres</td>
</tr>
<tr>
<td>Adairs</td>
</tr>
<tr>
<td>Adairs Kids</td>
</tr>
<tr>
<td>Amart Furniture</td>
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<tr>
<td>Anaconda</td>
</tr>
<tr>
<td>Anumates</td>
</tr>
<tr>
<td>Autopro</td>
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<tr>
<td>Autobarn</td>
</tr>
<tr>
<td>Baby Bunting</td>
</tr>
<tr>
<td>Barbeques Galore</td>
</tr>
<tr>
<td>Bay Leather Republic</td>
</tr>
<tr>
<td>BCF</td>
</tr>
<tr>
<td>Beacon Lighting</td>
</tr>
<tr>
<td>Beaumont Tiles</td>
</tr>
<tr>
<td>Bedshed</td>
</tr>
<tr>
<td>Bunnings</td>
</tr>
<tr>
<td>Chemist Warehouse</td>
</tr>
<tr>
<td>City Farmers</td>
</tr>
<tr>
<td>Costco</td>
</tr>
</tbody>
</table>

The LFRA is supported by its Patron, PwC, and the following 69 Associate members that comprise of Large Format Retail developers, investors, owners and service suppliers:

<table>
<thead>
<tr>
<th>Large Format Retail Association (LFRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTON Commercial</td>
</tr>
<tr>
<td>Acure Asset Management</td>
</tr>
<tr>
<td>ADCO Constructions</td>
</tr>
<tr>
<td>Aeris Environmental</td>
</tr>
<tr>
<td>Aigle Royal Properties</td>
</tr>
<tr>
<td>ALTIS Property Partners</td>
</tr>
<tr>
<td>Arise Developments</td>
</tr>
<tr>
<td>Arkadia</td>
</tr>
<tr>
<td>Aventus</td>
</tr>
<tr>
<td>AXIMA Logistics</td>
</tr>
<tr>
<td>AXIOM Properties Limited</td>
</tr>
<tr>
<td>Baker McKenzie</td>
</tr>
<tr>
<td>Blackmont</td>
</tr>
<tr>
<td>Blueprint</td>
</tr>
<tr>
<td>BNE Property</td>
</tr>
<tr>
<td>Buchani</td>
</tr>
<tr>
<td>Burgess Rawson</td>
</tr>
<tr>
<td>BW Property</td>
</tr>
<tr>
<td>CarbonetX</td>
</tr>
<tr>
<td>CBRE</td>
</tr>
<tr>
<td>Colliers International</td>
</tr>
<tr>
<td>Complete Colour</td>
</tr>
<tr>
<td>Cornwall Stodart</td>
</tr>
</tbody>
</table>
The LFRA is committed to supporting continued appropriate business expansion based on the current and projected economic growth in both population and new home ownership throughout Australia.

Our members provide the essential ‘homemaker’ goods and services to support this growth and are arguably the most affected by planning regulations that govern this market sector.

The LFRA is a key stakeholder in the planning and zoning laws that affects this sector of the retail industry and is actively involved across Australia in reviews of planning policy and planning regulations; proactively engaging with planning authorities across the nation to promote and achieve greater **clarity**, **consistency** and **certainty** within and across all planning frameworks.
3.0 Economic Overview

In the past year, the Large Format Retail sector generated more than $68.2 billion in sales or more than $1 out of every $5 in retail transactions in the country. The sector occupies around 30% of all retail floor space.

In South Australia alone, Deep End Services estimated Large Format Retail businesses generated total estimated sales of $4.23 billion for the 12 months ending June 2016. These sales represent 21.8% of total retail sales within the state in the same period (please refer to ‘Appendix 1’ for the full report).

It is estimated that the Large Format Retail sector, both directly and indirectly, currently generates more than 437,500 (FTE) jobs in Australia, and of this figure, approximately 27,200 of these positions are in South Australia.

The Large Format Retail market has, in recent times, been the fastest growing sector in the retail market. This can be attributed to a variety of reasons including:

▪ The increase in demand for ‘do-it-yourself’ home improvement products;
▪ The home renovation market;
▪ The technology revolution has provided a substantial increase in new consumer products and the obsolescence of traditional household goods;
▪ Shopping has evolved into a leisure and lifestyle experience for many Australian families, particularly in relation to household goods expenditure;
▪ Increased supply of Large Format/homemaker retail facilities and the provision of choice, convenience and competition provided by this increase in supply; and
▪ The emergence of the green market due to climate change.

The market for Large Format/homemaker retail products is estimated to continue its current growth particularly in response to the planned increase in population and number of new households planned for Australian capital cities up to 2030 and beyond.

The LFRA is committed to continue business expansion in Australia based on the current and projected economic growth. Our members provide the essential ‘homemaker’ goods and services to support this growth.

Improvements to the South Australian planning system are required to create more certainty for Large Format Retailers, developers, owners, investors, agent and service providers, and ensure more suitably located and zoned land is made available for Large Format Retail uses, encouraging increased investment and jobs in this sector. It is important that the Large Format Retail sector is supported through appropriate planning frameworks so that it can continue to make a significant contribution to the South Australian retail economy.
4.0 Structural Shift in Retail

There is an undeniable structural shift in the retail market. Many influences impacting on the market are entwined. These include online sales, technological advances, price harmonisation, and the diminished number of departments within department stores. Retail needs to be nimble and adaptive; planning and zoning laws need to provide for the flexibility to allow retailers to meet current and future challenges.

In order to compete, most of the Australian Large Format Retail market is in urgent need of the appropriate freeing up and harmonisation of planning and zoning laws that impact our market. This perspective is supported by the following reports/reviews:

- Productivity Commission’s 2017 ‘Shifting the Dial: 5 Year Productivity Review’;
- ‘Cutting Red Tape’ regulatory reform agenda being undertaken by the Federal Government;
- Productivity Commission’s 2011 inquiry into the ‘Economic Structure and Performance of the Australian Retail Industry’;
- Productivity Commission’s 2007 review into the ‘Market for Retail Tenancy Leases in Australia’; and
- ACCC’s 2008 ‘Inquiry into the Competitiveness of Retail Prices for Standard Groceries’

Particularly of note is ‘section 8.4’ in the Productivity Commission’s report on the ‘Economic Structure and Performance of the Australian Retail Industry’ which we wish to draw to your attention:

“…Prescriptive Local Planning Restrictions on Retailers
To meet evolving product market requirements, store formats must also be allowed to adapt. Restrictions on store formats impact on a retailer’s ability to adapt to new competition and changing consumer preferences within the market.

The Commission’s recent benchmarking report identifies that even where businesses are allowed to operate in a particular locality — because their business model is consistent with the overarching activity centre policy or zone description — they then face a raft of local planning restrictions. This regulatory overlap arises because the legal framework for zones is at the state and territory level, but the detailed specification of zones is at the local level."
It is recognised that at times restrictions on competition may be required to achieve the objectives of the planning system, such as public amenity or equitable access to facilities and services. This is because commercial businesses are usually focused on the private costs and benefits of a development or planning proposal and may not necessarily consider the public environmental, social or economic costs and benefits associated with their decisions. Consistent with this rationale for government intervention, Stockland suggests:

… local governments should focus on those issues with external impact (either on the community or sites) such as traffic, servicing, noise, overshadowing where such issues impact public space or adjoining site amenity. (sub. DR203, p. 3)

Nonetheless, there are large numbers of prescriptive requirements which can be found in approved council plans in some or all jurisdictions which appear to unjustifiably or needlessly restrict competition, including:

- restrictions on business type (defined retail categories) allowed in particular zones in some council plans in New South Wales, Victoria and Western Australia
- site-specific restrictions on type and size of businesses allowed
- restrictions on business numbers (maximum) for different activities
- restrictions on business size via use of floor space minimums and/or caps in all states and territories, but particularly in the ACT and some councils in Victoria and South Australia
- restrictions on business location (zones for individual retailer types)
- restrictions on business mix (floor space ratios)
- detailed specifications on aspects such as the internal fit-out of developments, landscaping, advertising signage, and the minimum provision of vehicle and bicycle parking (PC 2011b).

Many of these local restrictions limit business expansion opportunities and capacity to compete. At worst, they may even discourage or prevent some businesses from entering the market in the first place. For example, restricting competition by placing limits on the number of a type of business that can establish in a particular geographic area or activity centre can have a number of adverse consequences. Protected from localised competitive pressure, incumbent businesses have greater incentive and more opportunity to charge higher prices and/or offer a lower quality…”

The full report ‘Economic Structure and Performance of the Australian Retail Industry’ can be accessed via the following link:
5.0 Current Land Use Definition

In 2010, the South Australian Government introduced a new model land use definition for ‘Bulky Goods Outlet or Retail Showroom’ and ‘Service Trade Premises’ within ‘Schedule 1’ of the ‘Development Regulations 2008’.

Below was the displayed later enacted definition for a bulky goods outlet.

“...Bulky goods outlet or retail showroom means premises used primarily for the sale, rental, display or offer by retail of goods, other than foodstuffs, clothing, footwear or personal effects goods, unless the sale, rental, display or offer by retail of the foodstuffs, clothing, footwear or personal effects goods is incidental to the sale, rental, display or offer by retail of other goods.

Examples— The following are examples of goods that may be available or on display at bulky goods outlets or retail showrooms:

a) automotive parts and accessories;

b) furniture;

c) floor coverings;

d) window coverings;

e) appliances or electronic equipment;

f) home entertainment goods;

g) lighting and electric light fittings;

h) curtains and fabric;

i) bedding and manchester;

j) party supplies;

k) animal and pet supplies;

l) camping and outdoor recreation supplies;

m) hardware;

n) garden plants (primarily in an indoor setting);

o) office equipment and stationery supplies;

p) baby equipment and accessories;

q) sporting, fitness and recreational equipment and accessories;

r) homewares;

s) children’s play equipment...”
Overall, the LFRA is supportive of the South Australian definition. It recognises the purpose of bulky goods outlets and the diversity of the Large Format Retail sector. It is also consistent with other states’ definitions, providing the sector clarity, consistency, and certainty throughout Australia. A table comparing the South Australian definition with the New South Wales definition can be found in ‘Appendix 2’.

The LFRA would also like to draw attention to page two (2) of the Department’s recent ‘What We Have Heard Summary - Future Land Use Definitions and Classes’. It states that bulky goods outlets are “...becoming less specialized...”. This can be read in full in ‘Appendix 3’. However, this is incorrect.

The above statement does not accurately reflect the reality of contemporary Large Format Retail outlets since they are increasingly becoming more specialised, in order to better provide goods to meet the ever-changing consumer needs and demands. This aspect of Large Format Retailers is echoed in New South Wales, where, last month their Government not only introduced a contemporary fit for purpose definition they even changed the name of the definition from ‘Bulky Goods Premises’ to ‘Specialised Retail Premises’ last month (Refer to ‘Appendix 2’). This change of name supports our position.

Large Format Retailers are referred to by some as ‘category killers’ i.e. they often have a broad and deep range of products within the categories that they specialise in.
6.0  Response to the Draft State Planning Policies of South Australia

6.1 State Planning Policy 9: Employment Lands

Overall, the LFRA commends draft ‘State Policy 9: Employment Lands’, which recognises and attempts to address the evolving dynamic of business and community needs.

In response, the position of the LFRA is as follows:

- The LFRA is supportive of policy 9.4 to promote new, latent and alternative employment by enabling a diverse range of flexible land use opportunities.
- The LFRA is supportive of policy 9.6 to allow for competition within the retail sector by providing an appropriate supply of land for all retail formats in areas that are accessible to communities.

These positions are explained in further detail below.

6.2 State Planning Policy 9.4

‘...Promote new, latent and alternative employment by enabling a diverse range of flexible land use opportunities...”

The promotion of new and alternative employment through flexible land use opportunities will ideally expand and strengthen the industry base of South Australia if Large Format Retailers are given the opportunity to operate in additional zones not previously considered. This will allow for appropriate flexibility for our members to innovate and provide new and emerging retail offers to meet market demand.

The Large Format Retail sector within South Australia provides an estimated 1.25 million square metres (m2) of floorspace and approximately 27,200 full time equivalent (FTE) direct and in-direct jobs. Considering the projected population growth in South Australia, by 2025 it is forecasted to require 162,000 m2 of additional Large Format Retail floorspace. This is the equivalent of approximately eight (8) additional homemaker centres generating an additional 4,500 (FTE) jobs.

The delivery of new Large Format Retail facilities supporting jobs is critical in South Australia where 2,100 retail jobs have been lost during the past 7 years.

Furthermore, the Large Format Retail sector is experiencing a high level of disruption. It has been impacted by fast paced technological advancements, online shopping – be it online platforms such as Amazon; retail stores either in a pure play sense or part of an omni-channel offer, evolving consumer demands, click and
collect services and the transitioning of many product categories from traditional department stores to the Large Format Retail sector. The current planning system restricts the ability of our members to meet their customers’ demands and respond to this disruption.

6.3 State Planning Policy 9.6

“...Allow for competition within the retail sector by providing an appropriate supply of land for all retail formats in areas that are accessible to communities...”

As South Australia’s demographic and consumer trends change, the retail sector needs to be flexible and innovative enough to address and service demands. Competition within the retail sector should be encouraged as this will unlock interest and business opportunities into South Australia, thus attracting investment.

An appropriate supply of land for Large Format Retailers can interpreted as two (2) strategies:

1. Increase the supply of land specifically dedicated to Bulky Goods Outlets; and
2. Increase in types of zoned land Bulk Goods Outlets can operate within, accommodating the diversification of Large Format Retail.

In 2017, research conducted by Deep End Services revealed that homemaker centres and precincts accounted for an estimated 50.7% of Large Format Retail floorspace nationally. In South Australia, the estimated share was at 47.9%. This is significantly lower than the national average, with South Australia offering the second lowest proportion of Large Format Retail floorspace occurring in homemaker centres and Large Format Retail precincts in the country.

The South Australian Large Format Retail sector is currently lagging behind more competitive states where state government policies foster land supply and the development of new sites. More land needs to be dedicated to Large Format Retailers to encourage competition within the wider retail sector to improve the sustainability and prosperity of South Australia.

The local Large Format Retail sector is forecast to grow, but the challenges which lead directly from the current planning legislation within South Australia simply stifle and stagnate investment in this sector and limits the ability of Large Format Retailers to be able to grow and evolve their business models to provide greater consumer choice and experiential benefits.
7.0 Conclusion

The LFRA is striving for a planning and zoning regime across Australia that provides the industry with **clarity**, **consistency** and **certainty**. In this regard, the LFRA welcomes the latest round of planning reforms and opportunities to modernise South Australia’s planning system.

We reiterate that we support ‘Policies 4 and 6’ under ‘State Policy 9: Employment Lands’ as it provides the opportunity for the Large Format Retail sector to flourish and generate local employment, business infrastructure, and investment.

Should you wish to discuss any aspect of this submission, please do not hesitate to contact the LFRA’s Chief Executive Officer, Philippa Kelly on (03) 9859 5000 or pkelly@lfra.com.au
Appendix 1 – South Australia Large Format Retail: Analysis of Future Floorspace Requirements
Deep End Services
Deep End Services is an economic research and property consulting firm based in Melbourne. It provides a range of services to local and international retailers, property owners and developers including due diligence and market scoping studies, store benchmarking and network planning, site analysis and sales forecasting, market assessments for a variety of land uses, and highest and best use studies.

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9-11 Claremont Street
South Yarra VIC 3141

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F +61 3 9826 5331
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Justin Ganly
Managing Director

Matthew Lee
Principal

Document Name
LFRA report - SA LFR floorspace requirements - 8 Jun 17.docx

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This report contains forecasts of future events that are based on numerous sources of information as referenced in the text and supporting material. It is not always possible to verify that this information is accurate or complete. It should be noted that information inputs and the factors influencing the findings in this report may change hence Deep End Services Pty Ltd cannot accept responsibility for reliance upon such findings beyond six months from the date of this report. Beyond that date, a review of the findings contained in this report may be necessary.

This report should be read in its entirety, as reference to part only may be misleading.
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   Provision rates  

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Introduction

Background
This report has been prepared on behalf of the Large Format Retail Association to provide information on the size of the large format retail ("LFR") sector in South Australia ("SA") and to identify future floorspace requirements to meet average Australian provision benchmarks.

The analysis has been prepared in the context of the Activity Centres and Shopping Growth Development Plan Amendment being initiated by the SA Government and, in particular, the Amendment's Principle 4: Review Supply of the Principles to Guide Reforms which is as follows:

“Land use zoning and policy that ensures a supply of suitable land to accommodate retail and commercial activities in advance of need, encouraging new retail participants and formats that encourage competition and support greater consumer choice” (DPTI, Preliminary draft principles for activity centres and activity centre uses, February 2015).

Terminology
The term ‘large format retail’ is now used to describe the retail sector formerly known as ‘bulky goods retailing’. This change in terminology is reflected in the renaming of the industry association from the Bulky Goods Retail Association (“BGRA”) to the Large Format Retail Association (“LFRA”).
The SA Development Regulations 2008 defines the term “bulky goods outlet” or “retail showroom” as

“Premises used primarily for the sale, rental, display or offer by retail of goods, other than foodstuffs, clothing, footwear or personal effects goods, unless the sale, rental, display or offer by retail of the foodstuffs, clothing, footwear or personal effects goods is incidental to the sale, rental, display or offer by retail of other goods”.

The following examples of such uses are listed:

a. automotive parts and accessories;

b. furniture;

c. floor coverings;

d. window coverings;

e. appliances or electronic equipment;

f. home entertainment goods;

g. lighting and electric light fittings;

h. curtains and fabric;

i. bedding and manchester;

j. party supplies;

k. animal and pet supplies;

l. camping and outdoor recreation supplies;

m. hardware;

n. garden plants (primarily in an indoor setting);

o. office equipment and stationery supplies;

p. baby equipment and accessories;

q. sporting, fitness and recreational equipment and accessories;

r. homewares;

s. children’s play equipment.
LFR definitions

The examples listed on the previous pages for the purposes of land use planning in SA therefore accord well with the categorisation used by the LFRA as shown in the table below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub - category</th>
<th>Typical retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive parts &amp; accessories</td>
<td></td>
<td>Autobarn, Burson, Repco, Supercheap Auto</td>
</tr>
<tr>
<td>Coverings</td>
<td>Floor</td>
<td>Beaumont Tiles, Carpet Call, Choices, Curtain Wonderland, Mayne Rugs, Rugs a Million</td>
</tr>
<tr>
<td></td>
<td>Curtains &amp; Blinds</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td>Appliances</td>
<td>Betta Electrical, Dick Smith, Godfreys, Harvey Norman, JB-Hi-Fi, Radio Rentals, The Good Guys</td>
</tr>
<tr>
<td></td>
<td>Communications</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entertainment Media</td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td>Bedroom</td>
<td>Fantastic, Focus on Furniture, Forty Winks, Freedom, Harvey Norman, Nick Scali, Plush, Sleepy’s, Snooze, Super Amart, The Outdoor Furniture Specialists</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Hardware &amp; Garden</td>
<td></td>
<td>Burnings, Bristol Paints, Mitre 10, Stratco, Wattyl Paint Centre</td>
</tr>
<tr>
<td>Homewares</td>
<td>Home Décor</td>
<td>Adairs, Beacon Lighting, Howards Storage World, Light Up Australia, Lincraft, Spotlight</td>
</tr>
<tr>
<td></td>
<td>Kitchenware &amp; Tableware</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manchester</td>
<td></td>
</tr>
<tr>
<td>Other LFR</td>
<td>Babies</td>
<td>Amart Sports, Anaconda, Baby Bunting, BCF, Clark Rubber, Drummond Golf, Officeworks, Petbarn, Ray’s Outdoors, Rebel Sport, Saddle World, Toys R Us, Workout World</td>
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<tr>
<td></td>
<td>Bicycles</td>
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<td></td>
<td>Camping</td>
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<td></td>
<td>Outdoor</td>
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<td></td>
<td>Office</td>
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<td></td>
<td>Parties</td>
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<td></td>
<td>Pets</td>
<td></td>
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<tr>
<td></td>
<td>Sporting</td>
<td></td>
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<td></td>
<td>Swimming pools</td>
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</tbody>
</table>
Large format retail in South Australia

**Total LFR sales**

LFR businesses in South Australia generated total estimated sales of $4.23 billion for the 12 months ending June 2016. These sales represent 21.8% of total retail sales within the state in the same period.

**LFR floorspace and employment**

LFR businesses in South Australia occupy an estimated 1.25 million sqm of floorspace and directly employ 12,200 full-time equivalent (“FTE”) staff. A further 15,000 jobs are indirectly supported by the LFR businesses, meaning that the total employment supported by the industry is of the order of 27,200 FTEs.

**Location types**

LFR businesses in SA operate from a number of different types of locations:

- Homemaker centres;
- Highway or main-road precincts;
- Shopping centres/activity centres;
- Industrial precincts; and
- Standalone sites.

Homemaker centres and precincts account for an estimated 50.7% of LFR floorspace nationally, as illustrated in the chart to the right.

In SA, the share of total LFR floorspace occurring in homemaker centres and other LFR precincts is estimated to be lower than the national average, at 47.9%. Only Victoria has a lower proportion of LFR floorspace occurring in homemaker centres and LFR precincts (estimated at 44.1%).

By contrast, the proportion of LFR floorspace occurring within activity centres is estimated to be 20.5%, second only to Victoria at 21.8% and higher than the average of 19.3%.
The current LFR average provision rate in SA is estimated at 0.73 sqm per capita, which is well below the national average of 0.82 sqm, and is the lowest provision rate of all states as indicated in the chart to the right.

The low provision rate in SA is partly due to the relatively late development of large integrated homemaker centres in Adelaide, with very few such centres delivered prior to the development at Gepps Cross in 2009.

Anecdotally, LFR development in SA has also been hampered by the lack of large, suitably zoned sites and, hence, the current review of land use controls and requirements is timely.
The most recent official state-based population projections were published by the SA Government as three series (high, medium and low) in 2015. According to the medium series, the SA resident population is projected to increase by:

- 76,468 persons over the period 2016 to 2021
- a further 74,948 persons from 2021 to 2026
- a further 70,097 persons from 2026 to 2031.

The table below applies these projections to the most recent estimate of SA’s residential population in 2016 (as produced by the ABS).

SA’s population is therefore anticipated to increase by approximately 221,500 people – more than the total population of Hobart – over the next 15 years.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
<th>2031</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population SA</td>
<td>1,708,135</td>
<td>1,784,603</td>
<td>1,859,551</td>
<td>1,929,648</td>
</tr>
</tbody>
</table>
If SA’s current provision rate of 0.73 sqm of LFR floorspace per capita is simply maintained over the next 14 years to 2031, a total of 162,000 sqm of new LFR floorspace will need to be delivered during this time to satisfy the demands of new residents.

This is equivalent to the construction of 8 new homemaker centres at 20,000 sqm each (noting that the Australian average is 17,700 sqm per centre).

If, however, SA’s LFR provision rate increases to match the Australian average, then the total demand for new LFR floorspace will be 330,000 sqm by 2031 sqm (i.e. equivalent to 11-12 new homemaker centres).

**Adopting the mid-point of these calculations would suggest that SA needs to be planning for the development of approximately 250,000 sqm of new LFR floorspace by 2031.**

At typical employment generation rates, the development of 250,000 sqm of new LFR floorspace as described above would support the following numbers of new jobs in SA:

- **Direct** 2,000
- **Indirect** 2,500
- **Total** 4,500

The delivery of new LFR facilities supporting jobs is critical in SA where 2,100 retail jobs have been lost during the past 7 years.
SA currently has the lowest provision rate of LFR floorspace in Australia. This report recommends that the State should, as a matter of priority, plan for an additional 250,000 sqm of LFR floorspace to be delivered by 2031. The delivery of such floorspace would support 2,000 new retail jobs within SA and help to reverse the trend of declining retail employment in SA. A further 2,500 indirect jobs would be generated in other industries as a result of the wages paid to the new retail workers and activity generated within support industries. Again, such an increase in employment would be significant within SA.
Appendix 2 – *Bulky Goods Outlet Definition Comparison Table*
<table>
<thead>
<tr>
<th>South Australian Definition</th>
<th>New South Wales Definition</th>
<th>New South Wales Planning Circular</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulky Goods Outlet or Retail Showroom:</td>
<td>Specialised Retail Premises:</td>
<td>&quot;...New ‘specialised retail premises’ definition</td>
</tr>
<tr>
<td>“means premises used primarily for the sale, rental, display or offer by retail of goods, other than foodstuffs, clothing, footwear or personal effects goods, unless the sale, rental, display or offer by retail of the foodstuffs, clothing, footwear or personal effects goods is incidental to the sale, rental, display or offer by retail of other goods. Examples—The following are examples of goods that may be available or on display at bulky goods outlets or retail showrooms: a) automotive parts and accessories; b) furniture; c) floor coverings; d) window coverings; e) appliances or electronic equipment; f) home entertainment goods; g) lighting and electric light fittings; h) curtains and fabric; i) bedding and manchester; j) party supplies; k) animal and pet supplies; l) camping and outdoor recreation supplies; m) hardware; n) garden plants (primarily in an indoor setting); o) office equipment and stationery supplies; p) baby equipment and accessories; q) sporting, fitness and recreational equipment and accessories; r) homewares; s) children’s play equipment.”</td>
<td>&quot;Specialised retail premises means a building or place the principal purpose of which is the sale, hire or display of goods that are of a size, weight or quantity, that requires: (a) a large area for handling, display or storage, or (b) direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to those goods being sold, hired or displayed. Note. Examples of goods that may be sold at specialised retail premises include automotive parts and accessories, household appliances and fittings, furniture, homewares, office equipment, outdoor and recreation equipment, pet supplies and party supplies. Specialised retail premises are a type of retail premises—see the definition of that term in this Dictionary...”</td>
<td>Overview of the amendment</td>
</tr>
<tr>
<td></td>
<td>Purpose of the amendment</td>
<td>The land use term ‘bulky goods premises’ has been replaced by a new term ‘specialised retail premises’ in SLEP Order to reflect changing business models in the large format retail industry. This includes the development of formats such as homemaker centres, and the changing nature of retail and products that are being sold in the large format retail sector since the introduction of the term ‘bulky goods premises’.</td>
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<td>Many specialised retailers no longer require the capacity to store large quantities of goods in their shops as customers order from the retailer and goods are dispatched from a central warehouse direct to the customer at a later date. This ‘showroom style’ model may also negate the need for customer loading facilities. There is also a growing requirement for a larger floor plate because of the quantity and range of products on offer, rather than the size of an individual product. The new definition of ‘specialised retail premises’ differs from the previous definition of ‘bulky goods premises’ in that:</td>
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<tr>
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<td></td>
<td>• It is no longer a requirement that the goods be of such a size or weight as to require both a large area for handling, display and storage and direct vehicular access to loading facilities for members of the public. Only one of these requirements needs to be met. • Retailers that stock a large quantity or volume of products are characterised as specialised retail premises even if those products are not large or heavy, but the quantity or volume of goods requires a large area for handling, display and storage or direct vehicular access to loading facilities for members of the public. New ‘specialised retail premises’ definition The new definition of ‘specialised retail premises’ is: specialised retail premises means a building or place the principal purpose of which is the sale, hire or display of goods that are of a size, weight or quantity, that requires: (a) a large area for handling, display or storage, or (b) direct vehicular access to the site of the building or place by members of the public for the purpose of loading or unloading such goods into or from their vehicles after purchase or hire, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to those goods being sold, hired or displayed. Note. Examples of goods that may be sold at specialised retail premises include automotive parts and accessories, household appliances and fittings, furniture, homewares, office equipment, outdoor and recreation equipment, pet supplies and party supplies. Specialised retail premises are a type of retail premises—see the definition of that term in this Dictionary. Types of goods that fall within the definition of ‘specialised retail premises’ The definition includes a list of examples of goods that may be sold, displayed or hired at specialised retail premises. The term ‘goods’ includes accessories, equipment and supplies. This list of examples is not exhaustive or exclusive — any goods that are of such a size, weight or quantity so as to require a large area for handling, display and storage or direct vehicular access to loading facilities for members of the public will meet the definition.</td>
</tr>
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</table>

Note: Examples...—see the definition of that term in this Dictionary...” | | ""
### Service Trade Premises:

“...means premises used primarily for the sale, rental or display of—
(a) basic plant, equipment or machinery used in agriculture or industry; or
(b) boats; or
(c) caravans; or
(d) domestic garages; or
(e) sheds; or
(f) outbuildings; or
(g) motor vehicles; or
(h) marquees; or
(i) trailers; or
(j) swimming pools, equipment and accessories; or
(k) building materials; or
(l) landscaping materials; or
(m) garden plants (primarily in an indoor setting), or similar articles or merchandise...”

### 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.

Note.

Hardware and building supplies are a type of retail premises—see the definition of that term in this Dictionary...”

### Types of goods that fall within the definition include:

- animal supplies including equestrian and pet goods;
- automotive parts and accessories;
- camping, outdoor and recreation goods;
- electric light fittings;
- floor, wall and window coverings;
- furniture, bedding, furnishings, fabric and manchester and homewares;
- household appliances and fittings;
- household electrical goods and home entertainment goods;
- party supplies;
- swimming pools and spas;
- office equipment and supplies;
- baby and children’s goods, children’s play equipment and accessories;
- barbeques, fireplaces and gas appliances;
- sporting, cycling, leisure, fitness goods and accessories;

### Ancillary goods

A comprehensive and full range of goods, of all shapes and sizes, can be sold, displayed and hired in a ‘specialised retail premises’.

A ‘specialised retail premises’ can include the sale and display of foodstuffs and clothing, however they must be ancillary and/or incidental and/or sold in conjunction to the goods which meet one of the two nominated tests in the definition.

### Land use permissibility

‘Specialised retail premises’ will replace ‘bulky goods premises’ wherever the term occurs in a Standard Instrument LEP. This means ‘specialised retail premises’ will be permissible wherever ‘bulky good premises’ were permissible.

Like ‘bulky goods premises’, ‘specialised retail premises’ will be a subset of ‘retail premises’ and ‘commercial premises’ and will be permissible wherever these uses are permissible (as long as ‘specialised retail premises’ are not specifically prohibited). ‘Specialised retail premises’ will also remain a mandated permissible use in the B5 Business Development zone.

### Need for the change

The Department has received submissions from industry and councils that the current definition of ‘bulky goods premises’ does not reflect the current and future direction of large format retailing. The new definition clarifies that ‘specialised retail premises’ includes, the display, sale or hire of goods that are of a size or weight, or a quantity of products to require a large floor area or access for customer loading facilities.

### Effect on existing development consents

The change to the definition will not affect existing developments or development consents which were approved as bulky goods retail premises. They will continue to operate under the terms of their development consent unless modified by a new development consent.

### Consequential amendments

The new term ‘specialised retail premises’ has replaced ‘bulky goods premises’ wherever it occurred in all Standard Instrument LEPs. The new definition has also been included in the following environmental planning instruments, to ensure consistency with the standard instrument definition:

- Sydney Local Environmental Plan (Glebe Affordable Housing Project) 2011;
- Sydney Local Environmental Plan (Green Square Town Centre) 2013; and
- Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013.
Amendments were also made to the following State Environmental Planning Policies:

- State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP) – ‘bulky goods premises’ has been replaced with ‘specialised retail premises’;
- State Environmental Planning Policy (Three Ports) 2013 (Ports SEPP) – ‘bulky goods premises’ has been replaced with ‘specialised retail premises’;
- State Environmental Planning Policy State Significant Precincts) 2005 – ‘bulky goods premises’ has been replaced with ‘specialised retail premises’ in Schedule 3, part 31.

**Savings and Transitional Arrangements**

Applications lodged through the complying development or merit assessment pathway, prior to the introduction of the ‘artisan food and drink industry’, ‘local distribution premises’, ‘neighbourhood supermarket’, and ‘specialised retail premises’, and which have not been determined when the changes commence, will be assessed as if the new definitions have not yet been made.

Due to the new definition of ‘garden centre’ being broader than the previous definition no savings or transitional arrangements are necessary.

**Commencement**

The new definition for ‘artisan food and drink industry’ and the amended definition for ‘garden centres commenced on 27 July 2018.

The new definition for ‘local distribution premises’ and ‘neighbourhood supermarket’ and the amended definition for ‘bulky goods premises’ to known as ‘specialised retail premises’ commence on 31 August 2018.

**Further Information**

For further information please contact Service NSW on 13 77 18...

Department of Planning and Environment Circulars are available at: planning.nsw.gov.au/circulars...
Appendix 3 – What We Have Heard Summary - Future Land Use Definitions and Classes
This summary outlines the feedback we received on the technical discussion paper, *Future land use definitions and classes.*

During April-May 2018, planning practitioners and other regular users of the planning system were invited to tell us what was working well in the planning system in regards to current land use definitions, as well as what was not working well and if there were any gaps. They were also asked to assess the introduction of a new concept in the planning system: land use classes. Over 30 submissions were received from councils, government agencies, individuals and organisations.

**How is this feedback being used?**

This feedback is being used to inform updated land use definitions and support the introduction of land use classes, which for the first time will be housed in the new Planning and Design Code instead of within legislation. This will make it easier for definitions and classes to keep pace with contemporary planning practice.

**What we have heard on land use definitions**

**Overall themes**

The overall themes of the feedback received on land use definitions are outlined below:

- Good procedural definitions lead to good planning.
- Definitions need to be contemporary and responsive to emerging and future trends in land use.
- Revised definitions need to be unambiguous and written in plain English to limit misinterpretation and facilitate understanding among the broader public.
- Definitions need to be able to be applied to non-standard development applications.
- Case law needs to be considered in a number of areas.
- Clarification is required for mixed-use developments and the concept of ancillary and accessory use.
- Clarification is required on the role of definitions in a performance-based system where consultation and appeal rights are based on off-site impacts.
- Clarification is required on whether land use definitions should better align with building classifications.
Specific feedback

Specific feedback received on land use definitions is described below:

Residential development

- Residential land use definitions have not kept up with changes to residential housing options and need to better address emerging trends such as cluster housing; supported or self-contained urban garages; serviced apartments; group dwellings; vertical retirement villages; short term accommodation; caretaker’s residences; ancillary dwellings; hammerhead allotments; and non-standard applications.
- There is a lack of clearly defined land use definitions for retirement living; aged care accommodation; and student accommodation.
- More emphasis is required on built form and functional use rather than dwelling type.

Commercial activities

- The current land use definition for petrol stations is out of date and not suitable for modern integrated service station complexes, resulting in inconsistencies in assessment approach and uncertainty in investment decisions. Consideration also needs to be given to battery-charging stations.
- There is a lot of confusion surrounding the assessment of development applications for ‘places serving food’. The land use definitions for cafés, restaurants, takeaway outlets and ‘drive-through’ services need to be better defined.
- Land use definitions for ‘bulky goods outlets’ and ‘service trade premises’ need to be better differentiated and consideration needs to be given to the fact that businesses of this nature are becoming less specialised.
- Further guidance and clarification is needed on land use definitions for ‘shops’, particularly as this definition relates to personal service establishments.

Rural and primary production

- The definition of a ‘farm building’ needs to be broadened to include those buildings associated with horticulture and viticulture.
- The existing land use definition for intensive animal keeping needs to be revised to consider emerging trends in agriculture. In addition, a clearer land use definition for aquaculture and animal breeding is required.
- References to hand-feeding and ‘area per horse’ need to be reviewed in the current land use definition for horse-keeping.
- There is a lack of land use definitions for produce sales and value-adding, namely in the viticulture industry related to wineries, cellar doors, special events, wine stores. Further, horticultural and agricultural activities such as fertiliser generation, protein rendering and the manufacture of animal feed do not have sufficient land use definitions.

Tourism and tourist accommodation

- The term ‘hotel and motel’ is considered to be out-of-date and a new land use definition that encompasses the more modern types of tourist accommodation, including Airbnb outlets, needs to be considered.

Industrial

- Land use definitions for industrial sites are considered to be too broad and not sufficiently quantitative to be effective.

Community

- The existing land use definition for ‘indoor recreation centres’ is no longer appropriate for contemporary trends in recreational land use, such as training and fitness centres and yoga and pilates studios.
WHAT WE HAVE HEARD SUMMARY
FUTURE LAND USE DEFINITIONS AND CLASSES

What we have heard on land use classes

The concept of land use classes proposes that similar land uses be grouped together to form a ‘class’. It is envisaged that a change from one land use to another land use within a land use class will not require development approval.

Feedback on the introduction of land use classes indicated that there was general support for them, particularly as an effective means of minimising the number of ‘change of use’ applications in the planning system and improving efficiencies.

Specific responses received on land use classes are described below:

• Land use classes will need to be clearly defined to be most effective, as land use change can cause different degrees of impact depending on local circumstances. For example, land use impacts could be more noticeable in sensitive areas (e.g. residential) versus other areas (activity centres). Land use classes could therefore be tailored to zones.

• An alternative approach to land use classes may be to define them by ‘intensity of land use’. This would mean that land uses that have similar levels of impact on the surrounding environment become grouped together.

• Land use classes will need to be cognisant of building code classifications and any misalignment between the two will need to be addressed (e.g. changing a land use from a ‘shop’ to an ‘office’ may no longer require a ‘change of use’ application to be lodged in the planning system, but it will still require relevant building checks).

What will happen next?

The State Planning Commission will use the feedback received on land use definitions to prepare a draft schedule (list) of land use terms for use in the new Planning and Design Code.

The land use terms will go out for consultation with policy for the Code since they are integral to one another.

This initial review of land use definitions has been helpful in informing our high-level approach.

In the interim, further investigation will be undertaken specifically into land use classes to ensure that they are beneficial, sustainable and sensitive to other parts of the planning and building systems.

For further information visit:
www.saplanningportal.sa.gov.au
www.saplanncningcommission.sa.gov.au

saplanningportal.sa.gov.au