

20 February 2021

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DesignWA
Department Planning, Lands and Heritage
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To whom it may concern,

Submission: State Planning Policy 4.2 Activity Centres

The Committee for Perth (Committee) is WA's leading think tank. With over than 100 members covering more than 40 sectors, we thank you for the opportunity to make a submission on draft State Planning Policy 4.2 Activity Centres.

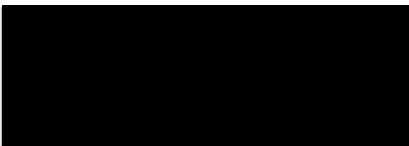
We note that preparing this submission has been challenging due to the importance of the policy, the complexity of successful planning for economic development, and the mismatch between the strategic issues that our research has identified as important for activity centre planning and the proposed policy amendments. We are therefore providing strategic feedback on the role, function and implementation of the policy rather than detailed feedback on the contents of the draft policy document.

This response has been prepared following a briefing on the policy, feedback from the Committee for Perth Reshaping working Group, and a comprehensive review of Committee for Perth research. Key research documents that have informed this submission include:

- Final reports for Committee for Perth major research projects – *Get a Move On!*, *Bigger and Better Beyond the Boom* and *Hashtag Perth*;
- Committee for Perth research including: *FACTBase Special Report: Perth as a region of 2 million people*; and
- *FACTBase Bulletin 50: Examining 60 Years of Strategic Planning in Metropolitan Perth and Peel* and *FACTBase Bulletin 73: Making Strategic Jobs Count: Addressing Issues of Spatial Inequality*.

The above research provides the evidence base and context to the issues identified in this submission and we recommend that it is reviewed by the SPP 4.2 project team.

Yours sincerely,



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1. Draft Policy and Implementation Guidelines

The Committee for Perth supports the review of SPP 4.2 and the development of Implementation Guidelines. SPP 4.2 plays an important role in setting the spatial framework for future economic and residential growth within Greater Perth and the Bunbury region and has the potential to impact on the economic, social and environmental competitiveness of WA.

It is therefore crucial that the policy is effective, evidence based, consistent with current best practice and responsive to the current and future economic, environmental and social needs of the state and the region.

In this context it is our view that the proposed policy provides a number of improvements to SPP 4.2 (2010) in that it simplifies the policy, provides clarity in regard to the implementation process and guidelines and enables a more flexible, evidence based approach to the design of activity centres. However we are concerned that the current draft policy lacks clear objectives and that this reduces clarity on the purpose of the policy – or capacity to measure its success in the future.

In addition, we have identified a number of critical strategic issues associated with SPP 4.2 that the current review and proposed policy amendments have not addressed such as:

- Very low development intensities within Greater Perth, including within higher order activity centres.
- The large number of designated activity centres within Greater Perth and the impact that this has on employment dispersal, development intensity and the decline of traditional centres.
- Misalignment between the current structure and balance of employment/activity centres in Greater Perth and the proposed structure and balance of activity centres identified within the hierarchy at Appendix 2 of the policy.
- Inconsistencies between the characteristics of activity centres within the same classification categories.
- Imbalance between strategic employment and population-following jobs and the need for SPP4.2 to specifically acknowledge and plan for different job types.
- Improving the performance of SPP 4.2 in reducing car dependence and commute distances.
- The need to enhance the role and performance of Perth Capital City as the primary business, urban living, education, culture and tourism hub in the state.

We believe that addressing these policy issues will require the initiation of a broader strategic review of SPP 4.2.

2. Strengthen and expand the draft policy objectives

The objectives stated within the draft policy document are narrow and do not clearly articulate the strategic purpose of the draft policy. The objectives also fail to consider a number of important issues for the future of Greater Perth and WA including:

- The role of activity centres in enhancing Greater Perth and WA's international role as a more competitive state and capital city to live, work, visit and invest.
- Developing and protecting Perth City Centre as the primary business, urban living, education, culture, tourism and innovation hub for Greater Perth and Western Australia.

- Ensuring that Greater Perth delivers high quality, transit-oriented strategic activity centres as nodes or clusters for innovative industries.
- Facilitating planning and design of activity centres that is both rigorous and responsive to the local population, economic, environmental and infrastructure context (i.e. not simply consistent with other activity centres with the same hierarchical classification).
- Ensuring the right jobs are located in the right locations and that infrastructure investment is targeted to reduce car dependency and increase public transport use and cycling.

Draft Policy Outcomes	Comments/Proposed Additions
The activity centre network meets different levels of community need and enables employment, goods and services to be accessed efficiently and equitably by the community.	Consider the need for the activity centre network to deliver centres that meet the locational needs of key industry sectors.
The primacy of activity centres is reinforced, and out-of-centre development that undermines the hierarchy of activity centres is discouraged.	Committee for Perth evidence shows that the primacy of centres as classified within the current and proposed hierarchy have already been irrevocably undermined. Addressing this issue requires a comprehensive review and restructure of the activity centres hierarchy.
New activity centres or the expansion and consolidation of existing activity centres does not unreasonably undermine existing centres.	The protection of the Perth City Centre should be identified as a key outcome. In addition to new activity centres and development within activity centres it is our view that this needs to be applied to commercial development outside of designated activity centres.
Sufficient development intensity and appropriate land use mix is provided, that supports the role and function of activity centres and facilitates a competitive retail and commercial market.	Additional issues include the need to deliver strategic activity centres with the appropriate industry and activity mix, intensity, accessibility and urban form to facilitate innovation and urban vibrancy.
The density and diversity of housing in and around activity centres is maximised to improve land efficiency and housing variety, and assist with delivering the objectives and outcomes of the strategic planning framework for the applicable region.	This outcome should be focused toward the Perth City Centre and activity centres that are home to strategic employment, entertainment land uses and high quality public transport access.

Draft Policy Outcomes	Comments/Proposed Additions
Development within activity centres is well-designed, cohesive and functional and that capitalises on the use of existing and planned infrastructure.	Include outcome that planning of activity centres is responsive to the characteristics of the local population, economy, culture and environment.
Access to and within activity centres by walking, cycling and public transport is maximised while private vehicle trips and dependence on parking is reduced.	Agree with this outcome however it should be noted that capacity for multi-modal shift varies substantially depending on the activity centre. For example Perth City Centre has a very high capacity for multi-modal shift. Similarly strategic and knowledge employment centres (i.e. activity centres that are home to significant office, education and health uses) have significant capacity for multi-modal shift if adequate infrastructure is provided. Sub-regional retail/service centres, by comparison, have a low capacity for multi-modal shift due to locational requirements and transport preferences associated with shopping trips.
Planning and development of activity centres balances the environmental, social and economic values of activity centres to provide a net positive benefit to local communities.	Add cultural values.

3. Review the effectiveness of SPP 4.2 in achieving its objectives

The Committee strongly believes that a broad review of SPP4.2 2010 should be undertaken to assess the effectiveness of the policy in achieving its stated objectives and metropolitan planning goals. This will assist in identifying any parts of the policy that require amendment to assist in improving implementation, as well as help to inform the implementation guidelines.

Key issues identified by Committee for Perth research include:

- The structure and balance of employment activities and activity centres in Greater Perth (planned versus actual).
- The main role and attributes of activity centres (planned versus actual).
- Public transport accessibility rates of car and multi-modal transport use.
- Measure performance against employment self-sufficiency targets.
- Regional commuting patterns and distances (i.e. the extent to which the dispersal of employment leading to more people living and working within the same sub-region, reducing commute distances/ versus growth in long cross-regional commutes).
- Specific locational requirements of strategic jobs versus population-following jobs.

4. Develop an evidence based framework for activity centre classification

The draft policy relies on the activity centre functions and land use guidance at Appendix 1 and activity centre hierarchy at Appendix 2 to coordinate the location, function and

measures relating to individual activity centres. According to the document, this includes guiding evidence-based planning to identify sufficient development intensity and appropriate land use mix to support the functions of the activity centre, and contribute to the achievement of the sub-regional employment self-sufficiency and housing objectives from the relevant regional and sub-regional planning frameworks.

However, evidence indicates that the activity centre hierarchy has already been significantly undermined and that implementation in its' current form is therefore not a realistic goal. It is therefore our view that a shift to an evidence based activity centre classification methodology is needed to address this issue.

This means that activity centres would be classified within the hierarchy based on criteria such as: current role as an employment centre (considering quantity and quality of employment and type of employment, including whether employment is strategic or population following); existing urban density and design characteristics; access to public transport and a walkable catchment; capacity for development of the activity centre to assist in meeting regional strategic planning and transport goals; and capacity for activity centre to meet the specific locational needs and support the growth of key regional industries.

A shift to an evidence based classification system could deliver significant benefits. For example, it would mean that activity centres can be classified based on both their current characteristics and future potential rather than in response to planning ideals or political intentions. An evidence based classification system would also make implementation of the hierarchy more achievable than implementation of the current hierarchy, which faces a number of obstacles.

Industry locational preferences are a key obstacle. Committee for Perth research has established that while support among residents and local authorities for the employment decentralisation is high, support among strategic industries is low. This is because different types of businesses have specific locational requirements and do not intend to re-locate to meet regional strategic planning goals. For example, data and industry research has established that the Central Sub-region is the preferred location for a majority of businesses, and particularly for strategic industries – which are globally competitive industries that drive Greater Perth's economy, such as materials, energy and key knowledge sectors.

Strategic industries locate in the Central Sub-region for a number of reasons. These include: profile, amenity, cost, access to skilled workers and proximity to peers, clients and customers. Central locations are also preferred because they are the most accessible by road and public transport and deliver benefits of agglomeration and economies of scale. As a result businesses have often located within centres or areas that are not designated activity centres.

A notable example is Osborne Park Industrial, which has become Greater Perth's second employment and knowledge employment centre, despite not being designated as an activity centre within SPP4.2. Applying an evidence based classification system would enable centres like Osborne Park to be identified/classified within the hierarchy with an aim to deliver better planning for future development, reduce inappropriate development and improve design outcomes.

The Activity Centre Hierarchy at Appendix 2 identifies a large number of activity centres which have been classified based on regional planning intentions rather than local characteristics and potential. As a result, the characteristics of activity centres that sit within the same classification category differ widely – yet they are expected to be planned to serve the same general role or function and are subject to the same residential density targets etc. Shifting to an evidence based classification system could enable classifications that better

reflect the roles and function of activity centres ‘on the ground’ and could facilitate planning and design that is more responsive to local activity centre characteristics.

5. Deliver a small number of high density hubs and responsive activity centre design

Research shows that activity centres within Greater Perth are low intensity and that employment activities are dispersed rather than concentrated within designated strategic hubs. This dispersed pattern of employment reduces potential to meet key strategic planning and design objectives – most notably objectives for more sustainable transport patterns and the establishment of mixed use, high intensity, walkable and transit oriented hubs. It also undermines the current hierarchy and planned balance of activity centres.

The draft hierarchy designates 35 activity centres as higher order activity centres (i.e. strategic, secondary and specialised) and 69 centres are designated as district activity centres. The development and designation of a large number of activity centres arguably encourages employment dispersal, undermining the role of traditional higher-order centres and the implementation of strategic planning goals.

In addition, variation between the specified roles and function of these activity centres (within Appendix 1) is limited. For example, the roles and functions table does not account for differences between activity centres that accommodate/are planned to accommodate strategic jobs versus those that accommodate population-following jobs – and the associated variations in roles, functions, infrastructure, density and design needs.

Furthermore the draft classification system does not address differences in the roles and attributes of activity centres based on their location and characteristics. For example, inner urban, higher density strip retail and entertainment centres have different transport, density and design requirements than newer, suburban retail and entertainment centres located within low density, less accessible car reliant neighbourhoods.

These issues lead to significant implementation issues for government agencies and the private sector. Most notably, the large number of higher order centres with similar attributes make it difficult for other agencies, such as the Public Transport Authority (PTA) to know where to strongly advocate for reciprocal higher order investment in transit outcomes.

An example is the recent decision making process for investment in rail in Armadale. While the business case for the Byford Rail Extension indicated an elevated rail solution through Armadale would be the best overall outcome for the activity centre from a qualitative perspective, given improved connectivity and amenity, it was significantly more expensive than at-grade rail (underground rail was another order of magnitude higher so was ruled out). Furthermore, while Armadale is classified as a Strategic Metropolitan Centre there are so many high order centres within Greater Perth that the classification doesn’t create adequate differentiation to justify higher order investment. As a result the PTA adopted at-grade as the core project option for Armadale. If SPP 4.2 was clearer on fewer higher order centres it would make it easier for agencies like the PTA to justify/push for a step change in public transport investment within these centres.

Activity centres that are located along major arterial roads, such as Cockburn and Canning Bridge provide additional examples of the need for an evidence based classification and the identification of roles and functions that are responsive to local characteristics. These centres face inherent conflicts between land use aspirations for the activity centre and regional transportation/travel needs and outcomes. These tensions are likely to lead to compromised outcomes in regard to regional infrastructure provision and activity centre urban design/precinct and policy objectives. Considering these constraints and issues at the time of activity centre classification and identifications of roles and functions that are

responsive to local issues and constraints could assist in avoiding these types of conflicts and potentially compromised outcomes.

To address these issue we believe that a key objective of the review of SPP 4.2 should be to identify a small number of strategic activity centres as high intensity strategic employment/industry and mixed use, transit oriented hubs using on an evidence based classification process. This includes the identification of specialised industry clusters – such as education and health clusters which can support high intensity, mixed use activity.

Secondly a comprehensive review of SPP4.2 should include a review of the activity centre classification methodology process (as outlined within the points 3 and 4 above), and the development of guidelines for the identification of appropriate roles, functions and activity centre design to ensure that they are responsive to the role and needs of different activity centres based on their employment, locational, transport, demographic and design characteristics.

6. Strengthen the role of SPP4.2 to promote growth in employment and residential intensity within the Capital City

Whilst SPP 4.2 identifies Perth Capital City as the largest of the activity centres, and identifies its role as ‘delivering the greatest range of high order services and jobs, and the largest commercial component of any activity centre’, it is our view that the policy, hierarchy and implementation process should have a stronger focus on developing and protecting the Perth City Centre as primary business, urban living, education, culture and tourism hub for the region and for Western Australia.

The potential benefits of achieving a critical mass of businesses and people living, working, studying and visiting the city centre are substantial and well documented. They include increased productivity and competitiveness of strategic industries; 24 hour city vibrancy; reduced car commuting and more sustainable live, work and study options; and successful inner-city retail, hospitality and tourism businesses. A strong and vibrant city centre will also help to position Greater Perth as a destination of preference for international businesses, students, visitors and investors.

Perth City Centre has high employment intensity in a local context but is low intensity when compared to Sydney and Melbourne. Other challenges for the city centre is low population intensity, high commercial vacancy rates, and that the role of the city centre as an employment, retail, residential and entertainment hub has faced long term decline. This is due to substantial investment in new residential, commercial and industrial development in areas outside the city centre. Over time it has been impacted by events such as the mining sector downturn and, most recently, the impacts of COVID-19.

This low intensity form has impacted on Greater Perth’s reputation and competitiveness as a destination to live, work, study, invest and visit – regionally nationally and internationally.

For example, consultation with national and international stakeholders undertaken as part of Perth’s *Hashtag Perth* project identified perceptions of Perth city centre as ‘dead’, ‘hostile’, ‘lacking cultural vibrancy’. It also found that Greater Perth has a reputation as a ‘suburban’ destination– limiting the region’s attractiveness to international students and tourists.

Committee for Perth research has also established that growth industries within Greater Perth, most notably mining, resources and energy and professional, scientific and technical services benefit from city centre and central locations because they offer spatial proximity to organisations in the same sector and other sectors, proximity to government departments

and services, multi-modal transport accessibility, availability of high-density office floor space, prestige, access to skilled workers, connections to formal and informal peer and client networks, and good amenity including access to hospitality, retail and entertainment services for workers. However the lack of a critical mass of business and workers in the city centre and perceptions of the centre as 'dead or hostile' could undermine these benefits.

Taking this evidence into account, it is our view that SPP4.2 should identify Perth Capital City as the primary business, urban living, education, culture and tourism hub for the region and for Western Australia. Implementation of the policy including local planning schemes, precinct structure plans, standard structure plans and amendments to these planning instruments should be required to explicitly consider the impact that proposed development within an activity centre will have on the primacy of the Capital City. Needs assessments and impact tests should also require the explicit consideration of latent commercial/retail capacity (existing vacancies/ development potential) within the Capital City (and other high order activity centres) as part of the assessment process.