



27th February 2009

Retail Policy Review

Department of Planning and Community Development
GPO Box 2392
Melbourne VIC 3001

Submission: *Melton Shire Council*

Dear Sir/Madam

The Shire of Melton is pleased to respond to the Retail Policy Review set by the Victorian State Government.

The Council looks forward to working together with the State Government, key stakeholders and the community to develop a strong and sustainable retail policy.

If there are any queries regarding this submission, please feel free to contact myself on 9747 7155.

Regards,

Akemi Traill

Akemi Traill
Strategic Planner
Planning
The Shire of Melton



General Submissions Template Retail Policy Review Discussion Paper

Name of Organisation

The Shire of Melton

Contact Details

Name: Akemi Trill
Position: Strategic Planner
Address: 232 High St, Melton Victoria
Postcode: 3337
Telephone: (03) 9757 7155
Email: akemit@melton.vic.gov.au

Date of Submission:

Friday 27th February 2009



The Shire of Melton

OVERVIEW

The Shire of Melton has experienced rapid growth over the past 20 years. Since 1999, the population of Melton has doubled and an estimated 90,000 people now live in the Shire. This number is expected to keep growing. The Shire is located 40kms from the Melbourne CBD and occupies 527 square kilometres with a great proportion of it encompassing green wedge land.

The Shire's location and growing population both present challenges towards providing the right employment opportunities for the community and developing a strong retail sector. Attracting investors to the region can often be further complicated by tight zoning regulations and unaffordable retail floor space for larger retail services. With the exception of a small number of older 'main street' retail strips, the Shire's retail centres are dominated by larger, supermarket based and car oriented shopping centres, with little diversity of land ownership. This presents a range of challenges, particularly for new independent retailers or those who trade with lower margins or at a lower than average rate per square metre of floorspace.

To successfully service the retailing needs of this growing community, it is important to consider the implication that this Retail Policy will place on employees, consumer competition and choice and attracting the right retail developments to the Shire. Whilst Council is planning for a range of different retailing environments, all according with State Government activity centre policy, through the preparation of growth area Precinct Structure Plans, a number of these centres will take many years to develop, or to mature to a point where they can offer a variety of retail services. In the medium term, it is the Shire's existing centres that will need to be able to provide for a broader range of retail uses to meet the needs of a diverse and ever growing population.



The Shire of Melton SUBMISSION

This submission will structure its responses based upon the 17 proposed responses put forward in the Retail Policy Review. The Shire of Melton supports the direction of many of the proposed responses. **Proposed Responses 8, 9 and 10 are areas of some potential concern** to the Council and this submission will explain the challenges these proposals may have on retail development.



Overview of Key Points

Provide an overview of the key messages in your submission.

- **The Shire of Melton supports the majority of proposed responses in the Retail Policy Review.**

Whilst Council has made several recommendations to the proposed responses and outlines some of the possible negative implications of proposed responses, overall, the Shire of Melton supports the Retail Policy Review Responses.

- **All stakeholders' work together**

It is crucial that the State Government work alongside councils and other key stakeholders in the ongoing assessment of retail development and policy creation.

- **Clearer definitions to prohibit restricted retail in inappropriate locations**

Applicants for some land uses will continue to find loopholes in the planning scheme and land use definitions. This can result in restricted retail-type uses occurring in prohibited zones.

- **Prohibiting Retail in Industrial Zones**

The prohibition of retail in industrial zones (proposed response 8) needs to be carefully managed. Specific types of retail require large floor space and are often unable to afford business 1 and 3 zoned floor space. This is an issue that needs to be adequately addressed. Suggestions include greater support and direction from the State Government in the appropriate use of the Business 4 zone.



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

- Council supports the proposed responses
- Important for all stakeholders to be involved and understand the different issues

Facilitating appropriate development in appropriate locations

- Council supports the proposed responses

Managing restricted retail premises

- Council supports the proposed response on the condition that:
 - Other definitions such as 'trade supplies' or 'office' are better defined to ensure that 'creative interpretations' of these uses do not lead to quasi restricted retail uses establishing in inappropriate locations.

Managing retailing in industrial areas

- Council supports the proposed responses on the condition that:
 - There is a better understanding of the requirements of bulky goods retailing.
 - Careful assessment, outweighing both the opportunities and constraints of relocating a retail development are taken.
 - Transparent negotiations between all stakeholders are a part of the relocation process.
 - There is an introduction of more Business 4 zones for retailers requiring larger floor space.



Managing new centres and major retail proposals

Council supports the proposed responses.

Improving design outcomes

Council supports the proposed responses.



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 floor space 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.

Comment:

As stated earlier, the Shire of Melton's expanding population will require careful management of existing and future retail centres. With population and employment numbers constantly changing, we strongly agree with the monitoring of retail developments and assessing the requirements of a region. As outlined in response 2, the opportunity for councils and industry to work with one another is also believed to be a key component in providing successful retail services in the future. Assistance with municipal strategies and planning for activity centres are also considered to be positive steps in retail development. All of the above four proposals will be effective measures, as long as all stakeholders are involved in the decision making process.

Council also encourages the State Government to provide greater support to local government in the preparation of Activity Centre Strategies/Hierarchy Studies. Traditionally, state funding programs have been too heavily biased towards activity centre structure planning. It is Council's experience that such funding can often be premature, and the end structure plan consequently sub-par, if the right strategic framework for the network of centres is not in place.



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.

Comment:

Greater clarity and guidance for retail proposals is strongly supported by the Shire. Applications for retail development are often met with long time frames for approval, back and forth definitional debates and on occasion, higher authorities involved to solve such disputes. With clearly outlined policies, some of these back and forth application issues will hopefully cease to exist. The changing dynamics of activity centres and retail developments require a mixture of services and facilities that may not traditionally be considered a part of a Business 1 Zone. The need to be innovative and investigate the needs of a community beyond the confinements of planning controls is important to deliver a vibrant and healthy urban fabric alongside retail services and shops. With the correct assessment criteria, the Shire supports proposed responses 6 and 7.



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.

Comment:

The definition of 'restricted retail' seems to be of concern to various parties for either being too ambiguous or too restrictive and argue it requires flexibility to open up to a range of markets and employers. In the Shire, this is an ongoing issue with potential employment opportunities and large retail outlets often confronted with this planning policy difficulty.

The Council generally supports retaining the existing 'restricted retail' definition. Whilst the definition causes difficulties on both sides, it is considered that a greater level of confusion is often associated with a number of other land uses. These include 'Trade Supplies' or 'Office'. Many applications which could otherwise be considered 'restricted retail' and hence prohibited in certain sites will often seek to creatively define themselves as one of these other land uses. Greater clarity in the SPPF regarding the appropriateness of these uses in Industrial areas will give Council's greater confidence in their ability to defend a decision at appeal.

As part of this retail review, it is recommended that there is an assessment of other definitions to ensure that developments, which conduct retail services, do not find loopholes in the planning scheme and locate themselves in prohibited zones.



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.

Comment:

Attracting employment opportunities and investors is crucial in providing for a sustainable job growth market and employment opportunities.

Specific sales and services require larger retail spaces in order to operate. This can be demonstrated in dance studios, childcare centres and larger bulky goods stores operating in various industrial zoned lands. The retail policy review proposes to restrict any retail developments within industrial zoned land.

The activities conducted by industrial developments require specific areas and buffer zones to ensure residential, retail and public spaces are not inflicted with emissions. However, the Retail Policy Review must also consider the need for specific retailers to have access to larger floor space at a reasonable rate.

Developers and investors have expressed that the restrictions placed on industrial zoned land against bulky goods retailing and certain services will often result in their developments shifting elsewhere. As discussed in the discussion paper, retail space to cater for these large retailers in Business 1 Zones would require expensive floor space costs. Ultimately, local economies and employment levels suffer.

The Council does support the Retail Policy Review with its restrictions in industrial zoned land. However Council proposes greater use of Business 4 zones and a Victorian Practise Note to assist local planners in ensuring the correct bulky goods retailers are situated in these developments. The Business 4 zone will ensure these larger retailers are not in competition with smaller retailers requiring less space. At the moment the B4Z is perhaps underused by local government, and a lack of suitably zoned land can force larger format retailing into Industrial zones given the relative inaffordability of Business 1 Zoned land for these uses.

Alternatively, Council believes that with strong local policies to restrict inappropriate retail development in industrial zoned land (or perhaps greater attention to this issue



in the SPPF), there might not be a need to redefine or amend the current industrial zone's definition or use. Clearly explained local policies should allow for the correct development in industrial zones.

Finally is a recommendation to consider special exemptions for retailers requiring large floor space in Business 1 and 3 Zones. This may include a subsidy or reductions in rent. This recommendation can be further explored in proposed response 6.

Proposed Response 10.

Develop transitional arrangements and work with councils to deal with restricted retail premises that are currently located within industrial areas.

Comment:

The Council supports this proposed response. However, the transitional arrangements need to be carefully coordinated with the industries involved in a transparent manner. In cases where retail developments need to be relocated, there needs to be careful assessment, weighing out both the short and long term benefits and disadvantages of relocation.



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

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

Comment:

The management of new retail centres needs to be carefully assessed based on a number of key planning principles such as public transport access and a community's need for the development. Many of these already exist in activity centre policies and Victorian Planning Scheme policies. The Council generally supports the Draft Retail Assessment Criteria.

The Council only recommends that an economic impact assessment (EIA) *is* required with rezoning in activity centre boundaries. If the activity centre structure plan involved a recent EIA, then another assessment is not required. If an EIA was conducted yet monitoring of the region reveals changes in demographics or proposed uses, another EIA is highly recommended.

Greater consideration should be given towards the introduction of 'hard caps' within the Business 1 Zone, particularly for neighbourhood centres in new growth areas, to ensure that a single centre isn't allowed to exceed a cap and effectively 'cannibalise' a given market. It is the Shire's experience that as applications for neighbourhood activity centres come in, they often involve a slight (10-20%) increase beyond the planned retail floorspace allocation for that centre. These seem reasonable enough on an application-by-application basis, but can on occasions be enough to effectively render another planned neighbourhood centre in the area unviable. This leads to a concentration of retailing into fewer, bigger centres, and undermines walkability of new growth areas.



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

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

Comment:

The above four proposed responses are in line with the Shire of Melton's direction for retail developments. Currently, many developments and in particular shopping centre complexes based on private automobile access have failed to integrate successfully into surrounding buildings and public realm. Guidelines encouraging safe and active building frontages, visually stimulating design and accessibility to a variety of users, (including disabled or elderly consumers) are some of the key issues that need to be addressed in both large format retail premises and street strip shopping.