

18 August 2015

Project Manager  
Perth and Peel@3.5million  
Department of Planning  
Locked Bag 2506  
PERTH WA 6001

By email: [3.5million@planning.wa.gov.au](mailto:3.5million@planning.wa.gov.au)

Dear Sir/Madam,

### **Perth and Peel@3.5million**

Thank you for the opportunity to provide comment on the draft *Perth and Peel@3.5million*, dated May 2015. Apologies for the delay in providing this letter and I hope that the information provided will be considered in Government's deliberations. I would be happy to meet representatives from the Department to discuss any aspect of this letter, or provide additional information.

The Shopping Centre Council of Australia (SCCA) represents Australia's major shopping centre owners, developers and managers. Our members have an interest in over 50 assets across Western Australia, accounting for around 1,300,000 square meters of retail floor space. A full list of our members is provided below.

The SCCA welcomes the Western Australian Government's commitment to providing a clear and ambitious growth strategy to guide the development of the Perth and Peel region over the next 35 years. We are particularly encouraged by the Government's acknowledgement, at page 44 of the draft Strategy, that activity centres "will play an increasingly crucial role in the development of Perth and Peel by providing greater housing and employment opportunities and creating a sense of place through social and business activities and services".

We are a strong supporter of the activity centre approach to metropolitan planning.

A key challenge moving forward will be the appropriate integration of "higher density lifestyle choices" – embodied in the premise of Perth and Peel developing as a 'Connected City' (pg. 21) - with large scale retail developments, such as shopping centres. We look forward to working with the Government, both through the ongoing development of *Perth and Peel@3.5million* and the review or development of planning instruments, to ensure the right balance is struck to ensure our members can positively contribute to the achieving the Government's growth objectives.

### **Activity Centres for Perth and Peel**

A principal interest in *Perth and Peel@3.5million* is in maintaining the strength and integrity and evolution of Perth and Peel's activity centre framework. The SCCA is a firm advocate of the benefits of an activity centres based approach to strategic planning. Activity centres deliver multiple benefits, including the efficient utilisation of existing transport and other infrastructure. Activity centres also facilitate the co-location of uses which enhances consumer choice and accessibility, and competition. These benefits are inherent in the commitment to activity centres conveyed in the draft Strategy.

Although there are many issues to take into consideration when considering investment opportunities, a decision to invest in a large scale retail project is made easier when there is policy certainty at the state and local levels. It is our view that Western Australia has the best overall policy approach with regard to activity centres of any jurisdiction in Australia. This approach has provided a stable climate for investment and, as we understand it, has earned the support of property owners, developers, Councils and retailers.

The SCCA is currently participating in the Western Australian Planning Commission's operational review of *State Planning Policy 4.2 – Activity Centres for Perth and Peel*. We were actively involved in the development of SPP 4.2 during its development throughout 2009-10 and publically welcomed the Policy upon its gazettal in August 2010.

In the context of this operational review, the SCCA has provided feedback to the WAPC on issues relating to the application of residential requirements in the context of shopping centre developments, the role of the WAPC in the structure planning process, and car parking and design requirements, among other issues. Considering the strategic nature of *Perth and Peel@3.5million*, and giving due respect to the review process which is currently underway, I won't revisit these issues in any detail in this letter.

### **Floor space employment growth**

It is apparent from the population and employment growth numbers outlined in the draft Strategy that the Government expects to facilitate considerable change and development across the Perth and Peel region in the next 35 to 40 years. We note that retail is a significant employment generator, including through initial construction phases of the development of shopping centre floorspace.

We have undertaken some analysis of publically available data to better understand the 'look and feel' of the growth that is envisaged under the draft Strategy.

Although there are many parameters which influence investment decision making, including population demographics and economic conditions, we have focussed our analysis on floor space and employment growth.

This analysis is useful in providing the Government a point of reference as to the heavy lifting it will need to do, along with the industry, to ensure that planning and decision making frameworks are designed to facilitate delivery of its growth objectives, particularly as it relates to shopping centre development. This early analysis signals that there may need to be a specific implementation strategy, underpinned by Western Australia's existing activity centre policy, to achieve the employment growth targets outlined in the draft Strategy.

### **Floor space**

The draft Strategy highlights that the population of Perth and Peel region is forecast to grow by more than 1.8 million persons between 2011 and 2050. Currently in metropolitan Western Australia, SCCA analysis estimates there is 1.4 square metres of shopping centre space per person. Using this ratio, we estimate that the population growth to 2050 will require the delivery of over 2,500,000 square metres of new, additional shopping centre floor space to satisfy this anticipated new demand.

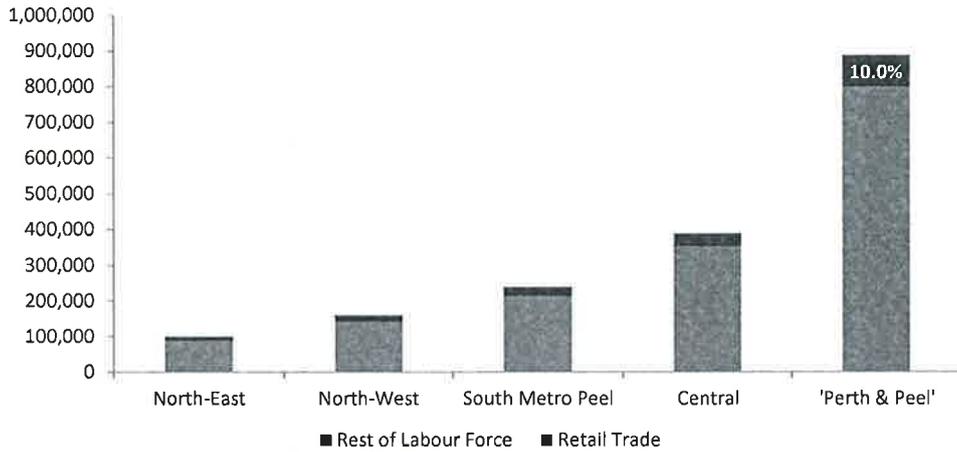
To put this into context, this would mean that the Perth and Peel region would have to accommodate the equivalent of a new Lakeside Joondalup (Western Australia's largest shopping centre at 95,000 square metres – owned by SCCA member Lendlease) approximately every 18 months until 2050. By way of comparison, SCCA members have delivered 161,000 square metres of retail space in WA over the last five years. This represents 6.6 per cent of the current WA shopping centre market.

### **Employment growth**

The SCCA has undertaken its own analysis of current employment trends in the four Perth and Peel sub-regions based on the three census periods between 2001 and 2011 (ie. 2001, 2006, 2011). This has been done to better understand the proposed employment growth across the region, particularly the growth of Retail Trade employment, and the long term growth and development opportunities this presents to our members.

The SCCA has calculated that employment in Retail Trade as at the 2011 Census accounted for 10% of total employment in the Perth and Peel region.

**Retail Trade as a Proportion of Total Employment**  
 'Perth & Peel' Region as at 2011 per ABS Census



Source: ABS (Cat. 6291.0) / SCCA Research

Our analysis has revealed that at no time over the last three census counts has the proportion of employment in Retail Trade exceeded 11.1% (in 2006) across the whole Perth and Peel region. Indeed, our analysis also shows that the proportion of Retail Trade jobs declined between the 2006 and 2011 censuses for all but one of the Local Government Areas within the Perth and Peel (the Serpentine-Jarrahdale Shire). It makes sense then that the proportion of employment in retail trade fell between 2006 and 2011 in each of the four sub-regions identified in the draft Strategy:

	Proportion of Labour Force (%)		
	2001	2006	2011
North-East Sub-Region	11.3	11.7	10.8
North-West Sub-Region	12.0	11.9	10.8
South Metro Sub-Region	11.6	11.9	10.7
Central Sub-Region	10.0	10.2	9.0

Considered on a state-wide scale, Retail Trade as a proportion of total employment in Western Australia has, by and large, underperformed when compared with the national figure. The latest data available indicates that Retail Trade accounts for 8.9% of employed persons in Western Australia versus 10.3% for the nation.

### Retail Trade as a Proportion of Total Employment

WA vs. Australia - May-05 to May-15, quarterly data



Source: ABS (Cat. 6291.0) / SCCA Research

Based on our analysis, assuming that the proportion of employment in retail trade remains static at 10% over the coming 35 years to 2050, Perth and Peel will need to generate an additional 78,800 additional jobs in retail trade.

Interestingly, the draft Strategy indicates that there will be 787,884 new jobs in the region between 2011 and 2050 (as per the summary document provided on the Department's website) and that 91,000 of these jobs will be in retail trade.

91,000 additional Retail Trade jobs accounts for 11.5% of the anticipated new jobs. Based on our analysis, this is significantly higher than any proportion of jobs in retail trade that has been achieved across the last three census counts.

Although under either scenario the growth task is considerable, it would be useful to understand further from the Department the analysis and data which has underpinned the preparation of the draft Strategy to allow the SCCA to reconcile its own analysis. At an appropriate time, we would be pleased to meet with Department officials to discuss this further, and also to understand what additional data and analysis the SCCA could provide to assist inform the next stage of finalisation of the draft Strategy, including the preparation of appropriate implementation strategies.

### Members

The SCCA's members are AMP Capital Investors, Blackstone Group, Brookfield Office Properties, Charter Hall Retail REIT, DEXUS Property Group, Eureka Funds Management, Federation Centres (recently merged with Novion Property Group), GPT Group, Ipoh Management Services, ISPT, Jen Retail Properties, JLL, Lancini Group, Lendlease, McConaghy Group, McConaghy Properties, Mirvac, Perron Group, Precision Group, QIC, Savills, SCA Property Group, Scentre Group (owner and operator of Westfield in Australia and New Zealand) and Stockland.

The SCCA looks forward to discussing the *Perth and Peel@3.5million* with the Government further. Please contact the SCCA's Senior Adviser, Kristin Pryce, on (02) 9033 1941 or at [kpryce@scca.org.au](mailto:kpryce@scca.org.au) with regard to this letter.

Yours sincerely,

Angus Nardi  
Executive Director