



draft

State Planning Policy 4.2

Activity Centres

August 2020

Prepared under Part Three of the Planning and Development Act 2005 by the Western Australian Planning Commission The Department of Planning, Lands and Heritage acknowledges the traditional owners and custodians of this land. We pay our respect to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.

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1 CITATION

This is a State Planning Policy made under Part 3 of the *Planning and Development Act 2005*. This policy may be cited as State Planning Policy 4.2 Activity Centres (SPP 4.2). It replaces State Planning Policy 4.2 Activity Centres for Perth and Peel (2010).

2 POLICY INTENT

To ensure planning and development adequately considers the distribution, function and broad land use considerations for activity centres.

3 WHAT ARE ACTIVITY CENTRES?

Activity centres are multi-functional community focal points that vary in size and function. They are generally well-serviced by transport networks with a focus on integrated pedestrian access and walkability, and may include land uses such as commercial, retail, food and hospitality, higher-density housing, entertainment, tourism, civic/community, higher education, and medical services.

4 APPLICATION OF THE POLICY

This policy and its Guidelines applies to the preparation and assessment of the relevant components of planning instruments that relate to activity centres within the Metropolitan (Perth), Peel and Greater Bunbury Region Scheme areas, including:

- local, district and regional planning strategies
- local planning schemes, scheme reviews and amendments
- precinct structure plans for activity centres
- standard structure plans where activity centres are proposed in greenfield areas
- subdivision and development applications for major developments within activity centres
- major development of activity centre uses outside designated activity centres.

The objectives, outcomes and measures of this policy may be applied outside of the abovementioned region scheme areas, as applicable, to guide the preparation and review of local planning proposals. The application of this policy in such areas shall be at the discretion of the Western Australian Planning Commission (WAPC) and have due regard to any relevant provisions relating to activity centres role, function and hierarchy in the Local Planning Framework and/or Regional Framework.

This policy is to be read in conjunction with (but not limited to):

- the Implementation Guidelines for SPP 4.2
- State Planning Policy 7.0 Design of the Built Environment
- State Planning Policy 7.1 Neighbourhood Design
- State Planning Policy 7.2 Precinct Design

5 POLICY OBJECTIVES

The objectives of this policy are to:

- Provide a hierarchy and network of activity centres that meets community need and provides social, economic and environmental benefits to all Western Australians.
- 2. Enable the distribution of a broad range of goods, services and activities, including retail, commercial and mixed-use developments that do not undermine the hierarchy of activity centres.
- 3. Ensure consistency and rigour in the planning and development of activity centres.

6 POLICY OUTCOMES

The following outcomes specify the role of planning and development in contributing to the overall objectives of this policy. The outcomes can be achieved through compliance with the policy measures. They can be used to guide discretion in policy application and provide a basis for its evaluation.

- The activity centre network meets different levels of community need and enables employment, goods and services to be accessed efficiently and equitably by the community.
- 2. The primacy of activity centres is reinforced, and out-of-centre development that undermines the hierarchy of activity centres is discouraged.
- 3. New activity centres or the expansion and consolidation of existing activity centres does not unreasonably undermine existing centres.



- 4. Sufficient development intensity and appropriate land use mix is provided, that supports the role and function of activity centres and facilitates a competitive retail and commercial market.
- 5. The density and diversity of housing in and around activity centres is maximised to improve land efficiency and housing variety, and assist with delivering the objectives and outcomes of the strategic planning framework for the applicable region.
- 6. Development within activity centres is well-designed, cohesive and functional and that capitalises on the use of existing and planned infrastructure.
- 7. Access to and within activity centres by walking, cycling and public transport is maximised while private vehicle trips and dependence on parking is reduced.
- 8. Planning and development of activity centres balances the environmental, social and economic values of activity centres to provide a net positive benefit to local communities.

7 POLICY MEASURES

7.1 Activity Centre function and hierarchy

The activity centre functions and land use guidance at **Appendix 1** and activity centre hierarchy at **Appendix 2** of this policy shall be used to coordinate the location, function and measures relating to individual activity centres. This includes:

- a) Preparation and review of regional, district and local planning strategies and local planning schemes, including the application of appropriate zonings.
- b) Preparation of long-term capital investment programs, and promotion and coordination of private and public investment.
- c) Evidence-based planning to identify sufficient development intensity and appropriate land use mix to support the functions of the activity centre, and contribute to the achievement of the sub-regional employment self-sufficiency and housing objectives from the relevant regional and sub-regional planning frameworks.

The responsible authority is to consider the main role and attributes for each activity centre with guidance provided in **Appendix 1**.

Precinct structure plans and development proposals should be consistent with the classification of the activity centre in both function and hierarchy.

The responsible authority should ensure precinct structure plans and development proposals support the established and planned activity centre hierarchy. For region scheme areas, refer to **Appendix 2** for guidance on activity centre hierarchy.

Proposals to depart from the hierarchy and for new activity centres must demonstrate:

- the need for the departure from the hierarchy and/or new activity centre, based on population forecasts and a Needs Assessment
- any new activity centre being serviced by highfrequency public transport and
- meeting the objectives and outcomes of SPP4.2

7.2 Requirement for precinct structure plans

A precinct structure plan is to be prepared for strategic, secondary, district and specialised activity centres.

Precinct structure plans should be endorsed by the WAPC prior to a **major development** being approved to ensure the development of the activity centre is integrated, cohesive and accessible. Major development may be considered in the absence of an endorsed precinct structure plan where exceptional circumstances are fully evidenced and justified. Any major development must satisfy relevant requirements of State Planning Policy 7.2 Precinct Design and Precinct Design Guidelines.

Exceptional circumstances may include (but are not limited to) the following:

- an immediate and demonstrated local need for the proposed land uses
- the development would enable infrastructure needed by the community
- the proposal delivers significant community benefit not identified in current and emerging plans..



Neighbourhood and local activity centres may require either a precinct structure plan or local development plan, at the discretion of the decision-maker and if so must be in accordance with the requirements of State Planning Policy 7.2 Precinct Design and Precinct Design Guidelines.

7.3 Assessment

When considering local planning strategies, local planning schemes, precinct structure plans, standard structure plans and amendments to these planning instruments or **major development** proposals, the responsible authority must consider the main role and attributes for each activity centre type outlined in **Appendix 1**.

A proposal meets the objectives and outcomes of this policy if it:

- supports the overall precinct design objectives, as outlined within the applicable precinct structure plan
- delivers net community benefit and does not lead to a loss of service to the community and
- for major development proposals, any impact test (where applied) demonstrates that the proposal will not unreasonably impact upon existing, committed and planned public and private investment.

7.4 Land uses

This policy encourages the development of multifunctional activity centres that can cater for a wide range of office, commercial, retail, food and hospitality, entertainment, education, leisure, cultural/tourist, residential and mixed-use land uses. Local planning schemes should ensure that desired activity centre uses are located within activity centres through appropriate zoning and use class permissibility.

High trip-generating land uses should be located within or adjacent to activity centres to maximise opportunities to use public transport and reduce the need for travel between places of residence, employment and recreation.

The inclusion of a mix of land uses in precinct structure plans for activity centres shall be encouraged.

The diversity ratio (**Table 1**) in the Implementation

Guidelines shall be used as a guide, having regard to factors such as the extent of land in common ownership, the existing land use mix, the proposed scale of development and the extent to which the activity centre and its catchment have already developed.

Higher-density housing should be incorporated within and immediately adjacent to activity centres to support the non-residential functions of the activity centre, establish a sense of community and increase activity outside normal business hours. Residential density targets are provided with **Appendix 1** for some activity centres. These targets are intended as a guide to inform further detailed, evidence-based planning for each activity centre. Housing supply in specialised centres (with the exception of Perth and Jandakot airports) should be assessed on a case-by-case basis.

7.5 Employment

Activity centres are priority locations for employmentgenerating activities and should contribute towards the achievement of the relevant regional and sub-regional employment objectives. Planning decision-making shall facilitate:

- employment opportunities in activity centres by maximising the density and range of activities to improve access to jobs
- b) low-impact service industries locating in activity centres close to residential areas
- c) education and training, health and other specialist facilities in activity centres
- d) co-locating retail, residential, commercial, entertainment and other compatible uses with tertiary education, health and other suitable uses in specialised activity centres.

7.6 Urban form

Activity centres shall incorporate a network of streets and public spaces in a compact urban form defined by a pedestrian-dominant streetscape where the primary focus of activity is on key public streets.

The urban form of an activity centre may change over time depending on the existing development pattern and the type of development that occurs. The existing and future urban form and function of an activity centre should be investigated and considered when preparing a precinct structure plan for an activity centre.

All precinct structure plans for activity centres must satisfy relevant requirements of *State Planning Policy 7.2 Precinct Design and Precinct Design Guidelines*.

7.7 Movement and access

The physical organisation of the activity centre network and individual activity centres needs to support, and be supported by, a balanced access and movement network that makes it convenient and practical for residents,



employees and visitors to maximise travel by walking, cycling and public transport, while minimising the need to travel by private car. The planning for activity centres should seek to:

- Reduce private vehicle dependence, particularly for commuter trips, and manage the impacts of vehicle movements and parking.
- b) Enable a range of transport choices that meet the access needs of residents, employees and visitors.
- Promote a balanced movement network that prioritises walking, cycling, public transport, and shared mobility.

For parking in strategic metropolitan and specialised activity centres, the responsible authority should:

- d) Establish mode share targets promoting a shift away from private vehicle use to the maximum extent possible based on the current and planned capacity of the movement network and access needs of the centre.
- e) Establish a parking cap to constrain private vehicle trip generation and promote mode shift.
- f) Develop a parking plan outlining how public parking will be supplied and managed across the whole activity centre to prioritise use and availability between different user groups.
- g) Require major development to prepare and implement travel plans and parking supply & management plans that support the mode share target.

All precinct structure plans for activity centres must satisfy relevant requirements of **Design Element 3: Movement** in *State Planning Policy 7.2 Precinct Design and Precinct Design Guidelines*.

7.8 Needs Assessment

A Needs Assessment provides an information base to support decision-making by including an assessment of projected land use needs of communities in a local government area and its surrounds.

A Needs Assessment may be prepared in support of a:

- local planning strategy
- · local planning scheme/scheme amendment
- precinct structure plan
- standard structure plan at the district or local level.

A Needs Assessment should be prepared where a major development for an activity centre(s) is proposed. Once proposed floorspace and/or land requirements are identified, this information should be shown spatially within the planning document being prepared and include an indicative range of land use activity per activity centre. Once proposed floorspace and/or land requirements are identified, this information should be shown spatially within the planning document being prepared and include an indicative range of land use activity per activity centre.

A Needs Assessment shall be prepared in accordance with the methodology provided within the Implementation Guidelines

7.9 Impact Test

An Impact Test (previously known as a Retail Sustainability Assessment) shall be prepared where a major development is proposed.

The Impact Test must demonstrate that the proposal will:

 not unreasonably impact upon existing, committed and planned public and private investment

- not unreasonably impact the activity centre hierarchy or their existing or planned activity centre functions and
- deliver net community benefits and not reduce the level of service to the community.

An Impact Test is to be prepared by the proponent in accordance with the methodology provided within the Implementation Guidelines.

Where an endorsed local planning strategy, district, standard or precinct structure plan includes an indicative amount of **activity centre uses** derived from a Needs Assessment, an Impact Test is only required where a significant increase (refer to **major development** definition for guidance) to this **activity centre use** floorspace is proposed.

Perth Capital City and strategic activity centres are exempt from the requirement for an Impact Test.

7.10 Out of centre developments

A proposal for an **activity centre use** located outside of a designated activity centre must be assessed in line with this policy and will require an Impact Test if:

- the proposed development includes Shop Retail floorspace greater than 500m² NLA or
- the proposed development is considered likely to impact the activity centre hierarchy, in the opinion of the WAPC and in consultation with the local authority.

Where out of centre development is considered necessary and appropriate, it should be located to support the success of activity centres, minimise negative impacts to activity centres, be supported by public transport and minimise the need for individual private vehicle trips.



8 IMPLEMENTATION

The **Activity Centre Implementation Guidelines** provides guidance on how to implement this policy.

9 DEFINITIONS

Activity centre

An activity centre within the hierarchy provided at **Appendix 2**, land zoned 'Centre' or equivalent under the applicable local planning framework or land otherwise agreed to be an activity centre by the WAPC.

Activity centre use(s)

Includes (but not limited to) the following:

- Retail development: Shop, Bulky Goods Showroom, Liquor Store – Small, Liquor Store – Large, Market and Restricted Premises.
- Entertainment, Education and Leisure facilities:
 Amusement Parlour, Educational Establishment,
 Nightclub, Place of Worship, Recreation Private,
 Restaurant / Café, Small Bar, Tavern.
- Commercial uses: Office, Medical Centre, Consulting Rooms.
- Services: Small scale automotive services and recycling services.
- Cultural / Tourism Uses: Art Gallery, Cinema / Theatre, Hotel Tourist Development.

Bulky goods retail or showroom

As defined in the Planning and Development (Local Planning Schemes) Regulations 2015.

Established centre

There are existing activity centre uses (or use) within the activity centre.

High trip generating land uses

Educational establishment – >100 students

Restaurant, tavern etc. – >1000 persons (seats) or >2000m² gross floor area

Fast food outlet – >500m² gross floor area

Shop – >1000m² gross floor area

Non-food retail – >2500m² gross floor area

Offices – >5000m² gross floor area

Major development

A proposal is considered a major development if the net additional floorspace for an **activity centre use** (or uses) is greater than the thresholds in Table 2.

Note – residential floor space is excluded from the calculation.

Table 2: Major activity centre use floorspace thresholds

Activity Centre Hierarchy	Established Centre (m² NLA)	New Centre (m² NLA)	
Secondary	10,000	10,000	
District	5,000	10,000	
Specialised	5,000	10,000	
Neighbourhood	3,000	5,000	
Local	1,000	1,500	

Shop/retail (shopping or shop)

The land use activities included in "Planning land use category 5: Shop/retail" as defined by the WAPC's Perth and Peel Land Use and Employment Survey (as amended).

Supermarket

A self-service shop/retail establishment selling food and grocery items.

Walkable catchment

Derived from application of the 'ped-shed' technique to the existing or proposed street network in the boundaries of the activity centre. i.e. The:

- extent of the walkable catchment is either 200m, 400m or 800m depending on activity centre type (outlined in **Appendix 1**) and
- walkable catchment is measured from an agreed upon central point located within the activity centre such as a town square, rail stations, major bus transfer stations or stops located on high-frequency bus routes.



APPENDIX 1: ACTIVITY CENTRE FUNCTIONS AND LAND USE GUIDANCE

Classification	Main role and typical attributes	Residential density target - dwellings per gross urban zone hectare within the walkable catchment
Capital City	Perth Capital City is the largest of the activity centres, providing the most intensely concentrated development in the Perth, Peel and Bunbury regions. It has the greatest range of high order services and jobs, and the largest commercial component of any activity centre. It is generally comprised of the highest density residential and commercial buildings, has excellent multi-modal public transport connections and is the centre for cultural and entertainment facilities.	NA
Strategic Centres	Strategic centres are the main regional activity centres. They are multipurpose centres that provide a diversity of uses. These centres provide the full range of economic and community services necessary for the communities in their catchments. These centres are expected to service substantial populations, providing health, community and social services, be integrated with public transport and provide opportunities for business agglomeration. Access is a priority for these centres.	50+ (800m)
Secondary Centres	Innued range of services racilities and employment opportunities, they benorm an important role in the regional	
District Centres District centres have a greater focus on servicing the daily and weekly needs of residents. Their relatively smaller scale catchment enables them to have a greater local community focus and provide services, facilities and job opportunities that reflect the needs of their catchments.		30+ (400m)
Specialised centres focus on regionally significant economic and institutional activities, such as logistics based businesses for airports or knowledge-based for health and tertiary education precincts. Planning for these centres should aim to protect the primary land use while improving the growth and clustering of business activity of State and regional significance, particularly in knowledge-based or logistics-based industries. These areas are to be developed as places with a concentration of linked businesses and institutions providing a major contribution to the economy, with excellent transport links and potential to accommodate significant future growth in jobs and in some instances housing.		NA
Neighbourhood Centres		
Local Centres	Local centres provide for the day to day needs of local communities. These centres provide an important role in providing walkable access to services and facilities for local communities.	25+ (200m)



APPENDIX 2: Activity Centre Hierarchy

Region	Capital City	Strategic Centres	Secondary Centres		District Centres		Specialised Centres	Neighbourhood and Local Centres
Perth and Peel	Perth Northbridge East Perth West Perth	Armadale Cannington Fremantle Joondalup Mandurah Midland Morley Rockingham Stirling Yanchep	Alkimos Belmont Booragoon Claremont Clarkson Cockburn Ellenbrook Karrinyup Kwinana Leederville Maddington Mirrabooka Pinjarra Subiaco Two Rocks North Victoria Park Wanneroo Warwick Whitfordsxx	Peel Sub-Region Falcon Halls Head Lakelands Waroona Ravenswood (Riverfront)*	Central Sub-Region Ashfield Bayswater Cottesloe Highgate Wembley/Jolimont Mount Hawthorn North Fremantle Oats Street South Perth West Leederville East Victoria Park Livingston Bassendean Inglewood Bentley Bullcreek Burswood Canning Bridge Dianella Dog Swamp Kardinya Fitzgerald Street Floreat Glendalough Main Street Melville Northlands Maylands Mount Lawley Petra Street Risely Street Riverton Scarborough Southlands Stirling Central	North West Sub-Region Alexander Heights Butler (Brighton)* Currambine Girrawheen Greenwood Madeley Neerabup Sorrento Woodvale Eglinton* Yanchep* North East Sub-Region Forrestfield Kalamunda Mundaring Albion South West Sub-Region Baldivis Cockburn Coast Karnup* Secret Harbour Spearwood Warnbro Wandi* South East Sub-Region Byford Forrest Lakes Gosnells Kelmscott Wungong Mundijong* Thornlie	UWA/QE2 Bentley/Curtin ECU Mount Lawley Murdoch Perth Airport Jandakot Airport	As defined in the Local Planning Strategy for that locality
Greater Bunbury		Bunbury CBD		Bunbury Forum Dalyellup Eaton Fair Parks Centre Treendale			Bunbury Regional and St John of God Hospitals Edith Cowan University South West Institute of Technology	As defined in the Local Planning Strategy for that locality

^{*} denotes emerging centre





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1 BACKGROUND

State Planning Policy 4.2 Activity Centres (SPP 4.2) governs decision-making for the planning and development of activity centres in the Metropolitan (Perth), Peel and Greater Bunbury Region Scheme areas.

These Guidelines provide explanatory detail to assist the implementation of SPP 4.2

These Guidelines should be read in conjunction with SPP 4.2, State Planning Policy 7.1 Neighbourhood Design (SPP 7.1) and State Planning Policy 7.2 Precinct Design (SPP 7.2).

2 PURPOSE OF THE GUIDELINES

These Guidelines explain the intent and interpretation of SPP 4.2 and can be used in the preparation or review of region planning schemes, regional or sub-regional strategies or frameworks, local planning strategies and schemes, precinct structure plans, standard structure plans, development applications and other planning instruments such as local planning policies and any amendments to these documents.

The Guidelines provide information on:

- how to apply SPP 4.2 through the State and local planning framework
- how to prepare and determine proposals for new activity centres, or that seek to change the classification of an activity centre
- how to assess development proposals for major developments within activity centres
- undertaking a Needs Assessment
- applying the Impact Test
- planning and development of bulky goods and large format retail uses and precincts

3 HOW TO PLAN FOR ACTIVITY CENTRES

3.1 DISTRICT PLANNING

District planning strategies and frameworks should identify the activity centre hierarchy and provide high-level guidance for employment, population and dwellings. The decision-maker must consider the main role and attributes for each activity centre type outlined in Appendix 1 and the hierarchy in Appendix 2 of the policy. The impact of the identification of new activity centres and/or changes to the classification of activity centres on the overall balance of activity centres across a regional context and the policy measures (Section 7) in SPP 4.2 and guidance provided in Section 4 of the Guidelines.

3.2 LOCAL PLANNING

Local governments must consider activity centres within their local strategic planning to support future planning and decision-making within their local government area. In delivering strategic plans and considering changes to the local planning framework, local governments must consider the needs of their own activity centres, the impacts of their activity centre proposals on the overall balance of activity centres across a district, regional and sub-regional context, and the policy measures in SPP 4.2 (Section 7) and guidance provided in Section 4 of the Guidelines.

A sufficient supply of suitable land for the range of activity centre functions including residential, retail, commercial and mixed-use development must be identified and



provided for in local planning strategies, district-scale structure plans and local-scale standard and precinct structure plans that considers:

- existing and anticipated demand, viability and appropriateness of activity centre uses
- the physical constraints of the land
- surrounding land uses
- the availability of, and proximity to, essential infrastructure required to service and support the proposed development.

Local planning strategies, through a Needs Assessment, should show the estimated range of housing, economic and employment lands needed and the indicative distribution across the activity centres in the local government area, consistent with the activity centre hierarchy.

Land use permissibility and amendments to local planning schemes must be carefully considered to ensure that schemes reinforce the objectives and requirements of SPP 4.2.

3.3 NEEDS ASSESSMENT

A Needs Assessment undertaken for a specific proposal should be undertaken with consideration for any existing and relevant strategic level Needs Assessment for the area. Guidance on the appropriate approach and methodology for a Needs Assessment is provided within these Implementation Guidelines.

The Needs Assessment should consider and assess the demand for all residential and **activity centre uses**.

4. GUIDANCE ON SPECIFIC ACTIVITY CENTRE ISSUES

4.1 DEFINING ACTIVITY CENTRE BOUNDARIES

Local planning strategies, local planning schemes, district structure plans and local-scale standard and precinct structure plans should identify the indicative boundaries of activity centres in both established and new urban areas. The extent of each activity centre should be identified by a spatial boundary in a standard or precinct structure plan or local development plan as agreed with the responsible authority, and considering the range of factors contained in the *SPP 7.2 Design Guidelines*.

4.2 CHANGES TO THE HIERARCHY AND NEW ACTIVITY CENTRES

Change to the activity centre hierarchy can occur:

- if identified within an endorsed local planning strategy and
- based on a determination by the Western Australian Planning Commission (WAPC).

The hierarchical level of the activity centre will be determined by the needs of the area balanced against the impact of the proposed activity centre on existing and planned activity centres within the hierarchy and the proposed functions of the activity centre in line with SPP 4.2.

Where a new activity centre or amendment to the hierarchy is proposed to accommodate **major development** of an **activity centre use**, an Impact Test will be required to determine if the impact on existing activity centres is acceptable.

4.3 ACTIVITY CENTRE DEVELOPMENT PROPOSALS

Development applications should be considered and determined in accordance with:

- an endorsed standard or precinct structure plan (where relevant)
- the Local Planning Scheme
- Regional Planning Scheme (where relevant)
- the assessment requirements outlined in Section 7.3 of SPP 4.2.

The Impact Test may be required for development proposals that meet the criteria outlined in section 7.9 of SPP 4.2.

Interim or staged development directed to activity centres must not prejudice the ultimate vision for the activity centre.

4.4 DIVERSITY OF LAND USES

To support a diversity of employment opportunities, services and activities within activity centres, the following diversity ratio should be used by decision-makers as a guide to plan for an appropriate mix of non-residential land uses within an activity centre in addition to shop/retail uses.



Table 1: Diversity ratio

	Ratio of shop/retail floorspace to other non-residential land uses
Perth Capital City and Bunbury CBD	N/A
Strategic and secondary activity centres (excluding Bunbury CBD)	1:1
District activity centres	2:1
Neighbourhood and local activity centres	N/A

4.5 STAGING OF EMPLOYMENT AND DENSITY TARGETS

The challenges of achieving higher residential density and employment targets in new and emerging activity centres is acknowledged. Setting minimum density targets for new and emerging activity centres has the potential to sterilise the development of land where the market does not support those minimum targets in the short-medium term.

The staging of residential density and employment targets for new and emerging activity centres is supported. An acceptable approach is to implement:

- 'initial/interim' density and employment targets, to be achieved within 10 years of the approval of the precinct structure plan
- ultimate density targets, to be achieved through a review of the precinct structure plan following 10 years of the Precinct Plan implementation (or another timeframe as approved by the WAPC).

4.6 BULKY GOODS/LARGE FORMAT RETAIL PRECINCTS

Bulky goods and large format retail must be considered and planned at all levels of the planning framework to ensure that the opportunities for this land use are maximised, while the impacts of this land use on the activity centre network and policy objectives are managed.

The preferred location of bulky goods/large format retail is in precincts on the periphery of activity centres and the regional road and public transport networks. This assists in maximising the use of infrastructure, including the shared use of car parking; limiting the number of car trips; and economically supporting other activity centre businesses. The design of bulky goods/large format precincts must provide for a comfortable walkable environment for all users and not prohibit future redevelopment of the precinct for transitioning other uses over time.

The encroachment of bulky goods/large format retail into residential and industrial zones should be avoided. Locating bulky goods retail in an ad hoc manner or as ribbon development along regional roads is discouraged.

Where relevant, bulky goods/large format retail must be considered within Needs Assessments and sufficient land allocated in appropriate locations for this use.

4.7 SUPERMARKETS

Supermarkets are major generators of travel and can be important anchors for many activity centres, particularly at the local, neighbourhood and district level of the hierarchy.

The planning and location of supermarkets should support the established and planned activity centre hierarchy. When assessing proposals for supermarkets, decision-makers should consider the appropriate zoning in the local planning scheme, efficient and equitable access to services by the community and availability of land within existing activity centres.

Supermarket proposals should prepare and implement travel plans and parking supply & management plans and must provide for a comfortable walking and cycling environment.



5. IMPACT TEST

5.1 PURPOSE OF THE IMPACT TEST

The Impact Test replaces the Retail Sustainability assessment process established in the 2010 gazetted version of SPP 4.2. The purpose of the test is to ensure that major development proposals align with the objectives of SPP 4.2.

Specifically, the Impact Test will ensure major development proposals will not unreasonably impact upon the activity centre hierarchy, result in loss of services to the community and/or impact upon existing, committed and planned public and private infrastructure investment.

5.2 WHEN THE IMPACT TEST IS REQUIRED

The Impact Test only applies to **major development** or **out of centre development** (see clause 7.10) as outlined in SPP 4.2 and shall be prepared to support the precinct planning or development application process for such proposals.

5.3 PROPORTIONALITY

The detail provided in the Impact Test should be appropriate to the scale and context of the proposal, drawing on existing information where possible.

Applicants and local and State planning authorities should seek to agree the scope, key impacts for assessment, and level of detail required in advance of applications being submitted.

5.4 IMPACT TEST REQUIREMENTS

The Impact Test shall assess the potential impact of a proposal on existing and planned activity centres in the locality, considering:

- the supportable retail floorspace for an appropriate service population
- an assessment of the costs imposed on public authorities by the proposed development, including the implications for and optimal use of public infrastructure and services provided or planned in the locality and
- The overall costs and benefits of the proposal, considering the objectives and requirements of SPP 4.2.

The impact must be assessed in relation to all activity centres that may be affected, which are not necessarily just those closest to the proposal and may be in neighbouring local government areas. The extent of activity centres considered should be proportionate to the development proposal.

The impact on an activity centre is defined as the potential loss of services and any associated detriment to the community caused by a proposed development. Competition between businesses in and of itself is not considered a relevant planning consideration. Findings should be expressed in terms of any potential impacts on each affected activity centre.

The methodology, assumptions and data used in the Impact Test must be specified and be appropriate, transparent and verifiable. There is no single model for the Impact Test as each proposal has its unique operational

requirements. However, a template methodology is provided at **Appendix 2** as a guide to assist proponents in the preparation of an Impact Test.

The assumptions and findings of an Impact Test should be validated through an independent peer review. This independent peer review should be overseen by the responsible authority, with costs to be borne by the responsible authority.

5.5 IMPACT TEST ASSESSMENT

The following key considerations should be used to guide the assessment of Impact Tests:

- Is there a demand for additional floorspace, and how does the proposal meet this demand?
- How will the proposed development impact on the role of the activity centre and/or the viability and vibrancy of other activity centres in the hierarchy?
- What are the anticipated benefits to the community?
- Will the proposal contribute to employment?
- Will the proposal contribute to net community benefit?
- Does the proposal adhere to this policy and the planning framework?

A judgement as to whether the likely adverse impacts are significant can only be reached considering local circumstances (such as the role, offering and performance of an activity centre). For example, in areas where there are high levels of vacancy and low patronage, even very modest trade diversion from a new development may lead to significant adverse impacts.



The following impact percentages for retail turnover are provided as a general guide and should not be used as the only indicator of acceptability of a proposal:

Turnover Impact (%)	Level of impact
Less than 5%	Minor/insignificant
5.1% to 9.99%	Moderate
10% and above	Significant

Note: TAHLAND PTD AND WAPC [2008] WASAT 227; DR 318 of 2009 Goldrange PTY LTD v WAPC – Decision 17 August 2011

Where there is a moderate or significant impact identified in the Impact Test, the proposal should indicate how the development will deliver net **community benefit** and support the objectives of SPP 4.2.

The impact for non-retail uses may not be easily quantifiable. A qualitative assessment of impacts on other activity centres may suffice for these proposals.

The assumptions and findings of the Impact Test may be subject to an independent assessment at the discretion of the decision maker.

5.6 COMMUNITY BENEFIT

Community benefit is the public good that a proposal delivers as indicated by (but not limited to) the following:

Productivity

Contribute to increasing and/or diversifying employment and the local economy.

- Does the proposal provide new jobs in addition to any that may be lost elsewhere net additional jobs?
- Does the proposal contribute to diversifying local jobs creating more strategic employment versus population-driven employment?

Quality of life

Provide new, or improve on existing services that could improve quality of life for community members.

- Does the proposal include land uses such as healthcare, education and community facilities?
- Does the proposal provide additional, or improve on existing public open space?

Environmental sustainability

Contribute to a sustainable urban environment.

- Does the proposal contribute to improved air and water quality – such as incorporating enhanced water sensitive urban design, or walking and cycling infrastructure that reduces emissions from vehicles?
- Does the proposal protect remnant vegetation or contribute to improving the urban tree canopy?

 Does the proposal help reduce energy consumption and emissions – for example through sustainable construction methods and/or incorporating renewable energy systems?

Infrastructure development

Provide needed, or improve on existing infrastructure.

- Does the proposal include new, or improvements to existing transport infrastructure that increases access and helps manage congestion?
- Does the proposal include enhancements to utilities that benefit the local area?
- Does the proposal contribute to infrastructure for recreation purposes?

Equity and social inclusion

Contribute towards the creation of equitable communities.

 Does the proposal have the potential to improve access to economic opportunity for minority and vulnerable groups?



6 METHODOLOGY CHECKLIST

The following provides a checklist to the relevant considerations in the planning of activity centres:

-	gional and district planning
	Identify activity centre hierarchy in accordance with SPP 4.2
	Identify targets for employment self-sufficiency and dwellings (Perth and Peel regions only)
	Identify activity centre and zone according to hierarchy (region planning schemes)
Loc	cal planning strategy
	Identify activity centre locations and hierarchy in accordance with SPP 4.2
	Needs Assessment completed where relevant and approved by the WAPC and, for the Perth and Peel regions, demonstrate contribution to the dwelling and self-sufficiency targets from Perth and Peel @3.5million (or other relevant regional or sub-regional planning frameworks)
	Allocate retail/commercial floorspace amounts from the Needs Assessment to activity centres or pre-identified precincts as appropriate
	Identify the walkable catchments for the activity centres and include a range of dwelling targets within these walkable catchments
	Define employment locations and job targets for activity centres, consistent with the sub-regional targets within the Perth and Peel regions
Loc	cal planning scheme review / amendments
	Reflect the approved Local Planning Strategy and Needs Assessment completed and, for the Perth and Peel regions, demonstrate contribution to the dwelling and self-sufficiency targets from Perth and Peel @3.5million
	Include the standardised zones and land use definitions from the Planning and Development (Local Planning Schemes) Regulations 2015 as it applies to activity centres
	Restrict offices and commercial uses within industrial zones to incidental only
	Apply R-Codes within walkable catchments to meet the density requirements outlined in the Needs Assessment
	Identify bulky goods/large format retail precincts as 'Service Commercial' and provide clauses requiring Local Development Plans
Nei	ghbourhood and/or precinct structure planning
	Prepared for activity centres identified in SPP 4.2
	Reflect the approved Local Planning Strategy and Needs Assessment completed, where relevant
	Provides sufficient land in accordance with the Needs Assessment and, for the Perth and Peel regions, demonstrate contribution to the dwelling and self-sufficiency targets from Perth and Peel @3.5million (or other relevant regional or sub-regional planning frameworks)
	Prepared in accordance with the Planning and Development (Local Planning Schemes) Regulations 2015
	Plans prepared in accordance with the requirements of SPP 7.2 Precinct Design or SPP 7.1 Neighbourhood Design
	Plans appropriate to activity centre classification and meets the objectives and requirements of SPP 4.2



APPENDIX 1 – SCOPE AND METHODOLOGY FOR NEEDS ASSESSMENT

The need for activity centre uses refers to the scale and mix of residential and non-residential uses likely to be needed within a catchment area over the plan period (10 years for Precinct Structure Plans). The assessment should measure demand for the area and identify the scale of supply necessary to appropriately accommodate this demand in square metres Net Lettable Area (NLA).

The scale and detail of the assessment should be commensurate with the planning process or proposal being considered. Only future scenarios that could be reasonably expected to occur should be considered.

The assessment of need must be based on facts and unbiased evidence. The methodology used must be transparent and verifiable.

Inputs

Verifiable data sources must be provided with preference given to publicly available and transparent data sets (e.g. Australian Bureau of Statistics, Land Use and Employment Survey). Data sources used must be justified.

The needs assessment should include an estimate of current supply of activity centre uses and historical and forecast population.

Methodology

The following table provides a guide on what could be included in a Needs Assessment.

- 1. Purpose and objectives
- 2. Study parameters:
- a) Define study area
- b) Identify study period (10 years for a Precinct Structure Plan or Structure Plan; 15 years for a Local Planning Strategy)
- c) Define activity centre uses to be assessed by study
- 3. Review drivers of floorspace, including:
 - a) Historical and forecast population growth and its socio-economic characteristics
 - b) Employment growth
 - c) Visitor growth
 - d) Existing infrastructure
 - e) Infrastructure investment
 - f) Government policy including centre policy and hierarchy
 - g) Changing expenditure patterns
 - h) Technological influences impacting floorspace demand
 - i) New product and services growth
- 4. Property market profile:
- a) Rents current and rental growth
- b) Sale prices current and price growth
- c) Vacancy current and historical
- d) Yields current and historical
- 5. Floorspace supply for the relevant study area and not just the immediate local government area current, in development, and planned in terms of:
- a) Scale land area, gross floor area
- b) Location
- c) Type zoning, lot size
- d) Occupancy proportion vacant vs occupied
- e) Land use constraints including heritage, natural, man-made, incompatible surrounding land uses, others as relevant
- 6. Floorspace demand for the relevant region:
 - a) Historical consumption rates site area, NLA
 - b) Employment projections by industry sector with particular focus on relevant activity centre-based sectors
- 7. Net demand assessment:
- a) Overall LGA net floorspace demand by 5-year intervals
- b) Activity centre/market net floorspace demand
- c) Identification of risk factors, issues and opportunities
- 8. Land use development options:
- a) Base case (business as usual)
- b) High growth scenario
- c) Low growth scenario



APPENDIX 2 – SCOPE AND METHODOLOGY FOR IMPACT TEST

The Impact Test should be undertaken in a proportionate and locally-appropriate way, drawing on existing information where possible. Applicants and local planning authorities should seek to agree the scope, key impacts for assessment, and level of detail required in advance of applications being submitted.

Approach

Verifiable and current data sources must be provided with preference given to publicly available and transparent data sets (e.g. Australian Bureau of Statistics, Land Use and Employment Survey). Data sources used must be justified.

The impact year for impact testing should be selected to represent the year when the proposal has achieved a 'mature' trading pattern. This is conventionally taken as the second full calendar year of trading after opening of each phase of a new retail development, but it may take longer for some developments to become established. If the mature trading pattern is deemed to be more than two years, then impact assessment should be undertaken for multiple time periods (e.g. year two and year five).

The Impact Test must provide a short description of the model and methodology used. All assumptions are to be clearly articulated.

Impacts

A critical output from the modelling process is an estimate of the impact of the proposal on existing and planned activity centres.

For retail proposals, the Impact Test should include the supply of retail floorspace (present period and over a defined future time period – minimum five years) within relevant activity centres and the retail turnover estimates for each activity centre for the base year and impact test year/s. An estimate of the retail turnover for each relevant activity centre should be identified for the following scenarios:

- without the proposed activity centre and
- with the new activity centre(s) assumed to be developed (or expanded).

The differences between the 'without' and 'with' scenario is the turnover impact for each activity centre.

The turnover impact of the proposal should be assessed and deemed to have an acceptable impact on the viability of surrounding activity centres. This assessment should consider:

- the current and expected turn-over and role of relevant activity centres
- impact to services to the local community
- impact to planned and existing public and private infrastructure

- impact to the activity centre hierarchy.
- employment generation (or loss) during operation
- impact on choice and availability of goods and services
- impact on overall levels of vibrancy and sustainability of activity centres
- contribution to levels of walking and cycling and public transport use
- contribution to liveability, social interaction, and other community-related goals and
- contribution to other objectives/outcomes noted in SPP 4.2.

For non-retail land uses, the assessment should quantitatively (where relevant) and qualitatively assess the above considerations.

When quantifying community benefit, the assessment should detail:

What benefit will occur and how important the benefit will be?

- Utilising the five community benefit indicators, detail what benefit will occur as a result of the proposed development.
- Wherever possible use existing data and standards to measure the size of the benefit and how important it will be to stakeholders

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Who in the community are expected to experience the benefit?

- Identify the stakeholders who will be likely to experience the benefit customers and employees, the local community, different socio-economic groups.
- Define the geographic boundary where the stakeholders experience the benefit – the site, the surrounding suburbs, the local government.

How much benefit is expected?

- Estimate how many individuals are expected to experience the benefit.
- Describe the degree of change expected due to the benefit.
- Determine the expected duration for which stakeholders are expected to experience the benefit.

Conclusions

An executive summary should provide a comparison of the impact and benefit of the proposal to determine acceptability of the proposal in accordance with the requirements of SPP 4.2 and these Guidelines.

Impact Test checklist

Element	Items or data required – source references must be provided		
Impact Test is required	Proposal requires an Impact Test under the SPP 4.2 requirements		
Location of proposed development	Contextual description of the proposed development and location with supporting maps, identifying if Out-of-Centre, In-Centre development or new activity centre		
Size of the proposed development	A measure of the change in the net lettable area (NLA) of the retail space		
	Definition of trade area (including primary trade area and any secondary and tertiary trade areas)		
Tuesda accessorances	Estimated historical and forecast population of the trade area		
Trade area proposal	Overview of trade area resident attributes and implications for floorspace need and spending estimates		
	Supporting maps of trade area		
Number, size, description and location of other existing and planned activity centres in the region	Description, size (NLA), turnover, position in hierarchy, location, performance and any other relevant factors		
Trade area expenditure	Estimated historical and forecast expenditure of the trade area using latest ABS Household Expenditure Survey or other reliable source		
Activity centre turnover/floorspace productivity	Average annual sales turnover (aggregate and per m2) for the proposed development and/or activity centre pre-and post-development proposal		
Methodology	Recognised methodology and justification for approach provided		
Impact assessment/community benefit test	Logical, sound impact assessment covering impact assessment considerations noted in SPP 4.2 and these Guidelines		

STATE PLANNING POLICY 4.2 ACTIVITY CENTRES

ISSUES PAPER

AUGUST 2020

1. INTRODUCTION

On 31 May 2016 the WAPC resolved to review State Planning Policy 4.2 Activity Centres for Perth and Peel (SPP 4.2). The review sought to ensure that the policy is current, relevant and implementable. The intention was to conduct a targeted review, focussed on implementation of the policy and provide a succinct policy that aligns with modern State Planning Policies.

Since May 2016, further research and workshops with stakeholders from consultants, industry, local government, and Department of Planning, Lands and Heritage (Department) were conducted to further define the key issues related to the policy to inform the review. A summary of these key issues and proposed actions was noted by the WAPC on 23 August 2017.

From late 2017, the progression of the review of SPP 4.2 was interrupted as other government priorities were progressed, most notably, *Perth and Peel @ 3.5 Million*, the *Design WA* policy suite and METRONET. Since early 2019 however, limited resources have been devoted to the continued review of the policy and a draft SPP 4.2 and Implementation Guidelines has been prepared for consent to formally advertise for public comment.

This document:

- outlines the process of review of SPP 4.2 to date, which has included:
 - technical consultancies
 - desktop research
 - analysis of equivalent policies in other jurisdictions; and
 - stakeholder consultation
- details recommended amendments to the policy and associated materials.

The key objectives of the review and amendment of SPP 4.2 are to:

- conduct a targeted review of SPP
 4.2 focussing on implementation issues identified through stakeholder consultation
- simplify and streamline the policy

- align the policy to current SPPs, particularly the Design WA policy suite.
- expand the scope of SPP 4.2 to areas outside of Perth and Peel.

It should be noted that a review of the activity centre hierarchy was not included as part of this review.

2. BACKGROUND

Activity centres within cities and towns are a focus for enterprises, services, shopping, employment and social interaction. They are where people meet, relax, work and often live. Usually well-served by transport networks, they range in size and intensity of use from local shopping centres to traditional town centres to strategic metropolitan centres or regional centres. An activity centre generally has higher intensity uses at its central core with smaller street blocks and a higher density of streets and lots. The structure of activity centres should allow for higher intensity development, street frontage exposure for display and pedestrian access to facilities.

The purpose of an activity centre policy is to establish the State Planning Framework which enable centres to meet these objectives across local governments. Across Australia and globally, centres policies typically achieve this by establishing centre hierarchies, actively managing those hierarchies through tools such as strategic planning, centre planning and determining use and development applications, and managing retail proposals via Retail Sustainability Assessments (or similar tools). Multiple states across Australia also provide design guidance to assist local governments and proponents in delivering vibrant centres where people and businesses want to locate.

3. KEY ISSUES

A number of issues have been raised by stakeholders over the years.

A. PRECINCT AND NEIGHBOURHOOD DESIGN POLICIES AND SPP 4.2

It is intended that the Precinct Design and Neighbourhood Design (previously Liveable Neighbourhoods) policies will provide the design related policy provisions and requirements for activity centres in greenfield and infill locations. To reflect this, SPP 4.2 has been reviewed to exclude the Model Centre Framework (MCF) and provisions related to the design of centres.

B. STATEWIDE APPLICATION OF THE POLICY

The WAPC requested investigation of the policy's applicability to the entire state. In response to this, work has been undertaken to determine the most appropriate application of the policy across all regions of the State to ensure that the policy measures applied are appropriate to context. This includes:

- review of the existing SPP 4.2 and
 Greater Bunbury Activity Centres Policy
 hierarchies and comparison with the State
 Planning Strategy and Regional Planning
 and Infrastructure Frameworks for each
 region
- consultation with the regional divisions of DPLH to determine appropriate classifications and measures within the regions
- review of other regulatory approaches and measures for regional activity centres
- assessment of options for incorporating other regions of the State within SPP 4.2.

Through this work, the following key issues were identified:

 activity centre hierarchies are currently defined across multiple WAPC documents, including SPP 4.2, the Activity Centres for Greater Bunbury Policy, the State Planning Strategy and eight Regional Planning and Infrastructure Frameworks

- there is significant variation in population catchments and concentration, and economic and employment conditions across the different regions
- the appropriateness of applying the existing activity centre SPP4.2 hierarchy classifications, performance measures and policy requirements beyond the Perth, Peel, Greater Bunbury areas therefore need to be considered within the context of each region and applied accordingly
- need to protect primacy of regional centres
- need to protect infrastructure investment and maximise use of infrastructure.

Recommendation:

Based on assessment of the issues and in consultation with the regional teams, it is recommended that SPP 4.2 is amended to include the Greater Bunbury Region Scheme Area. The policy would apply to the Metropolitan (Perth), Peel and Greater Bunbury Region Schemes. The objectives and measures of this policy may be applied in other areas outside the abovementioned regions, as applicable, guiding the preparation and review of local planning proposals.

It is important to note that the Greater Bunbury Activity Centre policy, which has been largely based on SPP 4.2 will be replaced by the revised activity centre policy upon gazettal.

C. BULKY GOODS RETAIL/LARGE FORMAT RETAIL

Bulky goods retail is a retail format type that has not traditionally fit within typical retail centres. Bulky goods retail refers to the merchandising of cumbersome items, i.e. white goods. The goods are usually sold from warehouse style buildings in industrial areas with large floor plates conducive to purchase and immediate transportation by car. This type of retail format is increasing in popularity due to its ability to provide for lower priced goods for consumption and is moving from the sale of purely 'bulky' items to smaller scale, everyday necessities such as pharmaceuticals.

Work has been undertaken to determine the key issues and prospective solutions for the treatment of bulky goods within SPP 4.2 or other mechanism. This includes:

- Analysis of how bulky goods/large format retail proposals are currently processed within the WA planning framework.
- Analysis of gaps and issues in the treatment of bulky goods retail within SPP4.2.
- Review of other regulatory approaches and measures for bulky goods from other States and internationally.
- Identification of potential solutions to the treatment of bulky goods retail.
- Consultation with key stakeholders, including the Shopping Centre Council of Australia and the Large Format Retail Association.

Bulky goods retailing has been considered through the lens of the retail typologies impacts to activity centres and the capacity of this type of retail to meet the objectives of the policy. Based on this assessment, the following issues have been identified:

 The use typically requires large floor plates which make it difficult to locate in established centres without changing the scale of the format or requiring ownership and/or amalgamation of multiple lots to provide for the use.

- This use locates in out of centre locations resulting in a loss of people and spending within established centres and maintaining a need for private vehicle trips to access goods.
- The use is large scale, low employment density and car dependent which conflicts with the intent and objectives of SPP 4.2.
- There is pressure from the sector to provide for food and clothing retail, plus food and beverage options within bulky goods retail areas.
- In contrast, bulky goods retailing does provide opportunities within activity centre planning, as the larger floor plates provide an opportunity for 'land banking' by transitioning the bulky goods land uses to smaller scale, higher intensity uses over time. The use also provides opportunities for transitioning zones and uses with a higher external impact, such as industrial, towards more urban uses.
- Bulky goods retailing has benefitted from inconsistent land use definitions and zoning permissibility's across local government areas to be able to locate out of centre, along major regional roads and industrial areas.
- Bulky goods retailing is also not held to the same planning regulatory requirements as traditional retail. For example, bulky goods retailers are typically not subject to activity centre plan requirements or retail needs/retail sustainability assessments.
- Requests for recognition of bulky goods corridors within the centre policy.
- Bulky goods retailing is able to pass on lower prices to the customer as a result of low land acquisition and development costs.
- As with all retail formats, the sector is significantly evolving and subject to disruption by online providers. The final impacts of this technological change on the retail industry and its associated land use impacts remains an unknown.

Other State and International practice:

The existing approach within SPP 4.2 is consistent with other states and international practice.

The United Kingdom (UK) provides a sequential preference for the location of bulky goods within activity centres or when it is not realistic for bulky goods outlets to be in centres, located in one or two regional clusters to help moderate travel demand and allow for public transport accessibility. Existing clusters are then reinforced or if justified, new clusters provided in areas that would indirectly support major centres and link to public transport corridors.

New South Wales applies a similar sequential approach as the UK to the location of bulky goods via their 'Integrating Land and Transport' policy 2001. Victoria also applies a sequential approach and provided interim Design Guidelines for Large Format Retail Premises have been created to assist investors, designers, planners and councils to produce premises that respond better to settings, customers and the environment. The Guidelines apply to bulky goods showroom developments in or at the edge of centres, the design of new centres with this use incorporated, as well as trade supplies premises.

Neither the UK, New South Wales or Victoria provide separate State Planning Policies (or similar document) solely on the location and requirements for bulky goods retailing.

Recommendation:

Based on the research and consultation undertaken, limited changes to the policy are proposed.

- Reinforcing the prior SPP 4.2 and PP3.5M policy position that contiguous linear or ribbon development of commercial activities beyond activity centres should be avoided.
- The policy should advocate for strategic planning to consider bulky goods retail to ensure that the RNA considers this format and identifies sufficient land for this use in appropriate locations.
- Advocate for the use of 'bulky goods precincts' that are properly identified within strategic plans, and planned to allow for good design, walkability and development of these areas.

D. RETAIL NEEDS ASSESSMENTS AND RETAIL SUSTAINABILITY ASSESSMENTS

Significant consultation has occurred with stakeholders since 2010 to provide insight to the issues with SPP 4.2 and RSAs, including three surveys, multiple workshops and targeted consultation with local government, industry, developers and consultants. In addition, two reports were produced by consultants that consider RSAs in 2015 and 2017.

The format and use of Retail Sustainability Assessments (RSAs) in the preparation and assessment of retail proposals within activity centres has been consistently raised by stakeholders as an issue with SPP 4.2 since 2010. Some economic consultants have called for the abolition of RSAs, while planners and industry have generally sought further guidance and refinement of the RSA policy requirements.

In addition to consultation, the Department of Planning, Lands and Heritage (DPLH) has completed:

- an analysis of how retail proposals are currently processed within the WA planning framework;
- a review of the gaps and issues in the treatment of retail sustainability assessment within SPP4.2; and
- review of other regulatory approaches and measures for retail from other States and internationally.

Retail needs assessment

As part of the Local Planning Strategy process, Local Governments are required to produce an assessment of the "projected retail needs of communities in a local government area and its surrounds". The Retail Needs Assessment (RNA) assists the strategic planning document by assessing the projected demands of the local government area and its surrounds, and shows the estimated retail need and indicative distribution of floorspace across the activity centres in the local government area. The policy requires that this distribution also be consistent with activity centre hierarchy. The RNA and Local Planning Strategy then guide the preparation

and assessment of Activity Centre Plans and Structure Plans.

If an RNA has not been completed at the Local Planning Strategy level, it can be completed with Activity Centre Plans and Structure Plans.

The intention of the RNA is to provide the local government with a mechanism for defining their retail needs based on the strategic objectives and projections for their local government area, rather than a "top-down" State-mandated approach. It provides a mechanism for the local government to pre-identify areas for development and for developers and proponents to respond with proposals in accordance with the strategic plan proposals.

Pre-identification of these areas and developments also provides a mechanism for State and local governments to forward plan their investments within the area.

In two separate reports produced in 2011, the Productivity Commission advocated for a strategic approach to retail planning and assessment in Australia to allow for competition in the sector. Importantly, the Productivity Commission also recognised that competition should not be restricted unless it can be demonstrated that the benefits of the restriction to the community as a whole outweigh the costs and the objectives can only be achieved by restricting the competition. The system provided for in SPP 4.2 meets these requirements by providing the strategic RNA approach, and utilising RSAs to determine impact and benefits of a proposal when the strategic approach is not present or available.

Recommendation:

Retain the RNA requirement and reinforce that these should be undertaken at the local planning strategy stage. Provide guidance for undertaking the assessment.

Retail Sustainability Assessment

A Retail Sustainability Assessment (RSA) assesses the potential economic and related effects of a significant retail expansion on the network of activity centres in a locality. It addresses such effects from a local community access or benefits perspective. It is limited to considering potential loss of services and any detriment caused by a proposed development. The policy specifically states that competition between businesses itself is not considered a relevant planning consideration.

It is important to note that industry has generally advised that they complete a retail assessment to determine the viability of a proposal for their own internal use prior to lodging or developing proposals.

The RSA is a tool for proponents to demonstrate, and approval authorities to assess, whether the retail proposal is likely to:

- undermine the activity centre hierarchy or the policy objectives
- result in a deterioration in the level of service to the local community or undermine public investments in infrastructure and services; or
- unreasonably affect the amenity of the locality through traffic or other impacts.

If the proposal demonstrates an unacceptable impact on any or all of these three points, outlined in section 6 of SPP 4.2, then the responsible authority should not support the proposal.

The RSA provides a mechanism for considering the proposal on its merits, rather than an immediate refusal as it does not align to proper and orderly planning. In simple terms, RSAs are required when the proposal is large in terms of floorspace, unplanned, or over and above what has been planned, specifically:

Large – proposals that are classified as "major development" meaning 5,000m2 nla shop-retail floorspace expansion or 10,000m2 total nla shop-retail floorspace for secondary, district or specialised centres; or 3,000m2 expansion or 6,000m2 total nla shop-retail floorspace

provided for neighbourhood centres requires an RSA.

Note: 5,000m2 is the equivalent size of Forrest Chase from Murray Street Mall to Wellington Street. A typical new supermarket development proposal is 3,500m2 – 4,000m2 minimum.

Unplanned - if a proposal is in accordance with an RNA or no RNA has been prepared then an RSA is not required.

Over and above what has been planned – if an RNA is in place, then an RSA is only required where the proposal is a significant increase from the shop-retail floorspace that has been proposed.

RSAs are not required for:

 Proposals that are substantially located within the walkable catchment of a passenger rail station and the scale and impact of the proposal is appropriate.

Reason: The State government is seeking to maximise investment around rail stations to boost ridership of transit infrastructure and encourage transit oriented development outcomes. Activity at stations also brings a safety element to both the public transport and centre itself with more eyes on the street.

 Proposals located in Perth Capital City or Strategic Metropolitan Centres.

Reason: The State Government is seeking to facilitate investment within major centres servicing regional scale populations.

Other state practice

A desktop review shows that other Australian states and cities include planning assessments similar to RSAs with a stronger emphasis on the non-economic impacts and focus on environmental, community and social impacts when assessing development applications for new retail development and expansion. The level of information provided by the State or Local Governments to proponents and assessors varies.

The RSA provides a formalised mechanism for assessment of large proposals that have not been planned for to date. While the RNA should remain the mandated preference for a strategic approach, the RSA provides a mechanism for proponents to demonstrate acceptability of the proposal.

Recommendation:

Based on the review and work undertaken, it is proposed to retain RSAs as a valid planning tool for assessing the impact of a proposal, but broaden the scope of RSAs to provide for assessment of other types of activity centre uses beyond just retail.

The policy has been reviewed to clarify the requirements for when an RSA is required, and reinforce the scope of the assessment as needing to consider community benefits, impact to infrastructure and impact to activity centre hierarchy. This should assist significantly in addressing the implementation issues regarding RSAs.

Change the name of RSA to Impact Test to provide a clear statement that the intention of the assessment is to ultimately determine the impact of the proposal to the community, provide an opportunity for proponents to ameliorate these impacts through demonstration of net community benefit, and not demonstrate the viability of the proposal itself.

The nature of modelling

Models by their nature are a means of simulating real life situations to forecast future behaviours. These behaviours and changes are then assessed to determine impact and outcomes. Models are built upon a data set within a particular space and time and then extrapolated out to another space and time using a series of assumptions and variables to augment the result.

Accuracy of a model can be checked by ensuring the data sets used are accurate and the assumptions appropriate. The ability to replicate a model is critical in being able to provide this peer review function also. The ultimate test of

the accuracy of a model is by comparing the models forecast against the actual result. Due to models forecasting future behaviour, this requires ongoing monitoring and evaluation over time and is not possible within the timeframes of a planning assessment or SAT hearing.

Due to this fact, modelling can and will likely remain a highly contested field. The need for specialist skills and knowledge and prospect of multiple iterations of a model also means it can be a costly and onerous exercise for the proponent and/or responsible authority.

Findings:

In 2015 consultants undertook an assessment of four RSAs across the Perth Metropolitan area on behalf of the Department. This analysis reviewed the appropriateness of the RSA modelling and assessed how effectively RSAs have achieved their stated aims and objectives. All four RSAs were accepted and the related proposal approved by the WAPC.

The study found that all four RSAs were "relatively accurate in their forecasts suggesting appropriate assumption choice and use. For the majority there was no evidence of any unforeseen major or destructive impacts that had adverse impacts on the activity centre network". In conclusion, there was no evidence that these RSAs has been used irresponsibly by industry to the detriment of the community.

The study also stated that a common theme across all stakeholders was that more guidance and consistency is required to make the application of RSAs more efficient and effective.

This study provides a counter-argument to the inaccuracies of RSA models. However, there is a clear need to establish guidance on the expectations of the modelling to assist both proponents and planning authorities in the preparation and assessment of the documents. This may go some way in reducing the cost and time implications for RSAs.

Recommendation:

Provide Guidelines for the preparation and assessment of RSAs with the objective of eliminating poor practice and misuse of the tool.

E. TRANSPORT AND PARKING

The 2010 policy includes objectives for creating an urban form that facilitates and prioritises walking, cycling and public transport usage, providing for a range of transport modes and minimising private vehicle trips. The policy then outlines provisions for achieving this including management of parking, encouraging the use of reciprocal use arrangements and setting upper limits to cap parking in centres and designing centres in line with transit oriented development principles. The policy also sets minimum parking supply requirements and requirements for parking location, access and design.

Feedback from stakeholders has outlined the following key issues for achieving the policy objectives and requirements in relation to transport and parking:

- Multiple agencies and individual local governments providing conflicting advice and approvals for transport and parking in centres, including changing requirements for modelling resulting in multiple models being reproduced.
- Difficulty in achieving an urban form and streetscape that prioritises walking, cycling and public transport on roads and intersections under control of Main Roads.
- Difficulty in determining where a public transit stop will be located or its final design and integration into the urban fabric as it is under the control of the Public Transport Authority.
- Parking levy for transit supply (like the Perth Parking legislation) identified as an opportunity for other centres to achieve public transport delivery and managing parking access.
- The policy advocates for establishing parking caps but sets minimum standards.
- Local Planning Schemes and other mechanisms establish requirements for

- minimum parking supply that can inhibit capacity to achieve the objectives of the policy.
- Multiple guidelines and materials produced by Department of Transport for supply and management of parking within shopping centres and activity centres.

Regarding the issues above, while the multiple agencies and conflicting advice has been identified as a consistent issue for achieving the objectives of the policy, this is beyond the scope of a single policy review. It is understood that this is a well-reported issue and further consideration of how to resolve this issue may be considered.

To resolve issues directly influenced or controlled via SPP 4.2 it is proposed to:

- Provide high-level guidance on transport and parking in SPP 4.2.
- Removing the minimum parking requirements and replace with a more flexible model of parking supply and management via the use of Parking Caps and Management Plans for large centres.
- Refer to more detailed guidance on the design of transport and parking in SPP 7.2 Precinct Design.

	State Planning Policy 4.2 Activity Centres for Perth and Peel (2010)	Draft State Planning Policy 4.2 Activity Centres (2020)
Application of the policy within Western Australian regions	Perth and Peel regions	Perth, Peel and Greater Bunbury regions. The objectives and measures of the policy may be applied (at the discretion of the WAPC) in areas outside the abovementioned regions, as applicable, guiding the preparation and review of local planning proposals.
Policy objectives	Nine policy objectives grouped around five themes of activity centre hierarchy, activity, movement, urban form and out-of-centre development.	Three high-level policy objectives combined with eight policy outcomes that specify the role of planning and development in contributing to the overall objectives of the policy.
Activity centre hierarchy	Perth and Peel regions, and subsequent activity centres.	Inclusion of Greater Bunbury region and subsequent activity centres.
Specialised centres	Primary functions of the specialised centres outlined in Table 1	Main role and typical attributes of specialised centres outlined in Appendix 1
Activity centre functions and characteristics	Table 3 identifies the main role of each activity centre, including the typical retail types, office development and suitable transport infrastructure.	Renamed to 'Activity centre functions and land use guidance'. Removes typical retail types, office development and suitable transport infrastructure. Provides a more flexible guide for future retail practices.

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Activity centre density targets	Classification	Minimum	Desirable	Classification	Target
	Perth Capital City	N/A	N/A	Capital City	N/A
	Strategic	30	45	Strategic Centres	50+
	Metropolitan Centres			Secondary Centres	40+
	Secondary Centres	25	35	District Centres	30+
	District Centres	20	30	Specialised Centres	N/A
	Neighbourhood Centres	15	25	Neighbourhood Centres	25+
				Local Centres	25+
Diversity Performance target		Centre size - Shop		Mix of land use percentages replaced with a ratio table, located within the Implementation Guidelines.	
			the centre's total floorspace		Ratio of shop/retail floorspace to other non-residential land
	Perth Capital City	N.	/A		uses
	Strategic	above 100,000m2	50%	Perth Capital City and Bunbury	N/A
	Metropolitan Centres, Secondary and District Centres	above 50,000m2	40%	CBD Strategic and secondary activity centres (excluding Bunbury CBD) District activity centres	
		above 20,000m2	30%		1:1
		above 10,000m2	20%		
		Less than 10,000m2	N/A		2:1
	Neighbourhood Centres	N.	/A	Neighbourhood and local	N/A

activity centres

Retail needs assessment (RNA)	Prior to the implementation of a Local Planning Strategy an RNA is needed to assess the following:	Moved to Implementation Guidelines Appendix 1 – Scope and methodology for needs assessment.	
	 projected demands of the local government area and its surrounds estimated retail need indicative distribution of floorspace across the activity centres within the local government area consistency with the activity centre hierarchy. 	Reinforced RNA through a methodology table which guides RNAs to address the following areas: purpose and objectives; study parameters review drivers of floorspace property market profile floorspace supply floorspace demand for the region net demand assessment land use development options.	
Retail sustainability assessment (RSA)	Addresses the potential economic and related effects of a significant retail expansion on the network of activity centres in the locality. Addresses such effects from a local community access or benefit perspective, and is limited to considering potential loss of services, and any associated detriment caused by a proposed development. Competition between businesses of itself is not considered a relevant planning consideration.	Renamed to 'Impact Test' to outline that the intention of the assessment is to determine the impact of the proposal to the community, not the viability of the proposal. Moved to Implementation Guidelines Appendix 2 – Scope and methodology for impact test. Only required for major development or out of centre development. Impact Test to consider whether the proposal will: impact activity centre hierarchy result in a loss of services to the community; impact upon existing, committed and planned public and private infrastructure. An impact percentage for retail turnover is provided as a general guide.	

Community benefit	No substantial guidance provided.	Guidance provided within the Implementation Guidelines. Proposals are to provide community benefit and are therefore encouraged to: • contribute to increasing and/or diversifying employment and the local economy • provide new, or improve on existing services that could improve quality of life for community members • contribute to a sustainable urban environment • provide needed, or improve on existing infrastructure • contribute towards the creation of equitable communities.
Bulky goods retail/large format retail	Bulky goods/large format retail is considered to be unsuited to the walkable catchment or the core of activity centres due to its size and car-parking requirements, low employment densities and need for freight vehicle access. Locating such development in an ad hoc manner or as ribbon development along regional roads is discouraged. Commonly result in out-of-centre development.	Reinforced the SPP 4.2 and Perth and Peel @3.5million position on bulky goods/large format retail. Bulky goods/large format retail must be considered and planned at all levels of the planning framework to ensure that the opportunities for this land use are maximised, while the impacts are managed. Bulky goods/large format retail must be considered within retail needs assessments and sufficient land should be allocated in appropriate locations. Encouraged to be located in precincts on the periphery of activity centres, and the regional road and public transport networks.
Supermarkets	No substantial guidance provided.	Guidance provided within the Implementation Guidelines. Decision makers are encouraged to consider the appropriate zoning in the local planning scheme, efficient and equitable access to services by the community and availability of land within existing activity centres.

Out-of-centre development	Should generally be located in, or adjacent to, activity centres. Where a proposal cannot be located in the abovementioned area, it should be restricted to established mixed business or equivalent zones with good access to public transport.	Stronger provisions to limit out-of-centre development. An out-of-centre development will require an Impact Test if it is either: contains a floorspace greater 500m2; or considered likely to impact the activity centre hierarchy, in the opinion of the WAPC and in consultation with the local authority.
Model Centre Framework	The Model Centre Framework deals with the principles of design and key considerations related to planning for activity centres in Perth and Peel.	Model Centre Framework removed and replaced with draft State Planning Policy 7.2 Precinct Design.

City of Joondalup - submission on draft SPP4.2

5. Intent and objectives

Do you have any general comments about the intent and objectives of SPP 4.2?

No further comments.

State Planning Policy 4.2 Activity Centres

6. Application of the Policy

Do you have any comments on the application of this policy?

No further comments.

7. Policy outcomes

Do you have any comments on the policy outcomes listed in this policy?

No further comments.

8. Activity Centre function and hierarchy

Do you have any general comments about the activity centre function and hierarchy guidance provided in Section 7.1? (For comments specific to Appendices 1 and 2 please refer to the next two questions)

No further comments.

9. APPENDIX 1: Activity Centre Functions and Land Use Guidance

Do you have any comments specific to Appendix 1: Activity Centre Functions and Land use Guidance?

No further comments.

10. APPENDIX 2: Activity Centre Hierarchy

Do you have any comments specific to Appendix 2: Activity Centre Hierarchy?

No further comments.

11. Requirement for precinct structure plans

Do you have any comments on the guidance provided on the requirement for precinct structure plans and local development plans?

Although precinct structure plans are required prior to major development, the policy allows major development to be considered in the absence of an endorsed precinct structure plan under exceptional circumstances.

Detail is provided on what constitutes exceptional circumstances, however, there is no guidance provided on who decides if the exceptional circumstances are acceptable. It

is recommended the policy include information on whether the decision maker can decide if exceptional circumstances are met, or whether this needs to be decided by the WAPC.

12. Assessment

Do you have any comments on the assessment guidance provided in this policy?

The assessment guidance is vague and provides no specific detail on the assessment of planning instruments such as scheme amendments and precinct structure plans or major development proposals.

The statement that a proposal meets the objectives and outcomes of the policy if it supports the overall precinct design objectives as outlined within the applicable precinct structure plan only applies to precinct structure plans. It does not apply to the assessment of any other type of planning instrument such as a scheme amendment or local planning strategy. The policy should include reference to the assessment of scheme amendments which are often undertaken prior to the development of a precinct structure plan and in the absence of a proposal for major development.

There is no mention regarding the assessment of applications for development approval within an activity centre or where development is not major development but is still within an activity centre. Is it assumed that this is 'minor development' which will have no impact on the activity centre or prejudice future development and this is why it is not covered by the policy.

'Community benefit' is in bold font which appears to indicate that there is an associated definition, however one is not provided in the policy. It is considered appropriate that a definition of community benefit be included.

13. Land uses

Do you have any comments on the guidance provided for land uses in activity centres?

High trip-generating land uses should <u>not</u> be located <u>adjacent</u> to activity centres. This undermines the activity centre and could have an adverse impact on adjoining residential areas. Shops, educational establishments, offices and restaurants should be located within the activity centre as that is the purpose of the activity centre to contain those land uses. It is not appropriate, particularly for smaller scale activity centres for those land uses to be located adjacent to the activity centre.

14. Employment

Do you have any comments on the guidance provided for employment in relation to activity centres?

No further comments.

15. Urban form

Do you have any comments on the guidance provided on urban form?

This does not recognise that most established neighbourhood and local centres, and some district centres, do not have a street network, they are surrounded by streets but have no internal streets or public spaces.

The current SPP 4.2 only applied urban form requirements to district and higher-order centres requiring these centres to incorporate a network of streets and public places recognising that a street network is not practical or necessary for a small local centre.

It is considered the wording should be revised to exclude local and neighbourhood centres from requiring a network of streets and public spaces.

16. Movement and access

Do you have any comments on the movement and access guidance for activity centres?

The maximisation of access to activity centres by walking, cycling and public transport whilst reducing private vehicle trips and parking does not recognise that trips to different activity centres have different purposes. An activity centre that predominantly provides for weekly household shopping needs should not be forced to focus on provision for walking and cycling when most people will do their weekly food shopping by car.

17. Needs Assessment

Do you have any general comments on the Needs Assessment guidance provided in the policy at section 7.8? (For comments on the Needs Assessment methodology please refer to the following section on the Implementation Guidelines)

No further comments.

18. Impact Test

Do you have any comments on the Impact Test guidance provided in the policy at section 7.9? (For comments on the methodology for preparing and assessing an Impact Test please refer to the following section on the Implementation Guidelines)

Where major development is proposed, it is unclear whether an Impact Test would still be required if the proposed overall floorspace for the activity centre remains below the indicative floorspace threshold specified in an endorsed local planning strategy or structure plan.

It is supported that where a structure plan identifies that an activity centre of a certain size (threshold) is appropriate, when it is developed it is not considered major development and does not require an Impact Test.

19. Out of centre developments

Do you have any comments on the guidance provided for out of centre developments?

Is out of centre development different to the development of a new activity centre? If so, the difference between out of centre development and a new activity centre should be explained (ie when does out of centre development become an activity centre).

There is no specific section in the policy regarding the establishment / development of a new activity centre although it is stated in the policy outcomes section that new activity centres should not unreasonably undermine existing centres.

20. Definitions

Do you have any comments on the proposed definitions in the policy?

It is recommended that the definition of activity centre in the policy be expanded to provide additional explanation of what an activity centre is, including reference to potential land uses.

The definition of major development seems to include all non-residential floorspace in the threshold. This is different to the current SPP 4.2 where it is only retail floorspace that is counted towards the definition of major development and hence threshold. This may have an impact on the expansion of a centre and require an Impact Test when previously one was not required, which on balance is likely to be more representative of the impact of the development of the centre.

Most local planning strategies only have a retail floorspace threshold, however, now the definition of major development includes non-retail floorspace, is it expected that local planning strategies be updated to include retail and non-retail floorspace thresholds?

The proposed floorspace threshold for major development is considered to be too low for a new secondary centre, given that it is proposed to be the same as a district centre. It is recommended that the threshold for a new secondary centre be increased to recognise its higher status in the hierarchy.

As indicated earlier, it is recommended that a definition of community benefit be included in the policy as it is referred to but not defined.

State Planning Policy 4.2 Implementation Guidelines

21. How to plan for activity centres

Do you have any comments on PART 3 HOW TO PLAN FOR ACTIVITY CENTRES?

No further comments.

22. Guidance on specific activity centre issues

Do you have any general comments on Part 4 Guidance on specific activity centre issues?

It is not stated how the boundary of an activity centre is to be identified in the local planning scheme. The scheme map cannot contain an 'indicative' boundary as it is a legal document that is time consuming to change.

Given the amount of information already contained on a scheme map, the boundary of activity centres should not be required to be located on the scheme map. Identification of activity centre boundaries would be adequately covered by the documents identified in the guidelines and also through underlying zoning already depicted on a scheme map.

23. Changes to the hierarchy and new activity centres

Do you have any comments on the guidance for making amendments to the activity centre hierarchy and identifying new activity centres?

No further comments.

24. Diversity of land uses

Do you have any comments on the diversity ratio provided in Table 1?

There is no information on where the diversity ratio was derived from and how this will impact on the development of strategic, secondary and district centres.

25. Staging of employment and density targets

Do you have any comments on the guidance for staging of employment and residential density targets?

No further comments.

26. Bulky goods/large format retail precincts

Do you have any comments on the guidance provided on bulky goods and large format retail precincts?

No further comments.

27. Supermarkets

Do you have any comments on the guidance provided for supermarket developments?

No further comments.

28. Impact Test

Do you have any comments on the guidance on Impact Tests provided at Part 5?

The specification of thresholds for turnover impact is supported and will be valuable in assessing the appropriateness of new activity centres as it provides specific guidance on the level of impact beyond which development should not be supported.

The policy states that the Impact Test is to be prepared by the applicant. However, the guidelines state that the Impact Test should be validated through an independent review overseen and paid for by the responsible authority. It is not appropriate for the local government to have to bear the costs for the review of an Impact Test prepared by an external applicant. Most local governments will not have the expertise to assess an Impact Test and must be able to recoup these costs.

This is also potentially at odds with the *Planning and Development Regulations 2009* which allows the recouping of costs associated with certain applications.

29. Community benefit

Do you have any comments on the guidance provided on community benefit at section 5.6?

The link between the aspiration for the provision of community benefit expressed at, say, the rezoning stage, and the actual delivery of that community benefit is unclear.

It would appear that the community benefit aspect can only be assessed at the development application stage when the specific details of the proposal are known. However, the Impact Test occurs before this, when the rezoning or other such mechanism to allow a new centre/expanded in that location is undertaken. It is recommended that parameters be established in the guidelines to explain how any community benefit proposed is fulfilled and developed.

30. Appendix 1 - Scope and methodology for needs assessment

Do you have any comments on the guidance provided at Appendix 1 on the scope and methodology for Needs Assessments?

No further comments.

31. Appendix 2 - Scope and methodology for Impact Test

Do you have any comments on the guidance provided at Appendix 2 on the scope and methodology for Impact Tests?

The current SPP 4.2 referred to the *Guidelines for Retail Sustainability Assessments* which were never released and therefore no guidance was provided on how to undertake a retail sustainability assessment or what information to include. The provision of a scope and methodology for the impact test is supported as it provides guidance and consistency.