

4 April 2011

Regulation Benchmarking: Planning, Zoning and Development Assessments
Productivity Commission
GPO Box 1428
Canberra City
ACT 2601

To Whom It May Concern,

Re: Submission in response to draft report

Warringah Council is pleased to be able to lodge a submission in response the draft version of this report. The following comments are considered relevant to the content of the report and are viewed as constructive feedback.

Competition

There has been interest within the elected council to support small local businesses and increase their competitiveness. Therefore, the role of the planning system in encouraging business competition is an area that has aroused particular interest.

Several models to encourage competition have come to the council's attention. Sutherland Shire Council's SSHED concept is seen as one model which will help small business and entrepreneurs. By providing low cost facilities and equipment, the start up costs and overheads of small operators are reduced and their initial competitiveness is increased. Such business incubator systems are considered worthy of expansion and adoption elsewhere.

Using the zoning system to increase competition is problematic, however, as large companies, and particularly retailers, are likely to rally against any positive discrimination that preferences small business. Therefore, Warringah Council does not consider zoning as an appropriate way of improving the business position of independent business. Instead, strategies such as small business networks and rates rebates for small enterprises are considered to be appropriate competition mechanisms.

Warringah Council also believes that the history of small business, especially latterly, is a determinant of their competitiveness today. Particularly in the retail sector, the concentration of market share to just a few large companies means that the opportunities for independent business to expand are extremely limited. Given that such market power is beyond the terms of reference of this report, it would be up to the Australian Competition and Consumer Commission and others to discourage the further growth of market power held by large corporations. Without intervention from organisations such as the ACCC, changes to the planning system will have little impact on the competitiveness of small and independent business as consumer and competition policy is a separate and largely unrelated entity.

Zoning

The entrance of new retailers into the Australian market that transcend traditional specialisations will create new demands on the planning system. New local and international businesses in the home improvement and grocery industries will require adjustments that reflect the large format and floor areas involved. For this reason, the proposal to create simpler and broader zones (as discussed at the public forum held at the University of Sydney on the 31st of March 2011) is supported as it will allow for greater diversity and flexibility in the range of activities permitted. Under the New Standard Instrument Local Environmental Plan recently introduced in NSW, such activities are best considered for Zone B5 (Business Development) as this zoning permits bulky goods premises and “specialised retail uses that require a large floor area” (source: Warringah Local Environmental Plan 2009 page 21). While this zoning will permit these new forms of retail development, future blurring of retail specialisations could create confusion and disagreement if zoning is not adapted to reflect the increasing number of functions made available in the same space.

The importance of the findings of this report is such that they will be read closely by the elected council and council staff, as will any policy reform that takes place after the final report’s presentation to the Australian Government. Warringah Council is therefore very interested in the outcomes of this report and any implications it has on the planning systems set out by the Australian and state and territory governments.

Once again, we appreciate the opportunity to contribute to it, and remain interested in the implementation of its recommendations in federal and state policy.

Please contact the below signed officer if you require more information or wish to discuss this further.

Yours faithfully

David Kerr
Manager Strategic Planning

