

1.0 INTRODUCTION

A review of retail planning in Victoria is supported. The City of Stonnington's commercial areas - namely its retailing, office, mixed use and industrial activities - are mostly in strips along major roads. The more extensive areas are located along Chapel Street and Toorak Road and at the Chadstone Shopping Centre. Chadstone was the first large, planned, freestanding, regional shopping centre in Melbourne. These centres are some of Melbourne's most high profile retail centres and are also popular tourist destinations.

Stonnington's commercial areas cater for a wide variety of small to large scale businesses and land uses which occupy equally diverse buildings dating from the late nineteenth century to the present. Retailing is the major commercial land use and a significant part of the local economy. Stonnington has the highest floor space in retailing in the metropolitan area after the City of Melbourne.

2.0 MANAGING GROWTH AND THE NETWORK OF CENTRES

In August 2006, the City of Stonnington investigated the floor space figures for Melbourne's prime retail centres as part of a current and future economic drivers background report prepared by SGS Economics for the Prahran/South Yarra Activity Centre Structure Plan (known as *Chapel Vision Structure Plan - CVSP*). An example of the report findings relevant to this review, is listed in the table below :

Table 1 - Retail floor space, Melbourne's prime retail centres

Centre	Municipality	Retail Floorspace (rounded to '000)
Melbourne CAD	Melbourne	500,000
Southland	Kingston	110,000
Highpoint	Maribyrnong	110,000
Chadstone	Stonnington	110,000
Frankston CAD	Frankston	110,000
Dandenong CAD	Greater Dandenong	110,000
Ringwood/Eastland	Maroondah	100,000
Chapel Street	Stonnington	100,000
Northland	Darebin	90,000
Sunshine	Brimbank	90,000
Knox City & Tower Point	Knox	90,000
Brunswick	Moreland	90,000
Glen Waverley	Monash	80,000
Glenferrie Rd & High St, Malvern	Stonnington	80,000
Footscray	Maribyrnong	80,000
Nunawading (Whitehorse Rd Precinct)	Whitehorse	70,000
Greensborough	Banyule	70,000
Box Hill	Whitehorse	60,000
Northcote	Darebin	50,000
Doncaster	Manningham	50,000

Source: Meter McNabb and Associates 2001, SGS Modifications

It is noted that the City of Melbourne's Central Activity District is by far the largest retail centre in Melbourne, with around 500,000 m² of retail floor space. The City of

Stonnington is home to two prime retail centres : Chapel Street and Chadstone Shopping Centre as of 2006, provide over 140,000 m² of retail floor space each. It is important to note that these centres have numerous other roles in addition to retail, namely commercial and civic roles, as do many other commercial precincts in Melbourne. These two centres significantly differ in style (strip shopping versus mall), location (eastern suburbs versus inner city), type and accessibility to public transport/car dependency access and infrastructure. The dynamics of both centres are vast in comparison, and both centres have attributes that challenge sustainability and liveability.

Council's research within the western part of the municipality identified a significant demand for additional retail floor space within the area by 2021, namely an additional 65,000 m² in Prahran/South Yarra (double the existing retail floor space) and 28,000 m² in Malvern/Armadale.

Many opportunities exist within Activity Centres to more effectively and efficiently utilise existing land via facilitation of redevelopment programs, including urban renewal or brown fields redevelopment (where appropriate). For example, the CVSP identified the potential for additional retail floor space under the Prahran Market (approx 11,000 m² site) or under/at ground on the existing Cato Street car park site (approx 9,000 m² site). These assets are public land in Council ownership. In principle, a well developed land use outcome could evolve from the redevelopment of such under-utilised land within Activity Centres to provide for excellence in urban design in the public realm and initiatives towards achieving sustainability and liveability through the implementation of mixed use activity. Such redevelopment could involve the formation of private/public partnerships to achieve net community benefit such as high quality urban spaces.

In regards to concerns raised during the review relating to cost and difficulty in obtaining approvals for retail development within Activity Centres, the consideration of key issues associated with such development/use needs to be individually explored and considered, and any changes to policy thereafter suggested. For example, a review of car parking provisions, particularly in those activity centres well serviced by public transport would be of benefit.

The proposed responses to managing growth and the network of centres are supported, although broad and conventional in nature. Acknowledgment should be given to infrastructure requirements to support growth, namely public transport.

The Review proposes improved monitoring and reporting on retail development. Monitoring and reporting should not only apply to retail development and growth but also on current vacancy rates in Activity Centres to holistically gauge demand and supply.

In addition, the establishment of Regional Retail Assessments could be a useful mechanism for Local Governments, industry and relevant stakeholders to meet and manage growth and the network of centres, however, assistance would be required to resource involvement. It should be noted that a group of representatives from mainly inner Melbourne Council's currently convene to discuss issues and ideas on economic development and tourism.

3.0 FACILITATING APPROPRIATE DEVELOPMENT IN APPROPRIATE LOCATIONS

The City of Stonnington contains activity centres that have a high profile in Melbourne and serve both regional and local needs. Some of these centres are also popular tourist destinations. Based on this, it is important to maintain a balance and mix of uses in Activity Centres. There are many factors which affect the viability of activity

centres including the mix of retailers, traffic congestion and higher value uses driving out convenience shopping. The City of Stonnington aims to plan and manage this through the use of local policy.

Existing retail centres policy discourages large scale or regional retail, office or service uses from locating outside its Principal Activity Centres, unless it can be demonstrated through a retail and economic assessment that :

- There is a need for the use in that location
- The use will be of benefit to the local community
- The use will not cause economic detriment to any other centre
- The use will not undermine the commercial centres hierarchy.

The use of a retail and economic assessment could be one mechanism to ensure appropriate development occurs in appropriate locations. This can be required at the planning phase through local planning policy.

Furthermore, local planning authorities should be encouraged to provide greater clarity and guidance for retail proposals when undertaking a review of their Planning Scheme or Municipal Strategic Statement.

4.0 MANAGING RESTRICTED RETAIL PREMISES

Large Format Retail Premises are a significant and growing component of the retail market in Victoria. They can differ from other forms of retailing via servicing requirements including carparking and deliveries, display requirements, patronage patterns and consequent impacts on the size and format of developments.

Some restricted retail developments in Melbourne have demonstrated poor levels of public amenity and do not adequately address issues such as access for all users, environmentally sustainable design or good urban design.

The scale of the premises used for these forms of retailing is often larger than other retailing and so their impact on the local area can be considerable. For instance the large scale of the building and surrounding delivery and parking areas and the traffic generated at peak shopping times can intrude visually and physically on the neighbourhood. Large new stores in locations outside activity centres can also have an economic impact on the wider area, and if poorly located may result in a decline in access and related issues. Inappropriately designed restricted retail premises in the inner areas of Melbourne can also have significant long-term impacts on the operation of an Activity Centre.

Although the existing system distinguishes between particular forms of retailing, stakeholders consulted during the review feel greater clarity is needed about what can and cannot be sold at restricted retail premises. Whilst opinions differ as to how such clarity should be provided, Council supports the proposed response outlined in the review to maintain the existing definition of restricted retail premises in the planning schemes and VPP.

5.0 MANAGING RETAILING IN INDUSTRIAL AREAS

In principle, out-of-centre development is undesirable and not in line with current planning directions such as *Melbourne 2030*. Out-of-centre development is generally on industrial zoned land outside of an Activity Centre. Opportunities within Activity Centres should be created for large form retailing such as restricted retail premises. For example, the more efficient use of land within centres as mentioned above.

In principle, restricting retail premises in industrial areas is supported, however there are a number of issues which arise, including arrangements associated with a possible expansion of a prohibited use. A further response to this issue could be the introduction of policy requiring existing out-of-centre developments to contribute towards accessibility by public transport, cycling or walking if intensification is further sought.

Furthermore, the DFO approach to retail is inconsistent with currently planning practices and these sites have allegedly by-passed the need for retail economic assessments as the land is owned by Federal Government.

6.0 MANAGING NEW CENTRES AND MAJOR RETAIL PROPOSALS

There is little direction in State Government planning policy for retail land uses, although *Melbourne 2030* does provide direction for planning in activity centres. Issues relating to managing new centres and major retail proposals by establishing Retail Assessment Criteria based on a sequential test is a comprehensive approach to clarifying how and when retail could be considered. However, accurate data on retail floor space can be difficult to obtain as the retail offer of various centres is constantly changing, and this may comprise data used during a sequential test.

Published criteria which classifies Activity Centres would be useful to the City of Stonnington to ensure its centres are correctly allocated. A Retail Analysis report prepared by SGS Economics in 2005 for the Toorak Village Structure Plan recognised that the growth and attributes of Toorak Village warrant a Neighbourhood Activity Centre classification rather than a Major Activity Centre classification. The State Government have dismissed Council's analysis/request for the centre to be reclassified. This incorrect classification presents possible issues relating to incompatible uses/development. The centre's classification is used as justification for proposals such as large scale licensed premises when they are considered to be inappropriate.

7.0 IMPROVING DESIGN OUTCOMES

The design of large-scale retail developments is critical considering the increasing role that these types of developments play in the life of the community. Their function and appearance should emphasise public and civic values, as well as their economic role.

A recent planning application in City of Stonnington can be used as a case study as part of this review to consider how the system has failed to allow for a permit to be granted for a proposal which has ignored significant lessons that have been learned in city planning and urban design over the last twenty years. Council strongly opposed the development mainly on urban design grounds, however a permit was issued by VCAT subject to some relatively minor alterations.

The subject site is 670 Chapel Street, South Yarra, one of the largest and most significant development sites remaining in Chapel Street. The site is important to the future of South Yarra as one of the fastest growing urban renewal areas in Melbourne and is of strategic importance for the City of Stonnington. The proposal represents the single largest development in the modern history of the City of Stonnington. The size and location of the site presented opportunities for an innovative mixed-use development solution. It was imperative that the urban design and architectural quality of any proposed development on the site reflected its significance/importance to the municipality.

The prototype for the retail development is based on a 1960's model of a single-storey suburban shopping center. The two-storey evolution of this prototype is to be found in the proposal for the subject site and is presented as an introspective box.

The principal concern with the proposal was that it failed current community expectations, and observable best practice, for a major mixed-use development in Melbourne's leading retail street. In its approach to major retailing, the proposal has also ignored the dramatic shifts that have occurred around the world in regard to innovative approaches to fashion and food retailing. Uncritical acceptance of the limited traditional operational practices of big box retailers driving key planning and urban design outcomes is no longer acceptable.

New retail solutions are emerging that are commercially astute, functionally efficient and socially responsive. The concerns with the development are not with the scope of the development; rather its planning and urban design concept. In any serious revision of the proposed scheme, informed by the principles mentioned above, the development yield could have remained the same, or may potentially increase, subject to the skill and vigour with which a re-design could have been undertaken.

A win-win-win outcome was possible for the city, the community and the applicant but required a clear commitment to achieving best-practice outcomes. Refer to VCAT reference: P1126/2008 – 0010/08 for the VCAT report or www.stonnington.vic.gov.au/planning_news for more information on the development application.

8.0 CONCLUSION

Retailing is critical to the functionality of existing and future activity centres. It is important for the Victorian Government to understand how leverage available to it can work to achieve well-located retailing and to integrate with other uses to ensure a lively, sustainable and liveable Activity Centre. However, current evidence at hand suggests retailing is changing rapidly. It is a challenge for policy and controls to not only to keep up with the evolution of retailing and to embrace diverse uses within retail-focused centres but also to promote a strategic outlook to growth and good design.

Based on the above, the City of Stonnington's key submissions are :

- Supports review and acknowledges that retailing is critical to the functionality of existing and future activity centres in Victoria.
- Important for Government to understand how levers available to it can work to achieve well located shopping and to integrate shopping with other uses to ensure lively and liveable Activity Centres are sustained.
- A key challenge for policy and controls in to not only guide the evolution of retailing but promote diverse uses within retailed focused centres which embrace growth through good design and planning.
- Many opportunities exist within Activity Centres to more efficiently and effectively utilise existing land via facilitation of redevelopment where appropriate.
- A monitoring system should not only apply to retail development and growth but also current vacancy rates.
- Regional Retail Assessments could be useful, however assistance would be required to resource Local Government involvement.
- Retail and economic assessments can be provided to ensure and justify that appropriate development occurs in appropriate locations.

- Large new stores in locations outside activity centres can have an economic impact on the wider area, and if poorly located may result in a decline in access and related issues.
- Inappropriately designed restricted retail in the inner areas of Melbourne can have significant long-term impacts on the operation of the Centre.
- Support for the retention of existing definition of restricted retail premises in the planning scheme and VPP.
- In principle support for restricting retail premises in industrial areas, however a number of transitional issues can arise from this.
- Accurate data on retail floor space can be difficult to obtain as the retail offer of various centres is constantly change and this may comprise data used during a sequential test approach.
- The design of large-scale retail developments is critical considering the increasing role these types of developments play in the life of the community.