Planning Institute of Australia (PIA) NSW Division

Submission on

Draft Centres Policy Planning for Retail and Commercial Development (Consultation Draft).

About PIA
The Planning Institute of Australia (PIA) is the peak body representing professionals involved in planning Australian cities, towns and regions. The Institute has around 4,500 members nationally and around 1,300 members in New South Wales. PIA NSW plays key roles in promoting and supporting the planning profession within NSW and advocating key planning and public policy issues.

This submission has been prepared on behalf of PIA NSW by Members of the Institute. It has been prepared following a Panel and Discussion on the (draft) Centres Policy for Retail and Commercial Development held 28th April 2009 and incorporates key comments of members arising from the discussion.

1. General Comments
   • PIA acknowledges the need for the planning system to be able to respond quickly and effectively to market demand; to be positive and proactive. Overall it is considered that the (draft) Policy provides sufficient flexibility to meet this need while acknowledging the need to work generally within the scope of regional strategies and comprehensive LEP’s.
   • The (draft) Policy is a retail policy not a centres policy.
   • There is no explicit plan or strategy for commercial or office floor space.
   • It is important the (draft) Policy focuses on what is important and not matters of perceived urgency. The (draft) Policy should not be seen as a reaction to recession and must reflect sound strategic planning.
   • The (draft) Policy is Metro centric and does not really acknowledge the diverse character of regional centres.
• The (draft) Policy includes relatively little discussion on transport and public transport in particular. The (draft) Policy does not adequately reinforce the importance of access and connectivity through efficient transport networks as vital to the success of centres.

2. Statutory Planning Issues
• PIA questions the status and effectiveness of the (draft) Policy as a “policy” without any statutory basis. It has been suggested that the (draft) Policy could be more effectively implemented as a State Environmental Planning Policy. It is noted that the (draft) Policy applies to ‘all centres throughout NSW’. (p.5). In its proposed form as a policy that is “only one component of planning for centres and should be read in conjunction with other policies and guidance that have implications for centres”, (p.5), there is no commitment from any players (decision makers, applicants) to take the policy into account. This creates potential for:
  o a lack of consistency in the application of the policy within and across local government areas which may affect the aim to create a network of centres as identified in the Metropolitan Strategy and sub-regional strategies; and reinforced in the (draft) Policy.
  o a lack of certainty and confidence in future land use and planning for communities and investors.

3. Links / relationship with other policies, programs and strategies etc
• The relationship between the (draft) Policy and other strategies is not clear. For example, what are the links between the (draft) Policy and the Metropolitan Development Program? There is a need for more rigorous assessment of floor space demand linked to other monitoring programs.
• The status of the (draft) Policy is not clear in its current form: It is noted that the (draft) Policy should be used when preparing planning strategies and LEP’s and when considering “centres type” development proposals; however the links between each are not clear.
• The (draft) Policy appears to be designed to facilitate the future development of centres: both those already identified in planning strategies and potential opportunities for new centres. It notes that the “network of centres has been identified in both metro and regional areas” (p. 7) and provides examples of each type of centre from regional strategies. It is understood that the existing regional strategies therefore provide the networks and hierarchies of centres; and that the (draft) Policy provides for future “centres type” development both within and outside centres. The relationship between the (draft) Policy and regional planning strategies, which identify specific networks of centres, should be explained in Section 2 – Planning Framework; including an explanation of, if there was a conflict between policies in a regional strategy and the (draft) Policy, which would have precedence.
• The context of the draft Policy in relation to Metropolitan Strategy could be more clear; for example, in relation to “Centres and Corridors” Objectives and Initiatives B1-B7.

4. Spot Rezonings
• While the need for flexibility is acknowledged, concerns have been raised about the extent to which the (draft) Policy could be seen to encourage spot rezoning, for example: “Councils should adopt a positive approach to rezoning proposals” (p. 24). Such policies / statements potentially encourage speculation; developers would look for sites which are easier to acquire but potentially generate greater social and community impacts, such as incompatibility with surrounding use and pressure on infrastructure.

• It is acknowledged that there are a number of tests to be satisfied before a spot rezoning can proceed, including demonstration of the need to use sites at the edge of, or out of, centres, at the site selection stage (p.24). It is suggested that this stage of site selection (demonstration of the need to use an out of centre, or edge of centre site) should be given greater emphasis and significance in the (draft) Policy; for example as a clearly identified independent process.

• It has been suggested that there is potential for confusion as the (draft) Policy supports comprehensive local environmental plans but also spot rezoning. This may be resolved by improving links in the discussion paper between Section 4 – Local Planning, which opens with the statement ‘The council’s comprehensive LEP is the key document for ensuring the supply of floorspace in centres accommodates market demand” (p.11) and “Section 8 – Rezoning..” which opens with the statement ‘while the FSDA should help to ensure that, in general, the supply of floorspace for development always accommodates demand, strategic plans are unlikely to anticipate the quantum or location of all future demand and therefore, development may be proposed on sites where the zoning does not permit the proposed use”. This would help to differentiate circumstances and emphasise that spot rezonings are expected to be pursued in exceptional circumstances only.

5. **Hierarchy and Network of Centres**

• The concept of a clearly defined hierarchy of centres remains valid and should be retained. It allows for specialisation of centres as they grow and develop; as noted in the (draft) Policy “centres have different functions depending on their scale and the catchment they serve” and “not all centres need or should have the same mix of uses” (p.7). PIA supports the notion that “it is important that the network of centres as a whole provides for all types and scale of retail and commercial uses”. (p.7)

• PIA would not support policies that encourage development of stand alone out of centre retailing at a large scale. This approach potentially encourages applicants to seek cheaper land outside strategically planned centres which would seem contrary to the goals to develop a network of centres that is “forward looking, ....providing certainty for public and private investment” (p. 6) and support for the network identified in the Metropolitan Strategy and sub regional strategies. If the existing centres are incapable of being expanded to accommodate significant additional demand and a large increase in retail floor space is justified, then it is incumbent on councils to address this problem by way of establishing a new centre in a fully integrated and planned fashion rather than simply permit a one-off project.

• The (draft) Policy should better acknowledge the option of providing additional floorspace vertically as well as laterally where there is a shortage of floor space in an
existing centre or where land for development is scarce. Additional capacity can be supplied through appropriate height and floor space ratio controls. The option of allowing for physical expansion to achieve a mix of lateral and vertical densification rather than continual lateral sprawl should be encouraged.

6. **Local Planning**

- PIA strongly supports the policy that Comprehensive LEP’s should provide sufficient zoned land in centres based on retail and commercial floorspace targets; and that flexible zonings should be applied to accommodate market demand within and adjacent to existing centres. A flexible zoning approach may alleviate the need for spot rezonings and allows for future “centres type” development to occur in expected, planned areas that have been identified based on sound research and planning. Inflexible zonings can reduce opportunities within and adjacent to existing centres and may encourage ad hoc rezoning and development.

- It is suggested that the discussion on “New Centres” within “Section 4 – Local Planning” should be combined with “Section 8 – Rezoning”. The considerations, tests and assessments required in site selection for new centres should be consistent whether the site assessment is undertaken by a Council to identify a site for a new centre or whether the site assessment is undertaken by an applicant seeking a rezoning for a specific development proposal. The sequential process for rezoning outlined in section 8, including the Net Community Benefit Test, should be applied whether the rezoning is initiated by a Council or by an applicant.

7. **Need for the (draft) Policy to look beyond economic factors**

- Throughout the (draft) Policy there is a strong emphasis on economic factors / issues. PIA considers there is a need for the (draft) Policy to more strongly acknowledge social, environmental and sustainability issues; particularly as factors to take into account in assessing the merits of a rezoning but also when assessing development proposals. These need to be included, for example in identifying land for retail and commercial development, site selection assessments for specific proposals, the Net Community Benefit Test, rezoning and development application stages.

- The (draft) Policy should more strongly acknowledge the diversified nature of centres beyond retail and commercial activities; such as social, cultural, recreational, entertainment, services, and transport hub roles and functions.

8. **Need for the (draft) Policy to more strongly acknowledge residential and other (mixed) uses and development in centres**

- The (draft) Policy does not recognise the importance / significance of the variety of uses, including a residential component, in adding life to centres. It is vital for the economic sustainability of centres and the social, community and cultural character of centres. It also encourages and supports public transport use and development.

- The draft Policy makes little mention of the contribution that the residential and other uses make to the vitality and life within a working centre. The support offered by
including mixed use within regional and local towns is vital to the economic, social and cultural vitality and character along with urban design.

- Local centres located at origin stations should be the focus of higher density housing.

9. **Access and Transport Issues**

- The (draft) Policy includes relatively little discussion on transport. The nexus between strategic centres located at destination stations (with relatively high levels of employment and comparison retail) and local centres located at origin stations (with relatively high levels of housing and household support services including convenience retail) is generally acknowledged as a sound planning principle and supports public transport. While supporting the continued growth and development of existing strategically located centres, the (draft) Policy also provides mechanisms for the development of large scale out of centre retailing. One of the key considerations in assessing the merits of such developments should be transport and access and this should be emphasised; at least in Section 8 – Rezoning and the Net Community Benefit Test.

- The connectivity between centres and accessibility of centres is fundamental and highlights the importance of planning transport infrastructure in conjunction with a centres policy. The (draft) Policy does not adequately reinforce the importance of access and connectivity through efficient transport networks as vital to the success of centres.

- The (draft) Policy should encourage equal access to a centre for all, especially by public transport.

- The (draft) Policy should encourage co-locating multiple activities and services so that numerous tasks can be completed in one trip.

10. **Floor Space Demand Assessments**

- It is noted that the Floor Space Demand Assessments (FSDA’s) are designed to provide data to help plan for the provision of floorspace for the retail and commercial sectors, and to assist with both long term strategic planning and inform decision making. PIA supports the aim for data collection to help plan positively and proactively and to aim to ensure a ready supply of floorspace to meet demand; and for a consistent approach to be developed and adopted across the State.

- It has been suggested that the review of FSDA’s should occur every five years consistent with the Metropolitan Urban Development Program.

- It has been noted that the supply / demand relationship for retail and commercial floor space is multi faceted and further impacted by individual market influences relative to location and major economic players in the local and regional area. It is suggested that, in addition to the matters listed at p. 9, the methodology for analysis should include analysis of broad issues such as:
  - Location relationship of centre to the major economic contributors;
  - Floorspace and locational requirements of the major participants;
  - Spatial relationship of competing and complimentary centres;
Existing infrastructure and service provision (or lack thereof) including most significantly transport, and capacity;

Centre location in respect to locational preferences of demographic migration patterns.

PIA strongly supports the proposal to undertake FSDA’s at a regional level which will allow for links between centres irrespective of boundaries between local government areas.

11. **Net Community Benefit Test**

- The Net Community Benefit Test (NCBT) should seek to ensure that the community is better served as a result of the proposed development.
- The criteria and benchmarks applied in the NCBT have not been applied consistently and therefore do not provide guidance to Councils. The NCBT needs to be more specifically defined so that it can be applied consistently.
- It is important to consider issues of equity, such as an acknowledgement that while there may be an overall positive benefit from a development there may be some in the community that may experience disbenefit.

12. **Typology of centres and definitions**

- The typology used in the (draft) Centres Policy and Metropolitan Strategy and regional strategies should be consistent; and the links between discussion and identification of typology between documents should be clearer to better explain the relationship between the documents. For example, the typology proposed in the Draft Policy for “Local Centres” is not consistent with that used in the Metropolitan Strategy which may cause confusion.
- The relevant typology descriptors should include a residential accommodation component.
- If specific definitions for different types of retail development are to be retained for the Standard Instrument - Principal Local Environmental Plan, a definition of “supermarket” should be included, such as the definition suggested at p32.

Planning Institute of Australia NSW Division
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