



A Different City

Navigating the
cities of tomorrow.

Amendment C258 to the Casey PS

Submission on behalf of

Woolworths Group Limited

Prepared for:

Woolworths Group Limited



A Different City

This report has been prepared by:

Jonathon Fetterplace
Director
A Different City Pty Ltd

Date: 16 June 2020

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Introduction

1. My name is Jonathon Fetterplace and I am a Director of A Different City Pty Ltd.
2. I have been engaged by Woolworths Group Limited (WOW), who are the owners of multiple retail assets (as landowner and/or tenant) throughout the City of Casey. Twelve (12) of those existing assets are currently operating full-line supermarkets within existing Activity Centres.
3. The purpose of this submission is to assist the Panel's consideration of Amendment C258 (The Amendment) to the Casey Planning Scheme and recommend changes that recognise the viable development of Activity Centres to meet the needs of both the community and retailers (including retail developers).
4. It also should be noted that my instructions in this matter do not extend to commenting the submissions or representation made by other submitters in relation to the Eden Rise and Berwick Springs. Nor will I be commenting on any speculation regarding the future location of a Woolworths store in that area.
5. WOW are first and foremost retail operators. Whilst they do undertake land development and hold retail assets, it is primarily out of necessity to ensure the delivery of retail services in a timely fashion to meet the needs of the incoming population.
6. WOW primary interest in this Amendment is to ensure their significant and ongoing investment in the City of Casey will be sustainable. Future strategic planning must take into consideration WOW experiences operating in the City of Casey, and beyond, to inform decision making.
7. It is recognised that supermarkets do not make Activity Centres successful alone, nor should they be the sole focus of Activity Centre planning. A successful supermarket, however, is a major asset and job creator. A viable supermarket can drive economic activity and support the establishment of other non-residential uses, including specialty retail, food & beverage and commercial operations.
8. WOW agree that Net Community Benefit should be at the forefront of planning policy. As pointed out by Council, at page 53 of the Activity Centre Strategy, 'the objective of the Net Community Benefit assessment is to balance economic sustainability with environmental and social-cultural sustainability.'
9. However, it is WOW experience that planners too often dismiss economic considerations when applying Net Community Benefit and little relevance is given to profitability and trading benchmarks as measures of achieving sustainability.
10. Indeed Mr. Motebello for Council at the end of day 1 of this hearing dismissed the trade data provided within WOW original submission as not being relevant. He said that policy objectives of the '20-Minute City' were the most relevant factor in determining policy and Net Community Benefit.
11. Similarly, Mr. Szafranic relies on the SGS Gravity Model as being a 'more reliable predictor of future economic performance' than utilising live retail data and/or taking into consideration local area considerations. When questioned by the Panel, Mr Szafranic also said he was surprised about the underperformance of the WOW centres, but the trade data was essentially irrelevant to take into consideration.

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12. We remain unclear why Council and Mr. Szafranic would dismiss real data in favour of a hypothetical model that does not and cannot reflect reality. The Gravity Model will never be able to replicate the way people shop and visit activity centres in the real world. It will only result in a distribution of floorspace that reflects a series of chosen or instructed inputs.

13. ~~In response, WOW have sought the advice of leading retail economists, Urbis, to inform this submission. Urbis have undertaken a review of the methodology employed by SGS and believe their findings are flawed as they have not:~~

- ~~○ undertaken a detailed audit or review of the existing operation or performance of centres;~~
- ~~○ used a fixed list of centres rather than identifying gaps or over-provision;~~
- ~~○ used outdated data and model that doesn't reflect reality to inform assumptions; and~~
- ~~○ have grouped centres (specifically Medium NAC's) under the hierarchy that in reality serve very different roles.~~

~~Refer Appendix 1 – Urbis Report – Review of Economic Analysis Informing the Casey Activity Centres Strategy (June 2020)~~

14. It is WOW view that Net Community Benefit cannot be realised without strong retail catchments and strong supermarket trading.

15. Other retailers, including speciality shops, rely on high levels of foot traffic that is driven by supermarkets trade. Where supermarket performance fails, speciality retailers are the first to suffer often leading to businesses folding or relocating and tenancies are left vacant, resulting in job losses. This does not represent a Net Community Benefit.

16. Positioning Activity Centres in the right locations, with justified catchments, is critical to achieving Net Community Benefit and delivering vibrant Centres that stimulate job growth and sustainable economic activity.

17. The key matters we wish to address in this submission include:

- The data and model used to inform the Strategy is flawed;
- The distribution of Activity Centres has not been fully considered;
- Clear and consistent definitions for Activity Centres that align with State Policy should be used to assist implementation;
- The classification of Medium Neighbourhood Activity Centres is too broad, creating confusion in the implementation and the potential oversupply of supermarket floor space;
- Urban design considerations must have regard to the economic needs of retailers, evolving technology and maximise customer convenience to assist in delivering successful retail outcomes and Activity Centres overall.

18. In response WOW propose the following recommendations be adopted by the Panel:

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- The Strategy should be reviewed further prior to the Amendment proceeding having regard to:
 - the most recent available data, including population growth, turnover data and trading performance at a local scale; and
 - identify potential gaps within the existing network of centres and recommended changes where centres may be clustered too close together or too far apart;
- The Activity Centres definitions (and the hierarchy) should be amended to be consistent with State policy, including the deletion of the term 'aspiration' as a policy direction;
- Medium Neighbourhood Activity Centres should be reviewed (including the definition / role) to provide clarity in the retail hierarchy and ensure there is not an over-supply of future floor space, allowing other centres to grow to more sustainable size and performance.
- Clause 22.01 Activity Centre Policy should be amended to better address retailer concerns.

19. We address each of the key matters as follows:

Key Matter 1 – Data used to inform the Strategy

20. It is WOW view that any review of the Activity Centre Strategy must take into account consideration of actual performance of Centres that currently exist in the retail hierarchy. Any forward looking Strategy, should always start with a review or reflection of what has or hasn't worked in the past.
21. The SGS background report and the evidence of Mr Szafranic does not rely on any analysis of actual performance.
22. ~~Urbis (at P.7 of the report) identify that SGS has relied only on 'Retail Trading Density' (RTD's) to estimate current turnover levels, rather than rely on real time data. This implies all existing Activity Centres are trading at industry average levels.~~
23. WOW strongly disagree with this approach and believe that average models, cannot and will not ever be a substitute for real data. Indeed, WOW collect and analyse their on performance data at local, municipal, metropolitan and national scale. They utilise this data to understand consumer trends and needs, as well as plan for future network supply. As a retailer they have an intimate understanding of how, where and when retail floor area is required to maintain economic sustainability of their business.
24. Utilising an inaccurate tool to predict performance will not only impact the sustainability of WOW business, but that of the entire Activity Centre network. ~~Urbis state (at P.7 of their Report):~~
- ~~By assuming the network is in equilibrium and trading at "average" levels, all future growth in retail spending generated is assumed to support additional floorspace. However, if the current centre network is experiencing wide spread underperformance, the spare capacity of retail space will need to be fully utilised before additional supply could be supported. Future floorspace growth~~

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~~in new and existing centres needs to be reduced or delayed. SGS have not allowed for this.~~

25. ~~Urbis observe with regard to supermarket trade, as an example, that using 'SGS estimates of population growth and supportable supermarket space, it is clear that their modelling will result in a growing over supply of supermarket space in Casey. Over supply of space corresponds with below average trading performance'. Refer Table at P.7 of the Urbis report.~~

| Total Supermarkets - SGS Proposal | | | | |
|-------------------------------------|------------|-----------|------------------------|------------------------|
| City of Casey | Pop. - SGS | SA (sq.m) | Floorspace Per 100 Pop | <-Var. from Melb. Avg. |
| 2016 | 297,000 | 99,150 | 33.4 | +5% |
| 2021 | 334,670 | 116,860 | 34.9 | +9% |
| 2026 | 376,400 | 136,640 | 36.3 | +14% |
| 2031 | 411,000 | 156,390 | 37.2 | +17% |
| Melbourne (Supermarkets > 400 sq.m) | | | 31.9 | |

Source: SGS Economics and Planning

26. ~~WOW own store performance data reinforces the likelihood that there is a current oversupply in the network. Urbis considered the WOW trade data provided within the original submission to the Amendment, along with their own retail trade knowledge and estimates (Urbis Retail Trade Averages, published annually) of Casey.~~

~~Refer Table P. 9 of the Urbis Report.~~



Source: Woolworths; Urbis Shopping Centre Benchmarks 2019

27. ~~The Tables on P.8 of the Urbis report demonstrate that only 4 out of 23 existing supermarkets in Casey are currently trading at or above the national performance benchmarks. On average stores in the Southern Metropolitan region trade at 36% below the national average and all of its existing stores are trading well below sustainable benchmarks. Given WOW trade performance on a national scale, it is~~

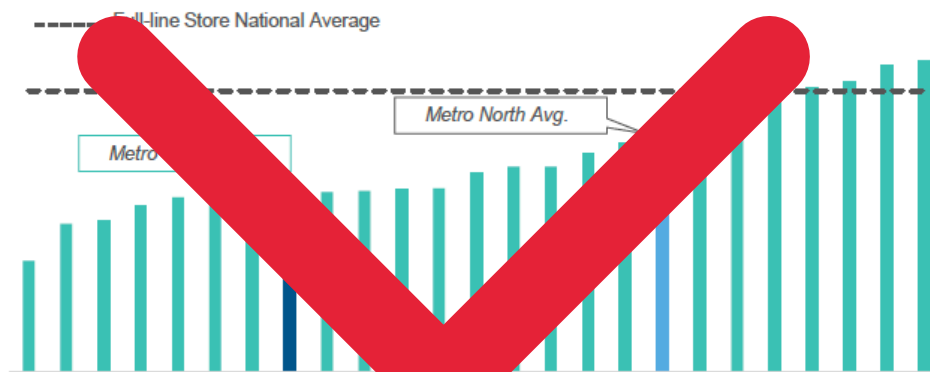
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considered that this trend is solely reflective of the challenges faced by retailers in Casey.

RTD of Full-line Stores: Metro North & South vs. National Avg. (\$/sq.m, FY2019)



RTD of Full-line Stores: Variations from National Average (% , FY2019)



1. Metro North is defined to include SA2s of Endeavour Hills-North/South, Doveton, Hallam, Narre Warren-South West, Narre Warren-North East, Narre Warren North/North East, Narre Warren South (East), Narre Warren South(West), Berwick-North/South, Hampton Park-Lynbrook and Lynbrook-Lyndhurst. Metro South is the remainder of Casey within the Urban Growth Boundary, including SA2s of Cranbourne North, Cranbourne West, Cranbourne & Cranbourne East.
Source: Woolworths, Urbis Proprietary Database, Urbis Shopping Centre Benchmarks 2019 (national average)

28. The example of 'Store A', which is trading at 61% under the national average benchmark, is a case in point of a Medium Neighbourhood Activity Centre where the residential catchment in that area that is substantially developed.
29. Urbis advise that some of the data relied on by SGS, including 2019 State and Local government forecasts of population growth in Casey are now out of date and that sensitivity analysis undertaken should have regard now for the impacts of COVID-19. The impact of the pandemic and implications on reduced immigration rates will have both short and long term effects on population growth.
30. Urbis estimate (P.10 of their Report) COVID-19 may reduce Casey's population from what it would have been by around 8,800 people or 2.1% over the next 5 years. It is therefore likely that retail expenditure will follow the lower trend of the SGS sensitivity analysis, meaning that retail spending might be 15-20% lower by 2036 which should be reflected in lower retail and Activity Centre floor space needs.
31. While the effects of this will be felt by the major supermarkets, the 'knock on' implications of using outdated or inaccurate retail turn over estimates on the overall performance of the centre and in particular specialty stores may be significant.

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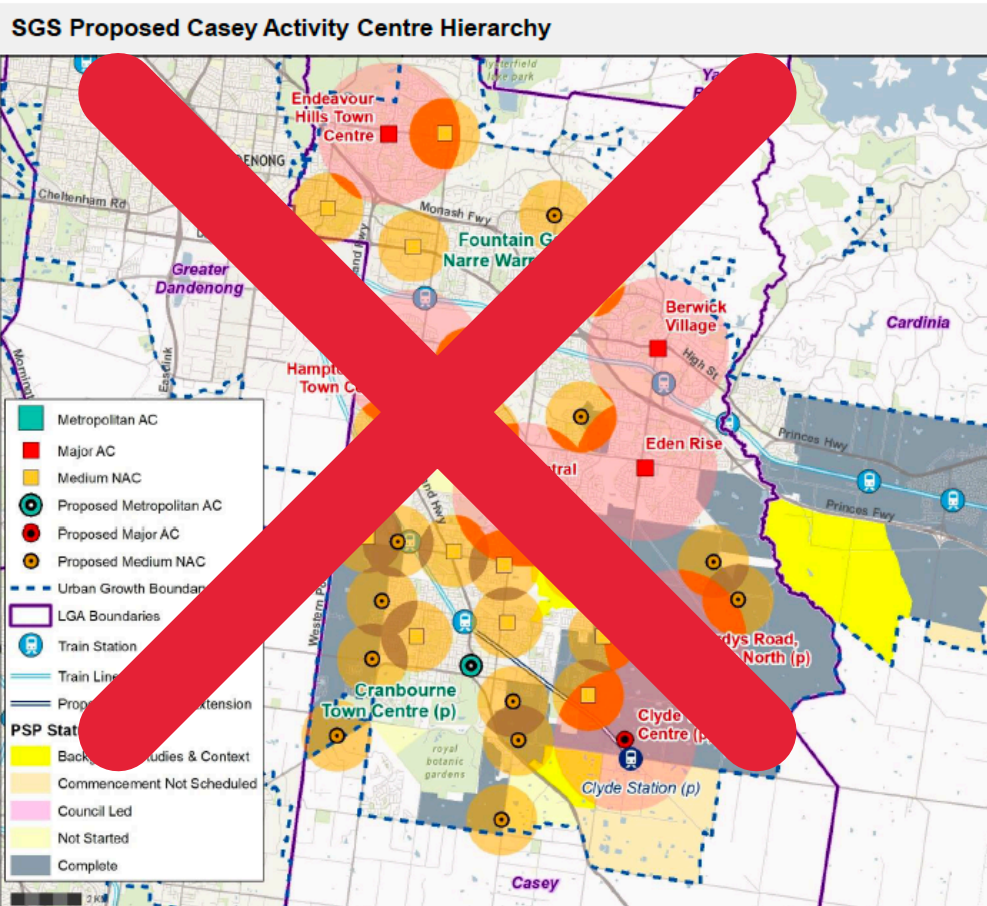
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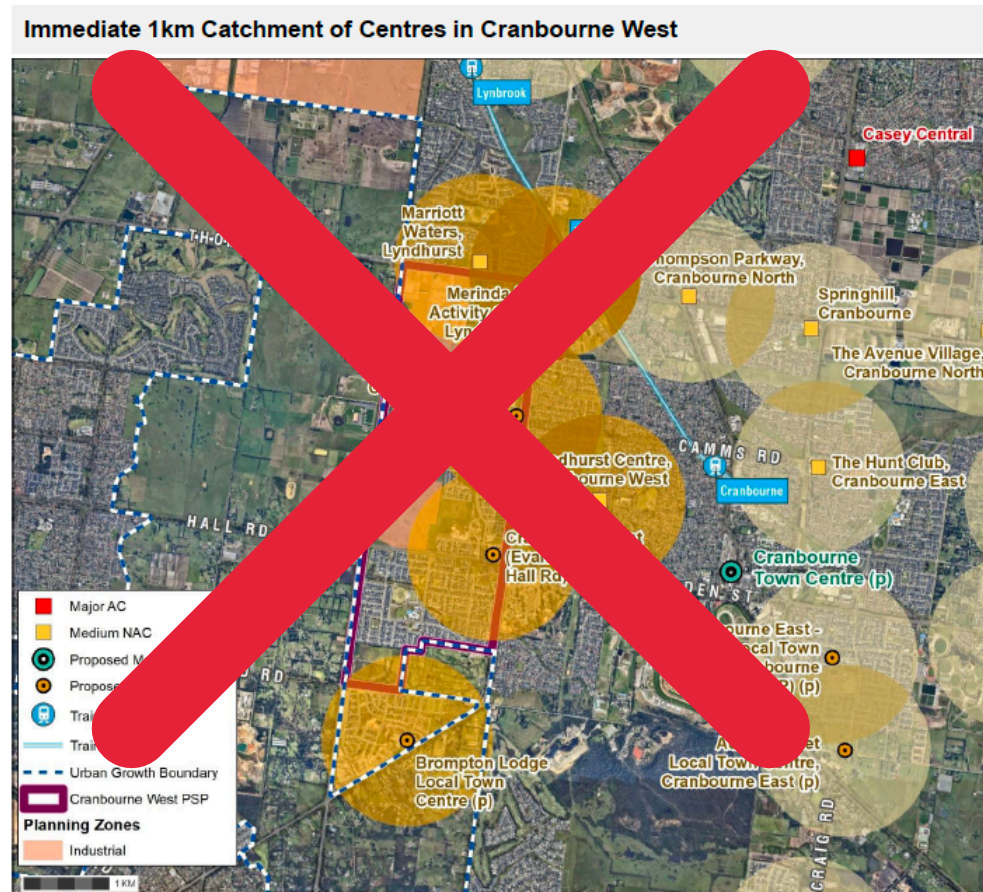
32. ~~Urbis observe that the SGS analysis has overstated the RTD across all Centres in Casey. The impact, when in combination with lower population growth forecasts and reduced retail spending due to COVID-19, will reduce the net floor space required in Casey and result in excessive floorspace allocation.~~
33. ~~Ultimately such over allocation and projection will impact retailers significantly, most particularly smaller Centres, like Store A, that are already economically unviable.~~
- 34. It is therefore recommended that the Strategy be reviewed further prior to the Amendment proceeding having regard to:**
- **the most recent available data, including population growth, turnover data and trading performance at both a municipal and a local scale.**

Key Matter 2 – Distribution of Activity Centres

35. The network of Activity Centres that exists and is proposed appears to have been accepted by the Strategy upfront without consideration of their distribution to avoid under or over-supply.
36. Mr Szafranic confirmed in cross examination that his instructions were to only assess the existing retail hierarchy. Further he confirmed no local area analysis was undertaken to determine evolving trends within the network that may influence the Strategy.
37. ~~Urbis advise this is a fundamental flaw of the SGS review. They state at P.6 of their Report 'the consideration of whether there are too few or too many centres designated and the spatial distribution of them to ensure sub-areas don't suffer from either a gap in the centre network, or equally as problematic, a local over-supply'... 'By not undertaking this fundamental step, subsequent assessment of the Activity Centre network needs of the City of Casey may not result in the optimal distribution of centres'.~~
38. Whilst WOW accept that the location of existing Centres is a given and the location of future Centres has been generally 'locked in' by Precinct Structure Planning, it does not prevent the consideration of gaps or over supply in the network based on new data.
39. Almost half of the Activity Centres in the south of the municipality have not yet commenced construction, as such the timing of this review is ideal to ensure the future distribution of Centres is adequate to meet population growth.
40. ~~Urbis have undertaken a review of the Casey Activity Centre network, hierarchy and distribution. They suggest that there is an uneven distribution of centres and an unbalance hierarchical order at present.~~
41. ~~At P.16 of the Urbis observe that there is a high concentration of Neighbourhood Activity Centres that result in significant overlap, most noticeably in Cranbourne West and Clyde in the South of the municipality. The level of over provision in the South is estimated to reach up to 18% above the Melbourne average by 2031.~~



42. ~~They advise that the high concentration of the same type of Centres will likely lead to an over-provision of retail floorspace, with stores trading at very low levels. While a major supermarket may be able to absorb lower trading levels for a period of time while population continues to grow, many of the smaller retailers will fail, resulting in unemployment and other effects.~~
43. ~~While growth within the municipality might suggest the need for more floorspace, the low trading levels demonstrated at present points to a need to limit the amount of new space to allow current operations to grow to more sustainable levels.~~
44. Cranbourne West (a case study provided at P.20 of the Urbis report) is one such example where there appears to be significant overlap and proliferation of Medium Neighbourhood Activity Centres.



45. When approved in 2012 the Cranbourne West PSP was finalised without the consideration of the impact of the planned Activity Centres to the north, including the evolving role of the Marriott Waters Activity Centre (outside the PSP area). ~~As a Centre 'aspiring' to 36,000sqm of retail floor space, Urbis' believe that 'if a centre of this scale had been contemplated at the time of writing (the Cranbourne West PSP), undoubtedly the PSP would have reflected a different distribution of centres'.~~
46. ~~Urbis undertook an analysis of the planned retail and supermarket provision in the Cranbourne West area. In their view 'Should all proposed Medium NACs in and around the broader Cranbourne West area be developed and anchored by a full-line supermarket as per the proposed hierarchy, the area would likely see a significant over supply of supermarket floorspace relative to the Melbourne average in 2031 (18% above)'. Refer table P.22 of the Urbis report.~~



| Estimated Provision of Supermarket Floorspace around Cranbourne West | | | | |
|--|-----------------------|------------|------------------------|------------------------|
| Total Supermarkets - SGS Proposal | | | | |
| Study Area ¹ | Pop. - Core Catchment | GLA (sq.m) | Floorspace Per 100 Pop | <-Var. from Melb. Avg. |
| 2019 | 8,000 | 16,300 | 28.4 | -11% |
| 2031 | 10,000 | 29,300 | 37.6 | +18% |
| Melbourne (Supermarkets > 400 sq.m) | | | 31.9 | |
| <small>1. Includes the suburbs of Lyndhurst, South Melbourne, Cranbourne West, Botanic Ridge, and Dingley Village. 2. forecast.id population forecasts Source: ABS; SGS; Urbis</small> | | | | |

47. ~~Based on this analysis, no proposed Centre in Cranbourne West would have large enough population base (8,000 to 10,000 residents) to support a sustainable retail trade performance. Taking into consideration other local area attributes, the failure of the retail hierarchy will lead to underperformance across all Centres in this area.~~
48. ~~In response, Urbis suggest the retail hierarchy in Cranbourne West should be amended to avoid significant catchment overlap and / or the role Centres yet to be developed, including Central Parkway, be downgraded in size and role.~~
49. **It is therefore recommended that the Strategy be reviewed further prior to the Amendment proceeding to:**
- **identify potential gaps within the existing network of Centres and recommend changes to the retail hierarchy where Centres may be clustered too close together or too far apart.**

Key Matter 3 – Activity Centre Definitions and Roles

50. Plan Melbourne Policy 1.2.1 provides that ‘Metropolitan activity centres are supported by a network of major and neighbourhood activity centres of varying size, role and function. These can range in size and intensity of use from large shopping centres to small local strip-shopping centres’.
51. Plan Melbourne defines activity centres as ‘Metropolitan’, ‘Major’ and ‘Neighbourhood’.



52. The existing Casey Activity Centre Strategy breaks down the definitions for 'Neighbourhood Activity Centres' into Large, Medium and Local. The Strategy and Amendment proposes to scrap the Large definition in favour of just Medium and Local, as per the following extract from the draft Strategy:

| | | |
|--|---------------------|---|
| Medium Neighbourhood; Neighbourhood (Aspiring to Major) | 5,000 to 20,000 sqm | <ul style="list-style-type: none"> Provides for day-to-day and weekly retail and service needs at a neighbourhood level Strong focus on supermarkets, with a mix of full-line and small format supermarkets and medium density housing, or high density housing where the centre is Aspiring to Major. A medium focus on specialty retail and hospitality uses Higher focus on retail uses where the centre has been identified as Aspiring to Major. A medium focus on commercial uses Approximately 25 per cent non-retail commercial and community uses floor area for the whole of the centre Most building heights of at least two storeys. |
| Local Neighbourhood | Up to 5,000 sqm | <ul style="list-style-type: none"> Provides for day-to-day and weekly retail and service needs at a neighbourhood level Small format supermarket Some specialty retail and hospitality uses Some commercial uses Focus on convenience retailing and medium density residential uses Approximately 25 per cent non-retail commercial and community uses floor area for the whole of the centre. |

53. There is no explanation given in the proposed Strategy or the Amendment for the revised Neighbourhood Activity Centre definitions. Some of the 'Large' Neighbourhood Activity Centres have been now included in the 'Medium' Neighbourhood Activity Centre definition. While the term 'Aspiring to Major' is not a policy position that aligns with Plan Melbourne definitions.
54. WOW principle concern is that the revised definitions create anomalies of Activity Centre classification that will create confusion in implementation. The definition and the broad indicative floor space ranges (5,000sqm to 20,000sqm) do not provide clear guidance for the role Centres and how growth may occur.
55. The example of Marriott Waters (currently 30,370sqm of floor space, proposed 36,000sqm), which was defined as a Large NAC has now been revised to a 'Medium NAC' with 20,000sqm as the maximum provision. Presumably this Centre is not just 'aspiring' but potentially already is a Major NAC?
56. Further the implication of this broad policy position creates the risk of potential over-supply of supermarket floor space which may be to the detriment of viability of future Centres.
- 57. It is therefore recommended that the Strategy be reviewed further prior to the Amendment proceeding having regard to:**
- **The Amendment and Strategy should revise the definition of Medium Neighbourhood Activity Centres to simplify the role and/or review the allocation of supermarket floor space so as to ensure there is not an over-supply; and**



- **The Amendment should remove references to the term ‘aspiration’ as a policy direction.**

Key Matter 4 – Urban Design Considerations

58. The nature of retail is changing at a rapid rate. The implications of technology and the events of the COVID-19 will continue to have a profound impact on how Activity Centres are designed and function.
59. Convenience remains ever critical. However, safety, security, hygiene, spatial awareness and resilience will all form part of the future emphasis of design. WOW are already designing Centres that incorporate drive through retailing and pick up for online ordering to respond to this new environment.
60. Whilst WOW support the intent of the ‘20-Minute City’, the reliance on foot traffic to support speciality retailers and the ongoing focus on a main street based Centre formats needs to evolve for Centres to remain successful and economically sustainable. With new technology in mind, WOW is planning for floorplates to get smaller and more efficient, with the allocation of speciality retail floor area reduced to remain viable.
61. WOW is concerned that the Strategy is too heavily focused on pedestrian movement and there is little or no emphasis on utilising technological changes in the design of Centres. Moreover, the Strategy continues to ignore that supermarket based centres in greenfield locations heavily rely on vehicle traffic and visible, accessible and conveniently available car parking as a key economic ‘attractor’. This is especially true when locating specialty floor space. Concealing the availability of parking ‘behind the building façade’ does not build belief in convenience or accessibility to support economic viability.
62. Across all WOW centres in metropolitan Melbourne the most successful supermarkets and specialty stores provide ample visible car parking in the front of the Centre. In this regard WOW believe that the Amendment should be more flexible in the approach to car parking design and configuration to assist retail performance. At the very least flexibility should be provided to enable the layouts of Centres to be staged to evolve over time to respond to trends, demand and overall Centre performance.
63. The need for appropriate staging is particularly evident in planning for the incorporation of non-retail uses into Centres. While WOW again support the intent to draw more commercial and community based tenants into Centres, the implication of policy guidance that seeks ‘at least’ two storey centre design in Medium NAC’s, fails to balance early commercial retail development imperatives in greenfield locations before residential catchments are realised.
64. The approach of ‘built it and they will come’ has historically failed when it comes to greenfield retail centres and the notion of building commercial floor space into upper levels of supermarkets upfront in car based Centres (including Medium NAC’s) is risky and not feasible without securing a long term tenant on a competitive market rent prior.



65. Adding further to the cost to built form outcomes through the requirement for flexible 'ceiling height' and business 'growth potential' is not an economically viable outcome.
66. For these reasons WOW do not support the following within Clause 22.01 for the proposed Activity Centres policy:
- Flexible 'ceiling heights';
 - Encourage development to be 'at least two Storeys' within Medium Neighbourhood Activity Centres;
 - Floor area targets for non-retail floor space for proposals over 1,000sqm; and
 - Locating the 'majority of car parking behind the building façade'.

67. It is therefore recommended that Clause 22.01 – Activity Centres should be amended prior to the Amendment proceeding.

Attached at Appendix 2 is a mark-up of the proposed Clause 22.01 with recommended changes.

WOW wish to thank the Panel for the opportunity to address the matters contained within this submission.

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Appendix 1

~~Urbis Report – Review of Economic Analysis Informing the Casey Activity Centres Strategy (June 2020)~~



Appendix 2

Mark up changes to proposed Clause 22.01 Activity Centre Policy

CASEY PLANNING SCHEME

22.01 ACTIVITY CENTRES POLICY

Proposed C258case

Where the policy applies

This policy applies to all land.

22.01-1 Policy Basis

Proposed C258case

The City of Casey is seeking to strengthen the role of activity centres, and the employment opportunities available locally. Almost 70 per cent of working residents leave Casey-Cardinia to go to work each day. To realise the City of Casey's aspiration to be Australia's most liveable city, activity centres need to be strong and vibrant community hubs.

The Municipal Strategic Statement (MSS) provides direction for the development of a robust activity centre network, with a number of thematic and local area objectives and strategies to achieve this direction.

This policy complements the MSS by providing a comprehensive framework for the use and development of land within existing and proposed activity centres, along with guidance on how out-of-centre proposals will be assessed.

22.01-2 Policy

Proposed C258case

Activity centre network

Proposed C258case

Objective

To facilitate the development of a thriving network of activity centres throughout Casey.

Policy

- Discourage the development of supermarkets where they are not part of an integrated component of the activity centre with other retail or commercial development.
- Discourage subdivision that results in fragmented ownership that limits the capacity of the centre to be expanded or redeveloped in the future.
- Discourage non-restricted retail uses from locating in restricted retail precincts.
- Ensure that the design of restricted retail development is not out of scale with surrounding development and is sensitive to interfaces with adjoining residential land.

Support the growth of existing and proposed neighbourhood activity centres in growth areas to provide places for social interaction and safe pedestrian movement, and the early establishment of anchor uses including supermarkets or ~~large offices to provide a foundation for the activity centre to build upon.~~

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22.01-4 Out-of-centre development

Proposed C258case

Objective

To ensure new retail and commercial development outside of designated activity centres does not compromise the activity centre hierarchy and results in a net community benefit.

Policy

It is policy to:

CASEY PLANNING SCHEME

- Ensure that new retail and commercial development outside of activity centres is appropriately assessed.

Policy guidelines

It is policy that applications for use and development contrary to the role and function of the centre, or that propose out-of-centre development be accompanied by:

- An assessment that demonstrates the proposal:
 - Addresses a gap in the activity centre network.
 - Will result in improved accessibility and convenience for pedestrians, cyclists and public transport users.
 - Is of a scale, design and appearance of any development is complementary to the existing or preferred character of the area.
 - Will cause minimum loss of amenity, privacy and convenience to residents of nearby dwellings.
 - Delivers a net community benefit.
- An assessment of potential net community benefit that demonstrates the proposal:
 - Promotes single destination multi-purpose trips.
 - Delivers high quality and sustainable urban design outcomes.
 - Provides equitable access to services, maximising pedestrian, public transport and bicycle access and usage.
 - Meets the needs of the demographics (including age, ethnicity, socio-economic advantage and religion) of the local area.
 - Achieves environmentally sustainable development.

22.01-5

Proposed C258case

Employment in activity centres

Objective

To encourage a greater amount of non-retail space to increase the density and diversity of employment in activity centres.

Policy

It is policy to:

- Support development that is designed with flexible floor plans and ceiling heights so as to provide a range of options for non-retail commercial activity and to allow for future adaptation of land uses.
- Encourage development to be at least three storeys within Metropolitan Activity Centres, and at least two storeys within Major and Medium Neighbourhood Activity Centres.
- Support development of variety of work space options and sizes that cater for a varying sized businesses including those businesses that have the potential to grow.

Policy guidelines

It is policy that the following guidelines be considered as appropriate:

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CASEY PLANNING SCHEME

- For any activity centre within the Urban Growth Zone, Comprehensive Development Zone or Activity Centre Zone, outcomes should primarily be guided by any relevant requirement or guideline set out in the relevant plan in the zone schedule or incorporated in the Casey Planning Scheme. ~~Where the relevant plan does not provide guidance, facilitate the provision of non-retail floor space across the activity centre having regard to the outcomes set out in Table 1.~~
- For all other activity centres, as a target the non-retail floor space of a fully developed activity centre should meet the objective set out in Table 1.
- Development proposals of over approximately 1,000 square metres should make a contribution to a centre's non-retail floorspace so as to contribute to achieving the objective set out in Table 1 unless the physical constraints of the land or other factors make it reasonably impractical to do so, or it is unnecessary to do so as the centre already provides more non-retail floorspace than is set out in the Table 1.

Table 1: Floor area targets for activity centres

| Typology | Centre-wide objective |
|--------------------------------------|---|
| Major Activity Centre | Approximately 30 per cent non-retail floor area |
| Medium Neighbourhood Activity Centre | Approximately 25 per cent non-retail floor area |
| Local Neighbourhood Activity Centre | Approximately 25 per cent non-retail floor area |

Notes: In this policy, non-retail floor space includes the floor space for commercial, institutional and community uses.

22.01-6

Proposed C258case

Economic viability of activity centres

Objective

To support the on-going economic viability of activity centres across the network, having regard to evolving technology, retail and commercial trends.

Policy

It is policy to:

- Support diverse retailing formats, such as discount department stores in Major Activity Centres and 'mini-major' stores where there is a demonstrated need in Major and Medium Neighbourhood Activity Centres.
- Support the design of Activity Centres to incorporate new technologies and formats that respond to market trends and need.
- Support a night time economy in activity centres with late-trading businesses, such as restaurants, bars, nightclubs, live music venues and a range of evening events for all ages.
- Ensure that applications for a nightclub, hotel or tavern demonstrate that there is no unreasonable amenity impact on the surrounding neighbourhood.

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CASEY PLANNING SCHEME

22.01-7

Proposed C258case

Great places for people

Objective

To ensure activity centres are accessible, high quality urban environments which support social interaction and meet the needs of the community.

Policy

It is policy to:

- Encourage community health, education and cultural/arts facilities and services be located in and near activity centres.
- Ensure missing links in the pedestrian path and bicycle network are filled, to provide continuous cycling and walking routes connecting activity centres to their surrounding neighbourhoods and to other activity centres.
- Locate on-street parking spaces near entrances of shops for short-term car parking ~~with the majority of car parking provided behind the building façade.~~

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Policy guidelines

It is policy to assess proposals against the following criteria:

- Unless otherwise provided for in an approved Development Plan or the like, new development should as appropriate:
 - Provide a permeable, legible and functional development.
 - Provide continuity of pedestrian movement and activated public realm to the centre core, with vehicle and loading access movements at the periphery and rear of the activated core, ~~if possible.~~
 - Provide safe and accessible spaces that are designed having regard to the principles of Crime Prevention Through Environmental Design (CPTED).
 - Achieve safe, attractive and vibrant public spaces, both during the day and at night, and integration between different land uses.
 - Place building facades on street frontages at ground level in retail and commercial mixed-use areas, to activate the street through entrances and extensive glazing at all levels.
 - Provide car parks that do not dominate the streetscape, with any at-grade car parking appropriately landscaped.
 - Provide continuity of weather protection and amenity along street frontages through consistent awnings.
 - Provide development at a pedestrian scale at the street interface.
 - Ensure public open spaces, footpaths and communal spaces of buildings receive adequate sunlight.
 - Ensure that all public furniture forming part of the proposal is attractive, multi-purpose, robust and easy to maintain.
 - Ensure the built form and architectural treatment respects the existing character and the preferred future character of the activity centre.

CASEY PLANNING SCHEME

- Apply Ecologically Sustainable Development (ESD) principles through Water Sensitive Urban Design, passive building design, microclimate and landscape, and material selection.
- Maximise the legibility of the public realm through the use of strong architectural markers and way-finding.
- Transport infrastructure, crossings, intersections and traffic signals should be located and designed to promote and prioritise local walking and cycling trips over vehicular through traffic in and near activity centres.
- Design response for Centre resilience.

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22.01-8 Policy references

~~Proposed C258case~~ *City of Casey Activity Centres Strategy*, City of Casey, 2019.



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