

3 March 2009

Mr John Ginivan
Executive Director, Planning Policy
Department of Planning and Community Development
PO Box 500 E Melbourne Vic 3002

Dear Mr Ginivan,

Re: Retail Policy Review

VicHealth (Victorian Health Promotion Foundation) welcomes the Department of Planning and Community Development's Retail Policy Review.

VicHealth is a statutory authority established in 1987 by the Victorian Parliament. The focus of our work is improving the health and wellbeing of Victorians while reducing the differences in health status between different populations. To this end, we work in partnership with the government and non-government sectors to undertake and fund a range of activities including research, advocacy, development of policies and implementation of community based programs. Over the past 20 years we have made a significant investment in physical and recreation activities, healthy eating to promote healthy weight as well as social participation to improve mental health and wellbeing. Planning is about improving the quality of life of everyone, to better equip the place which we live, work, play and shop in a way that is equitable and enable us the choices to lead healthy lives as easy choices.

VicHealth considered that it is essential to make sure that people's health and wellbeing are put first in 'planning'. The retail policy discussion paper can be strengthened by making it explicit the importance of health in the retail policy. A well developed retail policy offer retailers the best return for investment, but it can also provide a retail experience that includes walking, productive recreation activities, which are both entertaining and provide a way to connect with others in the neighbourhood.

A forward-looking retail policy also recognises and addresses emerging issues such as climate and demographical changes, rising fuel costs and social isolation. Strategies to solve these issues will provide opportunities to engage with the shoppers and the development of a responsive policies best suited for the particular neighbourhood.

It will strengthen effective policy if the upcoming review of the retail policy includes evaluation on how these policies impact on the general wellbeing of the shoppers and residents in the areas and whether there are wellbeing indicators that can be used to measure the success of a particular element of the policy. VicHealth looks forward to opportunity for on-going dialogue and collaboration to advance the retail and health agenda.

Yours sincerely



Todd Harper
Chief Executive Officer

Patrons
Sir James Gobbo
Dr Nigel Gray AO
Professor Emeritus,
Sir Gustav Nossal AC CBE



General Submissions Template Retail Policy Review Discussion Paper

Name of Organisation

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Date of Submission: 3 March 2009 (extension granted)



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

Website: www.dpcd.vic.gov.au/retailpolicy



Overview of Key Points

Provide an overview of the key messages in your submission.

- Health is a state of physical, mental and social wellbeing and not merely the absence of disease and infirmity. Retail policy should explicitly recognise health promotion and disease prevention as overarching principles.
- Retail is an essential part of providing a heart for a community and affects what we can consume, who we interact with and the opportunities open to us. It is also a significant sector of the economy and provides widespread jobs and economic benefits that support the health and wellbeing of its citizens.
- The main objective of any policy, including retail policy, should be on improving the overall quality of life and health of citizens, both now and in the future. This means ensuring retail policy provides for future-oriented decision making that considers long term outcomes as well as short-term economic gains.
- There is need for a more explicit discussion about the true costs of our development decisions, including the social and economic costs of the result of development over time. As a prime example, some preventable chronic illness such as type 2 diabetes can be minimize with access to consumption of nutritious food and environment, including retail precinct that encourages walking..
- There is a need to provide a greater emphasis on developing lower order retail such as corner shops, general stores, farmers markets, chemists, etc. as part of the delivering a more comprehensive Neighbourhood Activity Centres network to enhance local access to essential goods and services including nutritious foods.
- Automobile dependence has many severe and widespread negative mental and physical health implications and retail development that continues to support car-oriented land use patterns needs to be seen as a major public health liability.
- Human health is inextricably linked to the health of the natural environment and automobile dependence causes both direct and indirect environmental impacts that continue to compromise this and future generation's ability to lead healthy and happy lives.
- Concentrating retail development into compact, mixed use, walkable environments that support and encourage active lifestyles can perhaps have the greatest influence on health promotion and disease prevention and protecting the natural environment which supports us.
- Promoting better design outcomes that create more rewarding, safe, and equitable centres that facilitate positive social interactions contribute to the enhanced mental wellbeing of citizens and reduce the incidence of many instances of preventable disease.
- The distribution and concentration of certain retail types are contributing to inequitable health outcomes and there is a clear policy case to better regulate them.
- **In summary, the Retail Policy Review needs to provide more consideration into how retail policy can deliver improved health outcomes primarily through**
 - **The distribution and type of retail services to ensure adequate access by as many people with different level of abilities as possible.**
 - **The creation of more pedestrian friendly environments that encourage more active lifestyles; and**
 - **The better management and regulation of certain retail uses which directly influence health choices.**



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

- Extensive research shows that automobile dependence and its associated land use patterns contribute to a number of health related issues including:
 - *increased incidence of preventable disease* including heart disease, hypertension, stroke, diabetes, obesity, and some types of cancer as a result of more sedentary lifestyles.
 - *effects of social isolation* and the incidence of depression and other mental health illnesses;
 - *direct and indirect environmental impacts* associated with air pollution and carbon emissions that ultimately compromise the ability of the natural environment to sustain human activity;
 - *impacts of inequitable environments* as many people are unable to drive because they are too young, too old, have a physical disability that prevents it or simply cannot afford it and the implications of this on access to essential goods and services.
 - *increase rate of car-related injuries.*
- Creating walkable environments that support active lifestyles is seen as the most beneficial way for planning policy to support health promotion and disease prevention principles¹. Key to this is making it not just possible to use active transport modes (walking, cycling and public transport, which both begins and ends with a walking trip), but also preferable². Only when this condition is met, will a substantial modal shift away from the car occur.
- There is a growing body of research to suggest that walkable communities create significant economic benefits and add to local retail vitality^{3 4} If well planned and managed, walkable communities also improve real and perceived levels of community safety.
- With the identified need to accommodate a significant amount of additional floorspace within the network of centres in the future, there are two main challenges to better managing retail growth from a health perspective:
 - ensuring floor space is distributed to locations that currently have poor access to retail uses by active transport modes;
 - ensuring retail floor space is integrated into existing in new centres in ways that support equitable access, promote physical activity and creates environments that are socially and individually rewarding to use.
- Retail is not the only legitimate function in activity centres, and the growth of centres needs to consider other community needs (including health and recreation)

¹ London Councils, Living Streets and Walk London. *Breaking Down Barriers to Walking in London*. Joint Paper, 2008.

² Ewing and Handy. *Measuring the Unmeasurable: Urban Design Qualities Related to Walkability*. Journal of Urban Design: Volume 14 No. 1, 2009.

³ Sustrans Liveable Neighbourhoods Programme. *Shoppers and how they Travel*. Information Sheet LN02, 2006.

⁴ Litman, Todd. *Economic Value of Walkability* Victoria Transport Policy Institute, 2007.



infrastructure) and integrate them in a way that generates synergies within the built environment.

Facilitating appropriate development in appropriate locations

- Achieving an appropriate mix of retail uses within activity centres is critical to developing an effective activity centre network that allows people to meet their basic needs. While it is recognised that not all centres can provide a full range of retail functions, it is imperative that they at least provide access to the essential goods and services necessary for daily life to enable people to live healthy lifestyles.
- Neighbourhood Activity Centres are seen as critical in the activity centre network from a health perspective, as they provide for basic needs at a local level, and given they are the most numerous, can be distributed in a way that facilitates more equitable access by active transport modes.
- Ensuring that the retail mix is properly balanced is another key health concern. As recognised in the *Discussion Paper*, retail centres can become over-specialised, favouring certain types of retailing activity. Where this comes at the expense of retail which serves basic needs, local access to these essential uses can become compromised. There is therefore a need to ensure that a balance between essential retail functions and higher-order or specialised retail functions is achieved to preserve the basic functions of activity centres.
- One of the key public health issues associated with retail is the potential impact that certain retail types can have on public health⁵. The concentration of certain retail uses such as food outlets, gambling premises, and alcohol and tobacco premises can cause detrimental effects on the health of local populations. The degree to which these uses are present or absent within the built environment can significantly influence behaviour choices that contribute to health impacts. For example, an area with a high concentration of fast food outlets and limited access to fresh food outlets will in many cases influence unhealthy eating of local residents.
- Of further concern is that uses generating negative health impacts are often disproportionately located in areas of disadvantage, while those that have potential to improve health outcomes, such as fresh food vendors, can be notably absent in these areas. There is therefore an equity issue associated with the distribution of health-impacting retail uses which contributes to overall health and wellbeing outcomes. Ultimately, this means that children growing up in these areas have less chance to thrive and contribute to society than children living elsewhere.

Managing restricted retail premises

- While restricted retail premises as a use are not seen to impact negatively on health per se, the way they are being delivered in terms of their location and design are seen to influence some preventable negative health impacts. Namely, their location in areas that are often distant from population centres prevent access by active transport modes, and the scale and car orientation of these developments prevent the creation of genuinely walkable places. Together, these are seen as inhibitors to facilitating active lifestyles and the development of a sense of community where incidental social interactions occur.
- Restricted retail premises that represent large scale, car-oriented, single use developments in locations that have inherently poor access by active transport modes should be strictly prohibited except in very limited circumstances. Activity centre

⁵ Story et al. *Creating Healthy Food and Eating Environments: Policy and Environmental Approaches*. Annual Review Public Health: University of Melbourne, 2008.



policy needs to be better enforced to ensure retail development is consistent with the development of a robust network of centres and not characterised by dispersed, ad hoc development across the landscape.

Managing retailing in industrial areas

- Small scale retail uses that directly and legitimately supports the business and workforce of industrial areas should be supported to facilitate a healthy and happy workforce and strong local economic base. However, this component of industrial areas is seen to represent a very small proportion of the retail sector and most retail development in these areas is seen to be contrary to policy objectives.
- Industrial areas are generally located in isolated areas and are often only accessible by the automobile. Where this is the case, all retailing that does not directly support local industry should be strictly prohibited as allowing retail in these areas will undermine the creation of walkable environments and entrench the health issues associated with car dependence.
- It may be appropriate in some industrial areas that are strategically located, have good access to local populations and public transport and are no longer suitable for industrial purposes (generally older industrial areas) to develop these as restricted retail precincts. The appropriateness will have to be assessed on the locations strategic merits.

Managing new centres and major retail proposals

- New centres are essential to respond to the demands of the local population. Their growth must be managed in a way that enhances the quality of life and health of citizens and addresses many of the inequities associated with the urban fabric of the city. While in theory activity centre policy recognises the objectives of achieving long term health benefits, its implementation is falling short of achieving this potential, and is in fact continuing to entrench many negative health impacts associated with the built environment.
- Improving health outcomes is contingent on ensuring that new centres and major retail developments are located in areas that are strategically accessible by active transport modes, and are delivered in a way that delivers, compact, mixed use and walkable environments.
- Land economics play a crucial role in the way activity centres policy is implemented. As long as developing out-of-centre retail remains more feasible than developing in-centre retail, activity centre objectives will not be realised. Finding ways to reduce this bias is imperative to securing long term health benefits through the creation of walkable nodes connected by public transport.

Improving design outcomes

- The design of many retail environments provides priority of the car over the pedestrian, thereby discouraging the establishment of walkable centres and further encouraging car travel. Furthermore, these areas have not been well stitched into their surroundings in a way that allows for access by active transport modes.
- Poorly designed retail environments can encourage or worsen anti-social behaviour (such as alcohol and drug abuse) and increase the perception and incidence of accidental or intentional injury (crime). Effective design solutions can minimise these risks and promote better health outcomes.



- Opportunities for local food production and distribution, such as community gardens and farmers markets should be considered in the design of activity centres. These opportunities should be seen as a way to add value to retail environments such as encouraging direct engagement with growers and producers of products while also influencing healthy eating habits.
- The design of retail environments should be integrated with other centre uses to create a coherent environment that creates synergies between the uses to promote the effective functioning, safety, and inclusiveness of the centre.
- Retail environments can be designed to and enshrine a 'right to shade' for users to contribute to proper sun protection, minimising the incidence of sun-related health impacts.
- Seek design solutions that reconcile retail functions with a diversity of other complementary functions that achieve a wider range of social outcomes.
- Promote exemplar pilot projects that can help lead the market and demonstrate good design.
- Explore strategies for adaptive reuse so shops, etc that have failed in communities with no other provision can be re-used as retail depots, community co-ops and/or Council service centres.

Additional Comment

- The operating hours of retail plays another key influence on the access of goods and services. While this issue may be outside of the scope of this review, it should nonetheless be flagged as an important issue that contributes to health outcomes. There is Australian and international research evidence which shows that the opening hours of alcohol outlets is just as important, if not more, than their physical location and concentration in terms of negative reports on local neighbourhood safety, antisocial behaviour and crime⁶

⁶ Livingston, M. (2008) Alcohol Outlet Density and Assault: A Spatial Analysis. *Addiction*. 103:619-628.



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, *particularly in areas that are poorly served by retail functions.*

VicHealth generally supports the proposed responses but adds the following points:

- The growth of retail development needs to be better managed to ensure that retail settings are genuinely pedestrian-oriented environments that promote active lifestyles by making it convenient, safe and pleasant to walk and cycle. Policies that support car-oriented development are seen to discourage active lifestyles, and retail policy must encourage active transport trips by promoting retail development at a pedestrian scale in locations that are strategically placed to realise this objective⁷.
- There is a need to review the car parking requirements associated with retail under the VPPs. The use of minimum car parking rates, as opposed to maximums, is seen as favouring car-oriented development, and prohibitive of creating truly walkable environments. A review of car parking requirements associated with retail use should be undertaken in light of public health and policy objectives, and the need to respond to the emerging challenges of the future.
- The current land economics situation that makes it more feasible for retail development to locate out-of-centre rather than in-centre is causing unmanageable market pressure and severely undermining activity centre policy. It is necessary to develop a broad range of strategies that attempt to level the field for development and correct the bias that currently exists. Exploring incentives, identifying cost effective development opportunities in existing centres and better understanding the economic benefits of in-centre development over the long term are all areas that should be further investigated as part of revising retail policy.

⁷. Schlossberg, et al. *How Far, by which Route, and Why? A Spatial Analysis of Pedestrian Preference*. Mineta Transportation Institute, 2006



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.

It is the view of *VicHealth* that certain retail types have the potential to influence negative health impacts and that there is a clear policy reason to distinguish between some retail types including:

- supermarkets;
- convenience retailing;
- fast food outlets;
- pubs and nightclubs;
- bottle shops;
- gambling premises.

It is felt that a stronger retail policy framework is needed to minimise these health impacts and ensure they are not experienced by some groups more than others. Achieving this will require extensive research and a range of regulatory and non-regulatory mechanisms aimed at better managing health-impacting retail uses.

Some ways of increasing the evidence base for more informed retail policy formulation include:

- identify areas that are considered 'food deserts' – places that have little or no access to fresh, healthy food options;
- map the concentrations of fast food, gambling, alcohol and tobacco premises and identify the relationship with health;
- Identify the walkable catchment of existing retail facilities to identify gaps in the activity centre network.
- Align local planning controls with key state legislation that relates to health promotion, such as the Tobacco Act and the Liquor Control Act

VicHealth supports the need to maintain a healthy mix of retail uses in activity centres which will allow people to meet their needs locally. There needs to be controls in place that can correct the retail mix if it becomes unbalanced at the expense of basic services that serve the basic needs of the local population.

The distribution of retail across the landscape is very patchy, with some areas (particularly rural areas) poorly served by retail facilities. There is a need to consider this distribution when making decisions about the network of activity centres while reconsigning market realities. More attention to lower order, Neighbourhood Activity Centres and their planning should be considered.



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.

VicHealth supports the need to distinguish between 'restricted' and 'general' retail and generally supports a retail policy framework that is fair and equitable across the sector, unless there is a clear policy case to do so. In the instance of restricted retailing premises, it is the view of *VicHealth* that there is a clear public health case to discourage restricted retail uses that represent large scale, single use, car oriented development.

This type of development is associated with serious, long term health impacts that cause significant long term human and economic costs on the public healthcare system. Generally speaking, out-of-centre retail uses should be strictly prohibited, except in locations where it can be proven that they provide excellent access by active transport modes and do not undermine the functioning of the activity centres network.

VicHealth is not opposed to bulky goods retailing as a retail function in itself, but is rather concerned with ensuring that these uses are better integrated into the urban fabric in a way that produces walkable environments. For this reason, *VicHealth* would like to see retail policy that better manages any retailing function that undermines key health objectives, not just restricted retail premises.

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.

VicHealth strongly agrees with the proposed responses to generally prohibit retailing in industrial areas. We support the approach that all retail in industrial land uses should be subject to strategic testing to ensure that zoning allowances are not abused in these areas.

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.

VicHealth strongly supports the development of a sequential test approach to retail assessment, with the proviso that it can be implemented in a way that is strictly applied to limit retail development in out of centre locations that provide poor access to active transport modes. Any assessment criteria must consider the potential impacts on health and give these considerations serious weight.

In the case of new centres and major retail proposals, assessment criteria should seek to ensure that proposals are located in strategic locations that maximises the ability of the activity centre network to provide access by active transport modes. Again, these proposals must be strategically assessed to ensure they are achieving long-term health benefits.

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.

VicHealth applaud the recognition of the importance of design in the proposed responses but add the following points:

- It is necessary to seek ways to better integrate new retail growth into new and existing centres in ways that reinforce more walkable centres and create built environments that are safe, inclusive and are rewarding to be in. This means minimising the impacts of barriers that often surround a centre and deny it to active transport (such as car parks, blank walls and service yards) and maximising the reasons why someone may want to visit a centre. It is worth noting that in design terms, the health impacts of retail policy relate as much to how the retail floorspace is accessed and integrated into existing and new centres, as to the type of retail function.
- It is worth noting that activity centres provide an opportunity to meet a wider range of community needs other than the economic exchange of goods. Careful design from the concept stage can ensure that emerging centres are also comfortable and attractive places for social interaction, community events, leisure and possibly banking services, post and social infrastructure such as libraries, etc. It is suggested that the proposed guidelines for activity centres incorporate provisions to facilitate these outcomes.
- Retail functions typically occupy larger buildings, with larger footprints than their surroundings (particularly for higher order retail centres) and are shared by many people. Recognition needs



to be given to the disproportionate influence these areas have on the character of an area and the opportunities they present to provide a setting to a wide range of other important community functions and informal social interactions.

- Designing to create safe and secure spaces that minimise the incidence of both accidental and intentional injury is important to influencing health outcomes. This objective should be made explicit in retail policy and relevant design guidance should be consolidated.
- Retail policy should make explicit recognition of the importance of planning for centre evolution so as a centre grows/changes it can do so in a way that ensures that the existing infrastructure can be reused in a way that minimises conflicts. Consideration should be given to how temporary uses (urban agriculture, play space, etc) can be used on land ear-marked for future retail use can to meet short-term community needs.
- Consideration should also be given to extending the guidelines to promote and provide guidance for lower order retail (farm shops, farmers markets, township co-ops and retail depots etc), recognising their importance in areas often bereft of other provision.

Additional Comments

Please provide additional comments in relation to any other issues or proposed responses that you wish to raise.

- Retail policy needs to be more forward looking, to respond to the challenges of the future in ways that will allow us to better manage increasing uncertainty to better secure long-term, inter-generational health outcomes.
- Retail policy inextricable from activity centre policy and needs to be considered as a whole. While retail is perhaps the main component of activity in centres, it is not the only one, and there is a need to collectively plan for all components to produce attractive, safe, inclusive and rewarding places.
- Activity centre policy and its corollary retail policy has the ability to support the development of walkable communities that promote healthy and active lifestyles by⁸:
 - designating new centres in areas where there is an under-provision of essential goods and services that are accessible by active transport modes;
 - supporting the mixing of uses and reducing the increments of development to minimise the distance between trips;
 - reducing the amount of car-related infrastructure, namely carparking, to reduce gaps in the built environment and consolidate the activities of the city;
 - creating safe and convenient environments that afford pedestrians priority over the car;

⁸ Tolley, Rodney. *Providing for Pedestrians: Principles and Guidelines for Improving Pedestrian Access to Destinations and Urban Spaces*. Department of Infrastructure Victoria, 2003.