



Western
Australian
Planning
Commission



Government of **Western Australia**
Department for **Planning and Infrastructure**

Planning Activity Centres for Communities and Economic Growth

Discussion Paper

June 2009

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Introduction

The draft State Planning Policy Activity Centres for Perth and Peel is aimed at introducing more effective measures to implement a balanced growth for activity centres linked by an accessible transport network across the Perth and Peel region. Activity centres provide a focus for the agglomeration of economic and business activities, and the complementary provision of professional services, housing, employment, and a range of recreation and social activities for the communities that live in them.

This discussion paper has been prepared to accompany the release of the draft activity centres policy to invite comment on the draft policy provisions; identify significant policy gaps; and encourage suggestions for any revisions of the policy to better meet the needs of industry and the community.

The draft activity centres policy and element 7 of *Liveable Neighbourhoods* are two key land use implementation policies related to *Directions 2031 Spatial Framework for Perth and Peel*.

Western Australia has experienced significant economic and population growth, and by 2031 it is anticipated that the population of Perth and Peel will have grown by 556,000 people, requiring an estimated 353,000 more jobs and 330,000 more homes. These assumptions highlight the fundamental role that the new policy will have in directing the future distribution and types of employment throughout the Perth and Peel regions, as well as identifying existing and future non-industrial activity centres that are suitable and important locations for economic development.

Policies have to change to meet community expectations and as such, the draft policy has attempted to address drivers of change and a number of barriers to delivering intended outcomes, including:

- providing enough flexibility to accommodate appropriate commercial, residential, mixed business use as well as retail redevelopment opportunities in emerging activity centre precincts;
- improving housing choice through higher-density residential and mixed use development;
- broadening the economic base of centres to offer a wider range of services and employment; and
- addressing the need for the planning system to adopt a more market based approach.

The main outcomes sought by the draft activity centres policy are:

- improved community access to retail, commercial, health, education, leisure, entertainment and cultural facilities, along with cultural and personal services;
- increased business competition, collaboration and innovation;
- sustained economic investment in activity centres;
- more effective access to and use of public transport;
- a more spatially efficient city;
- shared infrastructure efficiencies;
- a policy impact that is in accord with national standards for competitive neutrality; and
- a reduction in greenhouse gas emissions.

Consultation with industry and local governments to date has concurred that while the current metropolitan centres policy objectives are generally consistent with the planning principles of *Directions 2031*, current policy measures are particularly broad ranging, and the inadequacy of existing implementation 'levers' has made it difficult to deliver many of the policy's objectives. This has resulted in a number of adverse outcomes such as:

- generally many centres have failed to offer more than retail services;
- limited guidance has led to a concentration of offices in the central sub-region or outside of centres; and in some cases at the edge of industrial areas, rather than in major centres;
- poor urban design;
- the absence of incentives has limited revitalisation of poorly performing centres or the development of new more sustainable centres;
- substantial retail use has developed on Metropolitan Region Scheme industrial zoned land;
- much of the city's retail and commercial development over the past 40 years has been almost totally car-based;

- objectives about preferred locations of bulky goods retail have not been effectively implemented through local planning schemes; and
- the residential density of activity centre precincts is low.

Feedback from the consultation process will further inform the WAPC in its decision-making and refinement of the draft activity centres policy and the draft model centre framework which accompanies the draft policy. The purpose of the draft model centre framework is to:

- assist those involved in the preparation and assessment of centre plans to interpret and apply the policy's urban design principles, and provide guidance for detailed planning; and
- maintain the emphasis on main street principles as the preferred urban design approach.

The release of the draft activity centres policy is part of a staged review process to identify and reach consensus on the key priority areas and to develop a policy that works for both the community and business.

Listed below are some suggested questions that could be addressed by those submitting feedback on the draft activity centres policy:

1. Are there any centres, existing or planned, that fit the proposed typology that are not identified in the draft policy?
2. How could future reviews of the draft policy address industrial centres, and commercial and retail activities in mixed business zones?
3. Do you agree with the planning principles identified for planning vibrant and viable activity centres?
4. Are the proposed mixed use thresholds appropriate?
5. Are the criteria for the scale of retail developments requiring Western Australian Planning Commission approval appropriate?
6. Will the draft policy have an adverse impact on investment decisions or discourage competition? If so, please give examples.
7. Does the draft model centre framework cover most important aspects of centre design?

The Western Australian Planning Commission (WAPC) has advertised the draft activity centres policy for public comment and the closing date for submissions is Wednesday 26 August 2009.

Part one: Overview and strategic directions

The WA planning system

The existing metropolitan centres policy is designed to influence the form and composition of activity centres by providing a broad regional planning framework to coordinate the location, distribution and development of retail and commercial activities, as well as providing broad land use and design criteria.

The draft policy provides a regional governance structure for more detailed planning and policy implementation, principally via council local commercial strategies, centre plans and decision-making. An overview of the main measures of the current metropolitan centres policy can be found in appendix A.

A central element of the current policy is guidance on the preferred location and scale of development of retail and commercial activities which is expressed as a metropolitan-wide hierarchy of centres. Within this hierarchy, the current policy establishes a functional definition for each centre type in terms of its principal functions and commercial, retail and community land use components; indicative amount of shopping floor space; and preferred location relative to public and other transport infrastructure.

The current policy promotes the role of employment in multi-purpose centres, which should be well-designed places that support the public transport system and various community activities. It favours main street as the preferred urban design model for activity centres. The policy aims to concentrate commercial activity in centres and consequently regulate the extent to which various types of retail and commercial development should be permitted outside centres.

Once adopted, the new activity centres policy is intended to be read together with other elements of the *State Planning Policy 1 State Planning Framework*: specifically *Directions 2031 Spatial Framework for Perth and Peel*; policy statements in *Liveable Neighbourhoods* (element 7 – activity centres and employment); *State Planning Policy 3 Urban Growth and Settlements*; and *Development Control Policy 1.6 Planning to Support Transit Use and Transit Oriented Development*.

Directions 2031 and the draft activity centres policy will confirm the distribution and hierarchy of centres and help to coordinate local government centre planning. The aim is to achieve an equitable distribution of centres with high levels of accessibility, amenity and diversity, sufficient to attract people and to sustain greater diversity of urban functions particularly employment, housing and economic growth.

Directions 2031 Spatial Framework for Perth and Peel

Directions 2031 represents the highest level of strategic land use planning for Perth, and considers a model of growth for the Perth and Peel regions which assumes a more balanced distribution of housing, population and employment across the metropolitan area.

Directions 2031 establishes a new hierarchy and spatial distribution of centres that will be the core focus of growth over the next 20 to 25 years. The hierarchy has further defined the functional differences of centres in the same hierarchical tier and introduces a new tier of primary centres (Joondalup to the north and Rockingham to the south) to help provide a more balanced distribution of employment, services and amenity to the 60 per cent of the city's population expected to be living outside the central sector by 2031.

Directions 2031 has addressed key pre-requisites for a new activity centres policy by:

- re-defining the role and function of activity centres within the metropolitan structure;
- introducing major employment (specialised and mixed use) centres that previously fell outside the metropolitan centres policy's provisions; and,
- establishing a new activity centre hierarchy and classified major activity centres accordingly.



The activity centres hierarchy in Directions 2031 covers a range of employment centres beyond those in the current metropolitan centres policy, (which are defined principally by the scale of their retail functions) to include major education and health campuses (specialised centres). The Curtin University/ Bentley Technology Park precinct; University of WA/ Queen Elizabeth II precinct and Murdoch University/ Fiona Stanley/ St John of God hospitals are among the new category of specialised centres.

Activity centres, as re-defined by Directions 2031, are community focal points for people, services, employment and leisure and, while some will provide a diverse range of employment, housing, retail, community, education and medical services, others will simply cater for the basic day to day needs of the local community. Activity centres are to be connected by an integrated system of public and private transport networks that are designed to support and reinforce the use of activity centres and reduce the time, cost and impact of travel.

The role and function, and the diversity of activity within these centres will vary depending on their catchment. However, in general they will:

- provide services, employment and activities that are appropriate and accessible to the communities they support;
- be integrated with and encourage the efficient operation of the city's transport network, with particular emphasis on promoting public transport, walking and cycling and reducing the number and length of trips;
- be designed on transit oriented development principles;
- provide opportunities for places to live through higher-density housing (with the exception of industrial centres) and the development of social and cultural networks;
- encourage the concentration of economic activity and cultivation of business synergies in centres; and
- support the development of local identity and a sense of place.

Policy innovations of other states

Other state governments have established or are in the process of reviewing their activity centre policies in response to strategic and functional factors such as:

- meeting the challenge of continuing to deliver strong economic growth;
- responding to community and business needs in a sustainable way;
- coordinating the planning, investment and delivery of state infrastructure;
- reducing policy complexity and improving governance;
- addressing declining housing affordability; and
- responding to the impacts of climate change.

Some of the policy approaches that respond to the above factors, and which could be considered for inclusion in the Western Australian activity centres policy are:

- a floorspace supply and demand assessment tool that provides an evidence-based understanding of current supply and future floorspace demand;
- sub-regional minimum commercial and retail floorspace targets;
- improved structure plan (urban design framework) processes to promote mixed use and guide centre development through built-form controls such as floorspace ratios (plot ratio);
- design guidelines for bulky goods and large format retail premises; and
- clustering business and knowledge-based activities in strategic centres.

Part two: Towards 2031 - draft activity centres policy

Introduction

Within the context of Directions 2031, the focus of the draft activity centres policy is to:

1. articulate desired land use and development outcomes;
2. develop more effective implementation mechanisms; and
3. refine and modernise existing policy measures accordingly.

To improve the effectiveness of the activity centres policy and to address some of the current policy limitations and emerging issues particular to Western Australia, a set of principles for planning vibrant and viable activity centres has been identified along with suggested adaptations of current policy measures as discussed below.

Principles for planning vibrant and viable activity centres

The following key planning principles have been identified to guide the future development of existing and new activity centres across metropolitan Perth and Peel:

Diversity	Activity centres should contain a broad mix of commercial, residential, entertainment, mixed business use and retail activities that optimises the use of public transport and other service infrastructure.
Community vitality and identity	Activity centres should provide access to a variety of services and amenities in places where people want to live, work and entertain.
Flexibility	The planning system should be flexible enough to enable all centres to grow and new centres to form, and to provide for a mix of uses including medium and high density residential.
Amenity, accessibility and good urban design	The planning system should emphasise amenity, reduce travel demand, promote public transport access and ensure good urban design.
Competitive	The planning system should enable a wide range of retail and commercial development opportunities in order to support competition, meet demand for commercial floorspace and stimulate local investment and employment.
Efficiency	The planning system should ensure retail and commercial activities are spatially efficient

Draft activity centres policy provisions

The policy review has focused on the following priority areas:

1. Managing the activity centres hierarchy.
2. Diversity and intensity of activity within centres.
3. Providing greater employment opportunities.
4. Balanced distribution of office space.
5. Higher quality urban design.
6. Amenity and environment.
7. Prioritising public transport.
8. Preferred locations for bulky goods retailing.
9. Retailing and industrial zones.

1 Managing the activity centres hierarchy

In an attempt to address overly prescriptive elements of the current policy, more flexible, performance-based measures have been introduced in place of most retail floorspace guidelines. The draft activity centres policy emphasises alternative measures that define functional roles for each centre category as a management tool for the activity centre hierarchy. Typical activity centre attributes and components are used to depict their role and general scale relative to others in the network. These include indicative travel distance or retail catchment size; public transport infrastructure; and minimum level of mixed use and other services (refer table 2 of draft activity centres policy).

The use of floorspace guidelines will continue but only to the extent of indicating the scale of shopping within specialised and neighbourhood activity centres. Local governments will still be required to prepare local commercial strategies to guide the distribution of retail and commercial floorspace which is discussed in part three.

Proposals for major retail developments will need to be justified in the context of the overall activity centre network and be supported by economic impact assessments which is also discussed in part three.

2 Diversity and intensity of activity within centres

To avoid mono-functional centres, the following four measures are proposed to encourage more diverse activity centres:

- Retaining the current policy provision for place-based, rather than land use-based, zonings in activity centres as a flexible method to encourage mixed use development and minimise the need for “spot” rezonings to facilitate appropriate proposals – eg regional and district centres, business and mixed use zones (see figure 1).
- Inclusion of a policy statement promoting more site opportunities for retail and commercial development in centre plans to avoid single owner “monopolies” in larger centres.
- Increasing the current policy’s mixed use threshold of 20 per cent to require higher levels of non-shopping floor space in centre plans (refer to table 2 of draft activity centres policy).
- Introducing long-term strategic housing targets for activity centres to be used as a guide for the preparation of local housing strategies and centre plans.



Figure 1: Example of a centre plan depicting a broad land use mix (source draft model centre framework).

The objective of achieving more residential development in activity centres will be supported by a proposed multi unit housing code which has recently been initiated by the WAPC to supplement the Residential Design Codes (R-Codes). The new code aims to promote greater housing diversity, and also overcome disincentives in the current R-Codes in respect of smaller multiple dwellings and mixed use developments.



More housing provides opportunities for more people to live within walking distance of public transport and in high amenity centres where they can access services and jobs.

Similarly the potential social and economic benefits from more people living in activity centre precincts include more local demand for services typically associated with the amenity of “places” such as shops, recreation, cafés and restaurants.

3 Providing greater employment opportunities

There will be a greater focus on the spatial planning requirements within centre plans to cater for the anticipated business and employment needs of the projected population growth.

Liveable Neighbourhoods (element 7 – activity centres and employment) provides further policy guidance about how to create the right conditions to encourage mixed use and employment generating activities in new activity centres.

4 Balanced distribution of office space

The draft activity centres policy does not encourage the general dispersal of offices into industrial zones and other out-of-centre locations. The current range of activity centres regarded as suitable for multi-storey offices will be broadened in recognition of the need to promote mixed use and service sector and small business employment. Major offices are encouraged to locate in all higher-order centres, with smaller-scale (multi-storey) offices encouraged in district and neighbourhood centres. Office developments, unless incidental to or servicing industrial developments, should not be located on land zoned for industrial purposes under local planning schemes.

5 Higher quality urban design

In order to provide additional planning and design guidance in support of the draft policy and *Liveable Neighbourhoods* element 7, a draft model centre framework is proposed as an appendix to the draft policy. The aim of the model centre framework is to:

- assist those involved in the preparation and assessment of centre plans to interpret and apply the policy’s urban design principles;
- provide guidance for detailed planning; and,
- maintain the emphasis on main street principles as the preferred urban design approach.



Traditional town centre structure

6 Amenity and environment

Energy efficiency and water conservation are matters the WAPC and local governments may consider when assessing development applications. National initiatives are underway via the Council of Australian Governments process to improve the energy efficiency of residential and commercial buildings across Australia based on higher uniform building standards.

The foreshadowed measures for commercial buildings include: higher energy efficiency requirements in the Building Code of Australia; mandatory disclosure of the energy efficiency of commercial buildings, and nationally consistent rating and assessment processes for building energy efficiency. In this context, the draft activity centres policy does not propose any detailed or prescriptive measures for energy efficiency within buildings, but recognises the general need for activity centre developments to consider appropriate building forms and solar access at the planning stage.

7 Prioritising public transport

The draft policy proposes four measures to promote the integration of land use and public transport planning in activity centres and they are:

- inclusion of a rail station as a defining attribute of strategic city centres;
- to apply maximum rather than minimum parking standards in activity centres located in rail station precincts;



- residential density thresholds for centre plans and local housing strategies to encourage increased patronage of public transport services; and
- locate trip-generating land uses near high frequency public transport as set out in the WAPC Transport Assessment Guidelines for Developments Version for Trial and Evaluation – August 2006

8 Preferred locations for bulky goods retailing

Further policy development work is required in relation to more appropriate land use definitions for bulky goods/large format retailing in consultation with local governments. Interim measures are proposed that provide guidance on suitable locations for these uses.

9 Retailing and industrial zones

The current policy statements in relation to the nature of retail uses that should be permitted in industrial areas have been carried forward.

Part three: Implementation

Implementation of the draft activity centres policy will continue to apply through well-established elements of the current planning system such as local planning strategies. The draft activity centres policy is complemented by WAPC sub-regional strategies and structure plans which identify the location and hierarchical role of activity centres, and are reflected in regional and local planning schemes. Policy implementation will also be coordinated with other policy initiatives such as the proposed multi-unit housing code.

The main planning tools for the application of the draft activity centres policy are:

1. Local planning (commercial) strategies

- Local governments will continue to be required to prepare local commercial strategies as a component of their local planning strategies. These strategies are informed by district-wide economic assessments and are designed to ensure that adequate development potential is available in activity centres to accommodate long-term commercial floor space and employment needs. They also provide a sound basis for decisions about individual centre plans, zoning and development proposals, and guide the assessment of likely cumulative effects.
- The WAPC's existing guidelines¹ for local commercial strategies are to be updated following the adoption of the final state planning policy for activity centres.

2. Local housing strategies

- Local housing strategies will be evaluated by the extent to which proposed residential density provisions for activity centre precincts contribute towards the achievement of the policy housing supply targets. This will be part of a broader program of establishing aggregate targets for each local government area which are currently being developed by the WAPC in consultation with local governments.

3. Local planning scheme zonings

- The existing suite of zones provided for by the Model Scheme Text, aligned to the activity centre hierarchy, will still apply to provide flexibility and promote mixed use development within activity centres;

- Policy provisions (particularly 5.1 - 5.4, 5.9 and 5.10) include general commercial zoning and land use principles to apply at a district-wide scale.

4. Economic impact assessments

- There will be an expanded role for economic impact assessments as a decision-making tool for the assessment of rezoning and development proposals involving major retail use. The draft activity centres policy requires development proponents to submit reliable and transparent assessments of projected future retail demand in a locality that can be readily interpreted by planning decision makers. There is a need to ensure that the economic potential of other relevant centres is not unreasonably impacted by a disproportionate allocation of floor space.
- The WAPC will develop supporting policy guidelines for the preparation of economic impact assessments following the adoption of the final state planning policy for activity centres.

5. Centre plans

- Centre plans (structure plans) for regional, strategic and larger district centres will continue in order to provide an integrated centre strategy as a pre-requisite for major retail development.
- Activity centre plans will be required to include a measure of the intensity of activity (planned population and jobs/ gross ha) to ensure a compact and walkable urban form and to support additional growth and infrastructure such as public transport and demonstrate a diverse land use mix.

6. Development control

- Policy provisions (particularly 5.1, 5.2, 5.5 - 5.8, 6.3 and the Model Centre Framework) provide general principles to control and guide land use and development, both for centre plans and individual developments;
- Criteria for region scheme delegation to local government² will change, and the so-called "caps" will no longer be relevant, however, WAPC approval of shopping projects will be needed if:
 1. the project involves a new building/s with a gross floor area exceeding 10 000 m²;

¹ Local Commercial Strategies - Guidelines for Preparation, Form and Content (Dec, 1991)

² The call-in by the WAPC of major shopping projects will continue to mean that two decisions are required. The Building a Better Planning System discussion paper proposes that a single approval process be created.

2. the project involves a building extension where the gross floor area of that extension is over 5000 m²;
3. either the local government or WAPC considers it more appropriate to a higher level centre; and
4. the project would result in a major activity centre not meeting a minimum land use mix.

The intent is that the WAPC should have a role in facilitating major projects where the investment exceeds approximately \$10 million and where the project may have regionally significant planning impacts.

7. Coordinating public infrastructure planning

1. The policy will continue the role of its predecessors as a coordinating framework for state government infrastructure planning and capital works to promote the long-term development of priority activity centres through both public and private investment.

LOCAL PLANNING FRAMEWORK

ACTIVITY CENTRES POLICY



Appendix A: Summary of (current) metropolitan centres policy measures

General policy measures

The policy set out a series of general policy measures under the following groupings:

Establishing the hierarchy

- Emphasis on functional roles and floorspace provision
- Concentration of activities
- Promoting attractive centres as community focal points

Measures to constrain retail and commercial development outside centres

- Controlling the spread of commercial development in the inner suburbs
- Bulky goods retailing
- Keeping industrial areas for industry
- Containing ad hoc commercial ribbon development
- City fringe development
- Major office developments
- Mixed business areas
- Business centres

Managing the impacts of retail and commercial development

- Managing retail development impact
- Commercial development in residential areas

Employment measures

- Encouraging a more even distribution of employment

Transport measures

- Providing good access to shops and services
- Promoting the use of public transport

Sustainability measures

- Promoting sustainable urban development

Physical planning measures

- Main street shopping

Implementation

- Local commercial strategies
- Centre plans

Planning Activity Centres for Communities and Economic Growth

Name:

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Organisation (if relevant):

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Address:

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Interest:

(eg local resident, business operator, visitor to the region)

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I/we would like to make the following comments on the Discussion Paper Planning Activity Centres for Communities and Economic Growth and would like them to be considered in the preparation of the final State Planning Policy Activity Centres for Perth and Peel.

Comments:

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Submissions close **Wednesday 26 August 2009** and should be sent to:

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