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27 February 2009

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

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By email to [retailpolicy.review@dpcd.vic.gov.au](mailto:retailpolicy.review@dpcd.vic.gov.au)

Dear Sir/Madam,

**Retail Policy Review Discussion Paper**

Please find attached the Council's submission to the Retail Policy Review Discussion Paper.

The submission is made in accordance with a resolution of the Council's Planning Committee at its meeting of 11 February 2009.

If there are any questions in relation to the Council's submission please contact me on [d.burt@macedon-ranges.vic.gov.au](mailto:d.burt@macedon-ranges.vic.gov.au) or 03 5421 9684.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Duane Burt", enclosed within a large, loopy oval shape.

**Duane Burt**  
**Senior Strategic Planner**



## Submission to Retail Policy Review Discussion Paper

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### Macedon Ranges Shire Council

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Date of Submission: 27 February 2009

## Overview of Key Points

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The Macedon Ranges Shire Council generally supports the measures proposed in the Retail Policy Review Discussion Paper.

It is recommended that the definition of restricted retail premises be amended to omit the sale of equestrian supplies and swimming pools and/or that these activities continue to be allowable, subject to a permit, in industrial zones. Provision for sale of products in association with service industries such as motor repairs also needs to be clarified.

Prohibition of restricted retail development in industrial zones is supported, but presents some challenges for rural and peri-urban councils. Pro-active planning for retail development can be difficult in regional areas because it tends to be on a small scale and may be driven by individual business decisions that cannot be predicted on a generalised basis. Higher order retail functions are likely to be provided in larger centres in neighbouring areas. There is a need for some flexibility in responding to business land demand, given these unpredictable factors.

Few towns have significant areas of vacant land available in the Business 1 Zone, so locating in this zone is likely to be difficult for a large scale retailer with substantial land requirements. If restricted retail is prohibited in industrial zones there will be a need to provide for development in the interim before councils provide a zoning response to the changes (such as provision of more B1Z or new B4Z). With limited resources for strategic planning, under normal circumstances zoning changes may take several years and retail developers may be reluctant to invest in regional towns during that transition.

It is therefore recommended that DPCD provide a Ministerial or fast-track amendment process that councils could utilise to rezone strategically identified land from industrial to B4. This rezoning could occur at the same time as the amendment to prohibit restricted retail premises in industrial zones. The B4Z has very similar permit requirements to the existing industrial zones.

The proposals for a sequential testing approach to major new retail developments are supported. However it is suggested that the 2000m<sup>2</sup> threshold is too high. A threshold of 500-1,000m<sup>2</sup> is suggested. There could be variations on the threshold based on the number of tenancies, or on location factors.

The Macedon Ranges Shire Council requests that DPCD provide design guidelines for activity centres that include tailored guidance for regional town centres. Car parking requirements also need to be reviewed to support a multi modal approach to transport and achieve quality urban design.

More detailed comments in relation to the Proposed Responses of the Discussion Paper are provided in italics as follows.

## 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.

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*This approach is supported – retail development should be proactively provided for within identified centres that are accessible by multiple forms of transport.*

*It would be useful to provide further direction on the role of RRAs and of relevant stakeholders, eg:*

- *What status would RRAs have in the Planning Scheme?*
- *Who would fund and prepare RRAs? It is suggested that a joint approach led by both DPCD and the relevant local councils, funded by DPCD, is the best model. Retail organisations and businesses should play a stakeholder role.*
- *Would RRAs identify numeric targets for additional capacity, within council areas, or for specific centres?*

*RRAs for metropolitan areas should recognise that catchments for some retail centres extend well beyond metropolitan Melbourne into the peri-urban area. For example, Watergardens (Brimbank CC) and Sunbury (Hume CC) are major retail destinations for Macedon Ranges residents.*

## **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.

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*Conceptually these proposals are supported but it is difficult to comment without specific proposals for change to the Business 1 Zone.*

## **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.

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*Generally this is supported, but the sale of swimming pools would appear to be something of an anomaly in this context. It is considered more appropriate to group swimming pool sales with landscape gardening supplies and motor vehicle and boat sales – section 2 uses (as Retail Premises) in the industrial zones.*

*Equestrian supplies are currently listed separately as a section 2 use (unrestricted) in the industrial zones. It is considered appropriate for equestrian supplies to retain that status rather than being prohibited. It is acknowledged that equestrian supplies could take a variety of different forms and are likely to be associated with other retail services. However, in a regional context equestrian supplies are likely to involve the sale of low value bulky items such as stock feed.*

*Provision for sale of products in association with service industries such as motor repairs would need to be clarified – see point 2 under ‘additional comments.’*

## **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.

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*Amending the industrial zones so that restricted retail premises become a prohibited use is supported. This is likely to have benefits in terms of improved urban design and council control over development. Industrial areas are generally poorly connected to adjacent urban areas and removed from the complementary business services provided in town centres. Moreover, the Planning Scheme provides virtually no guidance on preferred design of industrial areas so it is difficult to achieve good design outcomes.*

*However the changes do present some challenges for peri-urban councils. With some limited exceptions, commercial land is provided for in the Macedon Ranges Shire almost exclusively through the Business 1 Zone (B1Z), which is the typical town centre zoning, and the Industrial 1 Zone. The types of retail activity proposed to be prohibited in the industrial zones are allowable in the B1Z, but few towns have significant areas of vacant land available in this zone. Establishing in this zone is therefore likely to be difficult and/or expensive for a large scale retailer with substantial land requirements.*

*Pro-active planning for retail development is in some ways more difficult in regional or peri-urban areas such as the Macedon Ranges compared to Metropolitan Melbourne. This is because retail development tends to be on a small scale and may be driven by individual business decisions that cannot be predicted on a generalised and aggregated basis. For towns of the Macedon Ranges a full range of retail services is unlikely to be provided as higher order retail functions will be found in larger cities or centres eg Sunbury, Watergardens, Highpoint, Bendigo, central Melbourne. The level of retail services that will be required in peri-urban towns may therefore be difficult to predict.*

*With business land demand difficult to predict in a rural context, there is some value in flexible zones that allow multiple uses.*

*With this context it is noted that there is another and perhaps more significant transitional issue than the one identified in Proposed Response 10. The issue is providing for restricted retail development in the interim before councils provide a zoning response to the changes (such as provision of more B1Z or new B4Z). With limited resources for strategic planning, zoning changes may take several years and in the interim new retail developers may be reluctant to invest.*

*Possible options that should be considered to address this issue include:*

- 1. Provide transitional arrangements where restricted retail development could be allowed for a defined period – perhaps two years – before being prohibited in industrial zones.*
- 2. Provide a Ministerial or fast-track amendment process that councils could utilise to rezone strategically identified land from industrial to B4Z. These amendments could proceed at the same time as the amendment to prohibit restricted retail premises in industrial zones.*

*The second option is considered preferable as it allows a more sophisticated response to providing for restricted retail development. A transition from industrial to B4Z only is suggested because the B4Z has very similar permit requirements to the industrial zones. It is notable in fact that the B4Z is more permissive of industry (no permit required) than the Industrial 3 Zone (permit required).*

## **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.

*The proposals here, including a sequential testing approach, are supported. However one change is suggested:*

*The basis for the 2000m<sup>2</sup> threshold does not appear to be explained in the Discussion Paper and is considered too high. 2000m<sup>2</sup> would allow the creation of substantial centres without the logical scrutiny that the sequential model would provide. However a threshold is supported as it is sensible to exempt small neighbourhood centres providing local convenience shopping from this process. A threshold of 500-1,000m<sup>2</sup> is suggested. There could be variations on the threshold based on the number of tenancies – five shops of 200m<sup>2</sup> are likely to be more appropriate than one furniture store of 1000m<sup>2</sup>. Variations could also be based on location factors – a lower threshold for regional areas perhaps.*

## **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.

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*These responses are supported, but it would be more helpful to provide tailored design guidance rather than generic design guidelines. While there are some universal principles of good urban design, appropriate design in a rural town centre is likely to be different to retrofitting a suburban shopping mall and even a traditional metropolitan shopping street. It is considered reasonable for rural and peri-urban residents to have different expectations of retail centre scale and density than city dwellers. Macedon Ranges residents also have expectations that their town centres will have design characteristics that evoke a rural setting rather than a metropolitan context.*

*The Macedon Ranges Shire Council requests that DPCD provide design guidelines for activity centres that includes tailored guidance for regional town centres.*

## Additional Comments

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

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1. *The Discussion Paper does not appear to make any reference to car parking. This may be the subject of other policy work, but it should be acknowledged that car parking requirements are a key driver behind the form and location of retail development.*

*Car parking requirements need to be reviewed to support a multi modal approach to transport and avoid urban design that is dominated by car parking. Car parking requirements need to recognise the practical difficulties of providing additional car parking in existing centres.*

2. *Detailed consideration of restricted retail uses has highlighted the fact that the Planning Scheme is unclear on the capacity for service industries to sell products relating to the services they provide, when they are located in an industrial zone. For example, if restricted retail, which includes the sale of automotive parts and accessories, is prohibited in industrial areas, could a mechanic sell these products? The definition of motor repairs allows them to fit accessories, but not sell them. The definition of Industry allows them to sell goods "resulting from the operation", but only wholesale, not retail. Sale of parts might be allowable under the definition of Trade Supplies, but motor repairs is nested under Service Industry, not Trade Supplies. It could be argued that sales of parts are allowable as ancillary to motor repairs, but this does not provide a clear mandate.*

*The Planning Scheme is cumbersome and unclear in dealing with trade type services that involve a retail dimension. Review of this area is recommended.*