General Submission
Retail Policy Review Discussion Paper

Name of Organisation

SILVERTON

Silverton Group Pty Ltd

Contact Details

Name:	Peter Beale
Position:	State Manager
Address:	Level 3, 22 Albert Rd South Melbourne Vic
Postcode:	3205
Telephone:	8699 2333
Email:	peter.beale@silverton.com.au

Date of Submission:

27th February 2009

The Department of Planning and Community Development (DPCD) is seeking comment and feedback on the Issues and Proposed Responses outlined in the Retail Policy Review Discussion Paper.

Submissions Template

This General Submissions Template has been prepared as a guide and we request that submissions are succinct and no more than 15 A4 pages long.

Closing Date
Closing date for lodging submissions is **Friday 27 February, 2009 at 5.00 pm**

How to Lodge Submissions

Electronic copies of this document can be found at:
www.dpcd.vic.gov.au/retailpolicy

Hard copy submissions can be posted to the following address:

Retail Policy Review
Department of Planning and Community Development
GPO BOX 2390, Melbourne, VIC 3001

Electronic Submissions can be emailed to:
retailpolicy.review@dpcd.vic.gov.au

Publication of submissions

All submissions received will be published in full on the DPCD website.
If there are particular reasons why you do not wish to have your submission or personal information published, please advise DPCD in writing stating your reasons. Please be aware that the ultimate discretion whether to publish or not on the DPCD website rests with DPCD. Furthermore, access to any unpublished submissions may still be granted pursuant to the provisions of the *Freedom of Information Act 1982*.

Further Information

Phone: 1300 366 356 (8.30am – 5pm Monday – Friday)
Email: retailpolicy.review@dpcd.vic.gov.au

Overview of Key Points

Provide an overview of the key messages in your submission.

General Comments

All forms of retail development are evolutionary. The most efficient and most profitable operators can afford the best locations as determined by rent or price. The responsibility of planning authorities is to ensure that there is adequate available zoned land to allow for the demand for and supply of retail services to the community.

Retailers will seek central and accessible locations with access to a significant customer base, however central locations are often the areas developed first because of access to public transport, community services, banking etc. Development tends to radiate out from the central location over time.

Central locations developed around public transport tend to have very fine grained and fragmented land ownership patterns. Super-lots (10,000m2 +) are rarely available in centres that were originally subdivided 50 – 100 years ago.

Plan making without a plan for implementation is a waste of time. There is no point in making a plan which cannot be implemented because of fractured land ownership, and the actions of Vic Urban and the State Government in aggregating sites in Dandenong and Footscray to address this issue and facilitate these Transit Cities is to be applauded. The price of the consolidated land should be determined in those locations by the extent of development possible.

The activity centres are identified by planning policy for higher density housing as well as retail and commercial development. However the cost of providing housing in a higher density format is significantly higher than the cost of building housing in traditional suburban subdivisions. The same is also true of retail developed in activity centres. It is common for parking to be optimised with basement and roof top configurations. The cost of providing parking in these configurations can be 4 to 5 times higher than the cost of providing surface parking. Activity centre locations need to be able to capitalise on the higher development potential.

Required parking rates should be reduced to reflect the availability of public transport and higher density living.

The form of retailing also changes according to demographic trends, the size of the market, the type of goods for sale (perishable/soft goods/furniture & white goods). Demand for homewares, furniture and white goods has increased with population growth, higher levels of lone person households and customer preference for larger houses and apartments. Areas of higher turnover of population, such as the outer suburbs generate higher levels of demand for household goods compared with the more affluent and stable inner suburbs.

Shopping patterns also change: home delivery of milk, bread and even fruit and vegetables was at one stage common in new establishing suburbs not serviced by retail. Now home delivery of food and groceries has resurfaced courtesy of the internet and household changes such as sole person households and households with two wage earners.

It is important that the Retail Policy continues to allow for development of retail formats that are responsive to the needs of the community, and can take into account all types of the movement economy.. The current capacity to consider out of centre retail (especially restricted retail) on the basis of a sequential test and net community benefit needs to be preserved.

The removal of restricted retail as a schedule 1 or 2 use from the Industrial 1 & 3 zones would result in a need to address the existing use rights for a number of restricted retail precincts.

A retail planning policy needs to ensure there are opportunities for competition within markets. An example is where a lack of direct competition within the food and grocery industry leads to increased margins on goods sold (prices), reduced service standards (employment), and a lack of investment in facilities (plant and property).

There is a need to recognise that retail activity can operate along corridors such as major roads, and that the amenity issues such as traffic, noise and lighting which make main road locations undesirable for residential uses are compatible with retail activities.

Retail Policy should also reference the outcomes of particular decisions at VCAT and Planning Panels so that planning “case law” is established to overcome the costly and time consuming re-examination of planning principles as applied in practice.

Issues

For each of the identified Issues please provide your comments in the sections below.

Additional comments on other major issues and challenges that you wish to raise may be added at the end of this section.

Managing growth and the network of centres

The report correctly recognises that much of Melbourne's growth will occur in existing suburban area. As well as planning for new activity centres in new land release areas it is important to engage in activity centre planning that does more than take an inventory of existing retail activity and seeks to preserve the status quo.
Within existing areas, where there are no opportunities to develop in or adjacent to activity centres it is important that a well defined and accepted approach to out of centre development is adopted, especially where there is the opportunity to consolidate existing like activities.

Facilitating appropriate development in appropriate locations

As suggested above retail is evolutionary. Where planning authorities become aware of demand from a major user which can perform the required role of an anchor within a retail precinct then provided there is sufficient demonstrated demand for that business and a willingness to invest in the location, authorities should facilitate such a development.

While it is not the role of the planning authorities to pick winners it is important that planning inertia be allowed to protect businesses which are able to exploit the lack of competition in a market.

In the UK the planning authorities applied a lot of attention to eradicating what became known as "food deserts", where lower socio economic populations were further disadvantaged by the concentration of major supermarkets in central locations, and the resulting reliance on highly priced convenience stores which sold highly processed food stuffs and little if any fresh foods. This had a consequential impact on obesity and demand for community health services.

The statutory levers available to facilitate appropriate development in appropriate locations should include bonus development rights in terms of height and reduced parking requirements where suitable mixed use developments are proposed, with simplified appeal rights where a rezone is accompanied by a master plan.

Managing restricted retail premises

DPCD should conduct a review of the definition of restricted retail to include emerging lifestyle products such as Health and Fitness equipment, solar energy and water recycling equipment and associated sub-categories such as infant and child furniture which should allow for the sale of associated products. It is understood that there is a desire to “capture” core retailing within the B1Z, however to enable development to continue it should be seen that B2Z and B3Z provide an opportunity to expand core retailing through organic growth of a centre. Restricted retailing should be encouraged where possible to operate from Homemaker or Lifestyle Centres which can provide co-ordinated traffic, parking and amenities facilities.

The following definition proposed by the BGRA is supported by Silverton.

RESTRICTED RETAIL PREMISES

- *Land used to sell or hire:*

a) automotive parts and accessories;
b) camping, outdoor equipment and recreation supplies
c) electric light fittings;
d) equestrian, pet supplies;
e) floor and window coverings;
f) furniture, bedding, furnishings, fabric, manchester and homewares
g) household appliances, household electrical goods and home entertainment goods;
h) party supplies;
i) swimming pools; or
j) office equipment and supplies.
k) baby equipment and accessories
l) sporting, fitness equipment and accessories

Or, if not one of the above categories, a premises which satisfies the following:

(a) a large area for handling, display or storage, or

(b) direct vehicular access to the site of the building or place by members of the public, for the purpose of loading and unloading the items into their vehicle after purchase or hire, but does not include a building or place used for the sale of foodstuffs or clothing unless their sale is ancillary to the sale of bulky goods.

Managing retailing in industrial areas

The issue with restricted retail in industrial sites is not unique to Victoria. Where there is a lack of supply of suitably zoned and available land and significant demand from users then there will be pressure to find creative solutions.

The most effective way to resolve this over time is to encourage the development of homemaker centres in appropriate locations.

The future demand for all forms of retail will require a wholesale review of the supply and demand for these users.

Much industrial land is no longer utilised by major manufacturers due to globalisation and relative labour costs. Where there is demand for industrial land it is usually located on significant truck routes which have changed due to new freeway developments.

There needs to be a strategic review of industrial land by LGA to establish what the future highest and best uses are for sites having regard to the various state government policies including possibilities for social housing.

Managing new centres and major retail proposals

Refer to later comments

Improving design outcomes

Refer subsequent comments

Additional Comment

It is agreed that there is a need to reduce the number of private motorised vehicle trips however that is not necessarily the most important reason for an activity centre policy. The reality is that the public make trips that are to facilities outside activity centres such as schools, place of work, child care, recreational facilities. It makes sense to support a hierarchy of uses more broad than neighbourhood, major and principal activity centres to recognise that some convenience retail activities have and will grow alongside other destination locations.

The identification of future centres needs to recognise the other nodes of activity, and support locations where there are multiple uses that are well located on the principal public transport network.

Activity Centre design and planning must support sufficient density to warrant the provision of space efficient parking and multiple level retail. Mixed use developments which can integrate housing, retail, office and other uses should be encouraged in activity centres and on the principal public transport network.

The rather specific needs of loading and servicing retail developments also needs attention in the design guidelines. Good traffic practices will seek to separate delivery and customer parking access points, loading areas need to be both visually and acoustically isolated to avoid amenity impacts. Innovative solutions such as loading on levels other than the retail level of a building can reduce impacts and traffic issues.

Proposed Responses

For each of the Proposed Responses please provide your comment in the sections below.

Managing growth and the network of centres

Key message

We need to prioritise regional and local planning to manage and accommodate growth in retail floorspace likely to be required across the network.

PROPOSED RESPONSE

1. Undertake a program of improved monitoring and reporting on retail development.
2. Work with councils and the industry to develop Regional Retail Assessments.
3. Provide greater assistance to councils in preparing municipal strategies that provide for future retail growth.
4. Work with councils to ensure structure planning for activity centres provides for adequate retail growth.

---

1. *Agreed*
2. *Agreed, however current proposals should not be delayed and "the industry" should be wide enough to ensure individual land owners have a voice.*
3. *Agreed, but this needs to be on basis of realistic prospects for development with adequate consultation. Proponents should also be encouraged to provide massing and built form outlines at the time of adoption of strategies to fast track planning applications once the strategy is adopted.*
4. *…"and identify alternative "edge of centre" and "out of centre" opportunities to ensure development is not impeded by identified activity centre sites which are not, and will not become available within 5 years.*

4a Encourage the use of flexible zones such as mixed use and activity centre to facilitate higher density development including residential within activity centres

Facilitating appropriate development in appropriate locations

Key message

We need planning tools that are better aligned to achieving policy outcomes and support development when it is in appropriate locations.

PROPOSED RESPONSE

5. Refine planning policies to provide greater clarity and guidance for retail proposals.
6. Undertake adjustments to the Business 1 Zone and schedule to allow better delivery of policy outcomes.
7. Encourage councils to investigate and implement non-regulatory mechanisms as well as planning controls to deliver the desired outcomes for a centre.

---

5. *Agreed. Require individual Council retail policies to be consistent with Melbourne 2030 and the Victorian Retail Policy.*
6. *Agreed, but why only B1Z? Other business zones should also be reviewed to allow greater flexibility. B2-4Z need to allow for wider uses to service the particular users.*
7. *Agreed, but this must be transparent and include stakeholders.*

Managing restricted retail premises

Key message

We need to move toward a system that does not distinguish between or favour particular forms of retailing.

PROPOSED RESPONSE

8. Maintain the existing definition of ‘restricted retail premises’ in planning schemes and the VPP.

Refer to comments above. The definition for restricted retail needs to accommodate new non-food and non-apparel businesses to ensure flexibility.

If planning moved to a system of restricted retail being required to occupy only B1Z then activity centres would need to expand dramatically. The current activity centre review of Camberwell illustrates how unambitious Council planning can be. The areas added are insignificant and do not provide any further growth opportunities.

Managing retailing in industrial areas

Key message

We need to ensure retailing in industrial areas does not occur unless there is a sound strategic basis.

PROPOSED RESPONSE

9. Amend industrial zones so that restricted retail premises become a prohibited use.
10. Develop transitional arrangements and work with councils to deal with restricted retail premises that are currently located within industrial areas.

---

9. *The demand for industrial land across Melbourne is constantly changing. Industrial Parks such as Derrimut and Sth Dandenong cater for larger businesses and much of the focus is on connections to rail and roads. A review of industrial land demand should be conducted across Melbourne to determine what land is no longer suitable or required for industrial, and to determine what the highest and best use for the land is including residential, mixed use or retail.*
10. *The status quo should be maintained until more appropriate homemaker/lifestyle centres can be developed. The provision of more convenient and well serviced homemaker centres where possible near activity centres should be encouraged.*

11.

Managing new centres and major retail proposals

Key message

We need to provide greater clarity about how or when we would consider retail in a new centre location and support development within the existing network of centres.

PROPOSED RESPONSE

12. Develop and implement Retail Assessment Criteria based on a sequential test approach.
13. Develop criteria to be applied when considering a request for a new centre or to reclassify a centre.
14. Continue to provide advice and assistance to councils in planning for major retail proposals.

---

11. The requirement for a Retail Assessment Criteria should include a Net Community Benefit test within any sequential approach. The application of the criteria must be practical and pragmatic about the deliverability of alternatives.

12. Agreed. Must be a transparent approach.

13. DPCD should be an early participant on proposals, or allow larger Councils significant latitude. DPCD should not act as a road block once a proposal has been recommended by Council.

Improving design outcomes

Key message

We need to ensure the design of new retail facilities and centres is well integrated and contributes to and enhances the public realm.

PROPOSED RESPONSE

15. Finalise the Interim Design Guidelines for Large Format Retail Premises.
16. Undertake a review of design guidelines for retail developments and where possible consolidate this advice, improve the content and minimise any duplication.
17. Update the Activity Centre Design Guidelines to incorporate design objectives and guidance on the development of new activity centres.
18. Continue to provide assistance and advice to developers and councils on the design of major retail development.

---

14. *The Interim Design Guidelines for Large Format Retail Premises should be further reviewed with retailers as all developments need to meet the needs of the users.*
15. *Agreed*
16. *Agreed, but need to recognise that "main street" development is evolutionary, so need to work on a staged basis according to the maturity of the location. It is however important that retail links effectively to surrounding uses.*
17. *Refer note 13 above. Either take all major projects away from Councils or support them with resources. DPCD should be facilitating early development conferences to resolve threshold issues and put in place a program and timeline for required actions.*