

Activity Centres & Non-Residential Uses Strategy Review Discussion Paper: Initial Key Issues

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1. Definitions

Key term	definition
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2. Introduction

Purpose of the Review

The City of Casey is in the process of reviewing its *Activities Areas and Non-Residential Uses Strategy 2012* (Activity Centres Strategy). A key component of this review is to obtain an expert assessment of future demands for retail and other commercial floor space in Casey's activity centres relative to their projected 2036 population catchment.

Growth in the City of Casey

The City of Casey encompasses an area of approximately 395 square kilometres. The bulk of Casey's population live in the urban areas in the suburbs of Cranbourne, Berwick, Hampton Park, Narre Warren, Narre Warren South, Endeavour Hills, Doveton and Hallam.

The municipality is serviced by two railway lines (Pakenham and Cranbourne) and three highways (Western Port, South Gippsland and Princes Highway). The City has two regional shopping centres, being Fountain Gate-Narre Warren and the Cranbourne Town Centre, as well as a network of subregional and neighbourhood centres.

The City has two distinct non-urban or rural areas. To the north is the Casey Foothills, a unique area including the townships of Narre Warren North and Harkaway. It has important scenic and visual qualities, also being the gateway to the foothills of the Dandenong Ranges.

The rural area in the south comprises three distinct sub-regions. These include the foreshore of Western Port and the south-eastern and south-western non-urban areas. The western area includes a unique mixture of rural uses and enterprises intermixed with small townships and some rural residential development.

The City of Casey is Victoria's most populous municipality. Casey's current population is estimated to be 270,000 people and is expected to grow to over 450,000 by 2036. Casey currently comprises just over 91,000 households (January 2013 estimate) and receives between 6,000-6,500 new people each year. With a 2.7% growth rate in 2012/13, Casey is destined to become the largest, most populous urban municipality in Victoria.

This substantial and rapid growth is the pre-eminent characteristic of the City and will dominate it over the next two to three decades. The City of Casey is, and will continue to be, one of the fastest growing municipalities in Australia.

Current Activity Centres Strategies Status

Casey has two current Activity Centre Strategies:

- the 2006 Strategy which holds statutory weight via the Casey Planning Scheme; and,
- the 2012 Strategy which has been adopted by Council but has not attained statutory weight in the planning scheme.

Volume 2 of the 2012 Strategy is the Background Report, it was commenced in 2009 and finalised in 2011. It contains 'Key Issues', 'Investigation & Analysis', 'Policy Context', and 'Background Material'.

Volume 1, *The Activities Areas and Non-Residential Uses Strategy*, is based on the information contained Volume 2 and was finalised late in 2012. It contains the Policy Directions and Guidelines.

To give the 2012 Strategy statutory weight the next step would normally have been to update both the Retail Policy at Clause 22.07 and the Non-Residential Uses in Residential and Future Residential Areas Policy at Clause 22.08 in the Planning Scheme. These two local policies currently derive their strategic basis from the 2006 Activity Centre Strategy.

However, due to substantial policy changes at State level (*Plan Melbourne 2014*, a new SPPF, new commercial and residential zones), the State Planning Policy Context analysis contained in Volume 2-The Background Report and which underpins the entire strategy, quickly became out dated. Because the strategy is based on old State policies (*Melbourne 2030*, an old SPPF, the old commercial and residential zones as well as the now obsolete *Retail Policy Review Discussion Paper 2008*) the State Planning Policy Context discussed in both volumes 1 and 2 needs to be reviewed to provide a sound strategic planning policy basis.

3. Key Issues

The 2016 strategy will have to address key issues identified with both the 2006 Strategy and the 2012 Strategy. Therefore the key issues identified when the 2006 Strategy was reviewed are listed exactly, followed by key issues identified with the more recent 2012 Strategy.

The 2006 Strategy key issues

The following list of key issues are simply copied from the 2009 background work which informed the review of the 2006 Strategy and were addressed and resolved in the 2012 Strategy. Because the 2006 Strategy still has statutory weight via Clause 22.07 Retail Policy in the planning scheme, the 2016 review should consider these issues again.

1. A lack of clear definitions in the ACS.

- Implemented in Volume 1.

2. The Community Activity Clusters identified in the current strategy lacked clear strategic purpose (considered to give grounds for Out-of-Centre development) and policies to incorporate appropriate elements into the AC hierarchy.

- The ACS defines Community Clusters as including education facilities, multifunction community buildings and cultural, recreational and sporting facilities.
- The clusters and existing community facilities locations were lacking in strategic purpose and could be defined as 'out –of-centre' locations.

2a. During the AC Review two further activities, gymnasiums and medical centres, were investigated as examples of activities that frequently locate at out-of-centre locations.

Gymnasiums:

- Small operations were able to find space in the lower rental areas of NACs, serving a local community and with the advantages of car parking and passing trade.
- Larger operators, acting as destinations in their own right, either operated in or adjacent to an AC or at sites removed from an AC. While leasing premises was still an option there was evidence of property ownership (or intent) in the market.
- While a location in an AC was seen as an advantage it was often prohibitive in terms of costs (rental) and in most instances did not provide an opportunity for property ownership.

Medical Centres

- Experience suggests that for this sector rentals have been prohibitive in the major shopping complexes at the upper end of the AC hierarchy.
- Small operators (as with gymnasiums) were able to find space in the lower rental areas of NACs, serving a local community and with the advantages of car parking and passing trade.
- Where property ownership was sought by larger operators, AC opportunities at the upper end of the hierarchy were limited to where multiple land parcels were available. Note single ownership could also be a limiting factor at the lower end of the activity centre hierarchy at the NAC level.

3. Lack of criteria to determine new AC locations (crucial in Greenfield locations) and the identification of target centres in the existing centre network (or new sites) for AC based enhancement.

- The need for NACs to serve and be central to an identified catchment population, including the awareness of the 'walkable catchment' concept
- All ACs contain a range of land uses and care needs to be taken to ensure that the AC design complements its operation (economic, social and environmental) and its multi-purpose role.
- The proposed Cranbourne East NAC concept as articulated in the Cranbourne East Precinct Structure Plan B represents a far better model of fully integrated community facilities which will also meet the other objectives such as accessibility, convenience, safety, flexibility and co-location.
- The Fountain Gate Peripheral Sales component is located both within the AC precinct and along the major arterial roads identifying the potential for a preferred out-of-centre location abutting the designated AC precinct.
- The location of adjacent and nearby out-of-centre activities in the R1Z surrounding the Endeavour Hills MAC reflects the concept of an AC perimeter buffer role surrounding the commercial core.
- The field inspections identified a wide range and diversity in that the provision of NACs within the Casey urban area, and the need to identify those with a potential, through either consolidation or expansion, to take on an expanded role particularly in the retail and community services components; and the future of apparently less viable NACs.
- At the NAC level 'main street' designs with active frontages were more readily achievable at connector road based ACs, where the 'main streets' had a practical purpose in contrast to artificially imposing a potentially non-functioning main street and active frontages at an NAC located on an arterial road and or intersection.
- Subject to the defined catchment 'geography', an inboard collector road NAC location with a range of co-located components can function at a more 'human scale' than an outboard arterial location with safety, environmental and access limitations, even where some co-location can occur.
- Define the trade area/catchment population (focus on walkability) to be serviced by the proposed NAC and assess as a measure of demand for each NAC land use component.
- Identify and assess the relationship of the proposed NAC with both competing ACs and future AC proposals noting the existing role of NAC components in the competing ACs and impacts on the proposed NAC
- Define an optimal location for the proposed NAC based on the defined trade areas/catchments and identified competition.
- Record and assess the locational requirements and Net community benefit of each NAC component including performance expectations, accessibility, competition and links with complementary land uses.
- Establish a NAC precinct, again at a walkable scale, based on the requirements of each land use component of the proposed NAC.
- Examine location options within the defined AC precinct for each land use component of the proposed NAC maximising the opportunities for co-location and linkages within the precinct.
- Establish precinct sub-areas for each land use component of the proposed NAC as the basis for the structure planning of the proposed NAC

3a. As a result of the initial AC inspections the AC Review was extended to investigate selected NAC locations and sites to assess the enhancement and revision of existing operation and the opportunity for additional NACs.

- The NACs currently operating in the Casey urban area currently lack sufficient understanding in terms of role, design guidelines, composition, economic viability and boundary definition to enable planning for their sustainable future operation.
- A major NAC sustainability element is the presence of a sustainable supermarket anchor
- The quality of the public realm is a major contributor to NAC amenity and sustainability
- The co-location of land use segments and elements is important even in the smaller NACs.
- The expansion of existing NACs sometimes requires the re-location of existing land uses within the NAC precinct
- Destination operators, retail or non- retail can take an anchor role in smaller NACs.
- Low rent paying retail, service and community services can be accommodated traditional smaller NACs in older established urban area.
- The smaller NACs are vulnerable and find it difficult to respond to increased competition from additional ACs or changes in the scale or offering of nearby higher order ACs.
- New NACs components can benefit from a range of existing land uses and in turn contribute to the established land uses in the NAC precinct.
- General stores that have served as local 'rural service centres' are often vulnerable as part of a new residential 'landscape'

4. Lack of AC based location criteria for all AC components.

- There are currently no specific criteria or principles to determine the location of new community facilities.
- A number of traditional out-of-centre facilities are locating either in or adjacent to activity centres as well as at freestanding sites within the R1Z.
- For supermarkets inboard, collector road, locations with growth over time are a location option when matched to catchment populations. Still need access to at grade parking and good exposure (corner sites and proximity to railway stations work well)
- The supermarkets had an overall positive response to co-location with community services and the primary schools (increased frequency of visit assisting sustainability) it is recognised that this outcome is easier to achieve in a Greenfield environment.
- In terms of community facilities the proposed Casey PAC would include the Civic Centre, Library, Youth Information Centre, an Arts space and other facilities; the Cranbourne PAC is more 'complex'
- Whilst many the Community Services principles and objectives are met in the MACs, some further work is needed)
- There are a number of stand-alone community or service outlets at NACs which are, for the most part, reasonably well integrated with such facilities as shopping precincts
- The proposed Cranbourne East NAC concept as articulated in the Cranbourne East Precinct Structure Plan B represents a far better model of fully integrated community facilities which will also meet the other objectives such as accessibility, convenience, safety, flexibility and co-location.
- At the upper level of the activity centre hierarchy of these facilities might be enhanced by an indoor Leisure Centre and secondary education facilities at a MAC; and an extensive range of more regional facilities at a PAC including aquatic and indoor sporting facilities (basketball, gymnasium and workout space), library, arts/cultural facilities and a community centre along with tertiary education facilities.

5. Substantial change in the retail sector not currently addressed through the ACS.

- Supermarket anchors for smaller activity centres (NACs) can range – subject to operator - from; two supermarket outlets serving a catchment of the 15,000 to 25,000 persons, a major full line supermarket (3,000 to 4,200 square metres) serving a catchment of 8,000 to 12,000 persons, a small format supermarket (1,000 to 2,500 square metres) serving a catchment of 4,000 to 6,000 persons and a conveniences grocery outlet (up to 500 square metres) is serving a smaller catchment.
- Given the presence of a range of supermarket footprints currently available it is now possible to service a range of NAC catchments and provide NAC component parameters and compositions to guide NAC land uses and in some instances floor-space caps.

6. The current Retail Policy Review being undertaken by the DSE will take precedence over the Casey ACS particularly as regards perimeter and internal AC boundary definition, implementation and flexibility with regard to AC anchor land uses.

- State Planning Policy Framework - Clause 12 Page 1 of 20.
- The Retail Policy Review Discussion Paper identifies NACs as requiring special attention with regard to both development staging and refurbishment. (Pg 30) It also addresses the definition of AC boundaries and the importance of public realms.
- Given the concept of 'walkability', NAC components, and 'ipso facto' the NAC precinct, could be located up to 400 metres from a NAC centroid raising the possibility for traditional out-of-centre locations to locate within the NAC precinct. It is recognised that this could include some traditional residential within the NAC precinct arguably with the potential to be upgraded in the future to higher value land uses.

7. An over emphasis on the retail component of ACs, retail is only one component of an AC.

- Small service business operators prefer Activity Centre locations with the advantages of car parking and passing trade.
- Large service business operators often find rentals prohibitive in major shopping complexes at the upper end of the Activity Centre hierarchy.(p. 23)
- Service businesses (and other activities) often seek ownership of their premises and this is not always available in an Activity Centre. (p. 20)
- Locating community facilities at activity centres achieves objectives including accessibility, convenience, safety, flexibility and co-location. (p.27)
- School sites should be integrated with the neighbourhood and located near ACs and integrated with community facilities. (p.28)

8. The City of Casey Planning Scheme (Clause 12, 21.13, 22.07 and 22.08) to be consistent with the ACS.

- See Volume 1.

9. Review ACS Report Format.

- See Volume 1.

The 2012 Strategy key issues

Practical use (and therefore testing) of the 2012 Strategy has been limited as it has never gained statutory weight. The following list describes the initial key issues that have been identified with the 2012 Strategy through its limited practical use to date.

Strategic planning justification

The 2012 Strategy is based on superseded State planning policy and it therefore cannot underpin new or revised local policies. As it does not provide adequate strategic planning justification it would not withstand the scrutiny of a planning panel or DELWP.

Due to substantial policy changes at State level (*Plan Melbourne 2014*, a new SPPF, new commercial and residential zones), the State Planning Policy Context analysis contained in Volume 2-The Background Report quickly became out dated. Because the strategy is based on old State policies (*Melbourne 2030*, an old SPPF, the old commercial and residential zones as well as the now obsolete *Retail Policy Review Discussion Paper 2008*) the State Planning Policy Context discussed in both volumes 1 and 2 needs to be reviewed to provide a sound strategic planning policy basis.

The new Commercial zones affect elements of the 'State Policy Context', the 'Key Issues', and the 'Objectives' sections in the Background Report (volume 2) which refer to the previous Business zones. This needs to be reviewed.

The new Residential zones allow for more non-residential uses in residential zones at the state level. As such some of the findings in the Background Report (volume 2) will be different, and therefore some objectives and guidelines relating to those findings may be different. This needs to be analysed to ensure this section of the strategy is consistent with the new Residential Zones and is able to underpin a new or revised Non-Residential Uses in Residential and Future Residential Areas Policy at Clause 22.08 in the Planning Scheme.

Retail & other Commercial Floor-space Demand Data and the AC Hierarchy

The AC hierarchy needs to be updated. In the planning scheme the hierarchy is 10+ years out-of-date, while in the 2012 Strategy the hierarchy is 4+ years out-of-date.

To properly review the AC Hierarchy an up-to-date assessment of retail floor-space demand, which provides both current and projected future floor-space needs, is required. The need for this assessment has been identified at Planning Panel Hearings for C157 (Cranbourne Town Centre ACZ), C181 (Heatherton Road Mixed Use Precinct Rezoning) and C50 (new MSS).

Additionally, Council's Economic Development Department have identified a need for an assessment of the capacity of ACs to provide non-retail jobs. The findings of this assessment could inform and form part of the new strategy and may be able to assist in directing/encouraging non-retail business into ACs.

In response to this issue, a Retail and & other Commercial Floor-Space Demand Assessment has recently been commissioned from SGS Consultants to provide the necessary data and recommendations for a revised AC Hierarchy, as well as advice about

any statutory planning and non-regulatory levers Council could utilise to attract more non-retail employment and local jobs in activity centres.

Controlling ACs' assigned role and function across the AC Network

Traditionally the role, function and size assigned to ACs in the Hierarchy could be controlled through five different Business zones and floor area thresholds contained in the zone schedules. The new Commercial zones do not provide this ability. With this removed, other methods need to be investigated to help ensure the integrity of the AC hierarchy and viability of ACs at the different tiers. Other methods may include:

- An overarching Activity Centres Urban Design Framework (ACUDF) to control built-form outcomes.
- When rezoning land, that the land area appropriately corresponds to the size and function proposed for the AC in the hierarchy.
- Development Plans that articulate an AC's role in the network including the size of the anchor/s (if any).

Are the 2012 Strategy NAC definitions still appropriate/relevant

The 2012 Strategy provides rather detailed definitions for small, medium and large NACs. The detail of these definitions need to be reviewed to ensure they have been and will continue to be relevant.

SGS Consultants have been requested to provide comments on this matter.

Terminology in the 2012 Strategy

There is incorrect, inconsistent, and outdated terminology used throughout both volumes (more-so in volume 1) of the 2012 Strategy.

Activity Centres are termed in several ways, (Activity Area, Activities Area, Activity Centre, Activities Centre). The correct term in-line with State policy (new SPPF, Plan Melbourne) is Activity Centre. Terminology needs to be consistent with State policy throughout both volumes of the strategy.

The Activity Centre Zone (ACZ) is incorrectly termed 'Activities Area Zone' in numerous places throughout volume 1.

The Plan Melbourne strategy does not use the term 'hierarchy', rather 'network' is referred to. Need to decipher whether it is still appropriate to refer to a hierarchy at the local level.