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Sustainable Planning (Infrastructure Charges) and Other Legislation Amendment Bill 2014

**SUBMISSION FROM THE
Large Format Retail Association (LFRA)
16 May 2014**

PO Box 78 Balwyn North VIC 3104 | 10/828 High Street Kew East VIC 3102
P (03) 9859 5000 F (03) 9859 6077

www.lfra.com.au

ACN 131 555 612 ABN 31 131 555 612

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1.0 Large Format Retail Association (LFRA) Overview

The Large Format Retail Association (LFRA) (previously known as the Bulky Goods Retailers Association (BGRA)) is the national peak industry association whose primary focus is on issues relating to appropriate planning and responsible development of Large Format retail outlets. Retail members of the LFRA consist of some of Australia's largest and most respected Large Format retailers including 58 retail brands as follows:

<i>Adairs</i>	Early Settler	Plush
<i>Adairs Kids</i>	Fantastic Furniture	POCO
<i>Amart Sports</i>	Forty Winks	Provincial Home Living
<i>Anaconda</i>	Freedom	Ray's Outdoors
<i>Autopro</i>	Goldcross Cycles	Rebel
<i>Autobarn</i>	Guests Furniture Hire	Sleepys
<i>Babies R Us</i>	Harvey Norman	Snooze
<i>Baby Bunting</i>	IKEA	Sofas2Go
<i>Barbeques Galore</i>	JB Hi-Fi	SPACE
<i>Bay Leather Republic</i>	Joyce Mayne	Spotlight
<i>BCF</i>	Le Cornu	Suite Deals
<i>Beacon Lighting</i>	Lincraft	Super Amart
<i>Bedshed</i>	Masters Home Improvement	Supercheap Auto
<i>Bunnings</i>	Nick Scali	The Furniture Spot
<i>Chemist Warehouse</i>	Officeworks	The Good Guys
<i>City Farmers</i>	Original Mattress Factory	Toys R Us
<i>Costco</i>	OZ Design Furniture	Urban Home Republic
<i>Curtain Wonderland</i>	Pet Barn	Workout World
<i>Dare Gallery</i>	PETstock	
<i>Domayne</i>	Pillow Talk	

The LFRA is supported by its' Patron, PwC, and 59 Associate members who are Large Format retail developers, investors, owners and service suppliers:

ADCO Constructions	Domain Central	McMullin Group
ALTIS Property Partners	DOME Property Group	Mirvac
APP/The Planning Group	DD Corporate	Newmark Capital Limited
Architectus	Eureka Home Maker Centre	Norton Rose Fulbright
Arise Developments	Excel Development Group	Nunn Media
Arkadia	Gadens	PwC
AXIMA Logistics	Gibb Group	Primewest
AXIOM Properties Limited	Gregory Hills Corporate Park	Ray White Retail
BBRC Asset Management	Griffin Group	Realmark Commercial
BWP Trust	HLC Constructions	RPS Australia Asia Pacific
Blueprint	ISPT Super Property	Savills
Brecknock	Jana Group of Companies	Sentinel Property Services
Burgess Rawson	Lancini Group of Companies	Terrace Tower Group
CarbonetiX	Lander & Rogers Lawyers	The Belgrave Group
CBRE	La Salle Investments	The Buchan Group
CEVA Logistics	LEDA Holdings	TRICO Constructions
Comac Retail Property Group	Leedwell Property	VALAD Property Group
Cornwall Stodart	Leffler Simes Architects	Vaughan Constructions
Dart West Developments	Major Media	Vend Property
Deep End Services	McKenzie Hall	Visy Recycling

Our representation is diverse. The LFRA clearly represent the interests of Large Format retailers, but we also represent the interests of small retailers as many of our members have franchised businesses.

Deep End Services estimates bulky goods sales for the financial year ending 30th June 2014 will be **\$61.4 billion** nationally and **20.1%** of all retail sales. Furthermore, it is estimated that Large

Format retailers nationally employ approximately **183,183** people directly and a further **227,513** people indirectly.

In Queensland, bulky goods sales for the financial year ending 30 June 2014 are estimated to be **\$12.87 billion** and **20.9%** of all retail sales. Furthermore, the LFRA estimates that in Queensland Large Format retailers employ approximately **37,600** people directly and a further **46,700** people indirectly. Clearly Large Format retailing is an important form of development, employment and service provider, and it is important to ensure infrastructure charging, crediting and offsetting framework aids continued Large Format retail development in Queensland.

Please note that new data is currently being prepared by Deep End Services which in effect is a review of quantifiable data estimates of our sector.

The LFRA is a key stakeholder in planning and zoning laws and regulations in this market sector. Consequently, we are actively involved across Australia in numerous reviews of planning policy and planning regulations that affect our industry.

The Large Format retail industry in Australia is also facing difficulties as a direct result of planning and zoning legislation across Australia. We are a keen observer of the recent findings of the Productivity Commission's inquiries into the:

- 2011 *'Economic Structure and Performance of the Australian Retail Industry'*; and
- 2010 *'Performance Benchmarking of Australian Business: Planning, Zoning and Development Assessments'*; and
- 2007 review into the *'Market for Retail Tenancy Leases In Australia'*;

Additionally, we keenly note the contents of the ACCC's 2008 *'Grocery Price Inquiry'*

The abovementioned reviews all noted the need to review planning and zoning laws across all jurisdictions in Australia; they have been a key component in the current process of planning reviews across many jurisdictions including Victoria, Queensland, Western Australia, South Australia and Tasmania.

Currently on a Federal level, the following reviews are being undertaken:

- *'Costs of Doing Business: Retail Trade Industry'* by the Productivity Commission. This review, is in part, an audit on the implementation of recommendations that were included in the Productivity Commission's 2011 inquiry into the *'Economic Structure and Performance of the Australian Retail Industry'*
- *'A Review of Competition Policy'*
- *'Cutting Red Tape'*

2.0 Response to Sustainable Planning (Infrastructure Charges) and Other Legislation Amendment Bill 2014

Summary

The LFRA strongly support the Bill's amendments to the infrastructure charging framework, and the increased accountability, certainty and consistency in the imposition, crediting and offsetting of charges that the amendments will enshrine in legislation.

The LFRA is also concerned to ensure that mandating credits for previous development or payments, and cross crediting are properly enshrined in the legislation.

I provide further details below.

Section 636 of the Bill: Limitation of levied charge

- *Section 636* proposes that a levied charge can only be for additional demand placed upon trunk infrastructure. The provision requires that charges must not include demand associated with existing uses that are lawful and operating on the premises. We support this, however *section 636* fails to go far enough. It does not recognise a circumstance where a lawful use has operated, but has since ceased. This is a scenario that arises frequently. Credit for the previous use should still be given in this instance. **We request this section be amended to require that levied charges not include demand for previous lawful uses that have ceased, and payments for trunk infrastructure charges that have been made previously.**

That is, the section could be amended to read:

In working out additional demand, the following relating to the premises must not be included—

- a) existing uses that are lawful and already taking place on the premises;*
- a previous lawful use that has taken place on the premises;***
- c) other development that may be lawfully carried out on the premises without the need for a further development permit;*
- previous payments for trunk infrastructure.***

Section 637 of the Bill: Requirements for infrastructure charges notices

- *Section 637* proposes to require that infrastructure charges notices include details of any offset or refund applicable to a development. Previously it has been necessary to separately seek an infrastructure agreement to negotiate this. This will also mean the applicant has ability to appeal to the court regarding offsets. **We strongly support this provision.**

Section 626 of the Bill: Extension of chapter to permissible changes and compliance assessment

- *Section 626* proposes to allow development proponents to access new charges rates (e.g. if the Council makes a new charges resolution) for existing approvals through a Permissible Change process. Currently some local authorities require development proponents to entirely re-lodge their development application to seek a completely new approval and new 'Infrastructure Charges Notice' in order to access the new charges. This provision will very substantially streamline this process. **We strongly support this proposed amendment.**

Section 649: Offset or refund requirements

- The LFRA understand that it is the State's intention that 'cross crediting' be mandated through the bill. We strongly support this intent, however, *section 649* requires only that:

*If the cost of the infrastructure required to be provided under the condition is equal to or less than the amount worked out by applying the adopted charge, **the cost must be offset against that amount.***

The above wording appears unchanged from current *section 649(7)* of the *Sustainable Planning Act 2009*, under which many Councils currently do not cross credit. **We request this section be amended specifically to make clear that the offset applies to the total charges amount** (i.e. applies across all charging categories (e.g. sewer, water, transport etc.), and to remove any doubt that cross crediting is mandated.

- *Section 649(3)* mandates provision of a refund where the cost of the infrastructure to be provided by a proponent is greater than the adopted charge. Previously it has been necessary to separately seek an infrastructure agreement to negotiate this. The streamlining of this process is most welcome. **We strongly support this provision.**

Section 657 of the Bill: Process

- *Section 657* of the Bill identifies a process if a development proponent does not agree with the local authority's establishment cost for infrastructure. The process requires the local authority to recalculate the establishment cost using the method stated in the relevant charges resolution. **We support this provision, and also suggest that for this to be effective, the third party review of charges resolution should include review of the establishment cost calculation methods, to ensure this provision operates as intended.**

3.0 Conclusion

The LFRA commends the State government for its comprehensive review of Queensland's infrastructure charging framework, and welcomes this opportunity to contribute through the consultation process.

The LFRA would be pleased to discuss any issues raised above in further detail.

Please contact the undersigned regarding any aspect of this submission.

A handwritten signature in purple ink, which appears to read 'Philippa Kelly', is positioned above the printed name.

Philippa Kelly

CEO

Large Format Retail Association

E pkelly@lfra.com.au

P (03) 9859 5000

F (03) 9859 6077