



20 January 2020

Mr Michael Lennon
Chairman
State Planning Commission

Via Email: DPTI.PlanningReformSubmissions@sa.gov.au

Dear Michael

via email: DPTI.PlanningEngagement@sa.gov.au

RE: PLANNING AND DESIGN CODE - SUBMISSION BY BUNNINGS GROUP LIMITED

We write in response to the request for feedback on the Planning and Design Code. Bunnings Group Limited ('Bunnings') currently operates 22 stores within South Australia and employs more than 2,300 team members. Bunnings continues to seek opportunities to develop and invest in new stores.

Bunnings has for many years maintained an open dialogue with the State Government in relation to the challenges presented by the planning system in South Australia, which has constrained, prevented or delayed the potential investment in new stores.

In this context, Bunnings welcomes the stated intentions of the planning reform process and has taken the opportunity to review the draft Planning and Design Code ('Code') in order to identify potential issues arising.

Our response to the Code is in two parts. Firstly, at a general level in respect to bulky goods development generally, and secondly, in relation to one of our undeveloped property holdings at 621 Goodwood Road, Panorama.

Bulky Goods

By nature, a Bunnings store is best defined as a bulky goods outlet, which is a distinct form of shop.

We have identified the following draft zones from Phase 3 of the Code which make specific reference to bulky goods outlets:

- Suburban Main Street Zone;
- Suburban Activity Centre Zone;

- Suburban Employment Zone;
- Township Main Street Zone;
- Township Activity Centre Zone;
- Urban Activity Centre Zone; and
- Employment Zone.

The first key issue arising from the above, is that the consultation material makes it very difficult to readily identify the spatial coverage and distribution of these zones. As such it is practically impossible to identify if the Code provides reasonable and sufficient opportunity to accommodate bulky goods development throughout the state. A consolidated plan is required to inform this process. If such is available, such is requested to be supplied for review prior to closure of the public consultation period.

Table 1, shown below, provides an overview of these key zones to identify if bulky goods is either 'Deemed to Satisfy' or 'Performance Assessed' as part of a limited Code Assessed process.

Table 1: Bulky Goods Procedural Pathway for Key Zones

Zone	Pathway
Suburban Main Street Zone	Performance Assessed
Suburban Activity Centre Zone	Performance Assessed
Suburban Employment Zone	Deemed to satisfy
Township Main Street Zone	Performance Assessed
Township Activity Centre Zone	Performance Assessed
Urban Activity Centre Zone	Performance Assessed
Employment Zone	Performance Assessed

It is readily evident from the above, that in only one zone (Suburban Employment), that a bulky goods outlet can be assessed as a 'deemed to satisfy' class of development. In all other zones, where a bulky goods outlet is envisaged, the use must be 'performance assessed'.

Such an outcome is not representative of our understanding of the intent to streamline and simplify the planning process. We can see no planning reason why a bulky goods outlet should not be 'deemed to satisfy' in at least the Employment Zone, which is a 'higher order' zone as compared to the Suburban Employment Zone.

Further to the above, we note that in many other zones within the Code, a shop is listed as a 'restricted' class of development, which presents obvious challenges in terms of obtaining planning approval. We have identified that 20 out of the 57 zones within the draft Code would render a typical bulky goods outlet of 10,000 square metres or more as being a restricted class of development.

Overall, the Code certainly does not appear to provide an abundance of opportunity, a matter which needs to be carefully examined in order to support investment and associated economic and employment growth.

Our key submission is therefore that the number of zones which would reasonably support the establishment of a bulky goods outlet appears relatively limited and requires further review, noting the State Planning Commission would presumably have access to more detailed spatial data.

In emphasising the importance of ensuring appropriately zoned land, we refer to the *Productive Economy Discussion Paper* prepared by the State Planning Commission in November 2018. The Discussion Paper identified the tension between a rigid centres policy and what it referred to as healthy competition and investment in the retail sector, stating:

The challenge in realising the potential of centre policy is to strike the right balance between achievement of the desired urban form and the maintenance of healthy competition and investment in the retail sector, which is a major economic and employer in its own right.

There has been a long-standing practice in Australian cities for land use regulation and policy to favour activity centres through establishing a hierarchy of centres based on the size of the population the centre is expected to serve, supported by land use controls that curtail out of centre development, specifically retail activities.

Over the past couple of decades, however, some industry and official critiques have argued that this approach shuts out new competition and new formats in the retail sector thereby denying customers choice and price savings. The State Planning Policies, Regional Plan and the Code will need to navigate the inevitable tensions in centre policy (p.32)

The Discussion Paper goes on to conclude/recommend as follows:

The transitioning shape of the retail sector is creating impacts for planning policy and a review of activity centre zones, as well as the various mixed-use zones, is required to check their relevance and update policy as required. The review could consider:

- *Policy flexibility that enables an increased diversity of retail activities to reflect changing retail trends and support emerging formats to ensure their viability and competitiveness*
- *How established centres could continue to grow by ensuring policies enable flexible arrangements for land use diversity and built form outcomes. (p. 37)*

In reviewing the Phase Three (Urban Areas) Code Amendment – Update Report, released by the State Planning Commission in December 2019, we accept the need to further review retail floor limits, notification and restricted development triggers, however are concerned with the example given that in respect to employment zones that ‘only small scale shops or shops that are ancillary to envisaged uses are envisaged. We respectfully suggest given the analysis above that this should not include bulky goods retail, given the lack of proposed zones where bulky goods are deemed to satisfy, or performance assessed.

Of those zones within the Code which do envisage the establishment of a bulky goods outlet, we provide the following specific comments and suggestions for review:

Suburban Employment Zone:

- Height of free-standing advertising displays is unduly restricted, with a 4m height listed as the 'deemed to satisfy' criteria – this is not reflective of the form and scale of development otherwise anticipated in an employment generating zone. We submit that pylon signs should be nominally 12m high so as to be in proportion with the development;

Suburban Activity Centre Zone:

- The practicality of achieving Performance Objective (PO) 1.5 is questioned given the inherent nature and form of bulky goods outlets.

PO 1.5 Bulky goods outlets are sited and designed to achieve or maintain a vibrant and interesting streetscape within retail areas.

- The relevant deemed to satisfy criteria relating to the above states:

DTS/DPF 1.5 Bulky goods outlets with a gross leasable area of 500m² or more are located towards the periphery of the zone.

By nature, all bulky goods outlets would typically exceed 500 square metres in gross leasable area. In directing bulky goods to the periphery of the zone, opportunities to establish bulky goods outlets will be further constrained, given the relatively low number of zones where the use is envisaged in any form.

Suburban Main Street Zone

- The practicality of achieving Performance Objective (PO) 1.6 is questioned given the inherent nature and form of bulky goods outlets.

PO 1.6 Bulky goods outlets are sited and designed to achieve or maintain a vibrant and interesting streetscape within retail areas.

- The relevant deemed to satisfy criteria relating to the above states:

DTS/DPF 1.6 Bulky goods outlets with a gross leasable area of 500m² or more are located towards the periphery of the zone.

By nature, all bulky goods outlets would typically exceed 500 square metres in gross leasable area. In directing bulky goods to the periphery of the zone, opportunities to establish bulky goods outlets will be further constrained, given the relatively low number of zones where the use is envisaged in any form.

Township Main Street Zone

- The practicality of achieving Performance Objective (PO) 1.5 is questioned given the inherent nature and form of bulky goods outlets.

PO 1.5 Bulky goods outlets are sited and designed to achieve or maintain a vibrant and interesting streetscape within retail areas.

- The relevant deemed to satisfy criteria relating to the above states:

DTS/DPF 1.5 Bulky goods outlets with a gross leasable area of 500m² or more are located towards the periphery of the zone.

By nature, all bulky goods outlets would typically exceed 500 square metres in gross leasable area. In directing bulky goods to the periphery of the zone, opportunities to establish bulky goods outlets will be further constrained, given the relatively low number of zones where the use is envisaged in any form.

Township Activity Centre Zone

- The practicality of achieving Performance Objective (PO) 1.4 is questioned given the inherent nature and form of bulky goods outlets.

PO 1.4 Bulky goods outlets are sited and designed to achieve or maintain a vibrant and interesting streetscape within retail areas.

- The relevant deemed to satisfy criteria relating to the above states:

DTS/DPF 1.4 Bulky goods outlets with a gross leasable area of 500m² or more are located towards the periphery of the zone.

By nature, all bulky goods outlets would typically exceed 500 square metres in gross leasable area. In directing bulky goods to the periphery of the zone, opportunities to establish bulky goods outlets will be further constrained, given the relatively low number of zones where the use is envisaged in any form.

Urban Activity Centre Zone

- The practicality of achieving Performance Objective (PO) 1.6 is questioned given the inherent nature and form of bulky goods outlets.

PO 1.6 Bulky goods outlets are sited and designed to achieve or maintain a vibrant and interesting streetscape within retail areas.

- The relevant deemed to satisfy criteria relating to the above states:

DTS/DPF 1.6 Bulky goods outlets with a gross leasable area of 500m² or more are located towards the periphery of the zone.

By nature, all bulky goods outlets would typically exceed 500 square metres in gross leasable area. In directing bulky goods to the periphery of the zone, opportunities to establish bulky goods

outlets will be further constrained, given the relatively low number of zones where the use is envisaged in any form.

Employment Zone

Deemed to satisfy/anticipated uses identified to achieve PO 1.1, within the Employment Zone include:

- Automotive collision repair
- Electricity substation
- Fuel depot
- General industry
- Light Industry
- Motor repair station
- Public service depot
- Retail fuel outlet
- Service trade premises
- Shop
- Store
- Telecommunications facility
- Training facility
- Warehouse

Deemed to satisfy/anticipated uses to achieve PO 1.2 within the Employment Zone include:

- Bulky goods outlet
- Consulting room
- Indoor recreation facility
- Light industry
- Office
- Research facility
- Service trade premises
- Store
- Training facility.

We take from the above that bulky goods outlets are envisaged as a transitional use within the Employment Zone, as compared to a primary anticipated use.

We question the need and purpose for this and request that bulky goods be included as a 'primary' use to achieve PO 1.1. Whilst bulky goods may be an ideal transitional use, there is no reason why it could not co-exist with other employment generating activities within the core of the zone.

A further issue identified is that bulky goods is listed as an exception to the general exemption for public notification. The purpose of such is unclear when bulky goods outlets are generally a low

impact use, considered appropriate by the draft policy setting in a transitional environment. We see no purpose in envisaged uses being subject to public notification.

Panorama

Bunnings is the owner of land at 621 Goodwood Road, Panorama. It was formerly owned by the State Government and occupied the Panorama TAFE. The land is located in the Institutional Zone. The draft Code seeks to rezone the land to Community Facilities Zone.

Bunnings has previously sought to develop the land to establish bulky goods outlets. Two applications have been submitted and refused, one for a Bunnings store, the other for a generic bulky goods development. These applications identified the superseded nature of the existing Institutional Zone, which has proven a constraint to any commercially viable development of the land. Ultimately, Bunnings has established a store at Edwardstown, and will not develop on the land, however seeks to facilitate optimum development opportunities and outcomes for the land.

Concurrent with the consultation on the draft Code, the City of Mitcham has initiated the Growth Precincts DPA. The DPA seeks to rezone the land from Institutional to Mixed Use.

The proposed Mixed-Use Zone presents a number of fundamental and significant concerns, which in our opinion will curtail any prospect of the Panorama site and indeed the immediate precinct on the eastern side of Goodwood Road being developed in a manner befitting its strategic potential. The strategic potential is highlighted by the scale and nature of the land within the precinct (circa 10ha), which could accommodate a range of uses in a manner where potential external impacts could be readily managed.

Whilst the general concept of a mixed-use outcome is accepted, the zone proposed by Council provides significant restriction on:

- The range of potential uses;
- The extent of retail development;
- Density and height of residential development.

Whilst it is appreciated that the DPA is yet to be resolved, the transition to the Code needs to be carefully considered to ensure that an appropriate and flexible range of uses can be established.

We suggest that either the Urban Neighbourhood Zone or the Master Planned Suburban Neighbourhood Zone, as contained in the draft PDC, would be suitable zones.

Summary

Based on our high-level overview of the Code, we summarise the following requests:

1. Provision of spatial mapping data which assist in identifying the location of those zones where bulky goods is anticipated;

2. An ongoing commitment be provided in order to ensure that there is sufficient and appropriately zoned land to accommodate bulky goods development, in accordance with the Productive Economy Discussion Paper;
3. Amendments to the policy settings within the various zones to considered and adopted, as documented in this submission;
4. Appropriate consideration be given in respect to the Mitcham Growth Precincts DPA and the ultimate transition of the Panorama land to the Code recognising the strategic significance of the Panorama precinct.

We would be pleased to further clarify any of the above matters as required. Please do not hesitate to contact me on [REDACTED] should you wish to discuss.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Andrew Marks', with a long, sweeping flourish extending to the right.

Andrew Marks
Director - Property
Bunnings Group Limited