

Council Reference:
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Customer Service | 1300 292 872 | (02) 6670 2400

Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

tsc@tweed.nsw.gov.au
www.tweed.nsw.gov.au



PO Box 816
Murwillumbah NSW 2484

Please address all communications
to the General Manager

ABN 90 178 732 496

Dear Sir/Madam

**Planning for the Future of Retail Development Discussion Paper
2018 - TWEED SHIRE COUNCIL SUBMISSION**

Tweed Shire Council welcomes the opportunity to respond to the Department of Planning and Environment's (DPE) Planning for the Future of Retail Discussion Paper April 2018.

The future of retail and how it impacts small local and regional communities is a matter of keen interest to Council, who has undertaken and is actively involved with the support of initiatives which will promote economic development of local towns and villages and the larger more resilient mixed use centres of Tweed Heads and Tweed Heads South.

The transitioning away from more traditional retail development has impacted main streets and is a challenge not just for Council, but small and medium business which seeks to survive in a rapidly changing retail landscape.

Any initiatives which support Council and the retail sector to better understand the trends and likely implications of change is most welcome. In doing so the discussion Paper establishes the need for a more holistic strategic approach to future retail development.

Whilst it is understood that the Paper is establishing the foundations for a more comprehensive review of planning provisions, there are greater opportunities which could be achieved in the scope of Directions within the Discussion Paper particularly in terms reviewing the statutory and strategic planning frameworks.

The following comments are provided in support of the intention of the Discussion Paper and for consideration during the next stages of the project.

Tweed Shire Council initiatives

As far back as 2005 Council recognised the changing nature of retail development when it was reported that:

"Retailing is a very dynamic and competitive industry and retail developments are constantly changing".

Sectors identified as being "winners" from this change included dining out, supermarkets, hardware/homewares, bulky goods/retail, entertainment, and discount retailers.

From an economic perspective, the Tweed is recognised as the 5th most economically diverse Local Government Area in Australia (Tweed Economic development Strategy 2014). This diversity brings with it opportunities and challenges somewhat unique to regional councils.

The Tweed Economic Development Strategy 2014 (TEDS) has established a framework for change management which recognises the need to provide an environment that is conducive to investment and business growth and lists a range of directions to support these outcomes.

Under the heading of Plan for an Economy of the Future, the TEDS identified the following key issues:

- Increased energy costs;
- Climate change on business;
- Diversity of industry;
- Workforce participation and access to jobs;
- Transition to a digital world, and
- Growing global business networks.

It is hoped that the outcomes of the Discussion Paper will add value to both Council's existing initiatives and the comments below will support integration with the proposals in the next stages yet to be developed.

Definitions

The Discussion Paper is proposing a number of new or amended definitions which are supported; however, in addition, tourism is an important part of the Tweed economy which supports retail activity and while Council is considering creating its own local clause, some councils have already added 'Rural tourism' as a definition in their Local Environmental Plans (LEPs) and a definition in the Standard Instrument LEP would be beneficial.

Recommendation

That a definition for 'Rural tourism' or 'Tourism in rural and environmental zones' be added to the list of definitions to be included in this stage of the planning and legislation review, and that a clause be added to the Standard Instrument LEP addressing this type of development.

Reliable projections of the future of retail

Strategic planning as a basis for identification of liveable, productive and sustainable retail and other compatible development is supported. However, in effect, strategic planning is limited in its ability to project the future, and accommodate the rate of change and inherent uncertainty about the future direction of that change.

There are often significant flow-on impacts with the loss or addition of the large floor plate anchor developments, especially in smaller rural towns where the economic and retail context, scale, urban design and character are all key considerations. Development of a planning approach which is flexible enough to accommodate unforeseen opportunities will be important in deriving the final policy and planning outcomes of the final stages of this legislative review.

Provision of sufficient personnel and financial resources by local councils to meet the cost of undertaking detailed investigations may not be sufficient to provide the level of certainty required to make the most appropriate decisions locally. As such, it is proposed that the State Government support councils develop retail strategies which capitalise on the joint resources of both state and local government.

While strategic planning is acknowledged as an essential component of defining the right place for clustering and orderly development of local shopping opportunities, unless adequate resourcing and research is put into defining the locational opportunities through a broader more regional understanding of retail centres hierarchy and locality based planning, the success of any new approach to supporting retail remains uncertain.

The discussion paper notes that retail is an increasingly local phenomenon, and identifies the importance of being linked to transport hubs; however, for existing developed areas where the scope for increased floor area of retail development or infrastructure is limited, there is a real need to work with landowners to explore all options to make local centres more vibrant apart from relying on large format anchor stores.

Recommendation

That the State Government provides assistance to local councils for the preparation of retail strategies particularly in terms of understanding the broader regional and sub region retail and economic context, existing condition and future need based on regional settlement growth.

Open zones and increased flexibility

Increasing flexibility in the planning process is a common request from the local community when draft land use planning strategies are publically exhibited.

The ability of the planning system to support retail development where local centres operate more as destinations providing a mix of tenants who contribute to shopping, entertainment and homemaker opportunities and experiences is agreed as important to the future of local retail.

While the concept of increased flexibility through use of 'open' zones is likely to facilitate opportunity for retail land use diversity and reduce the delays in support of

compatible development which might otherwise be prohibited, the discussion paper has the opportunity to provide strategies about how open zones will lead to quality built form outcomes.

The concept of 'open' zones must be supported by well-defined zone objectives within the LEP and guidance in terms of its appropriate application in the context of a regions broader retail and economic hierarchy. There is also opportunity for a Development Control Plan (DCP) or design guidelines which details with key planning and design principles focussed on achieving a good compatibility fit with the broader retail and economic context, local character context as well as measures to achieve quality built form outcomes.

The ability of the proposed "Innovation in retail provision" to be developed in the next stage of this project is assumed in part to make provision for unforeseen development opportunities, but is not expected to address the significant issues associated with the impact of development on the local environment, and as such, the role of the DCP in defining these outcomes will be important and should be supported through any outcomes developed in the next stage.

Good design makes better places is a concept put forward in the Government's Better Placed policy highlighting not just the need for consolidated mixed-use development but a focus on the human level, and as such, the ability of future retail development to create places for people is seen as important in outcomes from this discussion paper and the next stage of the project.

Recommendation

That the Standard Instrument LEP is amended to ensure that zone objectives and planning provisions ensure a design-led approach to better place-making outcomes, and

That detailed design requirements are included in local Development Control Plans (DCPs) or suite of retail centres design guidelines supported by the State Government and aligned to regional plans.

Role of Local Strategic Planning Statements

The role of Strategic Planning Statements in defining locally-relevant provisions has only been discussed briefly, but will be important in providing the local community with the opportunity to be part of establishing this longer term vision.

It would appear that Local Strategic Planning Statements will perform a much larger role in strategic planning than was promoted in the earlier legislative reforms of the *Environmental Planning and Assessment Act 1979*, and therefore will need to be supported by more detail from the Government in the near future to allow councils to commence preparation of these Statements.

The role of the community in development of these statement(s) will be important in understanding how the community feels today about the purpose and amenity of centres, but further more detailed investigations will be required to allow councils to project a future for retail and derive locally relevant planning provisions which support a new and as yet unknown future.

Recommendation

That the State Government provide detailed guidance on preparation of Local Strategic Planning Statement(s) and how they will inform review of local environmental plans.

Net Community Benefit test

Net community benefit has been acknowledged in a range of State-level documents in recent history; rezoning and the Net Community Benefit test were introduced in the 2009 Draft Centres Policy which provided evaluation criteria to be considered when assessing a rezoning request.

Net Community Benefit has also been addressed in the then Transport NSW document Integrated Land Use and Transport, The Right Place for Business and Services – Planning policy, and Planning Circulars PS 06-005 and 015.

The need for a demonstrated net community benefit was further considered in the department's earlier guidelines for assessment of planning proposals which has since been removed.

In 2010 the draft *State Environmental Planning Policy (Competition) 2010* was placed on public exhibition which in part removed restrictions on the number of supermarkets, convenience stores and other retail outlets in an area, and separation distances from competing retail outlets, however, anti-competitive rules which allow local councils to consider the impact of new businesses on the trade of existing businesses were retained in the draft.

The ability of a Net Community Benefit Test to provide guidance on the acceptability of a rezoning or development proposal has not been addressed in the Discussion Paper, and as such clear guidance on how such a test would be applied and the ability of existing policy and guidelines as mentioned above to be integrated into a single 'economic assessment' policy would assist in standardising how such a test would be interpreted by local councils and potential implications for retail and other development.

Recommendation

That Clear guidance is provided on how a Net Community Benefit Test would be applied and utilised in assessing planning proposals and development applications for retail and other development, and

That the existing guidelines on net community benefit currently housed within the 2009 Draft Centres Policy, The Right Place for Business and Services – Planning policy, and Planning Circulars PS 06-005 and 015 either be discarded, amended, or integrated into one document.

Regional cities

A key direction in the North Coast Regional Plan 2036 is the coordinated growth of regional cities. The Tweed is recognised as the fastest growing and largest of the North Coast's regional cities and is expected to continue as the most popular destination to live, work and play.

Preparation of the Regional City Plan for the Tweed will play an important role in defining retail opportunities in the city's existing centres. Coupled with this is the Tweed City Masterplan incorporated into Tweed Development Control Plan 2008 which was also jointly prepared with the DPE.

Strategic planning of the future of the Tweed has been extensive, and while the current efforts of the department in preparing the Tweed Regional City Plan are welcomed, one of the key impediments to realization of the Tweed City LEP 2012, the Tweed City Revitalisation plan (DCP) and the now Tweed Regional City Plan will be provision of resources to overcome up-front impediments.

Infrastructure is seen as an important impediment to revitalisation that might occur through the clustering and increased diversity which create 'frictionless' shopping and multi-purpose destinations. Increased population in these centres will be an important aspect of supporting any proposed changes to how retail development might occur.

The Discussion Paper notes that a centre should be "supported by planned and funded infrastructure", but does not address how funding of critical infrastructure might occur.

While development of Local Strategic Planning Statements may derive a preferred future, the ability to realise that future is critical in current undertakings and must be factored in to the development of approaches that the community and industry will have confidence in.

In 2017 the Office of Strategic Land (OSL), under the Planning Minister's Corporation, released its Strategic Business Plan which broadened its focus into support of regional development. The ability of the OSL to be more involved in the planning and implementation of the Tweed Regional City Plan would be welcomed.

Recommendation

That development of the Tweed Regional City Plan incorporate identification of impediments to implementation of the final endorsed plan, and

That the Office of Strategic Land be approached about opportunities to provide resourcing to implement the Tweed Regional City Plan.

A strategic planning aligned zoning framework

The framework upon which changes to the land use table in the Standard Instrument LEP would occur is the *Environmental Planning and Assessment Act 1979*, and as such the Discussion Paper appears to be addressing changes to landuse permissibility rather than the framework itself.

While greater flexibility in the planning system, more diversity in shopping destinations, and improved public transport and public domain are acknowledged these do not appear to be about a change in the "framework" but more the preparation of a contemporary approach to retail and associated development capable of acknowledging current trends and able to adopt to change without the need for extensive change to the planning system.

The role of Local Strategic Planning Statements will need to be comprehensive in their ability to relate the present to the future and as such their function will be crucial for well-designed policy and legislative change locally.

In conclusion

Whether it is a greater mix of uses in clusters and shared consolidation centres, bringing a range of shopping and experiential opportunities in an attempt to revitalise centres, or ongoing reliance on large format supermarkets and outlets the nature of retail is that it will continue to change as innovative ways of capturing market share continue to evolve.

As such, the ability of state and local legislation to provide opportunities through changes to the planning legislation is only part of the formula for vibrant retail centres.

While adaptability and certainty are recognised as important for the future of retail development, the ability of local councils to resource the changes required in planning instruments and on-ground landuse, and provide the necessary infrastructure to support change will require resourcing beyond the capabilities of Council.

Consideration of how retail development can be supported and integrated in the future as presented in the Discussion Paper is supported; however, the initial changes to the Standard Instrument LEP as proposed are considered partial in effect and it will only be once further documents are released in subsequent stages that a better understanding of the implications of those proposed changes can be responded to.

At this time it is hoped that the comments above are seen as constructive and add value to the department's consideration of the current Discussion Paper and in preparation of further documents yet to be released.

Should you wish to discuss this matter further please do not hesitate to contact Council's Senior Strategic Planner Stuart Russell on (02) 6670 3455, or at srussell@tweed.nsw.gov.au.

Yours faithfully



Vince Connell
DIRECTOR PLANNING AND REGULATION