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Date: 11 June 2020

Amendment C258case to the Casey Planning Scheme

Casey Activity Centres Strategy

Council Submission: Part B

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Introduction

1. This submission is made on behalf of Casey City Council (**Council**). Council is the Planning Authority for Amendment C258case (**the Amendment**) to the Casey Planning Scheme (**Scheme**). The Amendment applies to all land in the municipality.
2. On 28 May 2020, Council circulated its 'Part A' submission together with:
 - 2.1 expert evidence statement of Julian Szafraniec of SGS Economics & Planning; and
 - 2.2 various background documents relevant to this Amendment. These submissions will take the Panel to further elements of that material as relevant to the submissions to the Amendment.
3. In response to the Panel's directions dated 4 May 2020, these submissions will provide Council's response to the submissions and evidence and respond to all other matters identified in Direction 14 of the Panel's directions.
4. Mr Szafraniec's evidence statement specifically provides an overview of the role of SGS Economics and Planning in the preparation of the Activity Centres Strategy. This submission will address and expand on these matters where necessary.
5. In relation to Council's position on the Amendment, this is addressed throughout these submissions as relevant to the key issues, and having regard to Council's consideration of:
 - 5.1 the submissions to the Amendment (as summarised in the Council Meeting Report of 18 March 2020); and
 - 5.2 the evidence of all parties circulated for the purposes of this hearing.
6. For the avoidance of doubt we confirm that for the purposes of these submissions Council adopts the officer response to submissions as attached to the Council Meeting Report of 3 March 2020 (Attachment 2).
7. Having regard to the submissions and evidence, the key outstanding matters which are the subject of focus in this Part B submission relate to:
 - 7.1 the strategic justification and specific recommendations of the Activity Centres Strategy, including the proposed network hierarchy and its alignment with Plan Melbourne (including aspirational status);
 - 7.2 the methodology and recommendations of the SGS Assessment Report;

- 7.3 the drafting of, and policy guidance contained within, proposed clause 22.01; and
 - 7.4 specific objections or queries concerning particular sites, including Eden Rise and Berwick Springs.
8. Council's final position in respect of the Amendment will, of course, have regard to the Panel's report, when that is received. In summary however Council submits that the Amendment should be adopted with changes. The changes should be those which are set out in:
- 8.1 the Council resolution dated 3 March 2020; and
 - 8.2 the Council's Part A, B and C submissions.

Preliminary comments

Expert evidence of others

9. Since it is such a rare thing to come across accolades from *other party* expert witnesses, it is worth pulling in some extracts from that evidence to set the scene.
10. In respect of Mr Peggie's evidence on behalf of Kameel Pty Ltd (paragraphs 14 & 25):
- 14. I consider that the Strategy and accompanying amendment are based on well founded and thoughtful research and policy insights, as well as a thorough process of stakeholder engagement. The Strategy builds upon Casey's previous activity centre strategies and contains a new emphasis on non-retail job creation within activity centres. A revised hierarchy of centres is also introduced in the Strategy, which conforms to the latest Metropolitan Planning Strategy, Plan Melbourne 2017-2050. I think the strategy also sits comfortably with the broader intent of Plan Melbourne, the Melbourne Industrial and Commercial Land Use Plan (MICLUP) and the State Planning Policy Framework (SPPF). Specific amendments to the MSS and LPPF of the Casey Planning Scheme ensure consistency of strategic intent.
 - 25. I consider that Amendment C258 of the Casey Planning Scheme is a necessary and timely initiative required to translate the intent of the *City of Casey Activity Centres Strategy 2019* (the 'Strategy') into the Casey Planning Scheme. It is my opinion that the amendment will ensure a relevant and current policy framework that enables a strong and vibrant network of activity centres in Casey and provides guidance on how to accomplish this vision through specific policy directions.
11. In respect of Mr Stevens evidence for Kameel Pty Ltd (paragraphs 2.6 – 2.8):
- 2.6 This ongoing evolution of the City of Casey Activity Centres Strategy, in my view, should provide greater certainty to relevant stakeholders that the current (draft) Strategy represents

an appropriately robust framework for activity centre planning and development. Particularly given that the Activity Centres Strategy policy is reviewed in an apparent cycle of every seven or so years. This is a best-practice policy review cycle for activity centres, and is particularly appropriate for a municipality such as the City of Casey which is experiencing such rapid urban growth and change.”

- 2.7 It is my view that the City of Casey takes seriously, and appropriately resources, activity centre planning and development policy. This is to a level superior to that demonstrated by some other Council's in which I have worked in metropolitan Melbourne (and elsewhere in Australia).”
- 2.8 In this respect, I am supportive of the overarching strategic support provided by the City of Casey to activity centre planning and development, both currently and over the past 15-years. In my view the strong history of engagement on activity centre planning by the City of Casey adds weight to the broad direction contained in the current (draft) Strategy.

Consultation

12. Council undertook extensive consultation with key stakeholders during drafting of the Amendment, and then while Council was seeking authorisation.
13. Appendix A to the Background Report contains the Resident Consultation Summary. Suffice to say it is extensive.
14. Appendix B to the Background Report contains the Industry Consultation Summary Report. It provides a summary of the industry consultation that occurred with key stakeholders as set out in that document.
15. More than 6000 parties were notified of the Amendment (mainly business owners) through informal notification, including directions to further information. The Amendment was also promoted through local newspapers beyond the statutory notice in the public notices to increase public awareness.
16. It is noteworthy that there are only a few outstanding submissions and the issues are relatively confined. For example, the submission of submitter 8 (a major investment group and shopping centre owner) indicates that while raising a small number of issues they expressed broad support for the Amendment. Submitter 15 (Kameel) obviously displays strong support for the Amendment.
17. Indeed most submitters expressed broad support for the Activity Centres Strategy and the Amendment but raise concerns with specific implementation issues.

18. The Activity Centres Strategy document is an easy read. It is well structured; written clearly, contains a concise Executive Summary and follows a logical and cumulative process of analysis. Mr Stephens has observed that:

- **Chapter 1: Introduction.** Background context to the development of the (draft Strategy) including the latest policy inputs from the State Government and local planning policies.
- **Chapter 2: A Citywide Network of Activity Centres.** Provides a wide-ranging discussion on the role and function of activity centres, and the overarching rationale for applying a centres hierarchy. The concept of Aspiring Centres and the classification of Berwick Springs as a Medium Neighbourhood Centre is introduced in this Chapter.
- **Chapter 3: The Economic Engines of Casey.** Provides a contextual overview of the economic importance of activity centres to the City of Casey, including consideration of demographic factors, retail trends and other real-world influences on current and future activity centre development outcomes.
- **Chapter 4: Great Places for People.** Considers matters relevant to activity centres from a design and social engagement perspective,
- **Chapter 5: Development Assessment.** Provides a set of assessment criteria to guide Council decision-making in relation to activity centre planning and development. The criteria are applied across a Development Assessment Matrix which identifies the relevant assessment framework for proposals.

19. Unlike some similar strategies, much of the analytics is consigned to other documents namely the SGS Assessment Report and the Background Report. This is appropriate. The SGS work is very analytical and somewhat dull reading. The Background Report also contains analysis and consideration. The Activity Centres Strategy contains the strategy, as it should. We submit that this makes for a clear legible document and one which justifies its label as a background document to the Amendment.

Metropolitan activity centres are supported by a network of **major** and **neighbourhood** activity centres of varying size, role and function. **These can range in size and intensity of use from large shopping centres to small local strip-shopping centres.**

[emphasis added]

21. The Activity Centres Strategy has endeavoured to stay close to the terminology used by Plan Melbourne. Thus, the references to convenience centres is removed from the language. However, to maintain some semblance of distinction, the NAC category has been differentiated into the medium NAC and local NAC variety. We submit that this is perfectly legitimate and should be no cause for concern to the Panel.

Activity Centres Strategy

What are the issues?

22. The submissions, evidence and Panel's questions give rise to the following matters in relation to the Activity Centres Strategy which we will now address:
- 22.1 Preparing an activity centres strategy;
 - 22.2 The role of activity centres in communities;
 - 22.3 Floorspace ranges;
 - 22.4 Aspirational status;
 - 22.5 Alignment with Precinct Structure Plans;
 - 22.6 Strategy 8.4 – Foundational anchor uses; and
 - 22.7 Strategy 12.5 – Night time economy.

Preparing an activity centres strategy

23. Although not directly relevant to this Amendment, Practice Note No. 58¹ contains a relevant contextual discussion that the Panel should note. It states (at page 2):

Context for structure planning

It is projected that by 2051, Melbourne will have grown to a city of almost 8 million people. This means that approximately 1.6 million new dwellings are likely to be needed across the Melbourne metropolitan area by 2051. Of these, an estimated additional 1.01 million dwellings will need to be located in established areas (215,000 in the inner-metro region and 795,000 in the balance of established suburbs) including in and around activity centres, along many tram and bus routes, close to train stations, as well as on 'brownfield' sites ready for urban renewal.

¹ Structure Planning for activity centres . Planning Practice Note 58 September 2018
https://www.planning.vic.gov.au/_data/assets/pdf_file/0029/97319/PPN58-Structure-planning-for-activity-centres.pdf

Structure plans help give effect to State planning policy by managing and facilitating major changes to land uses, the built form and public spaces located within activity centres.

Activity centres should not be viewed in isolation to surrounding centres, but as a part of a network that maximises choice in services, retail, housing, employment and social interaction.

Activity centre planning should occur within the context of a broader municipal and regional understanding of activity centres. This can be achieved through the completion of ‘municipal activity centre strategies’ and through reference to relevant regional and state strategies and research.

Municipal activity centre strategies should provide general guidance on the planning of activity centres, including their role and function in the activity centre hierarchy and network of activity centres within the municipal boundary, and the surrounding region.

[emphasis added]

24. The purpose, therefore of a strategy and the Activity Centres Strategy is to provide general guidance on the planning of activity centres including their role and function in the hierarchy. This is what this strategy does.
25. Some submitters (particularly 9 and 13) have been critical of the lack of individual centre analysis in the SGS Assessment Report that provided the analytical base for the strategy. We submit that that criticism is misguided. The depth of analysis must be matched to the purpose of the analysis. Here the purpose is to clearly articulate the role and function of the different levels of the hierarchy and then identify the place of each centre in that hierarchy. The Activity Centres Strategy is not making highly specific and detailed policy decisions relating to individual centres. Therefore the depth of analysis is different to what might be found in a detailed retail economic analysis that many are used to seeing in this jurisdiction. We will address this issue further later in this submission where we deal directly with the SGS Assessment Report.
26. The Part A submission has already spoken to the Planning Policy Framework relevant to activity centres so we will not repeat that in full here. But we do make reference to some key provisions commencing at clause 11.01-1S (Activity Centres) which sets out a key objective and a set of strategies designed to implement that objective. The key strategies include:

Build up activity centres as a focus for high-quality development, activity and living by developing a network of activity centres that:

- Comprises a range of centres that differ in size and function.
- Is a focus for business, shopping, working, leisure and community facilities.
- Provides different types of housing, including forms of higher density housing.
- Is connected by transport.
- Maximises choices in services, employment and social interaction.

...

Undertake strategic planning for the use and development of land in and around activity centres.

...

Support the continued growth and diversification of activity centres to give communities access to a wide range of goods and services, provide local employment and support local economies.

Encourage economic activity and business synergies.

Improve the social, economic and environmental performance and amenity of activity centres.

27. Clause 17 (Economic Development) is a key driver. It provides that planning is to provide for a strong and innovative economy, where all sectors are critical to economic prosperity. Under clause 17.01-1S (Diversified economy) a two key strategies are:

- Facilitate growth in a range of employment sectors, including health, education, retail, tourism, knowledge industries and professional and technical services based on the emerging and existing strengths of each region.
- Improve access to jobs closer to where people live.

28. Complimentary policies are contained in clause 17.02-1S (Business).

29. Finally, it is noted that clause 17.02-2S (Out-of-centre development) includes a very broad objective to manage out-of-centre development and includes a similarly general strategy to discourage proposals for expansion of single use retail, commercial and recreational facilities outside activity centres. An additional strategy includes:

Ensure that out-of-centre proposals are only considered where the proposed use or development is of net benefit to the community in the region served by the proposal or provides small scale shopping opportunities that meet the needs of local residents and workers in convenient locations.

The role of activity centres in communities

30. As is the case in many aspects of planning, activity centres are not an isolated stand-alone subject matter but should be regarded as another important cog in an interconnected policy framework.

As the SGS Assessment Report states at page 5:

Aside from the vital benefit offered by centres hierarchies in terms of transport sustainability, there is a strong nexus between centres policy and urban consolidation. Vibrant nodes of commercial, retail, entertainment, health and civic services provide the nuclei around which more dense housing can form. If such centres do not exist, or if they are unable to 'promise' a continuity of services and public transport for their walkable catchments, it is likely that households will prioritise space – in dwelling floor area and lot size – over convenience of access to services. Ultimately, this generates sprawling low density environments.

31. The same can be said of activity centres policy and transport. Given the significant growth forecast in the population of Casey to 2036², if that population had to travel into Melbourne for employment, it would have significant impacts on road and rail capacity. Thus to the extent that the Activity Centres Strategy is successful in encouraging higher levels of non-retail employment within activity centres in the municipality, the policy can impact significantly on capital spending in other portfolios.

32. Similarly, in addition to employment, Plan Melbourne sets expectations about access to goods and services. Clause 15.01-4R is about 20 minute neighbourhood and creating healthy neighbourhoods in Metropolitan Melbourne. The strategy is to:

Create a city of 20 minute neighbourhoods, that give people the ability to meet most of their everyday needs within a 20 minute walk, cycle or local public transport trip from their home.

33. Further a strategy at clause 16.01-2R is for planning to:

Facilitate increased housing in established areas to create a city of 20 minute neighbourhoods close to existing services, jobs and public transport.

34. The Panel has asked Council to clarify:

- (vii) The role and purpose of the walkable catchments represented in the un-numbered obliques on pages 15 and 16, the two diagrammatic representations on pages 22-23 and the section on the implications of the lack of Activity Centre planning in many north American cities serve (p13) are not clear to the Panel.

² See for instance Page 60 of the SGS Assessment Report and Table 14 and the immediately prior paragraph.

35. Council submits that the figures and the narrative cited by the Panel are an important part of the Strategy included to illustrate how the policy of 20 minute neighbourhoods is being achieved. They provide a visual representation of the walkable opportunities and how attainable walkability is, even in Casey an outer suburban municipality.
36. These illustrations and narrative show the value of State and local activity centre planning policy to the City of Casey.³
37. The obliques provide an effective visual representation of a network of activity centres which endeavours to ensure that most parts of the community are served by a centre within the 20 minute criteria. Those images and the illustrations on pages 22 and 23 were produced and are intended to be used as a tool for working with developers and property owners to visually demonstrate the outcomes Council is seeking. This includes in regard to an integrated, well designed and walkable centre (page 23), to be contrasted with a purely car-oriented standalone retail development (page 22). In Council's submission the latter provides a poor design outcome, no integration with other complementary uses and an unsafe environment for pedestrians. These two illustrations precede and provide context for the discussion on promoting "single destination, multi-purpose trips" on the following page of the strategy.
38. Finally, we note that the narrative on page 13 of the strategy (United States example) contrasts outer suburban, car dependent and relatively low density built environments against what Council is seeking to achieve. It highlights what we want to avoid with what we want to achieve. Casey has constant pressure for large format, out-of-centre, car oriented retail proposals that in Council's submission would undermine the viability of Casey's objective to establish a network of walkable centres. The discussion of poorly planned communities elsewhere in the world is intended to highlight what is at stake if these objectives are undermined.

Floorspace ranges

39. The Panel has observed that Table 1 (at p25) of the Activity Centres Strategy provides a range of floorspace limits for each category of centre. However, noting this, there are no specific floor space guidelines or targets for individual centres. This is intentional.
40. Table 1 sets out the activity centre hierarchy, including the indicative floorspace ranges of each category in the hierarchy. It also contains a description of the characteristics and function for each centre type in the hierarchy.

³ It should be noted that Amendment C198 rezoned land around Activity Centres (Major and Medium Neighbourhood) to facilitate higher density development around those centres. Amendment C198 was gazetted after C258 commenced exhibition. Refer to the plan on page 5 at to understand the area that C 198 was aimed at: https://planning-schemes.delwp.vic.gov.au/schemes/casey/ordinance/21_mss03_case.pdf?_ga=2.44448356.1198515660.1591668516-894897950.1558932981

41. Importantly, the indicative floorspace ranges are not a floorspace limit. Some centres will be outliers at the lower or upper ends of the range, and some centres could even be outside the range completely, being smaller (possibly as they grow) or may grow beyond that range over the planning horizon. The hierarchy was informed by the Employment Floorspace Assessment by SGS. Table 5 of that SGS Assessment Report contains the existing centre retail floor space by centre as at 2016. The variation in floor space within certain levels of the hierarchy can clearly be seen in that report.
42. The SGS work analysed current and future floorspace demand in each of Casey's existing and proposed activity centres and recommended the hierarchy's indicative floorspace ranges.
43. The SGS work also presents future floorspace demand of Activity Centres in Casey in an "Optimal Centre Rollout" based on both market and policy-based considerations. The assessment explains that its floorspace demand rollout data⁴:

...should not be seen as a highly prescriptive, or fixed, view of the future. Rather it provides a strategic basis to understand how the network might roll out in a rapidly growing area.
44. Therefore whilst the floorspace assessment data provides a good basis for the indicative floorspace ranges of the Activity Centres Strategy's hierarchy, these are not intended to be prescriptive. Rather, they are intended to ensure that all centres are classified under the most appropriate centre type given their expected floorspace growth.
45. Further, the Employment Floorspace Assessment does not recommend the use of the data to prescribe a floorspace target for each centre in the local planning policy framework due to the 'highly changeable nature of optimum floorspace levels at individual centres'.⁵ Instead, the assessment recommends that the data 'should be used in conjunction with up-to-date supply gap maps to understand the needs of a wider area and deviate from the optimum rollout if deemed appropriate' when reviewing individual development proposals.
46. Accordingly while there are floorspace targets included in more specific planning documents for many of Casey's activity centres, such as in PSPs, Structure Plans, and Development Plans, the Activity Centres Strategy, together with this Amendment, does not include specific floorspace guidelines or targets for individual centres as it is not the role of the Strategy to do that. If it were the case, then more specific analysis would have been required.

⁴ Employment Floorspace Assessment, page 5.

⁵ Ibid, page 5.

Aspirational status

47. The Panel has asked for an explanation as to the strategic basis of attributing an 'aspirational' status (p17) to some centres. That is, for them to eventually move up one category in the activity centre hierarchy, and what criteria have been used to attribute this term. The Panel has asked whether an 'aspirational' status attributed to some centres has any time frames associated with it and how it aligns with State planning policy.
48. The Cranbourne Major Activity Centre and Berwick South (combining Eden Rise and Berwick Springs Activity Centres) Activity Centre are both identified as having aspirational status, to be classified as metropolitan and major activity centres respectively.
49. Both centres have the potential for floorspace growth beyond their current centre type classifications, based on the SGS Assessment Report. The two centres also have attributes that allow for their eventual placement in a higher centre classification than their current status in the new hierarchy.
50. However, Metropolitan and Major Activity Centres are both designated by the State government through Plan Melbourne. The aspirational status identified in the Activity Centres Strategy is as much an advocacy tool as it is a strategy. In so far as it is an advocacy tool, Council submits that the network arguably requires these higher order centres to be placed where they are located. The status also expressly acknowledges where Council sees these centres as heading on their current and anticipated trajectory of growth.
51. In Cranbourne's case, the centre's broad mix of higher order activities (already in excess of the target for such centres), visitor attractions such as the race track, hospital, and various civic services means it serves as a regional hub in the metropolitan economy for surrounding areas throughout the southern half of the City of Casey and parts of adjacent councils, thereby serving the role of a Metropolitan Activity Centre. Cranbourne is also surrounded by one of Melbourne's largest growth fronts, with PSPs on all sides in various stages of planning and build out that will accommodate, so its regional role in the metropolitan economy will only increase over the coming years.
52. In this regard we also note the observation of submitter 8 in its submission which notes (at page 2 of the submission):

Our client welcomes Council's commitment to advocating for the designation of Cranbourne Major Activity Centre as a Metropolitan Activity Centre in the forthcoming 5 year review of Plan Melbourne. We believe that Cranbourne rightly should be recognised as it fulfils the definition:

These are higher-order centres intended to provide a diverse range of jobs, activities and housing for regional catchments that are well served by public transport. These centres will play a major service delivery role, including government, health, justice and education services, as well as retail and commercial opportunities (Source, Plan Melbourne).

In seeking the elevation of Cranbourne to a Metropolitan Activity Centre (and on par with Fountain Gate – Narre Warren) it is essential that the Retail Strategy and the new local planning policy both work to support the centre to expand not only the retail offer but the full range of commercial and other services warranted and expected by the community.

53. In the case of Berwick South, the Eden Rise Medium Neighbourhood Activity Centre and Berwick Springs Medium Neighbourhood Activity Centre are two adjacent centres located at opposite corners of the Clyde Road/O'Shea Road/Greaves Road intersection. Eden Rise is an existing designated NAC, and Berwick Springs is an existing grouping of retail and commercial land uses in the General Residential Zone approved through various discretionary planning permits.
54. The Berwick Springs centre is proposed for designation as a Medium NAC in the new Strategy. In Council's submission, the combined forecast for employment floorspace at these two adjacent centres better places them in the Major Activity Centre category. As such, a single combined Major Activity Centre to be known as Berwick South Central is identified as a future aspiration in the Strategy.
55. In this regard we note and agree with Mr Stephen's conclusion at para 5.6 of his report:

5.6 I am of the professional opinion that the aspiration for both Berwick Springs and Eden Rise to integrate as a Major activity centre is appropriate and justified in both economic and strategic terms. That this combination of Berwick Springs and Eden Rise in a Major activity centre is more around strategic outcomes rather than physical integration (at least in the near term) does nothing to undermine the merit of this outcome as identified in the (draft) Strategy. Major activity centre status would simply reflect the scale and mix of uses across the combined centre, and allow for a more coherent planning and development outcome. The potential for Eden Rise to continue growing and evolving in the future is not undermined by either activity centre status for Berwick Springs, nor inclusion within a combined Major activity centre.
56. The centre type classification that each of these centres is 'aspiring to' is not that centre's current classification, but instead it is simply a local recognition of the potential for future designation.
57. These aspirational classifications demand that more focused work be done in the future. It also raises the bar in terms of the expectations of the two components of what might be a Major Activity Centre.

58. For example, as noted by Mr McGurn, the Berwick Centre faces certain challenges in integrating the various elements that it comprises through a betterment of walkability.⁶ This would need to be achieved through detailed structure planning in the context of a comprehensive planning control that facilitates the outcomes sought.
59. The language is important. Council officers consulted with DELWP about this approach and made sure that the language of the Activity Centres Strategy and the policy provisions to be updated by the Amendment do not imply that the aspirational status is the current designation, but simply an indication of future potential.
60. In this way the Activity Centres Strategy and the Amendment remain consistent with Plan Melbourne, but also make clear that there is an aspiration to see these centres fulfil a higher role and function when the State government next updates the Metropolitan Planning Strategy.

Alignment with Precinct Structure Plans

61. The Panel has asked how the Activity Centres Strategy, in its designation of proposed centres, aligns with approved precinct structure plans.
62. Council has analysed approved PSPs against the Activity Centres Strategy and confirmed that the strategy is consistent with the designated activity centres in PSP's. It is also noted that PSPs use a range of different names which are sanctioned by the VPA. In PSPs across Casey and all of the metropolitan growth areas, activity centres ranging from:
 - 62.1 10,000m² to 11,000m² use names such as 'Town Centre', 'Medium Town Centre and Local Town Centre';
 - 62.2 5,000-10,000m² use names such as 'Small Neighbourhood Activity Centre' (5000-7000m²), 'Medium Neighbourhood Activity Centre' (9000m²), 'Large Neighbourhood Activity Centre' (8000m²) and 'Local Town Centre';
 - 62.3 < 5000m² use names such as 'Small Local Town Centre' (2,500-3,600m²), 'Small Neighbourhood Activity Centre' (1,000-3,000m²), 'Local Neighbourhood Centre' (1,800m²), 'Local Convenience Centre' (1,500m²), 'Local Centre' (1,000m²) and 'Community Hub' (General Store and related).
63. While the designation within growth areas seems different to Plan Melbourne, that is a matter for State government to address. There is no clear link between the name used in the PSP and the role, function or floorspace provision provided in the PSP. As such the designation of a centre in the PSP had no impact on the classification in the strategy.

⁶ See para 78 of Urbis Expert Evidence June 2020

64. Council has used the floorspace size of designated activity centres in the PSP to assign the centre an appropriate place in the hierarchy. These were compared to the SGS Assessment Report to ensure consistency.
65. There were two exceptions where the designations were not consistent with floorspace provisions in the PSP. Both these were in the Clyde Creek PSP (Tuckers Road and Hardy's Road Local Activity Centres). This is because:
 - 65.1 both had floorspace provision of 5,000m² retail plus 1,000m² non-retail (6,000m²) in the PSP which would be within the range of Medium Neighbourhood Activity Centre; however,
 - 65.2 both were designated as a 'Local Neighbourhood Centre' in the Activity Centres Strategy.
66. The modelling conducted by SGS identified growth in these centres to 5,400m² by 2036. This is consistent with the PSP's and a Medium Neighbourhood Activity Centre. However the size of both centres is on the cusp of a Local / Medium Neighbourhood Activity Centre.
67. The other centre in the Clyde Creek PSP is a 'Major Activity Centre'. The risk in this case is that the 'Major Activity Centre' could be undermined by the fast growth of the two smaller centres, particularly if they were to grow beyond the 6,000m² envisaged in the Clyde Creek PSP.
68. Given the limited growth predicted to 2036, and the floorspace of both of the smaller centres being on the cusp of designation as Local / Medium Neighbourhood Activity Centre, Council considered it appropriate that they both be designated as Local Neighbourhood Activity Centres at this stage, in order to facilitate the growth of the Hardys Road Major Activity Centre. The designation can be reviewed in future strategies.

Strategy 8.4 – Foundational anchor uses

69. Objective 8 of the Activity Centres Strategy relates to planning for centres in growth areas.
70. Strategy 8.4 in particular seeks to:

Support the early establishment of anchor uses in growth area activity centres, which are feasible prior to the full residential build out of the area and provide a foundation for the activity centre to build upon, consistent with the PSP and the directions of this Strategy. Examples of such foundational anchor uses could include, but are not limited to, department stores serving a wide catchment, or large office uses.

71. The Panel has queried:
 - (iii) Strategy 8.4 (p34) supports the establishment of anchor uses in Activity Centres in growth areas and nominates a number of such anchor uses but does not include 'supermarkets' which often anchor the development of Neighbourhood Activity Centres. Is there a reason for this?
72. Strategy 8.4 supports establishing foundational anchor uses in growth area activity centres. The objective of strategy 8.4 is to establish commercial uses at the early stages of residential development. It is noted that the examples given are two-fold. However, it is more important to note the introductory words "include but not limited to". The foundational uses could be various and may even include community uses such as a library or a community facility. The potential uses here could draw patronage from a broader regional catchment, before there is an immediate residential catchment developed.
73. The strategy around foundational uses has not been translated into the provisions of the Scheme.
74. Encouraging foundation uses addresses an ongoing difficulty that Casey and other growth area councils experience where activity centres are slow to develop and sit vacant for years while the surrounding residential areas build out because most retailers cannot viably operate at a location without a complete residential catchment to support it. This is promoted by the specific designation of centres on particular land parcels in PSPs making it very difficult for any alternative provision to fill the gap. This leads to a long interim period where designated activity centre land in growth areas is undeveloped and residents of new surrounding housing estates are left without their promised retail amenities for years. There is also the risk that the owners of undeveloped activity centre land will push to develop the land with residential use in the short term in which case the community loses that commercial land.
75. The notion of establishing 'foundational' uses as described in strategy 8.4 is intended to encourage activation of the new centre and bring forward the date when retail development could begin. It also ensures that retail and commercial land uses begin developing at the planned site early to avoid the scenario where an activity centre is redesignated and lost to residential use.

Strategy 12.5 – Night time economy

76. Objective 12 of the Activity Centres Strategy seeks to support the on-going economic viability of activity centres across the network, having regard to evolving retail and commercial trends.

77. Strategy 12.5 of the Activity Centres Strategy then seeks:
 - S12.5 Support a thriving night time economy in activity centres with late trading businesses such as restaurants, bars, nightclubs, live music venues, and a range of evening events for all ages. Encourage evening events that celebrate Casey's social and cultural diversity.
78. The Panel has asked whether Strategy 12.5 is consistent with attempts to encourage residential development in Activity Centres. We submit that it is.
79. Strategy 12.5 is one of several strategic directions which seek to encourage a night time economy in Casey. In providing these directions, Council has sought to carefully balance the need for a night time economy with the need for residential density in and around centres.
80. Further to this, the following three additional strategies speak to the need for safety and reducing unreasonable amenity impacts on residential uses in centres.
 - S12.6 Support a safe and vibrant night time economy in activity centres with well-lit walkways and public spaces, frequent and user-friendly night time public transport, and visible late trading businesses that provide passive night time surveillance of the public realm.
 - S12.7 Include night time uses and venues in activity centre structure planning, considering safety, access to public transport, and minimising impacts to residential areas. Consider the night time activation of commercial and retail premises that would typically only trade during daylight hours to maximise the potential for multipurpose use facilities (e.g. encouraging cafes and restaurants that can also trade as bars and live music venues at night).
 - S12.8 Ensure that applications for a night club, hotel or tavern demonstrate that there is no unreasonable amenity impact on the surrounding neighbourhood.
81. Many activity centres (particularly those in inner Melbourne) with thriving night time economies are also highly desirable residential areas.
82. Residents attracted to living near the areas activated at night may include those who work in these businesses or who enjoy participating in the activities and are seeking to live in close proximity.

SGS Assessment Report

What are the issues?

83. The submissions, evidence and Panel's questions give rise to the following matters in relation to the SGS Assessment Report which we will now address:

83.1 Role of SGS Economics & Planning;

83.2 The City-wide approach;

83.3 Gravity model; and

83.4 Criticisms of the SGS Assessment Report.

84. Before looking at these issues, we draw the Panel's attention to the genesis of the SGS Assessment Report, that is, why it was sought. It is useful to refer to page iii of the SGS Assessment Report where it notes as follows:

Policy gaps, issues and opportunities

The City of Casey is faced with two major concerns at present in terms of activity centre planning.

The first is the degree of growth and change that the City is currently experiencing. Casey is the largest municipality in Victoria, and has the second highest rate of growth. While new activity centres are planned in Casey's growth areas to serve this growing population, interest has also been expressed in expanding existing centres, which has the potential to undermine the development of new centres. As such, there is a need to strike the right balance between flexibility for the market to respond to opportunities, and the creation of neighbourhoods and places that work well from a broader community perspective.

Secondly, a key aspiration of the City of Casey is to increase the provision of local jobs and facilitate more diverse housing options, with a greater emphasis being placed on facilitating local employment and housing in activity centres close to where people live. As a result, there is a need to develop a policy framework that will support diversification of the land use mix in activity centres.

Through strategic and economic assessment, the following considerations were derived.

85. The SGS Assessment Report then explains that through the assessment:

85.1 Casey-wide considerations: and

85.2 Centre-specific considerations -

were identified. Then recommendations, strategies and actions were developed. The recommendations were:

85.3 a new centre hierarchy; and

- 2.46 Notwithstanding this, I believe that considered in its full context the SGS report provides an appropriate background to the (draft) Strategy.

88. In the context of the above, we note that the Panel has asked for an explanation of the role of SGS Economics & Planning in the preparation of the Activity Centres Strategy.

89. This was in the main addressed in Council's Part A submission and is also addressed in Mr Szafraniec's evidence.

90. Additionally, we have circulated to the Panel and all parties the Request for Quote that SGS responded to. SGS completed the work in November 2017.

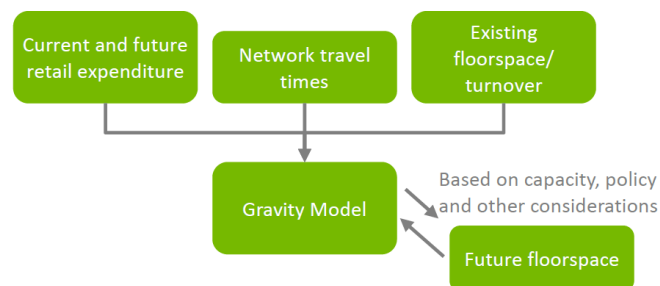
91. At the time the SGS Assessment Report was undertaken there were 40 existing and almost as many proposed activity centres in the municipality.
92. The existing number is now higher, as is the proposed.
93. It is not reasonable nor necessary to require an individual retail assessment for each centre carried out in the way that consultants undertake such assessments for the purpose of activity centre structure plans or permit applications. This process does not involve either a structure planning exercise or a permit application. Neither does it involve a rezoning for that matter.
94. Mr Stephens notes the following on the approach of SGS:

- 2.27 For an individual Activity Centres Strategy, it is the nature of the policy framework itself that determines the level of background analysis that is appropriate, and the way in which this analysis should be undertaken.
- 2.28 For example, a very robust analytical framework carefully tailored to respond to individual issues is required where a Strategy is making highly specific and detailed policy decisions relating to individual centres. Alternatively, such a tailored analysis may be required where a Strategy is concurrently considering both a strategic matters and specific unresolved local level issues.
- 2.29 However, where a Strategy is primarily focussed on a strategic framework across a municipality, the background economic analysis is appropriately more general and contextual in nature. This is particularly where the Strategy is itself an evolution of existing policies rather than fresh 'first principles' policy review.
- 2.30 I consider the (draft) Strategy to be a document which is primarily focussed on delivering an overarching strategic framework for activity centres in the City, rather than one that seeks to resolve detailed centre-specific matters.
- 2.31 Again, this is not a weakness of the (draft) Strategy, but rather a strength. This is because consistent attention to, and evolution of, activity centre planning in the City of Casey means that detailed centre-specific guidance is simply not required by this (draft) Strategy.
- 2.32 In my opinion if the (draft) Strategy was to provide detailed centre-specific planning, it would unnecessarily duplicate and complicate the many relevant existing local policies and PSPs. Further, it would be inappropriate for the (draft) Strategy to deal with fine grained planning issues more appropriately considered in detail through a permit application or rezoning process, or alternatively the formulation of new or revised local policies.
- 2.33 It is with this context in mind that I consider the background analysis by SGS Economics and Planning, as identified in the *Casey Activity Centres: Retail and Other Commercial Floorspace Assessment*.
95. Accordingly, we submit that the approach taken by SGS in undertaking its analysis is appropriate.
96. Mr Szafraniec can speak more to this in his evidence. We note that his approach is addressed at Part 2.4 of his evidence statement which provides a step by step walk through of the process used in the SGS Assessment Report.

Gravity model

97. The 'optimal centre roll out' recommendations of the SGS Assessment Report were developed using a gravity model, incorporating small area projected demand, current and planned centre capacities and uses, and various other factors.
98. The SGS Assessment Report notes (page 72):
- SGS has used a Gravity Model approach to align underlying expenditure demand with current and future centres. The SGS Gravity Model extends beyond the municipality borders

A summary of the approach is detailed in in Figure 38 below.



- whether the model is conceptually sound
- whether it is able to accommodate assessment of the range of relevant factors

- whether data is available on the relevant input variables
- whether the outputs generated appear to be a logical reflection of reality
- whether the use of the methodology is transparent.

102. After observing that the key role of the Panel in that matter was to consider the proposed planning scheme amendment controls, and particularly the floorspace allocated to each centre and the floorspace caps for shop use, the Panel observed⁷:

The Panel is of the view that no evidence has been presented that fatally undermines the conceptual base of the gravity model. It accepts the evidence of Mr Dimasi about the complex and changing nature of the shopping experience and has some concerns about the gravity model's ability to accommodate this type of complexity.

Any modelling faces challenges about the availability of appropriate data to represent these complex and changing realities. Gravity modelling is no exception. The Panel has serious concerns about the transparency of the gravity modelling approach and accepts the 'black box' criticism made of it. This concern is heightened when the amount of floorspace allocated to a centre changed significantly between the various iterations of the Retail Strategy, without a clear and transparent rationale. Mr Szafraniec gave reasons why this occurred as part of the modelling but with the data presented, there is no ability to interrogate this step change.

103. It is important to make two observations.

104. First, the gravity model is a tool that exists and has existed for decades (refer paragraph 68 of Mr Szafraniec's). The Panel was right not to dismiss the gravity model in Amendment C393. That said in this Amendment, the SGS Assessment Report and the Amendment do not propose what Amendment C393 proposed in terms of detailed floor space limits for each centre. This is a very significant difference between the two amendments.

105. Further, the evidence of Mr Szafraniec very clearly explains the model and its limitations. We draw the Panel's attention to paragraph 71 of the evidence as to the role of the gravity model. Ultimately the gravity model informed, not determined, the optimal centre roll out. We would also note the evidence at paragraph 74 which provides a counterbalance to the alternative model.

106. Acknowledging the criticisms that Mr Duane has made (which will be addressed by Mr Szafraniec) we note Mr Stephen's evidence which states:

⁷ At pages 14 – 15 of the Panel Report.

- 2.45 I do not agree with all aspects of the SGS report analysis, such as the use of a retail gravity model. Further the definition of retail floorspace includes hospitality uses such as pubs and clubs, as well as other selected land use categories, which may fall in the retail premises definition in the VPPS, although are not typically considered a retail industry use in contemporary economic analysis. This makes easy comparison of the SGS report analysis with benchmarks and analytical tools typically used by my office (and many other industry colleagues) more difficult and beyond the scope of this witness statement.
- 2.46 Notwithstanding this, I believe that considered in its full context the SGS report provides an appropriate background to the (draft) Strategy.

Criticisms of the SGS Assessment Report

107. Some submissions to the Amendment criticised general elements of the SGS Assessment Report, and in particular:
- 107.1 Charbury submitted that the SGS Assessment Report assumes that real capital spending will increase at 1.4% per annum between 2016 and 2036. The submitter considers this to be too high, and 0.5% would be more appropriate.
- 107.2 Woolworths submitted that the Amendment is supported by limited analysis of retail performance. It suggested that the Amendment adopts assumed floor area requirements and translates this to job growth, rather than analysing actual retail expenditure, population data and performance capacity.
108. We have touched on some of these criticisms elsewhere in this Part B submission.
109. Council has also responded to the criticisms raised by the submissions in the officer response to submissions of March 2020.
110. In addition to this, Mr Szafraniec's evidence responds to the submissions (see from page 30 in relation to the Eden Rise and Berwick Springs matter and further at page 35 in relation to the Woolworths submission) and his supplementary report provides a direct response to the matters raised in the technical expert reports. He can also deal with any matters raised in cross-examination.

What are the issues?

- page 23

116. The current policy at clause 22.01 is not sufficiently nuanced to deal with the major issues facing Casey's activity centres. The new clause 22.01 as proposed represents a modernisation of the policy in line with Plan Melbourne and with a broader emphasis on providing for the important employment role of activity centres. While many centres are focussed on retail with some services, some centres have an emphasis on services with a more limited retail offering. But, they are activity centres none the less.

Employment in activity centres

117. Clause 22.01-5 seeks to encourage a greater amount of commercial office space and cater for an increase in non-retail jobs in activity centres. The rationale for this can be identified in Chapter 3 of the Activity Centres Strategy. The following extract from page 39 of the Strategy sets out the issue:

There are approximately 69,700 jobs in Casey, with 27,500 (or 39 per cent) of these jobs located within existing activity centres¹². While there has been strong growth in employment over the last few decades this has not fully kept pace with population growth. In the Casey-Cardinia Region local employment self-containment is approximately 33 percent¹³, which is typical of outer metropolitan growth areas. This means that almost 70 per cent of locals who work are still leaving the area to go to work each day. Many of these workers head to places such as Dandenong, the Monash Employment and Innovation Cluster, or the Melbourne CBD¹⁴.

Currently, the largest employment sectors in the city are:

- Retail and hospitality (primarily within activity centres),
- Healthcare and social assistance,
- Construction, and
- Education and training.

Within the activity centres, employment is now predominantly comprised of retail and commercial services with significant institutional employment in Cranbourne and the Berwick Health and Education Precinct. A key aspiration of the City of Casey is to increase the provision of local high-wage jobs, with a greater emphasis being placed on facilitating local employment in activity centres close to where people live.

118. Further to this, the Background Report noted (at page 14 of 20):

Many of Casey's growth area Precinct Structure Plans (PSP) include floorspace targets for non-retail uses such as commercial office. The 2019 Activity Centres Strategy update includes policy directions to increase non-retail floorspace in all of Casey's activity centres through non-retail floorspace targets and minimum building height targets. These strategies

aim to discourage stand-alone single storey retail developments, which make inefficient use of valuable activity centre land and create few high-wage jobs for the community.

119. Finally, the SGS Assessment Report explains at page 60 that:

As shown in Table 14, there are approximately 70,000 workers in the City of Casey and approximately 140,000 employed residents. This means that there is a net outflow of approximately 70,000 people from Casey for work each day ie. 50 per cent of the workforce. By 2036 there is forecast to be a net outflow of approximately 120,000 workers or around 46 per cent of the workforce. This will reduce the effect of population growth on retail demand in the City of Casey.

TABLE 14 NET WORKER FLOW

	2016	2021	2026	2031	2036
(A) Employed Residents	140,235	161,697	183,927	206,100	222,575
(B) Workers	69,730	78,992	88,229	95,132	102,220
(B-A) Net flow	-70,505	-82,705	-95,699	-110,968	-120,355

Source: SGS Economics and Planning

120. The significant increase in people leaving the municipality to go to their job is an issue that affects not only Casey but the broader community. It results in car use which requires new or larger capacity roads⁸, further public transport services and requires residents to spend time travelling that is better put to more productive or recreational pursuits. It is a very significant issue for the State to grapple with which is partly why recently it developed the notion of Metropolitan Activity Centres to and job hubs to try and stem the flow of travelling long distances to jobs. Activity centres are one of the logical places to encourage employment creation.

121. At clause 22.01-5 the activity centres policy focuses in on employment in activity centres. It outlines and objective and provides for policy statements and then sets out a policy guideline which includes a single criteria namely:

Developments of over 1,000 square metres should provide leasable floorspace to non-retail uses consistent with the role and function of the centre and centre wide targets identified in Table 1.

122. Table 1 then sets out a series of centre-wide targets according to the typology of the activity centre.

123. In the Part A submission (Attachment 3), Council put forward an alternative form of drafting for consideration. The relevant criteria has been proposed to be modified as follows (with tracking shown):

⁸ For instance, the Monash Freeway has been widened several times over the last 10 years ostensibly to provide for increased capacity for commuters travelling to work at destinations along the way or in the CBD each day.

124. As is apparent from earlier references to the Background Report, there are already centres that have provisions in the Scheme that in effect are required to have certain areas as non-retail floor space. Some examples of this include as follows:

124.1 Fountain Gate Narre Warren Metropolitan Activity Centre;

124.2 Cranbourne Major Activity Centre; and

124.3 all new activity centres in PSP areas.

125. The revised wording is more in line with the intent that policy is persuasive not a control and certainly not mandatory. Ultimately, applications will have to be considered on a case by case basis and there will be applications where it is appropriate to provide for this and there will be those that are not suited.

126. There are several matters to address in relation to this aspect of the policy, including those matters raised by the Panel, DELWP, the submitters and experts.

127. The Panel has asked the following series of questions as part of Direction 14e)(iv):

- Has Strategy 11.2 (p42) which ‘encourages’ new development over 1000 square metres to be three stories in height and for at least 25% of it to be non-retail purposes been ‘tested’ with the development industry?
- Is the base size of 1,000 square metres realistic?
- Does the use of the word ‘encourage’ in this strategy have any effective meaning?
- It is understood that the target relating to developments in excess of 1,000 square metres, is to apply on a centre wide basis, how will it be applied in respect of a particular proposal in excess of 1,000 square metres?
- Is the proposal in Strategy 11.2 achievable for Neighbourhood Activity Centres (p26) at the lower end of the floorspace range?

- ### Neighbourhood Activity Centres

- A mix of land uses including a full line supermarket, speciality retail, cafes, restaurants, local service providers and small offices to maximise the number and diversity of local employment opportunities. As a target the non-retail floor space of a fully developed neighbourhood centre should be at least 30% of the total floor area.

- ⁹ The Panel report for Amendment C200melt does not touch on the issue.

site specific planning scheme control (such as a PSP, Activity Centre Zone or Comprehensive Development Zone).

135. Finally, we observe that the term “encourage” is well utilised in planning. Its meaning is clear enough. We earlier explained the imperative for the provision of non-retail floor space to diversify the employment base and outlined the implications for Casey (and other municipalities) if jobs were not created close to where people live. Encouraging the response is a sufficiently light handed approach to the issue at this stage.

DELWP comment

136. While not a condition of authorisation, the letter from DELWP authorising the preparation and exhibition of the Amendment included the following comment:

Proposed floor space targets

Throughout the amendment process your council must demonstrate that the proposed floor space targets are appropriate, will meet future demand and not unreasonably constrain use and development in Metropolitan and Major activity centres. Your council should also consider the impact of the zoning of activity centre land on the practical implementation of these targets.

137. As noted earlier, the targets identified in the Activity Centres Strategy and local policy are not mandatory requirements but rather are targets. Many of Casey’s established centres are achieving these targets already. For example:

137.1 between the Fountain Gate-Narre Warren Metropolitan Activity Centre and the Cranbourne Major Activity Centre, excluding restricted retail precincts, 50% of floorspace is non-retail use (commercial and institutional);

137.2 Llewellyn Place in Doveton has 12 former shopfronts, none of these are currently used for retail outlets uses. They provide a range of offices, education, equipment supply/wholesale, and residential; and

137.3 Eden Rise currently has around 25% non-retail use, primarily from offices, a medical centre and gym.

138. Further, recent infill development on existing sites (either vacant lots, or demolition and rebuild) within activity centres has multiple storeys with upper floors being non-retail uses. These non-retail uses include other commercial development and residential development. This has been consistent in most centres throughout the City of Casey.

- ## Stakeholder Interviews

149. The second set of urban design guidelines ought to be familiar to the Panel and others because many of them, if not all of them, have been sourced from the Victorian Government's Urban Design Guidelines published by DELWP.

¹¹ Ibid.

150. The Activity Centres Strategy effectively adopts a number of the most relevant guidelines in the DELWP publication, draws out their relevance to activity centres and provides a localised context for them. The Panel will find these at page 55 of the Activity Centres Strategy in Chapter 5 with the narrative and associated objectives 13, 14, 15 and 16 set out in Chapter 4.
151. The text of clause 22.01-7 does not repeat or adopt the urban design narrative and objectives verbatim. Instead, the policy is drafted so as to set out the key issues. One could easily annotate the criteria to identify the provisions of the Activity Centres Strategy that is the source of the initiative.
152. Several submissions raised questions around the proposed first set of urban design provisions. There does not appear to have been any concern expressed in relation to the second grouping of urban design criteria.
153. In particular:
 - 153.1 Scentre Group suggested revised wording to the Activity Centres policy at clause 22.01 to encourage intensive development where a new building/s is proposed to be at least two to three storeys within a Metropolitan Activity Centre; and
 - 153.2 ISPT and Vicinity Centres expressed concern about how these provisions might play out for locations that are traditionally retail focussed and how this would be interpreted on an individual application basis.
154. In Council's submission, the proposed urban design provisions support the State planning policies identified above and in particular, encourage the intensification of development in activity centres. Encouraging development to be built up, rather than out, fulfils policies to "build up activity centres" as a focus for high-quality development, activity and living by developing a network of activity centres.
155. Mr Szafraniec has also considered these submissions, including Scentre Group's proposed changes to the policy and advised that:¹²

I would not support this from an economic perspective, noting my comments at paragraph 131. Preferably, all future investment in Activity Centres should work towards the intensification and diversification of employment. From this economic perspective, there should be no distinction between new buildings and redeveloped/expanded buildings. However, I do agree that there needs to be discretion in the approach and not a fixed approach.

¹² Julian Szafraniec evidence statement, page 34.

156. There is no dispute between Council and the submitters on this point. An appropriate exercise of discretion and a case by case approach to the application of the policy is critical to its success. VCAT is the safety net for that approach.¹³ There needs to be a considered and balanced approach in each case. Not every applicant will be a suitable candidate for fulfilling the policy targets. However, we would also submit that it is appropriate to change the starting point position and then require an applicant to explain why one should not adopt the initiative sought by the policy.

Out-of-centre development

157. A third key element of the policy at clause 22.01 relates to out of centre development. Here the objective is to ensure that new retail and commercial development outside of activity centres does not compromise the activity centre hierarchy and, where it is permitted, results in net community benefit.

158. The existing policy at clause 22.01 contains the following reference to out of centre development:

New retail and commercial development proposals (including rezonings) that are inconsistent with this policy, **including 'out-of-centre' proposals** and proposals that are contrary to the role of a centre, together with proposals that result in a floorspace threshold/limit for a centre/site being exceeded, must satisfactorily address the Development Assessment Criteria contained in the City of Casey Activity Centres Strategy, the criteria being:

- Opportunity for choice.
- Accessibility and convenience.
- Amenity and safety.
- Viability and efficiency.
- Amenity and environment.
- Net community benefit.

159. The policy is currently what might be described as an incidental reference to out-of-centre development. The new policy on out-of-centre development is much more intentional and identifies issues relevant to specifically out of centre development.

¹³ See for instance the discussion at paras 55 – 59 of the Tribunal in Doncaster Road Property Partnership v Manningham City Council at <http://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/vic/VCAT/2004/2445.html>

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163. And at page 128:

164. At page 135, the SGS Assessment Report also undertook a review of the *Casey Activities Areas and Non Residential Uses Strategy Volumes 1 & 2 (2012)* and identified the following key issues from that strategy:

165. Then at page 140 in the Summary and Policy Gaps section, the SGS Assessment Report states:

- The need to provide more local employment opportunities for residents in the City
- The need to address rapid urban growth and poor access to activity centres and employment opportunities at the urban fringe
- Resisting pressure for isolated, ad-hoc, out-of-centre development outside of recognised activity centres, and
- Ensuring that growth in larger centres (such as Fountain Gate – Narre Warren CBD) does not limit the capacity for the strategic objectives of smaller centres to be achieved.

166. The Background Paper (at section 1.5) contains a discussion on the economic assessment of retail and other employment floor space. Referring to the SGS Assessment Report, the Background Paper notes that key facts and findings of the assessment include (page 5 of 20):

- Restricted Retail Precincts and out-of-centre retail uses, which are usually car-dependent areas along main roads away from where people live, such as homemaker centres and big box retail sites, can undermine the centre hierarchy if they're not well regulated. Conventional retail uses (i.e. not restricted retail) ought to be kept within the activity centres network to maintain the viability of the 20-minute neighbourhood concept.

167. The Panel will note that as for the first consideration, namely whether the proposal will compromise the activity centre hierarchy, the proposed policy sets out a set of items that an assessment of the proposal should demonstrate. These include:

- Addresses a gap in the activity centre network.
- Will result in improved accessibility and convenience for pedestrians, cyclists and public transport users.
- Is of a scale, design and appearance of any development is complementary to the existing or preferred character of the area.
- Will cause minimum loss of amenity, privacy and convenience to residents of nearby dwellings.
- Delivers a net community benefit.

168. In the Activity Centre Strategy, the issue of out-of-centre development is closely aligned with the consideration of net community benefit. Net community benefit is the second relevant consideration for the purpose of considering out of centre development.

169. The following objectives and strategies of the Activity Centres Strategy are identified which are relevant to out-of-centre development:

- 169.1 **Objective 9. Net Community Benefit** - To ensure all non-residential use and development provides a net community benefit.
- 169.2 **Objective 10. Parameters for out-of-centre non-residential uses** - To establish assessment criteria for non-residential activities that allow some appropriate out-of-centre activity while upholding the integrity of the activity centres hierarchy by directing most non-residential activities into centres.
- 169.3 **Objective 13. High quality design** - To establish an overarching urban design framework that provides high-level guidelines that can be applied to all activity

centres to develop high amenity and well-designed centres which provide attractive, vibrant and walkable environments.

170. Objective 9 is accompanied by a strategy which is to:

S.91 Use the Net Community Benefit criteria in the assessment of potentially high impact development such as out-of-centre proposals (in conjunction with the out-of-centre locational criteria) and when assessing in-centre development that precedes adoption of a structure plan.

171. Chapter 5 of the Strategy provides a series of tables identified as a development assessment process checklist, net community benefit criteria, locational assessment and design guidelines.

172. The net community benefit criteria is set out from page 53 of the Strategy. It states at the outset that:

The activity centres network for Casey is based on a series of planning outcomes derived from the concept of Net Community Benefit. The objective of the Net Community Benefit assessment is to balance economic sustainability with environmental and social-cultural sustainability

173. Table 5 then sets out a series of principles to guide the net community benefit assessment process. This is relevant because the proposed policy in the Amendment at clause 22.01-4 provides that decisions made in relation to out-of-centre development should ensure two outcomes, namely that any grant of a permit:

173.1 would not compromise the activity centre hierarchy; and

173.2 results in net community benefit.

174. In relation to the criteria for net community benefit the Panel has asked:

(vi) Table 5 (p53) has the word 'criteria' in its heading, then goes on to outline 'principles' and then refers to 'policy directions' under the heading of key questions. The Table refers to criteria, principles and policy directions – we need to clarify the purpose of this table. How is a potential applicant meant to use Table 5 when assessing benefits and costs of a potential development in order to draw conclusions about Net Community Benefit?

175. Table 5 (Net Community Benefit Assessment Criteria) comprises a more subjective qualitative set of assessment criteria for net community benefit. It is an approach that planners are more familiar with than the approach referenced in the SGS Assessment Report. However, that said, it must be stated that the Activity Centre Strategy is not an incorporated document. It is a background (previously known as reference) document.

176. Therefore, it is not a document directly relevant to decision making. Because the concept of net community benefit is such a woolly notion the way that it is usually dealt with by planners, at best the background document might assist Council's planners and those involved in the industry in understanding what considerations may be relevant in putting forward an argument in relation to net community benefit.
177. The Amendment is not seeking to prescribe a test. It is only seeking to direct some relevant matters to take into account. For decision making, what is ultimately directly relevant are the five bullet points set out in clause 22.01-4. Namely the policy asks that the assessment of potential net community benefit demonstrate the proposal:
- Promotes single destination multi-purpose trips.
 - Delivers high quality and sustainable urban design outcomes.
 - Provides equitable access to services, maximising pedestrian, public transport and bicycle access and usage.
 - Meets the needs of the demographics (including age, ethnicity, socio-economic advantage and religion) of the local area.
 - Achieves environmentally sustainable development.
178. To some extent the criteria in Table 5 from which these pithily stated points stem are an update of the net community benefit material found in the Casey 2012 Activity Areas Strategy. However, it is also informed by the work that the SGS Assessment Report has done in relation to net community benefit. The SGS Assessment Report¹⁴ adopts a far more structured approach to net community benefit than what has been adopted in the Activity Centres Strategy or the Amendment. It is an approach that has generally speaking not found favour with Planning Panels though it is a structured, defined and relatively rigorous approach to the assessment.
179. We submit that the out-of-centre development provisions in clause 22.01-4 are appropriate, sound and clearly strategically based.

¹⁴ See for example, the text box at page 96.

What are the issues?

- ## What is proposed?

- ## Council response

- page 38

What are the issues?

- ## Council response

- ## Woolworths Group

What are the issues?

- page 39

Clause 21.01 – Introduction

201. The changes Council supports to clause 21.01 (Introduction) include:

Change supported	Reason
Amend the names of the Cranbourne Town Centre, Fountain-Gate Narre Warren and Berwick Village on the regional context map to be consistent with Plan Melbourne	In response to submission 8 (ISPT Pty Ltd). This was overlooked when preparing the Amendment for exhibition.

Clause 21.02 – Key issues and strategic vision

202. The changes Council supports to clause 21.02 (key issues and strategic vision) include:

Change supported	Reason
Update clause 21.02-6 to correctly reflect the future Berwick Waterways Neighbourhood Centre, and all future medium neighbourhood centres.	In response to submission 1 (Reech Pty Ltd). An error with ATS drafting resulted in the incorrect map being included (Authorisation was prepared pre-ATS, exhibition post-ATS). It omitted a number of new Medium Neighbourhood centres. The correct map was included in the Part A submission, but it's only just been identified the incorrect one was exhibited.

Clause 21.03 – Settlement and housing

203. The changes Council supports to clause 21.03 (settlement and housing) include:

Change supported	Reason
Revise new strategy at clause 21.03 to: <i>Support housing development in and adjoining activity centres that seeks to minimise adverse amenity impacts such as noise and visual impacts, that existing and proposed non-residential uses will have upon new residential uses.</i>	In response to submission 13 (Woolworths Group).

Clause 21.05 – Economic Development

204. The changes Council supports to clause 21.05 (Economic Development) include:

Change supported	Reason
Revise note at end of clause 21.05-7 to state: <i>For any activity centres within the Urban Growth Zone, Comprehensive Development Zone or Activity Centre Zone, outcomes relating to specific retail and/or commercial floorspace target should primarily be guided by any relevant requirement or guideline set out in</i>	In response to submissions 6 (Scentre Group) and 8 (ISPT Pty Ltd). Council considers that where specific structure planning has been undertaken for a centre and development is consistent with that planning, such as in the Fountain-Gate Narre Warren Activity Centre, the requirement should not apply.

the relevant plan in the zone schedule or incorporated into the Casey Planning Scheme

Clause 21.10 – Berwick southern area

205. The changes Council supports to clause 21.10 (Berwick southern area) include:

Change supported	Reason
Update the Berwick Southern area map to reference the approval of the Berwick Waterways PSP	In response to submission 1 (Reech Pty Ltd). This was an error in the exhibited Amendment. The reference to 'Prepare a PSP for Berwick Waterways' has been deleted from the Scheme and should not be shown on this map.

Clause 21.24 – Narre Warren

206. The changes Council supports to clause 21.24 (Narre Warren) include:

Change supported	Reason
Update clause 21.24 to show that the land in Golf Links Road zoned for residential development as recommended by the Panel appointed to consider Amendment C198 to the Scheme and designate the site at 193 Golf Links Road for medium density development.	In response to submission 1 (Reech Pty Ltd) and to reflect the approved Amendment C198. This should now be reflected in the final Amendment C258 documentation. These changes were made as a part of C198, but that amendment hadn't been gazetted at the time C258 was exhibited.

Clause 22.01 – Activity Centres Policy

207. Council supports the amended version of clause 22.01 as attached to the Part A submission and discussed in this Part B submission. Also for further explanation:

Change supported	Reason
Revise the exemption at the bottom of the table to clause 22.01-5 beyond the current PSP only to include any land in a UGZ, CDZ or ACZ	This change is in response to submissions 6 (Scentre Group) and 8 (ISPT Pty Ltd). Council considers that where specific structure planning has been undertaken for a centre and development is consistent with that planning, such as in the Fountain-Gate Narre Warren Activity Centre, the policy target should not apply.

208. This completes the Part B submissions for the Council.

Maddocks
Per Terry Montebello
Partner
Lawyers for the Planning Authority
11 June 2020