RESPONSE TO THE DEPARTMENT OF PLANNING DRAFT CENTRES POLICY

MAY 2009

Prepared by the

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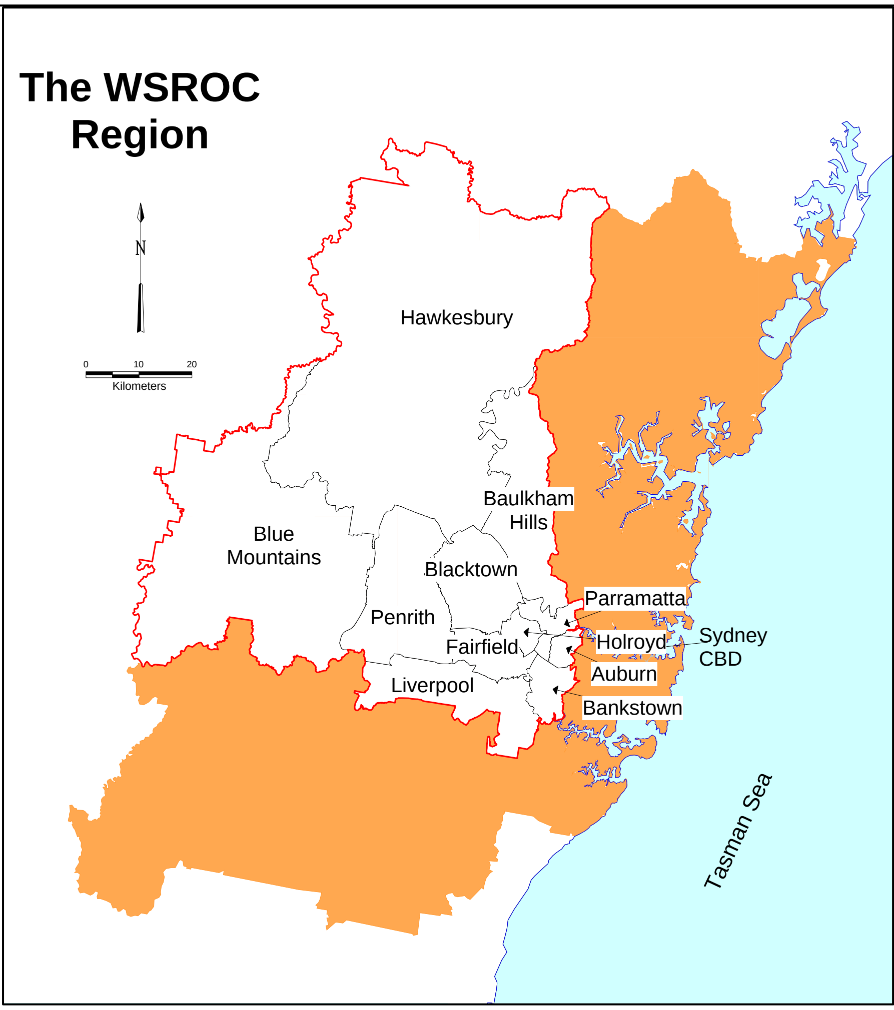

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ISBN 86271 035X

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PART ONE

BACKGROUND

1. INTRODUCTION

WSROC welcomes the opportunity to comment upon the *Draft Centres Policy: Planning for Retail and Commercial Development.* Councils in Western Sydney have been calling for some guidance on the development of retail and commercial centres for many years.

This submission draws upon the comments provided by WSROC member Councils and other stakeholders in Western Sydney. A number of these Councils are preparing detailed responses and these should be read in conjunction with this submission, which provides a more regional perspective.

The first part of this submission presents some background discussion on planning for retail and commercial development. The second part provides WSROC's response to the draft centres policy consultation paper questions.

2. METROPOLITAN CENTRES

It has become accepted worldwide that the only way large metropolitan areas can grow sustainably is by developing stronger sub-centres, interlinked by a network of public transport. In Sydney this should no longer focus solely on the CBD but should be supplemented with more effective cross-city links between major sub-centres. In this way people will be provided better access to employment and other facilities and there will a reduction in the need for longer distance commuting. Energy and pollutant generation will also be reduced.

Sydney will only develop its role as a global city by bringing its businesses closer together. Centres provide an agglomeration of intensive uses, providing a range of services and facilities, a focus for community life and act as a collecting point for public transport.

As it stands there is no indication of how the policy will impact upon the work of other State government organisations. Will it drive the priorities of rail and bus planning via the State Plan? The successful implementation of the Centres Policy will only occur if it is linked to a number of existing or related programs and initiatives either undertaken or underway. These include:

- The Metropolitan Strategy and associated Sub-regional strategies;
- The State Plan;
- The State Infrastructure Strategy; and
- The Urban Transport Statement etc.

The Centres policy should provide more design guidance because while there has been a focus on improving residential design for a number of years by the Department, little has been done to improve the design of centres. Councils in Western Sydney often lack the experience required to assess major development in centres, since it occurs so infrequently. Yet such development can have a major impact on the community. This could be addressed by the development of a Practice Note on Urban Design in Centres.

RECOMMENDATIONS:

The Centres policy should:

- **Give greater consideration between the relationship between other strategic land use and transport planning strategies; and**

- **Provide more guidance on how to improve the urban design of centres.**

3. SUSTAINABLE METROPOLITAN DEVELOPMENT

By developing a strong system of mixed use centres which concentrate retailing, personal services, employment and higher density housing together, a more sustainable form of development can be achieved by:

- Reducing the overall demand for travel by increasing local employment, resulting in shorter overall commuting distances;
- Further reducing travel demand by grouping uses together so that a variety of purposes can be served within a single trip. This includes all forms of shopping, recreation, education and business travel;
- Reducing reliance on the private car, by providing public transport at the earliest stage of development, coupled with a safe system of walking and cycle paths within the centre which all help to reduce car dependency and encourage public transport use.
- Locating residential development close to public transport which not only enhances public transport use but also helps to support other uses within a centre. People are also more willing to purchase housing in medium and high density developments when sites are close to the facilities and public transport services of a major centre;
- Ensuring the inherent safety of urban and suburban spaces, through the use of lighting, passive surveillance and the separation of vehicles from walkers and cyclists. Safety is a major factor in encouraging people to use or traverse public spaces. Local public places that are conducive for people to walk to, meet friends and take part in local activities, are beneficial for individual health and have less transport impact on the environment;
- Encouraging a diversity of housing, and housing affordability are key to developing local diversity and walkable communities crucial to reducing emissions and retaining standards of living for those in the community whose capacity to travel will decline, particularly with age;
- Retaining natural vegetation and minimising the area of dark heat-absorbent surfaces, which act to increase average temperatures and extreme heat days in urban areas. This effect, known as the ‘urban heat island effect’ has been shown to be significantly affecting Sydney over the past 50 years. Ensuring there are natural places within, or on the fringes of, urban areas is also important in view of the high value placed on access to natural areas in Australian society. Parks and gardens, natural bushland, rural areas and areas of broad open space are central to our culture’s approach to children's play and development, physical activity and recreation. Retention and/or rehabilitation of natural vegetation and access by the population to such places should be part of Centres policy.

RECOMMENDATIONS:

The Centres policy should be more closely aligned with the following objectives:

- **A reduction in the number of trips made in private vehicles;**
- **Housing diversity and affordability, the latter to achieve 15% of new housing to be affordable;**
- **Safety of urban areas;**
- **Retention and rehabilitation of natural vegetation and access to natural areas;**
- **Extension of shopping hours;**
- **Increases in outdoor dining;**
- **The need for improvements in car parking and servicing arrangements to avoid pedestrian/vehicular conflict;**
- **A move away from trends towards indoor big box, car-based centres;**

- **Improved access by walking and cycling and public transport; and**
- **Support for the development of the public transport network.**

Within the local area of a centre other sustainable development measures that should be addressed include:

- **Catchment management and stormwater harvesting and reuse;**
- **Improved energy efficiency in buildings;**
- **Development of programs for improvements to local amenities and the provision of more public civic spaces especially around local retail areas;**
- **Development of a revegetation policy aimed at halting and reversing the loss of vegetation, especially to create shaded and sheltered pedestrian and civic environments;**
- **Ensuring that local planning regulation is effective to create a mix of services and facilities;**
- **Development of regional urban form and natural environment goals, measurements and strategies ;**
- **Use of white rooftops for environmental purposes;**
- **Water and air quality;**
- **Biodiversity; and**
- **Waste disposal.**

These matters should be considered in planning the site layout for a centre.

The policy should also focus more on the design and location of centres in terms of the community role of activity centres and the achievement of sustainable transport options

4. SOCIAL SUSTAINABILITY

The designation of high density town centres concentrations in areas of existing disadvantage may well fail the test of social sustainability, where ,smart growth, pressures may exacerbate the processes of spatial inequality.

RECOMMENDATION:

- **Urban design outcomes should be improved and particular attention paid to the public realm (both public and private spaces) to ensure they contribute to a 'sense of place' and the role of activity centres as the focus for community life.**

5. CULTURAL SUSTAINABILITY

Social and cultural facilities provide for basic community needs and venues for activities. In doing so they encourage social connectivity and facilitate organised collaborative effort, support the de3velopment of 'social capital' and 'community capacity' processes that enhance sustainability and well-being.

Research by the Australia Council commends community cultural development (CCD) as a strategic and proven process for building confident, expressive communities. CCD programs have been used effectively to bring residents together, to reconnect with each other and their street. Centres can be revitalised with community gardens and public art.

RECOMMENDATIONS:

The centres policy should give greater consideration to the importance of social and cultural infrastructure:

- **An analysis should be undertaken of existing social infrastructure and service deficits in established centres, the likely service requirements of new residents and the best means of increasing service levels to meet these needs;**
- **A needs analysis should be undertaken for cultural infrastructure focusing on undeveloped art forms, production spaces for artists and support for new creative industries;**
- **Public art should be integrated into the design fabric of centres to introduce aesthetic and community elements to improve the experience of shopping and working in centres;**
- **Public art programs should be developed in conjunction with building designs;**
- **Spaces should be created for temporary art displays (unrented rooms, central areas of walkways etc.);**
- **Temporary art programs such as display of banners should be developed; and**
- **Outdoor areas created for community markets.**

6. ECONOMIC SUSTAINABILITY

Economic sustainability depends on the efficient use of capital and resources. Grouping uses together and providing supporting infrastructure achieves this aim with particular benefits applying to individual uses:

- Retailing strategies which cluster specialty and discount retailing together (including bulky goods and big box outlets) enhance the overall retail viability of a centre as a whole:
- Office development is attracted to locate with easy access to both shopping and public transport. Retail turnover is increased by co-location of shops and office developments;
- Community facilities and entertainment uses should also be located close to public transport and retail areas. A wide range of community facilities should be provided at an early stage to establish a strong focus for a centre and enhance their use and improves the perception as a desirable location for business.;
- The form taken by public streets should link all the activities and public interchange facilities should be located close to areas having the highest pedestrian flows.

Increasingly, shopping is seen as a social or leisure activity, rather than a simple necessity. Shifts in retail development can lead to obsolescence of existing public and private infrastructure and create demands for new facilities at a cost borne by the community at large.

How we plan for and manage retailing within cities not only impacts on their economies but also on broader social structures and the sustainability of cities.

The Department of Planning could assist Councils by providing a better understanding of economics and current and future trends in retailing, using advice from the retail industry to help inform the preparation of new LEPs by local government.

Currently there is a need for more research to be undertaken on the role of retailing across the metropolitan area to identify emerging trends, major and minor shortages or overprovision of land for business/retail purposes. The outcomes of this research could then be incorporated into regional and sub-regional strategies and inform the LEPs.

RECOMMENDATIONS:

The Centres policy should:

- **Emphasise the importance of grouping uses together and providing supporting infrastructure;**
- **Encourage the co-location of retail, commercial developments and community developments;**
- **Link all activities and public transport interchanges by public streets.**

The State Government should ensure that the proposed changes in the draft centres policy better address the wider social, environmental, economic and equity objectives of the planning system as outlined in the 2008 Introduction to the *Discussion Paper on Improving the NSW Planning System.*

7. RETAILING

The dominant position of the enclosed retail mall, with a highly controlled mix of department, specialty and convenience stores has been changing. Supermarkets have now grown from around 1,500-4,000 sq. metres in area, but the role of department and traditional specialty stores has weakened. If Australia follows the USA trend the major growth will occur in ‘discount’ and ‘boutique’ retailing and here both of these markets have begun to locate outside malls. For example, ’big box’ discount retailing (white goods, homewares or category killer stores such as toyshops) have tended to seek out highly accessible, lower cost locations, more often than not outside major centres.

By contrast, the ‘boutique’ retail market has established itself in distinctive enclaves, including boutique strips in which up-market shops seek locations fronting major streets using distinctive shop front design to improve their identity. Proximity to restaurants and leisure functions (multiplex cinemas, youth and family entertainment) is linked to markets of this kind.

RECOMMENDATION:

- **The detailed layout of retail areas should concentrate specialty retailing to reinforce pedestrian flows in relation to major retail stores and should also be located close to a transport interchange.**

Bulky goods retailing

A lack of capacity for growth within activity centres coupled with the cost and difficulties of obtaining development approvals has lead to an increase in out-of-centre development in recent years. A major feature of ‘bulky goods retailing’ in Australia over the last 30 years has been that it has occurred outside established commercial centres, often in areas zoned for industrial purposes. From a planning perspective this has become a vexatious issue.

A number of trends in the retail sector such as the need for large floor areas and low rents have also been combined with:

- Increasing levels of car ownership among the consuming public which has made retail less dependent on pedestrian and public transport networks;
- Growth in weekend shopping which reduces the influence of retailing located close to employment centres; and
- Rising occupancy costs in traditional business centres which continue to force retailers out of core business zones and towards fringe zones.

RECOMMENDATIONS:

- **Rather than relying on the nature of the goods being sold, the nature of the turnover of the stores and the need for public access a solution could be the identification of those types of retail activity which are suitable for location in an industrial zone together with a floor space limit (expressed as a minimum).**
- **Ideally, bulky goods and big box retailing types should not be located on independent sites outside of centres, but should be adjacent to and reinforcing the specialty retail area.**

Convenience retailing

Over a number of years there has been an emergence of convenience stores throughout Sydney. Traditionally convenience stores have a floor space less than 250 square metres and have been associated with service stations. While such facilities can provide convenience retail facilities at an early stage of residential development, they also have the potential to undermine the establishment of local centres and to negatively affect existing neighbourhood centres.

The adoption of a policy which restricts development of convenience stores to locations on arterial and sub-arterial roads helps to strike a balance providing convenience and protecting the long-term interests of more permanent commercial centres.

8. OTHER FUNCTIONS

Emerging consumer preferences to combine visiting shops with the pursuit of leisure activities can significantly improve the competitiveness of centres. Increasingly shopping trips are combined with trips to the cinema, indoor recreation and eating out. Access to parklands also adds to the attraction of a centre in which to live, work, visit and enjoy.

RECOMMENDATIONS:

- **The draft centres policy should provide more guidance on the importance of the role of other functions in addition to retailing in centres.**

9. LOCAL AND NEIGHBOURHOOD CENTRES

The objective in planning for centres and access is to create activity nodes which provide a focus for public life. However, there has been a failure of a number of proposed smaller centres in release areas in Western Sydney to develop for retail and commercial uses.

Throughout Sydney there has also been a decline in the amenity and performance of a number of older strip centres. Many of these older centres suffer from a lack of quality, little civic open space and inefficient movement systems. Their environment reflects the predominant requirements of commerce and the motor car, with little concern for pedestrian amenity. Even the newer centres often comprise a series of individual buildings, surrounded by a sea of car parking with no identifiable clear urban structure. In these centres significant gains need to be made to improve the pedestrian environment and such gains would be a key factor in the success or failure for local government's objectives for revitalising its urban centres.

Adequate size, an appropriate retail mix and location on a busy road with good public transport access are all factors that lead to the success of local and neighbourhood centres. If centres are less than 2,000 square metres and are not located on major collector roads, they may well be underperforming. In addition a growing presence of service station/convenience stores have been squeezing out the traditional 'corner shop'.

RECOMMENDATIONS:

The Centres Policy should:

- **Provide more guidance on how to deal with centres that are no longer viable and are dying;**

- **Acknowledge that good public and private transport accessibility is essential to ensure the viability of business centres. Better integration between rail links and bus services and the retail hierarchy is also crucial.**

- **Ensure that LEPs and DCPs support a mix of facilities (cafes, shops, cultural, recreational and community facilities) within precinct centres.**

10. SUB-REGIONAL CENTRES AND REGIONAL CITIES

A regional city is defined as a focal point for regional transport and jobs that also has a full range of business, government, retail, cultural, entertainment and recreational activities. Regional and sub-regional centres contain a wide range of uses - retail, commercial, community facilities, entertainment and residential - and in the past these land uses have been separated into separate zones. This has lead to the creation of a fairly sterile suburban environment. There is also a need to place more emphasis on the predominance and scale of the pedestrian rather than the ruling requirements of commerce and the motor car.

Cities have changed over the centuries but the basic repertoire of a comparatively few types of devices which make up the spatial structure of a city have endured.

The Street
Streets form the primary open space in towns or cities and in view of the land value invested in them should be considered as much more than traffic carriageways. Frontages should provide fine facades with continuity of use, shelter and space enclosure, height and architectural character. Where footpaths are wide and well paved and traffic volumes are not too high, cars and pedestrians can be successfully combined.
Cross sections vary greatly from intimate local lanes to great boulevards containing several rows of trees and wide footpaths, the choice depending upon the appropriate relationship of adjoining land uses. Narrow streets can be seen as seams that unite wide streets separate and divide. Great care needs to be exercised in the use of techniques that improve traffic flow that reduce the amenity for other users. Clearways and one-way systems can kill the social and economic life of a street.

The Square
Where streets widen out, encircle a park, or skirt the edge of pedestrian areas, a square can provide a place to rest, a place to watch passers-by, a place to view buildings or the impressive foreground for an important civic institution. In many instances squares can be a combination of these things.

The Court
Courts are open to the sky but excluded from busy thoroughfares and often contain arcades, water features and gardens. They can be public or private. There are endless variations on this theme and for a device that has been used successfully for so long there has been surprisingly little use in commercial buildings.

Arcades/Galleria
Few modern examples can compare with the quality of the Victorian arcade (e.g. the Queen Victoria Building in Sydney). Too many current arcades have ceilings that are too low, rely on artificial light and have trashy shop fronts - the antithesis of a good arcade.

Esplanades/Promenades
These usually define an edge of an area, where a dense concentration of buildings gives way to a natural feature such as a river or beach. They are often associated with a major change of level such as a cliff or escarpment and are furnished with paths, seats, walls and light standards.

Current Centre Design Issues
Over the last thirty years there has been a tendency to put all retail components into one large industrial-type building surrounded by car parking. This is not conducive to contributing to the environmental quality of an area. Not only the external appearance of such buildings (which necessitates the use of large expanses of windowless walls) but also internally with no references to the outside world.
Overseas and particularly in the USA, a deliberate attempt has been made to create centres that are urban in character but return to the notion of the town centre incorporating a mix of office space with specialty and retail space, public open space, restaurants, churches, day-care centres, libraries, libraries, housing and community and elderly care. These should not be considered as isolated buildings, each with their own amenities, but the creation of organising principles aimed at achieving a sense of place. For example the new centre at Rouse Hill was designed on the premise that all the functions of the centre are intended to be accessible from the ‘main street’ which has a ‘high street’ function.

11. OFFICE/COMMERCIAL SECTOR

There is growing success of business parks which are strongly attracted to locations that provide very high environmental quality, a natural setting, hotels and entertainment and sporting and leisure facilities. Larger enterprises are looking for 5,000-10,000 square metre tenancies with 1,000 square metre of floor space on one level. They also require provision of access by elevator, ‘smart technology’ cabling, climate control and other infrastructure, all being provided within the building fabric.

Office parks to house research and office facilities are usually located in association with higher order centres. There are generally three types:

- Those that exert greater demands on the environment (either being visually unpleasant, heavily transport related, out of scale with other forms of development or very large land users). These are best located on the edge of urban development and related to a main road.
- Other forms which need large estates, but are quite compatible with town activities, could be fairly dispersed in their location, may be located at the edge of town as a buffer to adjacent agricultural uses;
- Industrial activities with no environmental demands, such as selected nursery factories located in local job opportunity centres, provide job opportunities for those that want to live closer to home.

Over the last decade commentators have been pointing to the world-wide trend towards an increasing proportion of employment being undertaken from home and a reduction in employee workspace ratios. Retail studies undertaken in the mid to late 1990s even speculated that up to 15% of employment in certain geographic areas could be home-based.

However, the findings of the 2001 and 2006 Census for Western Sydney do not bear this out. In 2006 3.7% of the North-West Sydney population were reported to be working from home, which represented a reduction from the 4.1% in 2001. Similar results were recorded for West-Central Sydney (2.2% down from 2.6%) and South-West Sydney remained the same at 3.4%. While the WSROC region dropped from 3.4% to 3.0%, Sydney SD dropped from 4.1% to 3.9%.

RECOMMENDATIONS:

The centres policy should:

- **Give greater emphasis to the importance of the presence of high quality transport infrastructure, since this is one of the most important catalysts for promoting the growth of local employment opportunities.**

- **Provide a clearer distinction between higher order centres that place high demands on the environment, those that are compatible with town activities and can be located on the fringe of centres and those with no high environmental demands.**

PART TWO

WSROC COMMENTS ON THE DRAFT CENTRES POLICY CONSULTATION QUESTIONS

Question 1: Are these the right principles to guide retail and commercial development?

It is essential that by encouraging the growth of new centres the policy does not compromise the redevelopment of existing strategic centres. WSROC therefore supports principle 1 but has reservations about how principles 2-5 are currently framed. Any assessment of market demand can be skewed by the development of large new shopping centres on unconstrained land outside of existing centres which is cheaper to develop. Such developments may lack public transport access and would perform badly in relation to the suitability criteria outlined in Section 4 of the draft policy.

The draft policy also has conflicting advice in respect of the adverse implications of the development of new centres on the viability of 'Main Streets' coupled with the direction not to take into account '*the likely impact of a new entrant on any existing retail and commercial premises*'. There needs a distinction made between the new growth areas as opposed to development in established areas.

Concern is also raised with principles 3 and 4, since estimates of market demand and cost/benefit analysis can be flawed. Local government needs to be able to consider the demand for development as part of a series of considerations, to avoid inefficient development of land.

Principle 5 is also too general. There are some formats that may not be appropriate in some centres, for example the location of bulky goods retail or factory outlets in local centres, would not pass a merits based assessment process.

Question 2: Is this the appropriate planning framework for corridors? What development should be permitted in corridors?

Economic corridors such as the M5 and M7 are the focus of Sydney's manufacturing, transport and logistic activities. Pressure to convert these lands to other uses, particularly residential, would undermine their key economic role. Future strategic planning needs to protect and strengthen the role of these economic corridors.

Question 3: Does the policy framework contain the right elements? Are there elements that should be added or removed?

While mention is made of 'economic, social and environmental costs and benefits' no evidence is presented as to how this is to be assessed. For example loss of existing business is both a social and an economic cost and provision of excessive floor space has both an economic and an environmental cost.

Question 4: Does the centres typology contain too many centre types, not enough centre types or is about right?

The draft policy does not contain the complete range of centres typology established in the Metropolitan Strategy, since it omits villages and small villages. Concern has been expressed that the draft policy fails to adequately reflect the nature of suburban centres in outer Western Sydney, which differ from inner city centres in terms of dwelling density and infrastructure provision.

The limited zones provided under the standard LEP template also cause problems for Councils attempting to comply with the adopted centres hierarchy.

Question 5: Are floorspace supply and demand assessments (FSDAs) the right approach to assessing retail and commercial floorspace demand? Who should be responsible for undertaking FSDAs and how often?

Demand Estimates

An essential element to the development of a centres strategy is the preparation of estimates of future demand for retail and commercial floorspace. Undertaking this assessment account must be taken of changes within the retail industry and estimates of population growth and household growth, both within a specific LGA and adjacent areas.

Consideration of the demographic characteristics of the area in question - the age structure, occupational characteristics, home ownership levels, income, household structure and car ownership can all have a bearing on retail and commercial office demand.

While such forecasts are always tinged with an element of uncertainty, considerable changes can occur within the retail industry and consumer spending habits over a decade or so. For example opinions vary significantly concerning the future of electronic shopping and the provision of traditional retailing in shopping centres. It is possible that developments in this area could well affect the demand for retail floorspace in the future.

While the demand for retail floorspace can be calculated numerically using various standards concerning the provision of floorspace, demand is also reflected by macro-scale changes taking place within the retail sector in general. Many of these changes are, in turn, a reflection of longer-term social trends within society and the specific community being studied in particular.

The broad trends in retailing that are relevant to the assessment of future demand include:

- ***Ageing*** of the population which can lead to a significant decline in average retail spending, with older households spending less on clothing and more on personal services.
- ***Workforce participation*** - the significant rise in female workforce participation has increased the number of so-called ‘time poor’ consumers. This in turn has been reflected in the growth of convenience-orientated retail services and a general demand for extended trading hours.
- ***Category substitution*** - Australians have been allocating more of their disposable income to services (personal services, travel and the like) and, in areas with an older population, have reduced spending on traditional retail categories (clothing and accessories, furniture etc.)
- ***Food retailing*** - large supermarkets are now incorporating an increasingly diverse range of fresh food, which has decreased market opportunities for small, independent fresh food operators. There has been recently, until the economic downturn, a significant growth in meals eaten outside the home, leading to a demand for restaurants and cafes, takeaway food establishments and the greater provision of pre-prepared meals by supermarkets.
- ***Electronic retailing*** - there is still considerable debate about the effect of electronic retailing on the traditional retail sector and it may be that the demand varies according to the socio-economic profiles of different areas.
- ***Extended trading hours*** - while the extension of trading hours has been generally welcomed, especially in areas of high workforce participation, it has had an impact on smaller scale neighbourhood centres which have lost their competitive advantage compared to larger centres containing comprehensive supermarkets.
- ***Bulky goods retailing*** - the establishment of these centres outside of traditional commercial centres has been increasing, with increased traffic congestion, higher rents and an inability to obtain large floorspace areas in established areas driving this trend. A competitive bulky goods cluster can adversely affect the economic viability of nearby traditional centres. They can affect the availability of low cost land for price sensitive urban support uses such as auto repairers. The also increase private vehicle trips away from public transport routes. There are therefore advantages to co-locating bulky goods retailing

within centres. Advantages include greater shopping convenience, potential for higher levels of amenity, reduced duplication of activities such as food premises and improved vitality of the centres.
- ***Trip frequency*** – there is evidence that shoppers are making more trips to shopping centres on a weekly basis nowadays. But there is also evidence of a greater number of specific retailing trips: e.g. supermarket shopping trip, clothes buying trip, household goods purchasing trip and the like.
- ***Entertainment*** – there is a world-wide trend of incorporating entertainment facilities in large-scale shopping centres. This is manifested by the co-location of cinemas and food courts together with electronic entertainment venues.

Given the range of factors outlined above and the homogeneity of the design of major regional centres to the extent that they exhaust the supply of retailers wishing to locate in them, there may be further growth in smaller-scale convenience centres (less than 20,000 square metres based around a large 24 hour trading supermarket and a restricted range of specialty store).

There has been a general consensus within the retail sector since the mid 1990s that the per capita provision of retail floorspace will not expand as significantly as it has done in the past. While the general increase in service-related activities may continue, the proportion of spending devoted to traditional retail categories may continue to fall.

Commercial Demand Estimates
Estimates of demand for non-retail floorspace are a more difficult task than estimating retailing demand. Office space comprises two components. The first involves the provision of services to the local population. The second caters for demand generated by office-based functions with a regional rather than a local focus. Examples of the latter are local office spaces serving legal, real estate, insurance, medical and local government administrative functions. In the larger centres they can include State and Commonwealth Government Departments, the administrative offices of major (usually national or international) companies and regional headquarters of banks and similar other financial institutions.

Office Demand Trends
The world-wide trend for an increasing proportion of employment being undertaken from home and the reduction in employee workspace ratios is in part the result of a search for efficiency and cost reductions on the part of businesses but also a much broader socio-economic trend. This has been facilitated in significant improvements in technology in recent years and a growing acceptance that not all office-related services must by provided from a traditional business centre/office location.

The trend towards home-based employment is particularly noticeable in areas with upper socio-economic characteristics. These areas have a high component of tertiary-educated and technologically capable residents and hence a greater proclivity towards the adoption of home offices.

The encouragement of home-based employment - while it does raise certain concerns about the protection of residential amenity- also has substantial benefits in terms of raising the overall level of business activity and encouraging a sense of entrepreneurialism within the community.

Question 6: Is the interim retail target set at the right level?

- **Should councils be able to use existing information to set interim retail targets before an FSDA has been produced?**
- **Are interim commercial floor space targets required? If so, at what level should they be set?**

Any target that is set should relate to zoned land and not developed land and be capable of being implemented over a period of time. The requirement to zone land to meet a 30 year demand in a plan that is to be reviewed every five to seven years can raise unrealistic expectations in a community.

Question 7: Is the approach of identifying a large area of land supported? Are there other suitability criteria that should be included, or criteria that should be omitted?

Zoning large areas of land is only supported if it can be staged. Centres will not operate effectively or efficiently if too large an area is identified that exceeds the demand. Conversely, if the land on the outskirts of centres is cheaper than the core area, it may develop more quickly leading to a highly inefficient or fragmented centre layout.

Question 8: Should a more flexible approach to the policy framework be adopted in regional areas? Are there other areas, such as some parts of Western Sydney, where a similarly flexible approach might apply?

The local centres typology and demand in Western Sydney can differ from those of the inner Sydney area and requires a more flexible approach.

Question 9: Should the B1 (Neighbourhood Centre) zone be removed?

The B1 (Neighbourhood Zone) is needed in Western Sydney where there are numerous neighbourhood centres comprising 4-5 shops, some with shop-top housing, which provide important community ‘hubs’, particularly in areas that are losing population. These facilities are important for communities that lack access to adequate public transport provision.

In addition to providing for day-to-day needs these smaller centres have a role to play in the creation of walkable neighbourhoods, encourage social interaction and create a sense of place – all essential prerequisites for the development of sustainable communities in the region.

The distinction between the role, scale and function of neighbourhood and local centres in Western Sydney should be recognised under the LEP template and the B1 (Neighbourhood zone) retained.

While it is suggested that the RU5 (Village) zone should only be applied to small settlements in a rural context some councils are applying this zone to a village as a whole. In these instances it may be inappropriate to have ‘business premises’ as a mandated use. It is suggested that this issue should be left open to Councils to decide on what is appropriate in this case.

Question 10: Should the B5 (Business Development) zone be amended?

It is recommended that the Standard LEP Template be amended to remove the term ‘specialist retail uses’ and replace it with ‘bulky goods premises’. Given the large floor plates being developed in these zones it is not considered either practical or appropriate for residential, commercial or general retail purposes to be compulsory in the B5 zone.

Question 11: Should the name of the B6 (Enterprise corridor) zone be changed so not to be confused with Economic, Renewal and Enterprise Corridors in the strategies?

Yes. There would appear to be confusion between the objectives of the B6 (Enterprise Corridor) zone which include ”*to provide … residential uses (but only as part of a mixed uses development*)” and the instruction to “*zone corridors B6 (Enterprise Corridor) in out-of-centre locations along busy roads in urbanised areas to provide and make effective use of land that acts as a ‘buffer to residential development’.*

Question 12: When should general retail be a permitted use in enterprise corridors?

- **What forms or retail could be permitted in the zone?**
- **Should there be a floorspace limit for all or only certain shops and showrooms, or at all?**

The terms retail premises and shop appear interchangeable, are very broad and permit a range of uses which are not necessarily appropriate for the enterprise corridors and hence should not be a mandated use. It is considered that neighbourhood shops would be the appropriate type of retail in an enterprise corridor, given their scale and function, and a floor space limit should be placed on all types of shops and showrooms.

Question 13. Is this the appropriate planning framework for business parks and the B7 (Business Park) zone?

The features that attract firms to business parks include:

- Zoning flexibility to encourage diversity and to meet individual specific needs. Many firms are seeking campus-style accommodation with large floor plates, plenty of parking and opportunities to integrate research, manufacturing, management and distribution activities.
- A sizeable labour force catchment containing a large proportion of households with knowledge-based skills and competencies, including scientific, technology, finance and management skills, as well as lower skilled workers including truck drivers, process workers and storemen.
- Proximity to clusters of innovative firms and higher education facilities;
- Quality amenities including childcare facilities, entertainment, recreational and cultural facilities; and
- Efficient transport, energy and communications infrastructure with good access for suppliers and customers.

Question 14: Are these the appropriate exceptions to retail and commercial development in industrial zones? Are there others? Should retail generally be excluded?

While aiming to accommodate retail and commercial development in centres, the draft policy also acknowledges that consideration may have to be given to locating such development in edge-of-centre or out-of centre locations. On page 16 the IN1(General Industrial) and IN2 (Light Industrial) zones are suggested as location options. However, on page 19 the policy suggests that retail and commercial development is not appropriate in most IN1 and IN2 zones with certain exceptions such as neighbourhood shops.

WSROC is of the view that the majority of retailing should be excluded from industrial areas.

Question 15: What is the right approach to heights and floorspace ratios in different types of centres and settings?

Centres should have a strong visual identity from regional approach routes. Building heights can vary within a core area but should ensure adequate sun penetration into streets and that building heights over two stories are limited in extent. A minimum two storey scale provides the necessary feeling of urbanity and containment. Taller buildings (up to six storeys) can be used to accentuate corners.

Question 16: Should multi-dwelling housing and residential flat buildings be mandated as permissible uses in the B4 (Mixed Use) and B2 (Local Centre) zones?

WSROC believes that multi-dwelling housing and residential flat buildings should not be mandated as permissible uses in the B2 (Local Centre) zones. For most of Western Sydney the public transport services and community infrastructure in local centres is inadequate to support and accommodate the level of growth resulting from these types of development. A better approach would be to zone areas around centres for higher density residential development.

Question 17: Does the definition of 'retail premises' need refining to better define the range of land uses it includes and the hierarchy of those subordinate land uses?

The current definition of 'retail premises' should be refined to better describe the range of land uses it includes and the hierarchy of the subordinate land uses. Additional sub-definitions including 'supermarket' and 'factory outlet' would also be of assistance.

Question 18: What land uses should be included/excluded from the group terms 'shop' and retail premises'? Why?

Currently the term 'shop' includes most types of retailing activity such as supermarkets, other factory outlets, big box formats etc. Some such as supermarkets may be appropriate in local centres but others such as big box formats would not. The use of floor space restrictions is not considered appropriate, since supermarkets may nowadays require the same floor plate as a big box format.

Including or excluding additional uses from the group terms is not recommended, but more specific definitions within the group terms would allow for fine tuning to suit specific needs.

Question 19: Is the Net Community Benefit Test the right approach to rezoning? Are there other criteria that should be used to assess rezoning proposals? What guidance should be provided to stakeholders to enable them to assess proposals under the criteria identified?

The net community benefit test is very subjective and risks being manipulated to justify anything. A clearer policy direction should be provided on this matter.

Question 20: Is there support for ensuring the impact on individual businesses is not considered in the merit assessment process?

WSROC does not support the view in the draft policy that the development assessment process should not take into consideration the likely impact of a new entrant on any existing retail and commercial premises. As noted above, new developments can adversely affect existing 'Main Street Centres' and local shops. Large retailers establishing close to existing centres have been known to undercut existing businesses in an attempt to close them down (predatory pricing). Once the closure has occurred prices rise again. Thus consumers only gain a short-term benefit and lose community based shops that provide a social benefit.

Zoning large areas for development would work in favour of the larger retail chains, ultimately reducing competition and consumer choice. This would not encourage innovation or variety in the retail sector or 'create vital and vibrant centres' that the policy seeks to encourage.

Question 21: Is there more that can be done to prevent businesses using objections to delay, or increase the costs of the planning process for their competitors?

Penalties within the legal system by the allocation of costs against an objector if the objection is proved to be vexatious or lodged from a non-competitive standpoint could assist in this matter.

Local Planning – retail and commercial uses

WSROC believes that bulky goods and large hardware stores are not appropriate in the B2-B4 zones and big box formats are not appropriate in the B2 local centres because of servicing issues.

Large areas of vacant floorspace do not lead to 'vital and vibrant centres'. While competition is necessary it needs to be fair. The draft centres policy in its current form risks undermining what it set out to achieve, which could result in a sterile uniformity of centres across the metropolitan area.