

**PRELIMINARY DRAFT – PRINCIPLES FOR ACTIVITY CENTRES AND
ACTIVITY CENTRE USES**

**A submission by the
Shopping Centre Council of Australia**

March 2015

TABLE OF CONTENTS

<i>Topic</i>	<i>Page</i>
EXECUTIVE SUMMARY	3
1. Summary of recommendations	5
2. Who we are	7
3. Effectiveness of current policy	8
3.1 Successes	8
3.2 Facts and figures	8
4. Testing the issues - Competition in the planning system	10
5. Draft Principles	12
5.1 Review motivations	12
5.2 Unintended consequences	13
5.3 Options for reform	14
6. Contact details	17
APPENDIX 1 – Draft Principles and Options to be considered	18

EXECUTIVE SUMMARY

The Shopping Centre Council of Australia (SCCA) welcomes the opportunity to comment on the *Preliminary Draft – Principles for activity centres and activity centre uses* (the Draft Principles). We look forward to working constructively with the South Australian Government as this review process continues.

In preparing this submission we have consulted with our members which are investors in South Australia, and also sought professional planning advice.

Correspondence we have received about this review outlines the Government's intent to initiate investigations into the drafting of two Development Plan Amendments (DPA).

We don't believe that this proposal goes far enough to appropriately address the needs of whole of South Australia's retail economy.

We generally support the Government's emphasis on retail investment for South Australia and have long advocated for governments across Australia to elevate the importance of retail development to the same level as residential development. In this regard, we support the following statement on page 3 of the Draft Principles:

"The effort put into supporting housing diversity outcomes should be matched by consideration of land use requirements that support the establishment of new and the growth of existing businesses"

However, we are concerned that the Draft Principles' limited focus on one part of the retail sector will result in a missed opportunity to identify clear pathways to encourage retail investment in the right locations and to see the continued growth of vibrant and accessible mixed-use precincts across South Australia.

The review's primary focus should be facilitating retail investment and removing barriers to development in the Government's stated preferred locations of activity centres which would assist deliver Government's other priorities, such as infrastructure efficiency and facilitating vibrant mixed-use communities.

The current limited focus also gives the impression that the Government is content for the shopping centre sector (and the tens of millions of investment dollars it could bring to the State) to 'look after itself' even if faced with an un-level playing as a result of the deregulation of the planning system.

We are concerned that the lop-sided focus on so-called 'new' retail formats and 'out-of-centre' locations has come at the expense of 'traditional' retail formats in established and growing activity centre locations. We make this observation based on the clear misunderstanding of previous Productivity Commission recommendations noted on page 2 of the document.

The Government needs to be cautious that the envisaged reforms do not just divert significant investment that would have otherwise have come to South Australia and see it delivered in a diluted way across a number of ad hoc locations or, potentially, in other states which have a more supportive activity centres policy.

Some of our members have plans to invest hundreds of millions of dollars in South Australia over coming years and they want to continue with this investment with confidence.

Key issues

Some of the claims in the Draft Principles document are unsupported by evidence and are based on a misunderstanding or misrepresentation of previous Productivity Commission recommendations. The Productivity Commission did not make any specific recommendations about 'new' retail formats. They made recommendations for 'all' retail formats.

The Draft Principles do not go far enough to facilitate and accelerate retail investment in the Government's preferred retail locations of activity centres, or have sufficient focus on shopping centres and their growth and evolution.

Government should not 'pick winners' or create an un-level playing field for retail investment by giving favourable land-use, development assessment or development conditions or considerations to one type of retail format or entrant over another. By way of example, the delivery of 10,000m² of retail in an activity centre should not have any additional regulation or costs imposed on it when compared to the delivery of equivalent retail space in an out-of-centre location, or in a 'new' activity centre.

Principle recommendations

The Draft Principles do not go far enough to facilitate and accelerate retail investment in the State Government's preferred retail locations of activity centres. Failing to do so will miss opportunities to see the growth of vibrant and accessible mixed-use precincts across South Australia.

Further, there is no consideration of the requirements needed to ensure that an out-of-centre development will deliver a net benefit to the community or deliver the degree of public amenity and accessibility to its customers akin to the facilities that would be provided by an equivalent development in an activity centre.

We make a number of specific recommendations to address both of these omissions at Section 5.3. At Appendix 1, we also provide specific comments on each of the five draft 'Principles' and the numerous 'Options to be considered' outlined in the Draft Principles.

By way of example, we recommend that the South Australian Government should amend the *South Australian Planning Policy Library (Version 6)* under the heading 'Centres and Retail Development' to require that the stated 'Principles of Development Control' be applied state-wide and consistently between retail development in both activity centres and in out-of-centre locations. This would require retail investment in out-of-centre locations to provide public spaces, street furniture, access for public transport and landscaping to the same standard of comparable development in an activity centre.

Levelling the playing field in this way is an important mechanism to ensure that if two retail centres are competing for tenants (including for large 'anchor tenants' which, considering their floor space requirements and, typically, their longer lease terms, often underpin project feasibilities), they are able to do so on a fair basis.

Careful consideration will also need to be given to how the transition to a new retail policy framework will be managed to ensure that it does not cause planned multi-million dollar investments to be withdrawn from South Australia.

Consultation

We look forward to continuing to constructively engage with Government to identify a clear pathway to encourage retail investment in the right locations across South Australia and make sure that this process does not inadvertently undermine current and planned investment decisions.

Angus Nardi
Executive Director

1. Summary of recommendations

1. Use the current strategic planning framework, which places significant emphasis on activity centres, higher density mixed use precincts and Transit Oriented Developments, as the basis for encouraging retail investment in the right locations.
2. Recognise the significant investments that have been made by shopping centre owners in line with Government policy, and the ongoing contribution they make in terms of land tax and council rate payments, and jobs creation.
3. The Government should thoroughly review and assess the impact of the 2011 *Statewide Bulky Goods Development Plan* prior to progressing further DPAs.
4. Recognise the various public goods provided by South Australia's planning system including transport efficiency and productivity, environmental and heritage protection, resource protection, employment growth and minimising land-use conflict.
5. Adopt 'competitive neutrality' as an overarching principle to guide this review to ensure that no retail format or entrant receives a competitive advantage over another.
6. Revisit the Productivity Commission's 2011 *Economic Structure and Performance of the Australian Retail Industry* recommendations and ensure the Government's motivations are correctly informed and are based on 'all' retail formats, not solely on 'new' retail formats.
7. The planning system should remove barriers to enable retail investment to occur in the right locations of activity centres. This should include consideration of:
 - 7.1 Adopting 'As of Right', or complying development for certain types of development within activity centres (eg. change of tenancy within an existing shopping centre),
 - 7.2 The deletion of floor space and tenancy area controls in activity centre zones,
 - 7.3 The ability to provide controlled parking,
 - 7.4 Removing requirements for a proponent to deliver public infrastructure (eg. bus interchanges and pedestrian linkages) on private land, particularly when their location has been strategically identified due to presence of public infrastructure (ie. TODs),
 - 7.5 Amend public notification requirements for some minor development in activity centres and when adjacent land is separated by a public road or reserve.
8. The planning system should give due consideration to the requirements that should be imposed on a retail development in an out-of-centre location to ensure that no retail format or entrant receives a competitive advantage over another and ensure that out-of-centre development delivers the degree of public amenity and accessibility to its customers akin to the facilities that would be provided by an equivalent development in an activity centre. This should include consideration of:
 - 8.1 Amending the *South Australian Planning Policy Library (Version 6)* under the heading 'Centres and Retail Development' to require that the stated 'Principles of Development Control' be applied statewide and consistently between retail development in activity centres and in out-of centre locations. This would require retail investment in out-of-centre locations to provide public spaces, street furniture, access for public transport and landscaping to the same standard of comparable development in an activity centre.

- 8.2 Applying consistent car parking rates and conditions between in retail development in activity centres and in out-of-centre locations.**
- 8.3 Implementing a strict sequential test approach to site identification and requiring a proponent to demonstrate an out-of-centre development would deliver a net benefit to the community.**
- 8.4 Requiring a development in an out-of-centre location to be master-planned, including an infrastructure plan, and how the development will catalyse the development of a new activity centre.**

2. Who we are

The Shopping Centre Council of Australia (SCCA) represents South Australia's major shopping centre owners, managers and developers.

Our members are AMP Capital Investors, Blackstone Group (Australia), Brookfield Office Properties, Charter Hall Retail REIT, DEXUS Property Group, Eureka Funds Management, Federation Centres, GPT Group, ISPT, Ipoh Management Services, Jen Retail Properties, JLL, Lancini Group, Lend Lease Retail, McConaghy Group, McConaghy Properties, Mirvac, Novion Property Group, Perron Group, Precision Group, QIC, Savills, SCA Property Group, Scentre Group and Stockland.

Our members own and manage billions of dollars of retail assets in South Australia, including the State's six largest shopping centres. In these centres alone, there is over 400,000m² of retail floor space and around 1,200 retailers. In 2014 these centres collectively generated turnover of around \$2.5 billion.

These shopping centres, and others, were developed in line with long-standing Government policy. Our members continue to actively manage these assets and make an ongoing contribution to South Australia's economy, including through the payment of considerable amounts of land tax and local government rates, and by providing a platform for the tens of thousands of South Australians employed in the retail sector.

3. Effectiveness of the current policy

3.1 Successes

When compared to other states, including Victoria and NSW, South Australia's emphasis activity centres, higher density mixed-use precincts and Transit Oriented Developments, as articulated primarily through *A Plan for Greater Adelaide*, is considered a key strength of the South Australian planning framework. The policy approach has provided a stable climate for investment and, as we understand it, has earned the support of property owners, developers, Councils and retailers.

We support the need to ensure that policy is current, meeting emerging issues and setting a clear pathway to encourage retail investment in the right locations across South Australia. However, we don't support lop-sided reviews of policy or reviews which are based on shaky evidence.

In this regard, we revisited the current policy framework to test the claims that it is 'out-dated'.

The facts and figures (below) demonstrate the success of the current approach to retail planning and investment in South Australia and form the basis of our strong view that the current approach should be strengthened and further leveraged to facilitate more investment in the right locations and greater competition in the retail sector.

The current planning approach has been robust enough to underpin multi-million dollar investments in centre redevelopments in recent years, including the \$95 million redevelopment of Westfield West Lakes in 2013, and flexible enough to have already facilitated the entry of so-called 'new' retail formats and players to South Australia.

Aldi has announced its growth into South Australia, with a speculated \$300 million investment and up to 50 stores planned. Costco has also already entered South Australia. It is interesting to note that Costco's first warehouse is effectively a co-located adjacent to a large shopping centre, the Churchill Shopping Centre in Kilburn.

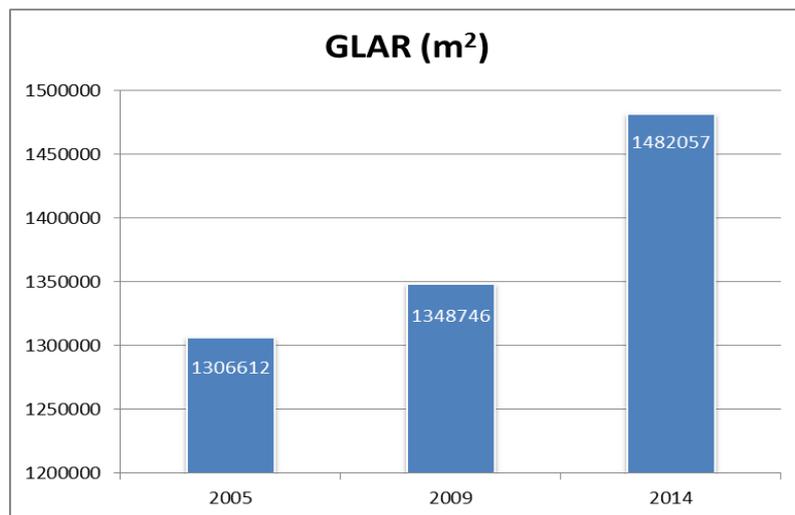
We also note that the *Statewide Bulky Goods Development Plan Amendment* was only gazetted in 2011 to respond to the policy impacts of changes made to a range of definitions which, in 2010, expanded the activities that could be assessed as 'bulky goods'. It would make sense for the Government to assess and fully understand the impact this DPA amendment has had on the delivery of bulky goods retailing across South Australia prior to progressing further DPAs. Our understanding is that, on a per capita basis, there is a healthy spend on 'bulky goods' across South Australia.

3.2 Facts and figures

The following facts and figures, based on industry data, highlight that the current approach to centres and retail policy has been successful in facilitating the growth of shopping centre floor space. All figures **exclude** bulky goods retailing space.

- **~ 175,000m²**

Between 2005 and 2014, around 175,000m² GLAR of shopping centre floor space was added to the South Australian market. As illustrated below, the vast bulk of this growth (around 133,000m²) was delivered in the last five years.



- **2 new Westfield Tea Tree Plazas**

To provide a sense of the scale of growth which has occurred in the past 10 years, the growth in shopping centre floor space is equivalent to the delivery of two new Westfield Tea Tree Plazas (Westfield Tea Tree Plaza is co-owned by SCCA members Scentre Group and AMP Capital). Westfield Tea Tree Plaza is one of the largest shopping centres in South Australia.

- **~ 30, or around 3 per annum**

Between 2005 and 2014 around 30 new shopping centres have been established in South Australia. On a per annum basis, this means that around three new shopping centres were established each year.

- **13% v 10%**

Between 2005 and 2014, shopping centre floor space across South Australia has grown by 13%. This growth outstripped South Australia's population growth over the same period, which only grew by 10%.

Recommendations:

- 1. Use the current strategic planning framework, which places significant emphasis on activity centres, higher density mixed use precincts and Transit Oriented Developments, as the basis for encouraging retail investment in the right locations.**
- 2. Recognise the significant investments that have been made by shopping centre owners in line with Government policy, and the ongoing contribution they make in terms of land tax and council rate payments, and jobs creation.**
- 3. The Government should thoroughly review and assess the impact of the 2011 *Statewide Bulky Goods Development Plan* prior to progressing further DPAs.**

4. Testing the issues - Competition in the planning system

4.1 Competitive neutrality

The SCCA welcomes a dynamic and competitive retail sector and supports a level playing field for investment which facilitates fair competition between retail investors. In our view, Government should not be in the business of lowering barriers to developing on lower cost land, applying more favourable car parking or public amenity requirements for some 'types' of development, or particular entrants, and not for other equivalent developments in other locations.

Competitive neutrality should guide the Government's desire to facilitate even greater retail competition through South Australia's planning system.

No retail format or entrant should get a competitive advantage over another.

It is important the South Australian Government remembers that planning is not a single issue framework whereby competition is, or should be, the sole or determining factor of policy development or decision making.

Competition is only one of a number of relevant policy issues that should be taken into consideration, and traded off to greater or lesser degrees in the context of strategic planning and development assessment.

The Government should remain mindful of the various public goods provided by South Australia's planning system, including transport efficiency and productivity, environmental and heritage protection, resource protection, employment growth and minimising land use conflict, all of which are achieved through a strategic approach to land use zoning.

In this regard, this review should not be used as a mechanism to deregulate planning and zoning laws or water-down strategic planning frameworks and centres hierarchies, but a platform to maximise competition in the context of the other public goods that are delivered through the planning system.

4.2 Previous Productivity Commission recommendations

Competition in the planning system is one of the most frequently and fervently reviewed issues in planning policy and we have actively participated in all recent Productivity Commission and other reviews or inquiries which have addressed competition in the planning system.

In developing the Draft Principles, we are concerned about the reliance the Government may have placed on a misunderstanding or misrepresentation of the previous recommendations of the Productivity Commission in the context of its 2011 *Economic Structure and Performance of the Australian Retail Industry inquiry*.

The Productivity Commission did not make any recommendations regarding "new retail formats" and the "greater mixed use zoning", as is currently detailed on page 2 of the Draft Principles.

As we noted to the Commission in the context of the inquiry, to focus only on the needs of so called 'new formats' would favour one group of retail formats over another and would be anti-competitive. The Productivity Commission agreed with us and, in their final report, ensured that the relevant recommendation sought the broadening of business zoning and the reduction of prescriptive requirements to allow the location of all retail formats in existing business zones.

We agree with this recommendation and used it as the basis of our recommendations to the current review of Federal Competition Policy being led by Professor Ian Harper.

We suggest that the Government revisit the Productivity Commission report to make sure it fully understands the nature of the recommendations that have been made and ensure that this misrepresentation does not lead it down a path of considering the pleas of groups that argue for their own special planning case at the expense of competitive neutrality.

Recommendations:

- 4. Recognise the various public goods provided by South Australia's planning system including transport efficiency and productivity, environmental and heritage protection, resource protection, employment growth and minimising land-use conflict.**
- 5. Adopt 'competitive neutrality' as an overarching principle to guide this review to ensure that no retail format or entrant receives a competitive advantage over another.**
- 6. Revisit the Productivity Commission's 2011 *Economic Structure and Performance of the Australian Retail Industry* recommendations and ensure the Government's motivations are correctly informed and are based on 'all' retail formats, not solely on 'new' retail formats.**

5. Draft Principles

The SCCA is very keen to work with Government to identify clear pathways to encourage retail investment in the right locations across South Australia. Although we have a number of concerns with the Draft Principles, we congratulate the Government on taking steps to attract retail investment to South Australia.

Our three broad concerns are as follows:

1. Some of the claims in the Draft Principles document are unsupported by evidence and are based on a misunderstanding or misrepresentation of previous Productivity Commission recommendations. The Productivity Commission did not make any specific recommendations about 'new' retail formats. They made recommendations for 'all' retail formats.
2. The Draft Principles do not go far enough to facilitate and accelerate retail investment in the Government's preferred retail locations of activity centres, or have sufficient focus on shopping centres and their growth and evolution.
3. Government should not 'pick winners' and create an unlevel playing field for retail investment by giving favourable land-use, development assessment or development conditions or considerations to one type of retail format or entrant over another. By way of example, the delivery of 10,000m² of retail in an activity centre should not have any additional regulation or costs imposed on it when compared to the delivery of equivalent retail space in an out-of-centre location, or in a 'new' activity centre.

The Draft Principles document also gives no consideration to the consequences of the proposed changes on existing and planned retail investment in South Australia or of any transitional arrangements that may need to be implemented to ensure that planned investment, particularly investment planned in the right locations of activity centre, is not withdrawn or diluted across ad hoc locations.

5.1 Review motivations

We make two observations.

Firstly, we agree with the summary in the Draft Principles document which refers to the success of an activity centres based approach to retail policy in South Australia:

"Activity Centres have been one of the pillars of South Australia's growth and development. They have contributed to the form and pattern of development and enabled more equitable and convenient access to shopping, administrative, cultural, entertainment and other facilities that reduce the need for separate trips."

We also reiterate our support for the concentration of urban uses and mixed-use precincts, and the various centre specific policies (not "expectations" as they are described on page 2) contained in *A Plan for Growing Adelaide*, as reproduced on pages 2 and 4 of the Draft Principles document.

Secondly, the motivations behind the review (outlined over 6 dot points on pages 1 and 2) are weak, confusing and, in one instance, misleading. There is insufficient evidence presented in the Draft Principles to justify the Government's sense of urgency on this issue and no compelling case has been made to justify Government seeking to facilitating some so-called 'new formats' or entrants, over other investment in preferred activity centre locations. The Draft Principles also seem to have been progressed prior to Government undertaking a thorough review and assessment of the impacts of the *2011 Statewide Bulky Goods Development Plan*.

- Dot point 1 seems to suggest that a review of this kind would only be necessary following attempt to increase understanding and communication, and that a review would concentrate on delivering greater consistency and timely implementation. We don't understand how the Draft Principles document, or the broader review, fits in with this statement.
- Dot point 2 does not provide a sufficient explanation as to why this review is moving ahead of the Government's own response to the report from the South Australian Expert Panel on Planning Reform, or how they relate to each other.
- Dot point 3 fails to adequately explain how this review fits into the (yet to be announced?) review of the Planning Strategy and why it is considered necessary for this review of move ahead of all other important strategic planning issues that will, no doubt, be visited as part of the review of the Planning Strategy.
- Dot point 4 is misrepresents the Productivity Commission's findings in the report issued following its inquiry in the *Economic Structure and Performance of the Australian Retail Industry* (discussed under heading 4. *Competition in the Planning System*).
- Dot point 5 makes the sweeping suggestion that "new retailers" have expressed concerns about their "ability to enter the market". We are highly dubious about this claim and note the absolute lack of supporting evidence. Has there been any analysis of the veracity of the "concerns" or attempt to interrogate the degree of effort that they have taken to identify sites in appropriately zoned locations? Or has the Government been convinced that there is a problem by the pleading of some stakeholders looking for access to lower cost land in out-of centre locations?
- Dot point 6 is confusing. Although we understand the Government's own assessment that there is currently a lack of information available about the State's expectations regarding activity centre and retail planning, we don't understand what is meant with regard to needing to "establish a common starting point", or how this "common starting point" relates to the guidance material Government has identified is needed.

5.2 Unintended consequences

Activity centres have a range of agreed benefits. They become hubs of the community, maximise Government's own investment in infrastructure, concentrate employment and have a higher employment rate per square metre than equivalent development in out-of-centre location. Investment in activity centres is also self-fulfilling. Concentrating employment, both pre and post construction, in an activity centre has flow on benefits to the surrounding and new business (eg. employees purchasing meals, doing their grocery shopping etc). These self-fulfilling benefits don't exist in out of centre locations.

With this in mind, we think that the Government has entered this review process without giving due consideration of its potentially crippling unintended consequences on both South Australia's well regarded strategic planning framework and the State's investment climate. Failing to address these key issues also calls into question whether the any reforms that may flow from this review will actually achieve the Government's objective of more and better retail investment in South Australia in the right locations.

Progressing much further without considering, for example, the consequences of destabilising planned investment in activity centres could see the retail investment that would have otherwise have come to South Australia withdrawn or diluted across a number of ad hoc locations, but without the added benefit of the revitalisation and redevelopment of a strategically identified activity centre.

The review's outcomes could:

- Undermine good planning principles and the existing strategic planning framework to see the consolidation of retail and other land uses in agreed locations (i.e. activity centres).
- Change preferred modes of transport and impact on peak-period traffic patterns.
- Undermine the feasibility of other activity centre development opportunities, eg. a large scale residential development or a public transport infrastructure investment, particularly in the context of a mixed-use precinct or TOD.
- Place additional economic pressure on speciality-retail chains and small business which rely on major retail anchors, particularly supermarkets, to draw footfall and critical mass of customers to their stores in activity centre locations.
- Result in the failure of existing retail centres and main streets due to the exit of large retailers, thereby creating urban blight.

By way of example, a large anchor tenant looking to come to, or grow within, Adelaide, will not simply double its investment and establish one shop in an activity centre and one shop in an out-of-centre location. At the end of the day, in most situations there will still only be one shop, and we think it is the role of Government's strategic policy framework to make sure that it ends up in the right location.

As it is the large tenants which underpin the feasibility of projects (by virtue of their floor space requirements, their ability to generate foot traffic and their relatively long lease terms), if they choose to locate in an out-of-centre location, the viability of a planned investment in an activity centre may fall over due to the absence of an appropriate anchor tenant. With this would come a lost opportunity to revitalise and redevelop a strategically located activity centre that is the right location for retail investment in South Australia

5.3 Options for reform

It is pleasing that the Draft Principles still give primacy to a centres based approach to strategic planning and appear to give sequential consideration to 'Existing Centres', centre 'Expansion' and then 'New Activity Centres'. We provide specific feedback on each of the Draft Principles and Options to be Considered at Appendix 1.

Our general view, however, is that the Draft Principles do not go far enough to facilitate and accelerate retail investment in the State Government's preferred retail locations of activity centres. Failing to do so will miss opportunities to see the growth of vibrant and accessible mixed-use precincts.

There is a range of things that the Government could consider addressing in this regard, including:

- Adopting 'As of Right', or complying, development which does not require a permit, for certain types of development in activity centres. By way of simple example, this could include deeming the change of use of a tenancy within an existing shopping centre in an activity centre could progress 'As of Right', and without need for a planning permit.
- The deletion of Floor Space Caps controls within activity centres zones (or their respective Policy Areas / Precincts). We understand that, currently, a proponent is required to prepare a Retail Economic Impact Statement to justify exceeding any cap within the zone. Retail should not be capped in the locations which have been strategically identified as activity centres.
- Similarly, Tenancy Floor Area controls should also be removed in activity centres.
- Allow retail developments in activity centres to implement controlled parking.

- Removal of requirements on a proponent to deliver public infrastructure on their private land holding (eg. bus interchanges, cycling and pedestrian linkages), particularly when the location of the development has been strategically identified with consideration of the presence of existing public infrastructure (ie. TODs). Requirements for a proponent to deliver additional infrastructure on their land should not hold up development.
- Amend public notification requirements to avoid Category 2 notifications in circumstances where the adjacent land in a different zone is separated by a public road or reserve, or where the development is minor, for example, a change of use of a tenancy in an existing shopping centre.

This list is not exhaustive and is provided to give the Government a sense of the types of changes which could be made relatively easily to facilitate and accelerate retail development in activity centres.

We would be pleased to discuss these options with Government in more detail.

The Draft Principles also do not give sufficient consideration to the requirements that should be imposed on a retail development in an out-of-centre location to ensure that no retail format or entrant receives a competitive advantage over another. Further, there is no consideration of the requirements needed to ensure that an out of centre development delivers the degree of public amenity and accessibility to its customers akin to the facilities that would be provided by an equivalent development in an activity centre.

Levelling the playing field in this way is an important mechanism to ensure that if two retail centres are competing for tenants (including for large 'anchor tenants' which, considering their floor space requirements and, typically, their longer lease terms, often underpin project feasibilities), they are able to do so on a fair basis.

We strongly recommend that the Government consider the following as a suitable starting point when considering the requirements that would need to be imposed on out-of-centre development:

- Amend the *South Australian Planning Policy Library (Version 6)* under the heading 'Centres and Retail Development' to require that the stated 'Principles of Development Control' be applied statewide and consistently between retail development in both activity centres and in out-of-centre locations. This would require retail investment in out-of-centre locations to provide public spaces, street furniture, access for public transport and landscaping to the same standard of comparable development in an activity centre.
- A development should demonstrate, through a strict site sequential test approach, that it cannot be located in an activity centres and that it would deliver a net benefit to the community in an out-of-centre location, potentially through the application of a standardised Net Community Benefit Test process.
- Car parking rates should be applied consistently between developments in activity centres and in out-of-centre locations.
- Out-of-centre retail developments should be master-planned, including an infrastructure plan with identified funding (eg. roads, power, sewer, water, public transport, car parking) approved by relevant Government agencies, which details how the development will catalyse the development of a new activity centre.

Recommendations

7. The planning system should remove barriers to enable retail investment to occur in the right locations of activity centres. This should include consideration of:
 - 7.1 Adopting 'As of Right', or complying development for certain types of development within activity centres (eg. change of tenancy within an existing shopping centre),
 - 7.2 The deletion of floor space and tenancy area controls in activity centre zones,
 - 7.3 The ability to provide controlled parking,
 - 7.4 Removing requirements for a proponent to deliver public infrastructure (eg. bus interchanges and pedestrian linkages) on private land, particularly when their location has been strategically identified due to presence of public infrastructure (ie. TODs),
 - 7.5 Amend public notification requirements for some minor development in activity centres and when adjacent land is separated by a public road or reserve.
8. The planning system should give due consideration to the requirements that should be imposed on a retail development in an out-of-centre location to ensure that no retail format or entrant receives a competitive advantage over another and ensure that out-of-centre development delivers the degree of public amenity and accessibility to its customers akin to the facilities that would be provided by an equivalent development in an activity centre. This should include consideration of:
 - 8.1 Amending the *South Australian Planning Policy Library (Version 6)* under the heading 'Centres and Retail Development' to require that the stated 'Principles of Development Control' be applied statewide and consistently between retail development in activity centres and in out-of-centre locations. This would require retail investment in out-of-centre locations to provide public spaces, street furniture, access for public transport and landscaping to the same standard of comparable development in an activity centre.
 - 8.2 Applying consistent car parking rates and conditions between in retail development in activity centres and in out-of-centre locations.
 - 8.3 Implementing a strict sequential test approach to site identification and requiring a proponent to demonstrate an out-of-centre development would deliver a net benefit to the community.
 - 8.4 Requiring a development in an out-of-centre location to be master-planned, including an infrastructure plan, and how the development will catalyse the development of a new activity centre.

6. Contact details

The SCCA would be happy to discuss any aspect of this submission. Please do not hesitate to contact:

Angus Nardi

Executive Director
Shopping Centre Council of Australia
Level 1, 11 Barrack Street
SYDNEY NSW 2000
Phone: 02 9033 1930
Email: anardi@scca.org.au

Kristin Pryce

Senior Adviser
Shopping Centre Council of Australia
Level 1, 11 Barrack Street
SYDNEY NSW 2000
Phone: 02 9033 1902
Email: kpryce@scca.org.au

APPENDIX 1 – Draft Principles and Options to be considered

PRINCIPLE 1 – EXISTING CENTRES	
<p>To recognise existing activity centres, main streets and mixed use areas (commercial/housing) as the primary places for commercial and retail activity through more accommodative land use development practices, policies and procedures.</p>	<p>Support in principle</p> <p>Note: This reinforces the role of activity centres as the primary place for commercial and retail activity.</p>
<p>Remove all mandatory floor space limits in activity centres and mixed use zones that display activity centre traits (e.g. RCe, DCe, NCe, TCe, RTCe, Ce, Urban Core, Urban Corridor, SAN)</p>	<p>Support in principle</p> <p>Note: Careful consideration would need to be given to the removal of floor space limits in the non-centre zones (ie. Urban Core, Urban Corridor and Suburban Activity Node Zones) due to potential impact on the centres hierarchy.</p>
<p>Advisory requirements on floor space to be expressed as 'targets' (reducing the risk of numerical requirements being used as 'caps' when assessing applications)</p>	<p>Support in principle</p> <p>Note: 'Targets' can still be construed as 'caps' at the local level and can potentially inhibit innovation and growth.</p>
<p>No desired uses subject Category 3 Public Notification that trigger third party appeal rights</p>	<p>Further consideration required</p>
<p>Review policy statement, desired character statements etc in relevant zones to remove impediments</p>	<p>Support in principle</p> <p>Note: The 'relevant zones' should be 'centre' zones</p>
<p>Establish greater consistency between zones that have similar purpose, including a review of the SAPPL, to ensure activity centres/main streets and mixed use areas are established as the preferred places for business activity where commercial premises can adapt readily to market demands and community preferences.</p>	<p>Support in principle</p>
<p>Investigate wider use of complying development or remove the need to obtain Development Plan consent in circumstances where an assessment against the provisions of a Development Plan is of little benefit or unnecessary.</p>	<p>Support in principle</p>

<p>Review the role of on-site parking rates within activity centres and mixed use zones (similar to those found in the SAPPL), and consider whether standardised parking rates could be used to support economic development particularly in areas services by multiple public transport options and used as a basis to facilitate change of use only proposals.</p>	<p>Support in principle</p> <p>Note: Rates should be standardised for all zones with an anticipated commercial use.</p>
<p>PRINCIPLE 2 – EXPANSION</p>	
<p>In established built-up areas, encourage commercial and retail business activities to grow and new ones to form particularly where they can help reduce dependency on private vehicular travel and separate journeys (unless an alternative location provides a clear public benefit).</p>	<p>Caution</p> <p>Note: Edge-of-centre developments should undertake a sequential test and net community benefit test. Also as above - careful consideration would need to be given to the removal of floor space limits in the non-centre zones (ie. Urban Core, Urban Corridor and Suburban Activity Node Zones) due to potential impact on the centres hierarchy.</p>
<p>Amend zones that envisage commercial I business uses so that all envisaged uses and other compatible forms of development are considered on their merits (e.g. office zones, commercial zones etc)</p>	<p>Noted</p> <p>Note: This does not represent a distinguishable change from current policy.</p>
<p>Amend General Section policy on 'Centre and Retail Development' to contemplate business and shopping development in a wider range of zones (recognising activity centres as the 'primary' place for such uses)</p>	<p>Support in principle</p> <p>Note: This should result in a standardisation of policy guidelines for retail development irrespective of whether it is developed within or outside a centre.</p>
<p>Provide for the expansion of commercial/retail development at the 'edge' of established activity centres and main street areas identified in a Development Plan as consent development</p>	<p>Support in principle</p> <p>Note: Subject to sequential test and demonstration of net community benefit.</p>
<p>Extend 'edge-of-zone' commercial and retail development opportunities to areas adjacent to established commercial and business type zones (i.e. existing zones that are not recognised as part of the network of 'activity centres').</p>	<p>Noted</p> <p>Note: This point seems the same as above.</p>

PRINCIPLE 3 – NEW ACTIVITY CENTRES

<p>Allow new activity centres to form to provide an appropriate level of service and encourage competition between centres in established areas.</p>	<p>Caution</p> <p>Note: Competition already exists, and any new centre should be identified and established on based on a strategic planning framework</p>
<p>Prepare guidelines to encourage a consistent approach to retail land supply and retail impact assessments when planning activity centres in new growth areas so that services and facilities are equitably distributed in new communities over a project's lifetime establish a basis for the planning of new centres in existing built-up areas</p>	<p>Support in principle</p>
<p>Monitor development of new activity centres in urban growth areas and nearby suburbs so the benefits of floor space limits (e.g. to achieve an equitable distribution of services and facilities has been achieved) can be evaluated over time and then removed when no longer necessary.</p>	<p>Unclear</p> <p>Note: Earlier option flagged the removal of floor space caps.</p>

PRINCIPLE 4 – REVIEW SUPPLY

<p>Land use zoning and policy that ensures a supply of suitable land to accommodate retail and commercial activities in advance of need, encouraging new retail participants and formats that encourage competition and support greater consumer choice.</p>	<p>Support in principle</p> <p>Note: Land use zoning and policy should encourage investment from <u>all</u> participants and formats, not just 'new'. Focus should be on supply in the right locations of activity centres.</p>
<p>Incorporate into guidelines a need for strategic land use review processes (Planning Strategy and SDRs) and DPA programs to consider the timing and implementation of changes to planning scheme to allow business to grow and new ones to form.</p>	<p>Support in principle</p>
<p>Monitor trends in retail development and other centre activities as a means to inform decisions about future land use requirements and to 'assess' the effectiveness of land use policy directions.</p>	<p>Support in principle</p>

PRINCIPLE 5 – URBAN DESIGN:

<p>Reinforce the role of land use policies and plans to guide development form, scale and place making for existing and new activity centres, main streets and mixed use areas.</p>	<p>Caution</p> <p>Note: Need to make sure that centres don't fail as a result of impractical set of urban design policies; the same urban design and public domain requirements should apply to retail development in activity centres and in out-of-centre locations.</p>
<p>Prepare guidelines and review technical sheets to provide a basis for councils, developers and other stakeholders to:</p> <ul style="list-style-type: none">• Understand how to apply SAPPL activity centre and mixed use zones effectively at the local level• Establish a set of urban design principles to deliver liveable, safe and vibrant activity centres	<p>Caution</p> <p>Note: Urban Design guidelines need to have a sound understanding of retail practice and existing investment so as to not undermine the success of an activity centre.</p>