

GUIDELINES
FOR THE ASSESSMENT OF DEVELOPMENT
PROPOSALS FOR LOCAL CENTRES

**(Subject to the Provisions of Variation to the Territory Plan Number 64
B2 Commercial Land Use Policies, Local Centres (Part B2D))**

PLANNING AND LAND MANAGEMENT
DEPARTMENT OF URBAN SERVICES

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1.0 Introduction

1.1 Preamble

These guidelines have been developed to provide supplementary information to assist in interpreting Variation 64 (B2 Commercial Land Use Policies, Local Centres) as it relates to development proposals for local centres. Local Centres are intended to provide for convenience retailing and other convenient shopping and community and business services to meet the daily needs of the local population. In recent times, a decrease in the average household size, social, retail and demographic changes and a consumer preference for the greater variety and “one stop” shopping offered by Town Centres and Group Centres have impacted on Local Centres and led to a decline in turnover in many local shops.

In May 1996, the Government released a new retail policy entitled *A Retail Policy for Canberra - Striking a Balance*. The [ACT Retail Policy](#) aims to maximise employment, encourage investment, facilitate high quality and competitive retail services, and ensure that basic shopping is available to those with limited physical or economic mobility. The policy is based on the findings of a number of reports including:

- the Ibecon Retail Study which provided an economic model for retail planning,
- the Social Impact Assessment of Retail Changes which examined the social role of local shops, and
- the Review of Trading Hours which evaluated possible trading hour regimes.

The retail policy was designed to respond to the problems facing local centres, while at the same time, recognising the social demographic and economic factors which are impacting on the ACT’s urban and retail structure. Variation to the Territory Plan No 64 responds to some of the initiatives in the retail policy by proposing new controls to expand the scope for development and redevelopment in local centres. It should be noted that Variation 64 and these guidelines are for town planning purposes only and relate specifically to the planning controls for local centres included in Part B2D of the Territory Plan Written Statement.

1.2 The Purpose of Variation 64

The Variation broadens the range of uses which may be considered at local centres to include compatible uses such as Light industry, Guest house, Veterinary hospital, various church uses, Training rooms and some servicing and repair uses included under the Industrial trades definition.

The Variation also broadens the scope for significant redevelopment to allow for residential or mixed uses. However convenience retailing will still need to be provided (either within the development or elsewhere in the centre), unless it can be substantiated that convenience retailing is not commercially viable in the centre, and is reasonably accessible from other nearby centres. The level of convenience retailing to be provided would depend on the details of the proposal. The purpose of this control is to ensure that incremental or substantial

changes within the centre do not totally remove the provision of convenience retailing services to the community.

In the case of residential use, proposals which decrease the current level of commercial space by more than 50% may be permitted only where it can be substantiated that the local centre, or the proportion of commercial space to be replaced, is no longer viable. The purpose of this control is to ensure adequate commercial space remains available in existing viable centres.

The changes in this Variation enable local centres to be partly or wholly redeveloped without a variation to the Territory Plan, provided specific objectives, controls and land use restrictions are met. The performance of current businesses in existing local centres will be taken into account when determining the mix of uses in the proposed development. The Land Use Policy in the Territory Plan remains Commercial D (Local Centre), thereby allowing for commercial uses to re-establish at a later stage. Flexible design of residential development would be encouraged to facilitate mixed uses. The design and siting of buildings should provide opportunities for uses such as home businesses, small scale offices and retailing to locate in the centre along with residential uses.

The following sections of this document provide assistance in the interpretation and application of the new policies for development in local centres.

2.0 Guidelines: Interpretations and Planning Requirements

2.1 Context of these Guidelines:

These guidelines relate specifically to Variation 64 and its provisions for Local Centre (Commercial D) Land Use Policy Areas included in Part B2D of the Territory Plan Written Statement. These guidelines refer specifically to land shown within Commercial D Land Use Policy on the Territory Plan Map and should be read in conjunction with:

- the retail policy entitled *A Retail Policy for Canberra - Striking a Balance*
- Variation to the Territory Plan 64
- the principles, policies, objectives, controls and definitions in the Territory Plan Written Statement (in particular Part A, Part B2D Local Centres, Appendix 1 Matters for Consideration and Appendix VI Definition of Terms.)
- other relevant guidelines that have been, or may be, adopted by PALM such as:
 - draft Location Guidelines for Community and Recreation Facilities, and
 - draft ACT Parking and Vehicular Access Guidelines.

The Territory Plan policies as amended by Variation 64 take precedence over planning guideline documents.

2.2 Meeting the requirements of the Policy

Development proposals may relate to a small part of a local centre or involve a substantial redevelopment. For the purposes of these guidelines:

Small scale proposals generally involve less than half of the local centre and do not involve major development.

Substantial development proposals involve the whole, or a major part of the local centre and are likely to have a major impact on the locality. These proposals generally require broader consideration and more comprehensive consultation with local businesses and the community. (For a detailed description of the consultation process involved, see Section 5).

As a guide, substantial development proposals would generally:

- involve substantial demolition of existing buildings,
- involve new building or major additions to existing buildings,
- involve more than 50% of the area of the relevant Commercial D Land Use Policy Area, or
- decrease the total gross floor area in a centre provided for commercial purposes by more than 50%.

Some proposals may also involve the acquisition of additional land adjacent to the centre not included within the Commercial D Land Use Policy Area. In these cases development would need to meet the requirements of the relevant land use policy.

In all cases planning controls aim to ensure that, where possible, basic convenience retailing remains reasonably accessible to the local community.

Convenience retailing means a *shop* selling basic food and household items which is reasonably accessible to the local population.

The level of convenience retailing required may vary with the details of a proposal. In cases where the existing convenience retailing is not commercially viable, accessibility criteria may also be satisfied if it is reasonably accessible from other nearby centres.

The steps outlined below apply to some applications in Commercial D areas and expand on the steps required for lodging a standard development application. Development application packages are available at the PALM Shopfront. Because the application is covered by the Commercial D Land Use Policy, a Non-residential Development Application Package should be used even where the application includes housing. The applicant should arrange for a pre-application meeting to discuss the details of the proposal and determine whether the following additional steps apply.

3.0 Assessing Commercial Viability

The first additional step is to assess commercial viability. This assessment will vary depending on whether the application is for substantial residential development or for other development which removes convenience retailing uses. The applicant should discuss the details of this assessment with PALM before lodging an application.

3.1 Substantial Residential Development Proposals

Where a residential development proposes to decrease the total gross floor area provided for commercial purposes by more than 50%, the applicant is required to substantiate that the local centre or the proportion of commercial space to be replaced, is no longer viable. Viability is likely to be an issue in local centres where active or convenience uses such as supermarkets or service stations have already closed and where a number of buildings have been vacant for an extended period. Decisions about viability need to be made in a strategic context. The impact of initiatives from the helpShop program should be examined. Opportunities to revitalise a centre through measures such as precinct management programs, better marketing of local businesses, redevelopment and development of vacant sites in the vicinity should also be considered.

Indicators for assessing the Commercial Viability within a Local Centre:

A local centre (or that proportion of commercial space to be replaced) may be considered no longer viable where all, or most, of the following criteria are satisfied:

- The estimated turnover levels of more than half of the existing shops within the centre have been significantly below the average trading levels in the ACT for the last 12 months,
The applicant should arrange for audited accounts detailing turnover levels to be provided to PALM.
- The current rent levels for existing shops have not increased significantly over the past 24 months and are comparable to the levels for commercial premises in other local centres in similar locations and circumstances,
The applicant should provide rent levels. In some cases it may be necessary for the applicant to demonstrate that some efforts have been made to actively search for tenants.
- A number of shops have been vacant for an extended period (eg approximately one third of the shops have been vacant for 6 months or more), and any previous lease agreements have been terminated for reasons not associated with the development proposal.
The applicant should demonstrate that any leases to previous tenants have been terminated for reasons not associated with the proposed redevelopment.
- Initiatives, such as building extensions, improvements or refurbishing, have failed to attract tenants,
- The results of consultation with owners and the tenants support the non-viability of the centre,
- The Government's helpShop program does not indicate any readily available mechanisms to improve viability.

While some individual shops within the centre may be viable, a judgement needs to be made as to whether retention of these uses maintains the basic function of the centre. Some redevelopment proposals may include replacement retail space. This could provide an

opportunity for viable uses to continue to serve established clients in the locality. In some cases redevelopment may enhance retail viability by providing more attractive spaces and an increased population density. The Government's helpShop program will assist PALM in assessing the performance levels of specific businesses and the overall viability of the local centre.

3.2 All Other Proposals which remove Convenience Retailing

If convenience retailing is not available elsewhere in the centre or included as part of the new development proposal, the commercial viability of the uses being removed should be assessed.

Although planning controls can provide opportunities for activities to be undertaken, they cannot guarantee the viability of these activities. Other factors such as the level of demand and community support, the business expertise of operators and local demographics are more likely to influence viability. While a high level of local community support for a particular local shop may assist in its viability, this factor alone does not guarantee the success of business activities within the centre. In relation to business success, it is not feasible in these guidelines to make definitive assessments about the expertise of individual operators.

Indicators for assessing the Commercial Viability of Convenience Retailing Uses:

Convenience retailing uses may be considered no longer viable where all, or most, of the following criteria are satisfied:

- The estimated turnover level of the existing convenience shop or shops has been significantly below the average trading levels in the ACT for the last 12 months, *The applicant should arrange for audited accounts detailing turnover levels to be provided to PALM.*
- The current rent level for the existing convenience shop or shops has not increased significantly over the past 24 months and is comparable to the levels for commercial premises in other local centres in similar locations and circumstances, *The applicant should provide rent levels. In some cases it may be necessary for the applicant to demonstrate that efforts have been made to actively search for tenants.*
- The shop or shops have been vacant for an extended period (eg around six months or more) and any previous lease agreements have been terminated for reasons not associated with the development proposal,
- Initiatives, such as building extensions, improvements or refurbishing, have failed to attract tenants,
- The results of consultation with owners and the tenants support the non-viability of the uses,
- The Government's helpShop program does not indicate any readily available mechanisms to improve viability.

4.0 Assessing Reasonable Access to Convenience Retailing

The second additional step is to assess whether convenience retailing is reasonably accessible to the local population. The applicant should discuss the details of this assessment with PALM before lodging an application. Where convenience retailing continues to be available within the centre, accessibility criteria are generally met and no further assessment is necessary. Convenience retailing may be provided by maintaining an existing shop or establishing a new convenience shop within a redevelopment. The level of convenience retailing required would depend on the details of a particular proposal. In some cases, convenience retailing may be included as an adjunct to the main activity of an existing shop. For example convenience retailing may be provided where a pharmacy or takeaway sells bread, milk and some other basic products.

Where convenience retailing is not reasonably accessible either within the centre or from another nearby centre, provision should be made for it within the development. If convenience retailing is not currently viable, approval could be given to short term leases for interim uses subject to periodic review. The prospects for viability may improve as the suburb population ages or as a suburb undergoes revitalisation.

Indicators for assessing Reasonable Access to Convenience Retailing:

The opportunity for the provision for convenience retailing within the local centre should be maintained where there is no existing convenience retailing use, easily accessible by public transport, within a 1500 metre radius of the local centre. Provision for convenience retailing may also be required where a suburb meets all or most of the following criteria:

- the proportion of its population aged 55 years or more is substantially greater than the ACT average (using the latest ABS Estimated Resident Population),
- the proportion of its population who are under 15 years is substantially greater than the ACT average (using the latest ABS Estimated Resident Population),
- the proportion of public housing dwellings is substantially greater than the ACT average (using ACT Housing figures),
- there is a high level of disadvantage, using the latest Australian Bureau of Statistics indicator of disadvantage (SEIFA - Socio-Economic Index for Areas),
- there is a retirement village or complex in the vicinity which does not include convenience retailing,
- there is a concentration of housing for people with disabilities or special circumstances within the suburb revealed by the community consultation.

5.0 Consultation - Substantial Development Proposals

The third additional step applies to substantial development proposals only. If a proposal is considered to be a substantial development (see section 2.2), it would generally require consultation with both local businesses and the community. The consultation process should be discussed with PALM and carried out by the applicant before an application is formally lodged. The issues raised during consultation should be taken into account in developing proposals. The information gained during this consultation will be used by PALM in assessing the proposal and determining design requirements.

This consultation is additional to the formal notification required under the regulations associated with the amendments to the *Land (Planning and Environment) Act 1991*.

The objectives of the consultation are:

- to inform the local community about the proposal,
- to test the presence of special needs groups and any potential effects on their access to basic convenience retail services,
- to identify any serious impacts requiring amelioration in the design of the development; and
- to enable constructive suggestions that will enhance the quality and viability of the proposed development.

A consultation report should be prepared which includes the details of the consultation process (eg copies of public notices), the comments received, the issues raised in those comments and the proposed response to those issues. The consultation report should be submitted to PALM at the time a development application is formally lodged.

5.1 Business Consultation

The applicant should advise lessees, owners and managers of businesses, commercial properties, community facilities and other non residential uses within and adjacent to the centre. The advice should include details of the proposed development and invite comment (by an agreed date) on a Reply Paid response/suggestion form. If necessary, all interested parties should be invited to a meeting to discuss the proposal.

5.2 Community Consultation:

The applicant would also be required to consult with the local community about the development proposal before an application is formally lodged. It is expected that this consultation would be conducted by an independent agent who is qualified and experienced in the process.

The process would include a letterbox drop to all households within walking distance (generally within a 500 metre radius) of the centre, advising them of the proposed

development. Comment should be invited (by an agreed date) on a Reply Paid response/suggestion form.

The applicant should also arrange for a notice in the local free press and a public display of the proposed development at the local centre and the nearest group centre/s. Comment should be invited (by an agreed date) to a Reply Paid address.

If PALM considers that the issues raised require further consultation, the applicant may be required to conduct a public workshop to allow the community to discuss their concerns and the possible means for their amelioration. Notice of such a meeting should be made through the local free press, through notices at the local shops and to the relevant community action groups and Community Councils.

6.0 Lodging a Development Application

When all the above additional steps are completed, an application can be formally lodged. Where relevant, the application should include information to assist PALM in assessing commercial viability and the access to convenience retailing. If a proposal is considered to be a substantial development, the application should include a report on consultation as outlined in Section 5.

For all proposals, PALM is required to undertake any formal public notification at this stage.

7.0 Assessing a Development Proposal

7.1 Development Requirements

Proposals for development within areas covered by the Commercial D Land Use Policy on the Territory Plan Map are subject to the controls of the Commercial D Land Use Policy at Part B2D of the Territory Plan Written Statement. All proposals including proposals for residential development are assessed on merit according to that policy. The Commercial Land Use Policies for Local Centres in the Territory Plan include controls and performance objectives relating to building design, plot ratio and height.

Design

Clause 2.4 at Part B2D of the Territory Plan Written Statement (as amended by Variation 64) states that,

“all buildings and other physical elements shall be designed to complement the architectural character of the locality”.

This assessment should be made in the context of particular proposals. Where a proposal involves only part of the local centre, any new development would need to complement the remaining buildings within the centre in terms of layout, building form, materials and design. The design and siting of new residential buildings should include measures to protect the privacy and amenity of residents and minimise the impacts of existing uses.

Where the centre is proposed to be substantially redeveloped, proposals allowing for [flexible design and multi-use](#) would be encouraged to reflect the underlying Commercial D policy. The design and siting of buildings should enable uses such as home businesses and small scale offices and retailing to locate in the centre. For multi storey development, the design of buildings should provide opportunities for retail and other mixed uses at ground floor level and be sufficiently flexible to allow for adaptive re-use if the centre regenerates.

Performance Controls

The objective in Clause 2.9 at Part B2D of the Territory Plan Written Statement aims to:

“ensure that development in Local Centres is of an appropriate scale compatible with surrounding development”.

Under this objective development with a plot ratio greater than 2:1 or a building height greater than two storeys may be permitted, provided car parking guidelines are fully met. The development would be subject to public notification.

7.2 Project justification and impacts

Once an application is formally lodged it will be assessed against its broader impacts as well as site specific considerations. Where a proposal is a substantial development proposal, a wide range of issues will need to be considered. The material included in this section is intended to provide a general guide for assessing development proposals. While not exhaustive, it provides an indication of the sorts of issues to be considered.

Broader impacts

- Is the proposal consistent with the [ACT Retail Policy](#) and [the principles and objectives in the Territory Plan, particularly for local centres](#)?
- [What factors contribute to the demand for this development?](#)
- What are [the benefits to the community of replacing the local shops with the proposed use?](#) (For example in cases of [long term vacancies](#), potential benefits could be a more attractive and efficient use of the site).
- Does the proposal contribute to improvements in public spaces in terms of lighting, paving, landscaping etc?
- Does the proposal provide enough space for existing viable businesses?
- Does the proposal address the possibility of integrating development with other blocks in the centre?
- Where a proposal involves only part of a local centre, will [the redevelopment impact on the turnover or viability level of remaining shops within the centre](#) and if so how?

- What groups within the suburb will be affected by this redevelopment and how will they be affected?
- What are the views of other businesses in the local centre about this proposal?
- What are the views of surrounding residents about this proposal?
- Does the redevelopment impact on employment levels?

Site considerations

- Will the development fit on the site and relate to remaining local centre businesses and adjacent land uses?
- Will the design of the centre and the streetscape be improved by this proposal?
- Does the redevelopment provide for flexible use for possible commercial use and how would this concept be promoted by the developer?
- Do the proposed arrangements for parking comply with guidelines?
- Will pedestrian access and circulation within the centre and through the centre be improved and if so how?
- Are public safety issues addressed?
- Will the proposal contribute to the cultural identity of the community?

Service Station Sites

Because service stations are generally provided in prominent and accessible locations, special consideration should be given to redevelopment proposals for these sites. Any redevelopment should be considered in the context of adjacent land uses. Residential development may be considered where commercial or other local centre uses are not appropriate. Residential amenity issues would need to be adequately addressed. In these circumstances, flexible design and mixed use would be encouraged.