ESSENTIAL ECONOMICS

City of Swan

Local Commercial Activity Centres Strategy

Background Report

Prepared for

City of Swan

by

Essential Economics Pty Ltd

Adopted by Council on 27th September 2017

Authorship

Report stage	Author	Date	Review	Date
Draft report	Nick Brisbane, Alex Wilkinson	11 April 2016	Sean Stephens City of Swan	12 April 2016 12 May 2016
Draft report V2	Nick Brisbane, Alex Wilkinson	29 July 2016	Sean Stephens	3 August 2016
Final report	Nick Brisbane	27 October 2017		

Disclaimer

Contact details

For further details please contact Essential Economics Pty Ltd at one of our offices:

96 Pelham Street
Carlton
Victoria 3053
Australia
PH +61 3 9347 5255
FAX +61 3 9347 5355

Level 26 / 44 Market Street
Sydney
New South Wales 2000
Australia
PH +61 2 9089 8654

EMAIL mail@essentialeconomics.com
WEB www.essentialeconomics.com

ABN 92 079 850 427

Our Reference: 15209

Contents

INTRODUCTION

Background

The City of Swan has engaged Essential Economics to prepare a Local Commercial Activity Centres Strategy. This Strategy will replace the City's existing Commercial Centres Strategy which was adopted in June 2004.

Since 2004, the strategic policy context with respect to urban development, including activity centres, has changed significantly. *State Planning Policy No. 4.2 – Activity Centres for Perth and Peel*, along with *Direction 2031* and associated Sub-regional Strategies guide the planning and development of new activity centres, and the redevelopment and renewal of existing centres, across Perth and Peel.

Likewise, the economic and commercial context for activity centres policy in the City of Swan is substantially different to that which applied in 2004 when the current Commercial Centres Strategy was prepared. The rate of population growth in the City of Swan has exceeded the expectations of the current Strategy, and a range of new development pressures are providing challenges for the existing policy framework.

For these reasons, the new Local Commercial Activity Centres Strategy will:

- Ensure that activity centres policy complies with the up-to-date strategic land use policy context which applies to Perth and the City of Swan
- Reflect the latest trends and challenges for activity centre planning and development
- Include up-to-date economic analysis which reflects current expectations of planning and development
- Provide a robust framework for the application of activity centres policy in the City of Swan that reflects the goals and aspirations of Council
- Incorporate the latest feedback and input from the community on the future of activity centres in the City.

The structure of the City of Swan Local Commercial Activity Centres Strategy includes the following components:

- A **Best Practice Review Paper** outlines key issues of relevance to the Local Commercial Activity Centres Strategy including a review of leading edge responses to these issues from across Australia
- A **Background Report** which outlines the context for developing the objectives and actions contained in the Strategy
- The **Local Commercial Activity Centres Strategy** as the formal policy document to be adopted by Council.

Formal Study Outcomes

The formal outcomes of the project, as identified in the project brief identified by Council include:

1 Development of a Local Commercial and Activity Centres Strategy to be adopted by the City of Swan and endorsed by the Western Australian Planning Commission (WAPC)

2 Development of updated strategic guidance criteria for activity centres

3 Identification of required amendments to the City of Swan Local Planning Scheme No. 17

4 Identification of other actions for activity centres which support other policy objectives such as the promotion of economic and employment growth

5 An updated strategic planning framework addressing the role and function of the City of Swan's activity centres and non-centre based employment precincts (Highway service areas, showroom / bulky goods areas).

This Report

This report contains the following chapters:

1 Context for Activity Centres

2 Policy context for Activity Centres

3 Economics Outlook for Activity Centres

4 City of Swan Activity Centres Review

5 Key Considerations for the Strategy

Terms and Definitions

<u>Retail Activities</u>

Retail activity is defined according to the Australian Bureau of Statistics (ABS) classification adopted for the 1991/92 Retail and Services Census excluding garden supplies, marine equipment, and motor vehicle and related traders. This definition of retail is consistent with the normal practice for undertaking retail-economic analysis in Australia.

A range of non-retail uses often operate in conjunction with, or adjacent to, many retail traders. These uses include cinemas, offices, travel agencies, lotto and gaming outlets, banks and other financial institutions, equipment hire and garden supplies, and so on.

In addition, a range of other activities are excluded from the definition of retail because they mainly serve the trade, or non-household, sector. These activities include building supplies, garden supplies, timber yards and so on.

Retail Categories

For the purpose of this Strategy, estimates of retail expenditure are divided into the following product categories:

- **Food:** Comprises household spending and floorspace involved in the selling of take-home food, groceries and liquor, as well as cafes, restaurants and take-away food stores.
- **Non-Food**: Comprises spending on non-food retail products such as apparel, homewares, bulky merchandise, leisure goods and other general merchandise.
- **Services**: Comprises spending on services such as hairdressers, video hire, dry cleaning, photo processing and optical dispensing, all of which typically operate from shopfront locations.

GST

All spending figures expressed in this report are inclusive of GST.

1 CONTEXT FOR ACTIVITY CENTRES

In preparing the City of Swan Local Commercial Activity Centres Strategy, it is important that the context for activity centre planning and development is clearly understood. This Chapter provides an overview of activity centres, their role in meeting community needs, and the trends and challenges for activity centres in the City.

1.1 What are Activity Centres?

People have always congregated at convenient meeting points to undertake business and to meet with friends and family. Historically, 'centres' developed around produce markets. Over time these locations evolved into town centres and what the planning system calls 'activity centres' that we know today.

As focal points for the surrounding community, it is important that activity centres serve their communities in an effective way. This means ensuring an appropriate mix of activities (retail, commercial, community, etc) are available in convenient locations, and with opportunities for these centres to further develop their roles and functions where appropriate.

Increasingly, activity centres are also regarded as suitable places for higher-density residential development, thus expanding the residential role of centres well beyond the traditional shop-top housing role.

Why Have an Activity Centres Strategy?

An Activity Centres Strategy is a tool to guide the ongoing performance of centres. An Activity Centres Strategy can:

- Highlight locations where private sector investment and new business activity is encouraged,
- Identify where new and expanded public infrastructure is required,
- Implement a policy framework that supports economic development and efficient use of land, and
- Identify opportunities to expand the level and quality of service to the surrounding community.

In the City of Swan, activity centres must evolve in order to continue meeting the needs of the wider region, thus ensuring that the significant economic benefits to local businesses and the community are maintained.

An Activity Centres Strategy also provides policy guidance to ensure the appropriate development of commercial and retail floorspace across the City of Swan meets current and future community needs.

1.2 The Need for a New Local Commercial and Activity Centre Strategy in the City of Swan

The City of Swan's existing Commercial Centres Strategy was adopted in June 2004. Since this time, the strategic state planning guidance from the Department of Planning with respect to urban growth principles, regulation and promotion of commercial centres has changed significantly.

State Planning Policy No. 4.2 – Activity Centres for Perth and Peel, along with *Direction 2031* and associated Sub-regional Strategies now form the planning framework for activity centres. These policies provide guidance for the planning and development of new activity centres, and the redevelopment and renewal of existing centres in Perth and Peel.

Over the past decade many changes have also occurred in how activity centres are used by consumers and businesses. Changes in technology, demographics and consumer behaviour have all influenced how people shop and spend time in centres. This in turn has affected how activity centres are developing and evolving.

Furthermore, since the adoption of the existing Commercial Centres Strategy, significant growth and change has occurred in the City of Swan. This includes higher rates of population growth than initially envisaged, and the development of new activity centres in urban growth areas.

For the above reasons, a new Local Commercial Activity Centres Strategy for Swan is required which reflects:

- The significant changes which have occurred since the adoption of the previous Strategy in 2004, and
- The need for a forward-looking and innovative activity centre policy framework which can serve the City of Swan for the next decade and beyond.

1.3 Best Practice Review of Key Issues

Prior to preparing the Local Commercial Activity Centres Strategy, Council identified six key issues for consideration in a best practice review document. A short summary of the issues and findings from this review is shown below.

Issue 1: Out-of-date Activity Centre Policy and Response to SPP 4.2

A need for regular policy reviews to reflect the dynamic and continually evolving nature of land use planning and development was identified in the best practice review. Adopting a coherent hierarchy of activity centres is a standard policy tool, while the trend for activity centre policies to support an increasingly diverse mix of land uses is also evident Australia-wide.

Issue 2: Planning for increased residential uses in activity centres

Activity centres in the City of Swan are increasingly popular as locations for housing. Policy needs to ensure that high-density residential development is supported within, and on the edge, of activity centres. Increased community interest in higher-density residential formats is occurring nationally, and requires policy to carefully manage potential land use conflicts between residential and non-residential land uses in activity centres.

Issue 3: Introduction of new retail market entrants (e.g. ALDI, Costco)

The retail sector is highly dynamic with continuous innovation by retailers in response to shifts in consumer spending preferences and habits. Nationally, land-use policies are responding to, and accommodating new retail formats by retailers such as ALDI and Costco in a manner that retains the functionality and role of activity centres.

Issue 4: Location planning for bulky goods and the Highway Service Zone

Activity centres policy needs to provide more clarity in relation to how development of large-format bulky goods retailing, and development of the Highway Service Zone, can be undertaken in an appropriate manner. Overarching planning policies Australia-wide generally prefer bulky goods retailing at edge-of-centre locations.

Issue 5: Pressure for retail development in industrial areas

Industrial areas in the City of Swan are increasingly subject to retail development applications and interest from retailers. Planning reform instituted in Victoria, and proposed for Queensland, advocates a more flexible approach to industrial land which can accommodate some limited retail and commercial development (subject to restrictions). Similar reforms were rejected in New South Wales.

Issue 6: Planning for retail and commercial activity in the Swan Valley

The Swan Valley is an area of significant natural beauty and environmental value which is quite rightly subject to policies seeking to protect these values. Both State-based and local policies implemented to protect environmental value have been applied to other tourist regions of significance nationally. It is appropriate to consider how retail and commercial development can occur in the Swan Valley in a manner consistent with the region’s conservation.

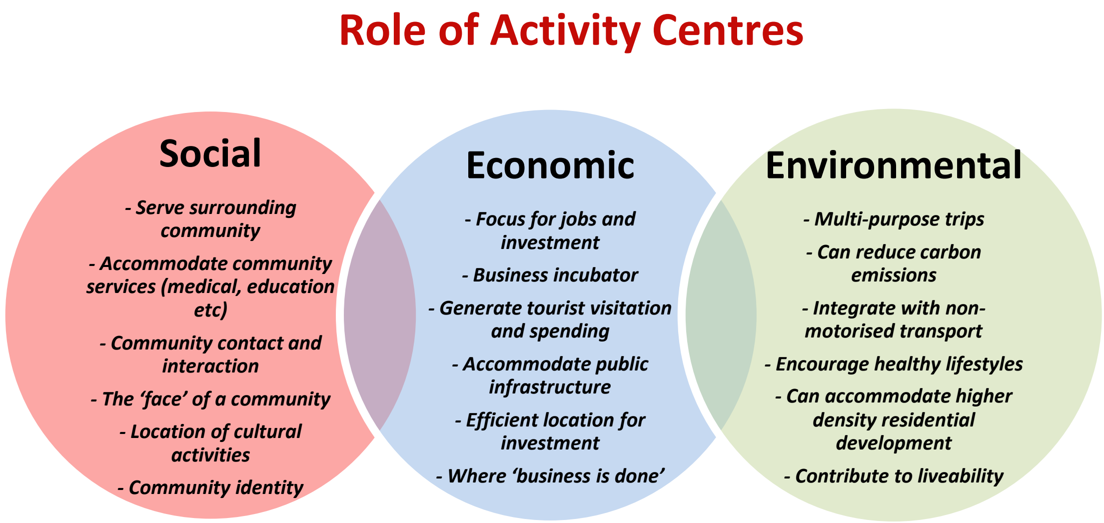
A more detailed review of the above issues and the current best-practice responses can be found in the Best Practice Review document.

1.4 Activity Centres in the Swan Economy

Activity centres are a major source of investment, employment and economic activity. In addition, activity centres contribute to the provision of goods and services to the community and are a focus for interaction between individuals, businesses and the general public.

For many people, activity centres represent the 'face of their community'. As a result, the success or otherwise of activity centres is important in influencing perceptions of a community to the outside world. This has implications for the City of Swan in seeking to attract investment, new residents and tourism.

For this reason, activity centres are a particularly important part of the economy, both in terms of their direct contribution to employment and activity, and through indirect influences on a wide range of economic and social outcomes.



Employment in activity centres is one method of measuring the economic influence of activity centres. Based on ABS Census data 2011, almost 20% of jobs in the City of Swan are located in the Midland Strategic Metropolitan Centre and adjacent employment areas.

Other activity centres throughout the City also support significant levels of employment.

1.5 Locational Context

Overview

The City of Swan is located on the north-eastern edge of the metropolitan region. The nature of urban development in the City is highly diverse and consists of a mix of established urban development, newly-developing suburbs, and a rural periphery to the north and east.

An important consideration for land use policy in the City of Swan is the presence of the Swan Valley, an area of natural and cultural heritage values of State-wide significance. Development in this area is influenced by specific controls and policies implemented by the West Australian Government.

The presence of the Swan River also means that the urban form in the City of Swan is relatively dispersed. For example, suburbs north-west of the river such as Ballajura and Beechboro are only accessible to areas in the City of Swan located east of the Swan River such as Midland and Swan View via major road routes with bridge crossings.

The locational context for the City of Swan is shown in Figure 1.1.

Activity Centres

As described later in this Background Report, the City contains an extensive hierarchy of existing and proposed activity centres. These range in size from the Midland Strategic Metropolitan Centre, which serves a higher-order role for residents and those living beyond the municipality, to smaller neighbourhood centres serving more localised catchments, and individual shops providing daily convenience items.

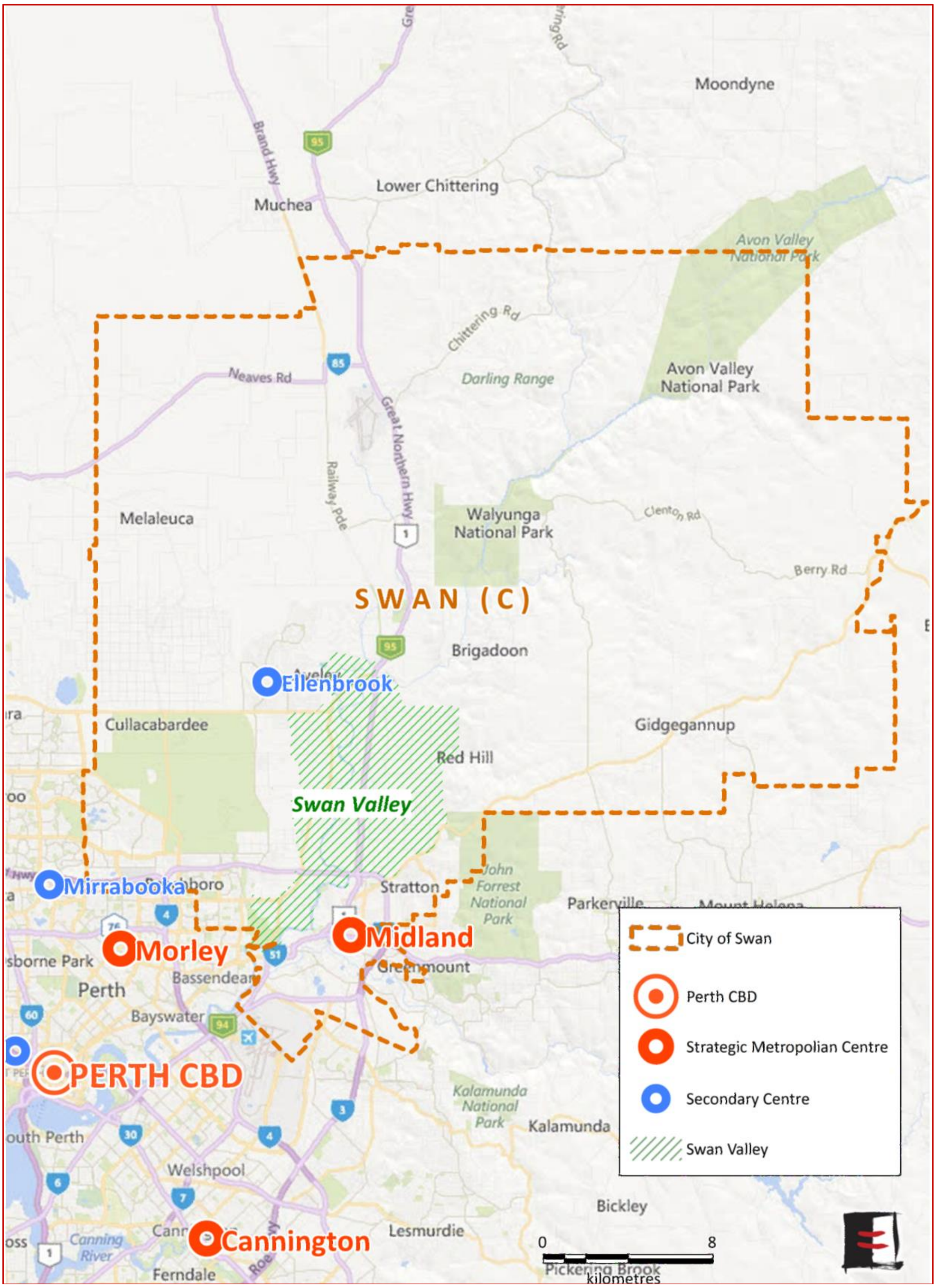
Activity centres policy must also take into account the development of relevant retail and commercial activities outside of formal activity centres, including in employment areas. An example is Malaga, a significant employment precinct in the metropolitan Perth context which contains an increasing provision of homemaker retail and other commercial uses which are also often found in an activity centre setting.

Due to its location on the urban edge, activity centres in Swan have a role in providing shopping, business, entertainment, administrative and community services to a wider region that extends outside the metropolitan area. This regional role is most significant for Midland, which is defined as a Strategic Metropolitan Centre and draws people from well beyond the municipal boundary.

On the other hand, Swan's proximity to other major activity centres elsewhere in Perth means that residents within the municipality direct some of their shopping and commercial activities to centres such as Morley, Cannington and the Perth CBD.

Moreover, people in the urban fringe may choose to bypass Midland in order to undertake their higher-order shopping at these other centres.

Figure 1.1: City of Swan Regional Context



Produced by Essential Economics using MapInfo and BingMaps

1.6 Trends Influencing Activity Centres in City of Swan

A number of key trends need to be considered in assessing the future prospects for the City of Swan's activity, including those described below.

Shifts in Consumer Behaviour

An important feature of the modern economy is the continually evolving demand for goods and services, and the expectations of consumers on the way these are sold and delivered.

New considerations are being applied to shopping 'decisions'; for example, competition for people's disposable income from an increasing range of activities and products (travel, entertainment, dining-out, gambling, DIY home improvements, mobile phones, internet and a whole range of other activities). Higher levels of personal debt and the financial vulnerability this creates can also make shoppers more price-conscious.

All of these changes mean that activity centres in the City of Swan need to evolve over time to reflect the shifts in consumer behaviour and demand.

The consequences of a lack of growth and evolution in the activity centres in the City of Swan are reflected in negative impacts on liveability, the amenity of local residents, and foregone economic opportunities.

Demographic Changes

An important factor in explaining the behavioural trends of shoppers is the changing socio-economic and demographic profile experienced throughout Australia (and in many countries overseas). Briefly, these changes include:

- An ageing population as the 'baby-boomers' approach retirement age – approximately 11% of the City of Swan's population is now aged over 65, and this proportion is forecast to increase to 14% in 2031 (Id Consulting, 2015)
- Increased labour force participation by women, with the result that many more families are 'time-poor', and therefore have greater demand for convenience shopping, extended shopping hours, and accessible centres where shopping can be undertaken in conjunction with other activities
- Smaller household units, and a higher proportion of households with double income and no kids – the so-called 'DINKS'
- Historically-high levels of household debt, coupled with high rates of home ownership, with the result that households have to devote a greater proportion of their disposable

City of Swan Population Aged 65-plus years

2011:	10,530
2016:	15,020
2021:	19,720
2026:	24,600
2031:	29,730

Source: id Consulting.

income paying-off the mortgage and have an increased sensitivity to interest rate movements.

New Forms and Brands of Retail and Commercial Activity

New forms of retailing and market entrants have become evident in Australia over the past decade, and these activities are of relevance in planning for activity centres in the City of Swan.

The success of ALDI in the eastern states in Australian, who now intend to develop a comprehensive store network in Western Australia, is an example of a new market entrant that will have an impact on retailing and activity centres in the City of Swan.

The continued popularity of large-format retailing in sectors such as hardware (Bunnings), liquor (Dan Murphy's and 1st Choice Liquor), and bulky goods (Harvey Norman etc) will also have influence retail development trends in the future, particularly in locations that possess high levels of exposure and accessibility.

Visiting Activity Centres as a Social and Cultural Exercise

For many people, the retail sector is closely related to the desire for entertainment and social interaction. This has given rise to the concept of 'recreational shopping', which places retailing as part of a wider social and cultural experience.

For example, shopping centres now provide a high degree of amenity for shoppers in terms of mid-mall seating, natural sunlight, children's play areas, and prominent café and dining areas. These changes are designed to encourage social interaction and maximise the time that people spend in the centre.

Traditional street-based retailing in particular has benefited from this trend, due to the increased opportunities for retail and other commercial activities to integrate with public infrastructure such as parks, libraries, galleries, and administrative functions (e.g. Council and other Government offices).

Internet and Technology

Ongoing advances in information technology have impacted on the way in which retail and other commercial activity is undertaken, including - most importantly - the increasing use of the Internet as a purchasing medium, as well as other changes which affect how businesses operate.

- Traditional retailers have lost market share as households undertake a greater share of their shopping through the Internet and other media. The extent to

<u>Online Retail Sales by Category</u>

Clothing, footwear & accessories:	20.6%
Homewares & domestic appliances:	-18.3%
Computers, software & electronics:	16.4%
Groceries & liquor:	13.1%
Printed material, music & movies:	12.2%
Recreational goods:	11.7%
Cosmetics, fragrances & toiletries:	6.5%
Other Goods:	1.2%

Source: IbisWorld

which Internet sales are likely to affect the existing retail industry remains uncertain, although it is apparent that particular retail sectors are well-suited to purchase by Internet, including music, books, wines, etc. Nonetheless, the Internet continues to account for just 6% of overall retail sales in Australia.

- In many respects, the Internet is used in conjunction with traditional retail outlets. Consumers are increasingly using the Internet to research prices and products before going to stores to purchase items.
- The Internet presents significant opportunities for local businesses to expand their market significantly, including the potential to export to a world-wide market.

The extent to which the Internet and other sales media (eg, telemarketing) without a 'bricks and mortar' presence can capture retail market share is likely to be limited by the community and entertainment-related aspects of visiting activity centres. Thus, the majority of shopping will continue to be undertaken in activity centres as this provides an opportunity for social interaction and browsing, etc, which, of course, cannot be experienced online.

Mix of Uses within Centres

Activity centres are increasingly becoming the location for a wider range of activities in addition to the traditional core retail and commercial functions. Examples include:

- Commercial services, such as travel, insurance and real estate agents
- Professional services, such as legal and accounting practices
- Health care, such as doctors, dentists, podiatrists and physiotherapists
- Community services, including Centrelink, employment agencies and social support services
- Hospitality, in the form of bars, cafes and restaurants
- Entertainment facilities, cinemas, gaming, etc
- Education, in particular adult and higher education.

Significant non-retail development is currently occurring in and around the Midland Strategic Metropolitan Centre which will continue increase the diversity of activities accommodated in the centre. This includes the recently opened St John of God Hospital and the future Curtin University campus.

Similarly, the Ellenbrook Secondary Centre is being developed according to mixed use development principles.

'Main-streets'

Centre owners, developers and planners have recognised the social and economic benefits associated with incorporating a 'main-street' design into their centres. The Ellenbrook

Secondary Centre is an example of a developing centre in the City of Swan that has incorporated a main-street format, in conjunction with an enclosed shopping centre.

The 'main-street' is intended to promote pedestrian activity, allow for improved integration with the surrounding residential neighbourhoods and provide for a wider array of commercial uses.

In general, activity centre planning and design is increasingly emphasising main-street principles related to aspects such as:

- Traditional street-oriented store fronts
- Activity on the footpath (street dining etc)
- Mixed-use development
- Pedestrian focussed design
- Accessibility by active and passive transport modes
- Encouraging community interaction.

In reality, main-street design must incorporate elements required for the successful operation of key retail and commercial traders, as well as provide indoor weather protected spaces which meet the desire of consumers for security and comfort. Nonetheless, main street design principles remain an important consideration for activity centre planning and development.

Housing

Activity centres are becoming increasingly popular as locations for higher-density residential development in metropolitan areas, and this is certainly the situation in the City of Swan. Demographic changes such as declining household sizes, and cultural changes which support higher levels of demand for unit and apartment living, mean that activity centre policy needs to include consideration of residential development opportunities.

The Midland Strategic Metropolitan Centre has in place a set of planning policies which activity encourage higher density residential formats in appropriate locations. Likewise, higher density residential development is a key component of the masterplan being implemented for the Ellenbrook Secondary Centre.

Transit-Oriented Development

The concept of transit-oriented development (TOD) is of increasing importance to activity centres policy as Government seeks to achieve benefits including (but not limited to):

- Environmental sustainability and reduced pollution and greenhouse emissions
- More efficient use of land and infrastructure
- Improved access to jobs, services and economic development opportunities in the community

Journey to Work by Public Transport	
City of Swan	***6.4%***
Greater Perth	***10.4%***
Greater Sydney	20.0%
Greater Melbourne	13.4%
Greater Brisbane	12.7%
Greater Adelaide	8.3%

Source: 2011 ABS Census of Population and Housing

- Urban form that encourages walking and healthier lifestyles.

In the City of Swan, improvements to public transport and the implementation of TOD are significant opportunities which have the potential to generate economic benefits and enhance liveability for residents. Activity centre policy has an important role in delivering these outcomes.

1.7 Major Proposals, Approvals and Developments

A number of major infrastructure and land use proposals have been identified below that will influence the operation of the City of Swan activity centre hierarchy in the future:

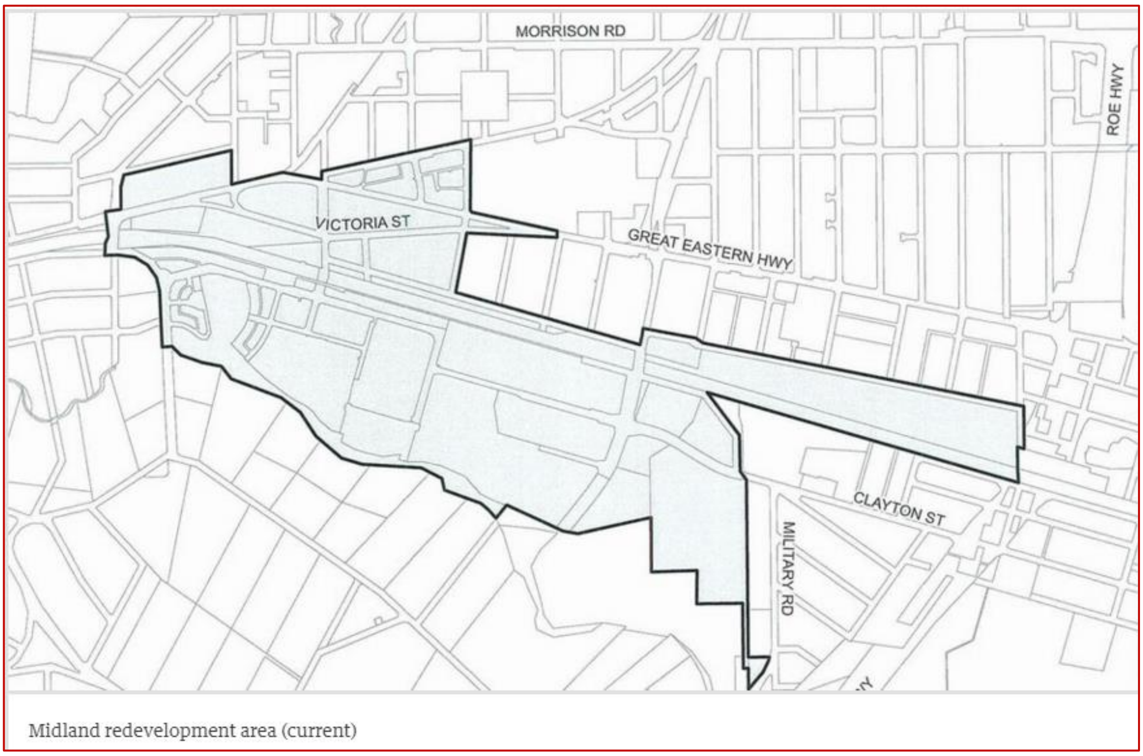
- Major road transport projects: The NorthLink WA project will link the Perth-Darwin National Highway in Muchea to the north of the City of Swan with the Reid Highway, near Malaga. The project is planned to be completed by 2020 and will influence resident travel patterns, particularly those living in the residential growth areas around Ellenbrook. Other major road projects are also proposed within the City of Swan that will influence resident travel patterns include upgrades to the Roe and Reid Highways.

- Major commuter rail projects: Potential for an extension of commuter rail services to Ellenbrook has been identified by the State Government; however, uncertainty exists regarding the timing and alignment of any future rail-line. A priority transit route between Ellenbrook and Bassendean Station is planned to be completed by 2025.

- Planned employment land: The draft North-East Sub-regional Planning Framework (May, 2015) identifies significant areas of existing and future industrial land to the north of Ellenbrook and in Bullsbrook. These industrial areas will be supported by the proposed road network and a potential intermodal freight facility in Bullsbrook. When developed, these industrial areas will accommodate a significant amount of workers, which in turn, will also support various activities in nearby activity centres.

- Midland Metropolitan Redevelopment Authority Area: The Metropolitan Redevelopment Authority (MRA) is the planning authority for a 149.5 ha parcel of land in the Midland SMC (refer Figure 1.2). A Masterplan has been prepared for this locality which will guide the future development of the area and includes a range of residential, retail, office and community uses.

Figure 1.2 Area of Midland Controlled by MRA



Source: MRA

- <u>Urban growth areas</u>: Development of the urban growth areas between Caversham in the south and Bullsbrook in the north has been underway over the past decade. Rapid urban development is expected to continue over the next 20 or so years. A network of activity centres will be required to meet the needs of existing and future residents in these areas.

- <u>Health and education projects in Midland</u>: The St John of God Midland Public Hospital opened in November 2015 and will be complemented by the Curtin University Medical School to be located on an adjacent site. Major health and education facilities attract workers and visitors from large regional catchments and typically have a positive influence on activity and investment levels within the centre in which they are located.

- <u>Midland Oval Redevelopment</u>: The Midland Oval Redevelopment Masterplan applies to 11 hectares of land with the opportunity to accommodate mixed-use development supporting up to 1,000 apartments and 3,400 new ongoing jobs. The proposed Masterplan will improve the functional linkages between The Midland Gate Shopping Centre and the traditional Midland town centre.

1.8 Implications for the Strategy

Key Implications for the Local Commercial Activity Centres Strategy identified in this Chapter include the following:

- Activity centres are an important aspect of land use planning and development due to their significant influence on a variety of economic, social and environmental outcomes
- In City of Swan, activity centre policy needs to specifically respond to the unique settlement patterns in the region, the metropolitan fringe location, regional roles of the Midland SMC and Malaga mixed business area, and the high levels of tourist visitation
- Activity centre policy will respond to the key issues identified in the best practice review with reference to the dynamic nature of the economy and the continuing shifts in consumer tastes, business practices and property market trends
- A number of major land-use planning proposals for the City of Swan will contribute to the changing nature of the City's activity centres and require reflection in the Local Commercial Activity Centres Strategy.

2 POLICY CONTEXT FOR ACTIVITY CENTRES

The City of Swan Local Commercial Activity Centres Strategy needs to reflect and respond to a range of existing policies related specifically to activity centres, and in some instances broader land use planning. This includes both State and Local policy frameworks.

2.1 State Policy

State Planning Policy Framework

The State Planning Strategy sets broad planning policy direction for Western Australia to 2050. The Strategy contains a set of visions, strategic goals and principles for the State, and forms the overarching strategic framework with which regional planning policy is applied.

The Strategy outlines the following set of visions for Western Australia:

> *"A diverse state; offering a diversity of ecosystems, landscapes, enterprises, people and cultures"*
>
> *"A liveable state; the place of choice for the brightest and best"*
>
> *"A connected state; as connected to the rest of the world as any other place"*
>
> *"A collaborative state; enabling alignments that progress the State's sustained growth and prosperity"*

In relation to activity centres, the Strategy outlines the objective of "creating spaces and places that foster culture, liveability, enterprise and identity".

Directions 31

Description

Directions 2031 outlines a broad spatial framework and vision to guide the planning and delivery of housing, infrastructure, and services for the metropolitan Perth and Peel region. The policy is based on the following vision for Perth:

> *"By 2031, Perth and Peel people will have created a world class liveable city: green, vibrant, more compact and accessible with a unique sense of place."*

Directions 2031 is underpinned by the vision for Perth and identifies three integrated spatial networks:

- Activity centres network – A network and hierarchy of centres that provide a more equitable distribution of jobs and amenity throughout the city

- Movement network – An integrated system of public and private transport networks that are designed to support and reinforce the activity centres network
- Green network – A network of parks, reserves and conservation areas that support biodiversity, preserve natural amenity and protect valuable natural resources.

In relation to activity centres, Directions 2031 proposes that new growth occur in a more balanced way around a diverse activity centres network. The policy proposes that this growth in services, employment, housing, and other activities will be:

- Accessible, promote synergies, and be of an appropriate scale
- Designed according to transport oriented development principles,
- Supportive of local identity and sense of place.

Implications for Local Commercial and Activity Centres Strategy

The broad principles contained in Directions 2031 are implemented in more detail through the activity centre policy directions contained in SPP 4.2. However, Directions 2031 remains important in outlining the objectives for urban planning and development in Perth and Peel.

State Planning Policy 4.2: Activity Centres for Perth and Peel

Description

State Planning Policy 4.2 (SPP 4.2) was prepared by the Western Australian Planning Commission (WAPC) in August 2010. The policy specifies the broad planning requirement for the planning and development of new activity centres, and the redevelopment and renewal of existing centres in the Perth and Peel region.

SPP 4.2 is prepared in the context of broader land use planning goals, such as those described in Directions 2031 and the State Planning Strategy. Many of the directions and actions of SPP 4.2 have evolved since the preparation of the existing activity centres policy in the City of Swan in 2004.

The policy objectives of SPP 4.2 and their relevance to activity centre development in the City of Swan are as follows:

Policy Objective 1 **Distribute activity centres to meet different levels of community need and enable employment, goods and services can be accessed efficiently and equitably by the community.**

Activity centres policy in the City of Swan must provide economic opportunities and services to residents in accessible locations for all of the community. In this context, particular challenges exist in relation to urban growth areas and other locations less well-served by existing infrastructure.

Policy Objective 2 **Apply the activity centres hierarchy as part of a long-term and integrated approach by public authorities and private stakeholders to the development of economic and social infrastructure.**

Application of the activity centres hierarchy in the City of Swan creates a commitment to locate significant public and private infrastructure and investment in these locations. As a result, the individual planning frameworks for these centres must be able to accommodate this outcome.

Policy Objective 3 **Plan activity centres to support a wide range of retail and commercial premises and promote a competitive retail and commercial market.**

Activity centres in the City of Swan must have planning and development frameworks in place that support a wide range of retail and commercial activities, and which are a focus for healthy business competition. Planning policies must encourage, not control, appropriate retail and commercial development outcomes.

Policy Objective 4 **Increase the range of employment in activity centres and contribute to the achievement of sub-regional employment and self-sufficiency targets.**

An important function of activity centres in the City of Swan is the creation of local employment opportunities for residents. Activity centres policy must ensure that opportunities for business growth and investment are maximised in order to contribute to the economic well-being of the community.

Policy Objective 5 **Increase the density and diversity of housing in and around activity centres to improve land efficiency, housing variety and support centre facilities.**

Housing is now a vital component of activity centre planning. In combination, the recently released Housing Diversity Strategy and the new Local Commercial Activity Centres Strategy have an opportunity to create a housing market in the City of Swan which is affordable and meets increasing demand for higher density residential formats.

Policy Objective 6 **Ensure activity centres provide sufficient development intensity and land use mix to support *high frequency*** [original emphasis] **public transport.**

Activity centres are locations for the provision of high-quality infrastructure, including public transport. For this reason, activity centres in the City of Swan must be developed in a way that facilitate high quality public transport connections, and which provide the desired end-of-trip functions to serve public transport users.

Policy Objective 7 **Maximise access to activity centres by walking, cycling and public transport while reducing private car trips.**

Just as activity centres provide a diverse range of uses, so should they also accommodate accessibility from a diverse range of transport modes other than private motor vehicles. Accessibility and transport considerations for activity centres in the City of Swan must consider all relevant motorised and non-motorised transport modes.

Policy Objective 8 **Plan activity centre development around a legible street network and quality public spaces.**

Activity centres are places for the community to interact in a comfortable and safe environment. High quality urban design that enhances amenity and accessibility for the community is critical to maximising the economic, cultural and social contribution of activity centres in the City of Swan.

Policy Objective 9 **Concentrate activities, particularly those that generate high numbers of trips within activity centres.**

Activity centres are a particular focus for those land uses that require community interaction and accessibility. With high quality transport links, activity centres are the preferred location in the City of Swan of intensive activities which generate high levels of visitation.

Activity Centres Hierarchy

In achieving the policy objectives identified above, SPP 4.2 specifically identifies the importance of the activity centres hierarchy in guiding the location and scale of activity centre development.

In particular, SPP 4.2 identifies the importance of the hierarchy in:

- Guiding Council in consideration of activity centre structure plans and development proposals, and
- Providing a strategic planning framework to guide Council and other relevant stakeholders in their investment decisions.

A summary of the activity centre hierarchy contained in the State Planning Policy 4.2 is shown in Table 2.1, while the designation of centres in the City of Swan in accordance with this hierarchy is identified in Chapter 4.

In addition to the hierarchy levels shown in Table 2.1, SPP 4.2 recognises that *Directions 2031* identifies the need for a Primary Centre tier in the activity centre hierarchy. This tier would sit between Strategic Metropolitan Centres (Including Midland) and Perth Capital City.

While there are no centres that currently perform this Primary Centre function, it is acknowledged that some of the Strategic Metropolitan Centres will develop and justifiably emerge as Primary Centres in the future.

Implications for Local Commercial and Activity Centres Strategy

SPP 4.2 is the State Policy of direct relevance to the application of activity centres policy in the City of Swan. All objectives and directions contained in the Local Commercial and Activity Centres Strategy must reflect the specific outcomes sought by SPP 4.2.

Table 2.1 Activity Centre Hierarchy and Main Roles and Characteristics

Centre types	Main role/function	Retail types	Office uses	Service population area
Perth Capital City	Largest activity centre, with intensely concentrated development and wide range of higher-order services.	Department store/s, discount department stores, supermarkets, specialty shops.	Major offices, Commonwealth and State government agencies	Greater metropolitan region
Strategic Metropolitan centres	Multi-purpose centres with a diversity of uses, offering the full range of economic and community services.	Department store/s, discount department stores, supermarkets, specialty shops.	Major offices, State government agencies	150,000 – 300,000 persons
Secondary centres	Similar to strategic metropolitan centres but serving smaller catchments and with a more limited range of services.	Department store/s, discount department store/s, supermarkets, specialty shops.	Major offices, professional and service businesses	Up to 150,000 persons
District centres	Greater focus on daily and weekly needs and serve smaller catchments in which the local community role is strong.	Discount department stores, supermarkets, convenience goods, small scale comparison shopping, personal services, some specialty shops.	District level offices and local professional services	20,000 – 50,000 persons
Neighbourhood centres	Provide for daily and weekly household shopping needs, community services and a small range of other convenience services.	Supermarket/s, personal services, convenience shops.	Local professional services.	2,000 – 15,000 persons (about 1km radius)

Source: WAPC, State Planning Policy 4.2

State Planning Policy 3: Urban Growth and Settlement

Description

The State Planning Policy 3: Urban Growth and Settlement (SPP 3) outlines the principles and considerations which apply to planning for urban growth and settlement in Western Australia.

In broad terms, the policy outlines a range of objectives relevant to consideration of activity centres in the City of Swan. These include:

- To promote a sustainable and well planned pattern of settlement across the State, and provide for a wide variety of housing, employment, recreation facilities and open space.
- To concentrate investment in the improvement of services and infrastructure and enhance the quality of life in communities.
- To manage the growth and development of urban areas in recognition of relevant climatic, environmental, heritage and community values and constraints.
- To promote the safe and convenient access to all modes of transport.
- To coordinate new development with the efficient, economic and timely provision of infrastructure and services.

The policy re-enforces the role of activity centres as locations where the clustering of intensive activities is to occur, including housing and mixed-use development. Likewise, the need for activity centres to integrate with high quality public transport infrastructure is emphasised.

Implications for Local Commercial and Activity Centres Strategy

Policy measures in SPP 3 provide further support to the directions contained in SPP 4.2 by emphasising the importance that activity centres have in creating a high quality urban settlement outcome.

Swan Valley Development Plan (Draft)

Description

The Swan Valley Development Plan (Draft) was released by the Department of Planning in 2015. The Plan outlines the strategic planning, development and land use vision for the Swan Valley region, and sets policy guidance and controls to ensure future development and land use are aligned with the vision for:

“A world class food and beverage destination with exceptional visitor appeal”

Specifically, the Plan applies policy controls, including land use zones and built environment guidelines, to protect and enhance agriculturally and environmentally significant land important to tourism in the Swan Valley. Many of these controls have implications for retail, commercial and other development outcomes.

Provision is made in the Development Plan for the future growth and development of the Swan Valley Town Centre in a manner consistent with the needs of local residents and visitors.

Furthermore, the plan also identifies areas to be included with the ‘Swan Valley Intensive Tourist Zone’, a planning zone specifically developed for tourist-oriented commercial and other uses in the Swan Valley.

Implications for Local Commercial and Activity Centres Strategy

The Swan Valley Development Plan sets guidance for commercial and retail development in the Swan Valley, both in the Swan Valley Town Centre and in the balance of the Swan Valley. Activity centre policy in this region needs to reflect the directions contained in the Development Plan which seeks to retain the unique environmental, cultural and economic values of the Swan Valley.

Draft North-East Sub-regional Planning Framework

Description

The Draft North-East Sub-regional Planning Framework is one of four frameworks prepared for the sub-regions of Perth and Peel by the Western Australian Planning Commission (WAPC). These planning documents establish a long-term and integrated planning framework for land use and infrastructure provision for Greater Perth.

Section 3.2 'Consolidated Urban Form' outlines the role of activity centres in accommodating urban infill, under the following objective:

> *"To create sustainable communities that are attractive places to live and work. The consolidation of urban areas will provide for more efficient use of urban land and infrastructure with improved access to public transport, recreation, community and commercial facilities, while avoiding significant environmental attributes"*

In relation to activity centres in the region, Section 3.3 'Economy and Employment' of the Draft North-East Sub-regional Planning Framework outlines the following objective:

> *"To promote employment opportunities and increase the number of people who live and work within the sub-region, with a focus on employment within the Midland strategic metropolitan centre and key strategic industrial centres, while maximising use of existing infrastructure"*

This indicates the policy focus on the role of the Midland SMC in generating economic development, jobs and investment.

Implications for Local Commercial and Activity Centres Strategy

The Draft North-East Sub-regional Planning Framework provides broad guidance on land use planning objectives relevant to activity centres policy in the City of Swan. However, specific significance is attached to the Midland SMC and the need for investment and employment growth at this highly strategic location.

2.2 Local Policy

City of Swan Retail Needs Assessment

Description

The Retail Needs Assessment (RNA), prepared by Essential Economics in 2011, identifies the retail floorspace requirements of activity centres in the City of Swan to 2031.

The assessment identifies forecast potential retail floorspace growth in the City of Swan over the period to 2031 of between 241,000m^2 and 280,700m^2. This retail floorspace growth is expected to be distributed across a hierarchy of retail centres, which includes a mix of existing and proposed new centres.

Implications for Local Commercial and Activity Centres Strategy

Detailed findings in the Retail Needs Assessment, which relate to the future development of activity centres in the City of Swan, directly inform the recommendations in the Local Commercial Activity Centres Strategy.

Existing Commercial Strategy (2004)

Description

The Commercial Centres Strategy was adopted by the City of Swan in June 2004 with the objective of providing the basis for the planning and development of commercial centres within Swan for the subsequent 15 year planning period (although with the target year 2016 used as the basis for most retail demand forecasts).

The Strategy identifies a centres hierarchy that was developed to accord with the *Metropolitan Centres Policy* (Statement of Planning Policy 4.2) in force at that time, in which Midland was identified as a Strategic Regional Centre, and Ellenbrook as a Regional Centre.

The locations of existing and possible future centres were identified in the Strategy, as were mixed business areas that had a particular role as a location for bulky goods/showroom retailing for a regional catchment.

Recommendations are made on matters of centre planning and design, integration of uses, precinct planning, and development criteria to be used as a guide for preparing centre plans and assessing development proposals.

Implications for Local Commercial and Activity Centres Strategy

Since 2004 the context for planning and development of activity centres in the City of Swan has changed due to both the general passage of time, and more direct changes in general policies and objectives sought by Council. In this context, the City of Swan Commercial Centres Strategy 2004 is no longer an appropriate basis for directing activity centres policy in the City; hence the need for this report.

Nonetheless, many of the underlying principles and directions contained in the 2004 Strategy remain relevant. Where possible, the Local Commercial Activity Centres Strategy will build on these principles and implement them in a manner consistent with current policy requirements.

Urban Housing Strategy

Description

The Urban Housing Strategy, prepared by the City of Swan in 2012, addresses the future housing needs of the City.

In developing Urban Housing Strategy, individual strategies for infill and greenfields urban development have been prepared. The Strategy was prepared in response to the State Government's *Directions 2031* report, and thus includes those elements relevant to activity centres.

The directions of the Strategy in relation to infill development include the following policy controls and broad objectives:

- Capacity for approximately 15,500 new dwellings in sixteen established localities across the City through the introduction of higher residential densities
- Dual Residential Codes (DRCs) which provide Council with a policy mechanism to support introduce higher residential densities, particularly in proximity to activity centres
- Urban design criteria to achieve higher residential densities, and adhere to Transit Oriented Development and 'designing out crime' principles
- Incentives to achieve housing diversity goals.

Those elements of the Urban Housing Strategy applying to greenfield areas are for land subject to current and future structure planning.

The 'greenfields strategy' section of the report predominantly defers to the state and regional policies that are responsible for guiding greenfield residential development in the City of Swan. However, the Strategy acknowledges the importance of strong connectivity between greenfield residential development and places of employment, activity centres and services.

Implications for Local Commercial and Activity Centres Strategy

The Urban Housing Strategy encourages increased housing density across many residential areas in the City of Swan, particularly in proximity to activity centres.

By facilitating more intensive residential development within the activity centres hierarchy, the Local Commercial Activity Centres Strategy can build on the key directions in the Urban Housing Strategy seeking increased residential density at appropriate locations. Likewise, the Strategy must ensure that the scale and nature of development meet the needs of residents living in proximity to activity centres.

Other Local Policies

A selection of other local policies are also of relevance to the development of the Local Commercial Activity Centres Strategy.

Transport Strategy

The Transport Strategy, prepared by Cardno for the City of Swan, considers the existing and future transport requirements of the municipality across all transport modes. The Strategy presents strategic transport recommendations across the City of Swan relating to freight, cycling, public transport, pedestrian and intersections/roads.

Midland Activity Centre Masterplan

Midland Activity Centre Masterplan (2013) develops a long-term strategic vision and policy controls for Midland's redevelopment, and outlines its implementation through Council statutory planning.

The vision statement for Midland's Activity Centre is:

> *"Midland has the opportunity and the ability to become a thriving city in its own right, serving Perth's eastern region, Perth Hills, the Avon Arc and beyond. Midland can deliver an attractive, affordable, productive and sustainable city living environment beside the rivers in the eastern corridor."*

Implementation of the Midland Activity Centre Masterplan on land controlled by the Metropolitan Redevelopment Authority is supported by the Midland Masterplan in May 2015. This document is consistent with the broad vision for the overall Midland SMC identified in the earlier 2013 masterplan.

Tourism Development Strategy

The Tourism Development Strategy sets a vision, aspiration, target markets, and a series of goals to strengthen the City of Swan's tourism economy. Increased tourist visitation and spending in the City of Swan will generate opportunities for additional visitation and spending to the activity centres hierarchy.

City of Swan Economic Vision & Strategy

The City of Swan Economic Vision & Strategy outlines a preferred economic future for the municipality. An 'economic action plan' is presented with the aim of creating a "vibrant, diverse and sustainable local economy".

Activity centres form a major component of the local economy (see Section 1.4 of this report). Thus, future planning and development of activity centres will be a key contributor to the achievement of the City of Swan Economic Vision & Strategy.

Bullsbrook Townsite Land Use Masterplan

The Bullsbrook Townsite Land Use Masterplan develops a strategic vision and policy controls for the development of Bullsbrook township. A detailed land-use area map is identified for the town, and includes a proposed transport network, public open space and community facility requirements, residential corridors, and commercial and employment activity nodes.

Land-use guidance in the Masterplan is important to ensuring that future activity centres in Bullsbrook are sufficient to meet retail, commercial and community needs.

2.3 Implications for the Strategy

Key Implications for the Local Commercial Activity Centres Strategy identified in this Chapter include the following:

- State Government policy provides strong support for the concentration of retail, commercial, administrative and cultural facilities in activity centres
- According to the State Government, the application of an activity centres hierarchy is an important tool in influencing land use planning decisions and directing public and private sector investment
- Activity centre policy in the City of Swan must be careful to support the policies and objectives relevant to the unique Swan Valley tourist and agricultural region
- Local policy in the City of Swan also reflects the importance of activity centres in land use planning, although an update is required to ensure the latest State Government policy objectives are incorporated into local decision making
- An important opportunity exists to link the objectives of the recently released Urban Housing Strategy with residential development outcomes within activity centres
- An updated Local Commercial and Activity Centres Strategy can also complement and reinforce other local policies such as transport, economic development and tourism development.

3 ECONOMIC OUTLOOK FOR ACTIVITY CENTRES

This Chapter provides an assessment of the outlook for activity centres in the City of Swan, having regard for underlying growth in resident population and visitor numbers; growth in retail spending; increased demand for retail, office and residential development; and other relevant factors. Relevant implications for the Activity Centres Strategy are also highlighted.

3.1 Economic Activity

Total economic activity in the City of Swan was approximately $20.5 billion in 2014 (year to June) according to data prepared for Council by economy i.d and summarised in Table 3.1.

Construction ($6,027m) and Manufacturing ($3,915m) contributed approximately 48% of total output in the City of Swan in 2013/14. Both sectors have a significantly greater share of the local economy in the City of Swan than for the Western Australian economy overall.

Table 3.1: City of Swan – Industry Output, 2013/14

Industry Sector	Output ($m)	Share (%) City of Swan	Share (%) Western Australia
Agriculture, Forestry and Fishing	$507m	2%	2%
Mining	$727m	4%	23%
Manufacturing	$3,915m	19%	11%
Electricity, Gas, Water and Waste Services	$252m	1%	3%
Construction	$6,027m	29%	22%
Wholesale Trade	$1,677m	8%	3%
Retail Trade	$746m	4%	3%
Accommodation and Food Services	$456m	2%	2%
Transport, Postal and Warehousing	$1,217m	6%	6%
Information Media and Telecommunications	$173m	1%	1%
Financial and Insurance Services	$205m	1%	3%
Rental, Hiring and Real Estate Services	$1,012m	5%	4%
Professional, Scientific and Technical Services	$617m	3%	5%
Administrative and Support Services	$347m	2%	2%
Public Administration and Safety	$949m	5%	3%
Education and Training	$393m	2%	2%
Health Care and Social Assistance	$577m	3%	3%
Arts and Recreation Services	$100m	0%	1%
Other Services	$590m	3%	2%
Total Industries	**$20,486m**	**100%**	**100%**

Source: Economy i.d.; Essential Economics

The sectors of the economy shaded in grey in Table 3.1 are generally associated most closely with activity centres, recognising that some industries will include functions (appropriately) situated in out-of-centre locations.

In the City of Swan, the identified sectors account for 28% of total economic activity. This is slightly less than the average of 29% for Western Australia as whole. On this basis, despite the focus of the City of Swan economy on construction and manufacturing, those industries often seeking an activity centre location are also well-represented.

3.2 Employment Trends

Between 2006 and 2011, total employment in the City of Swan increased by approximately +9,620 jobs. Importantly, jobs growth in industry sectors traditionally located in activity centres accounted for approximately +4,775 additional positions, including Retail Trade (+1,176), Public Administration and Safety (+850), and Education and Training (+636). That is, industries most often related to the activity centres hierarchy in the City of Swan accounted for approximately 50% of total employment growth in the period 2006 to 2011.

Table 3.2: City of Swan – Jobs Profile, 2006-2011

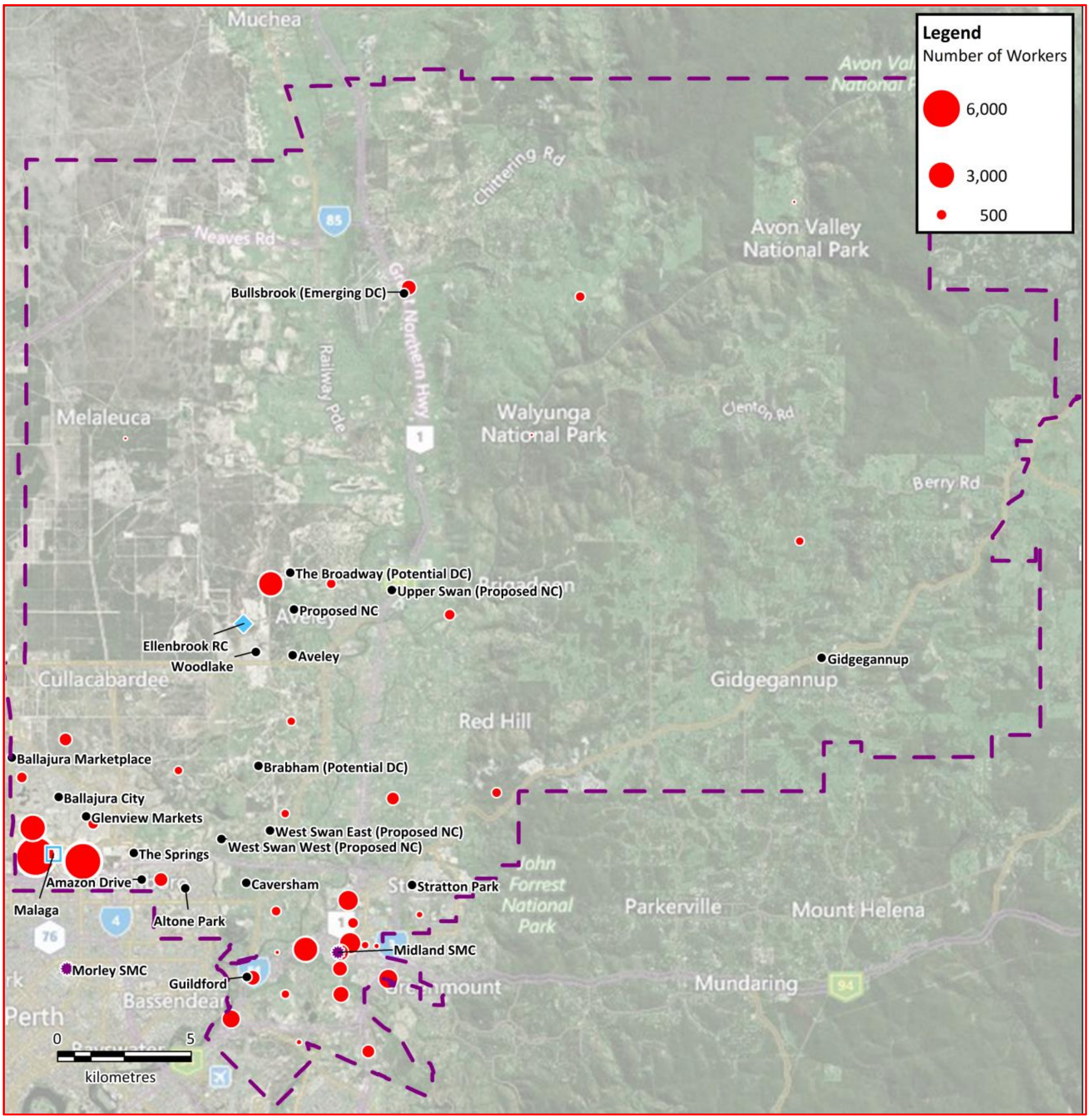
Industry Sector	2006	2011	Change in Jobs 2006-2011	
	No. Jobs	No. Jobs	(%)	(No.)
Agriculture, Forestry and Fishing	564	516	-8.5%	-48
Mining	398	1,053	164.6%	655
Manufacturing	7,083	7,698	8.7%	615
Electricity, Gas, Water and Waste Services	313	424	35.5%	111
Construction	3,408	4,657	36.6%	1,249
Wholesale Trade	2,456	3,236	31.8%	780
Retail Trade	4,612	5,788	25.5%	1,176
Accommodation and Food Services	1,954	2,555	30.8%	601
Transport, Postal and Warehousing	1,841	2,660	44.5%	819
Information Media and Telecommunications	302	381	26.2%	79
Financial and Insurance Services	520	540	3.8%	20
Rental, Hiring and Real Estate Services	684	730	6.7%	46
Professional, Scientific and Technical Services	1,354	1,911	41.1%	557
Administrative and Support Services	799	992	24.2%	193
Public Administration and Safety	2,970	3,820	28.6%	850
Education and Training	2,795	3,431	22.8%	636
Health Care and Social Assistance	2,675	3,246	21.3%	571
Arts and Recreation Services	371	417	12.4%	46
Other Services	2,146	2,778	29.5%	632
Industry not classified	573	603	5.2%	30
Total	**37,818**	**47,436**	**25.0%**	**9,618**

Source: Economy i.d.; Essential Economics

Figure 3.1 shows the location of employment in the City of Swan by destination zone and illustrates:

- Three intensive employment nodes exist in the City of Swan at Midland, Malaga, and Ellenbrook which are, at least in part, associated with the operation of the activity centres hierarchy
- The balance of jobs in the municipality is distributed relatively evenly, with marginally greater intensity in established urban areas in the south
- Tourism and related jobs form a north-south employment corridor in the Swan Valley.

Figure 3.1: City of Swan – Number of Workers, by Destination Zone



Source: ABS Census 2011, Destination Zone; MapInfo; Bing Maps

3.3 Population Growth Trends and Forecasts

Population Trends

The City of Swan contains an estimated population of approximately 130,150 persons in 2014 having increased from 114,490 persons in 2011 and from 96,720 persons in 2006.

Since 2006, the population in the City of Swan has increased by approximately +34,000 persons at a rate of +3.8% or +4,180 people per annum. This compares to an average growth rate of +3.2% per annum throughout metropolitan Perth. Recent population growth trends in the City of Swan and for metropolitan Perth are shown in Table 3.3.

Table 3.3: Historical Population Growth Trends, City of Swan and Metropolitan Perth

	2006	2011	2014
Population (persons)			
City of Swan	96,720	114,490	130,150
Metropolitan Perth	*1,576,910*	*1,833,570*	*2,021,200*
Average Annual Growth (% per annum)			
City of Swan	-	+3.4%	+4.4%
Metropolitan Perth	-	*+3.1%*	*+3.3%*

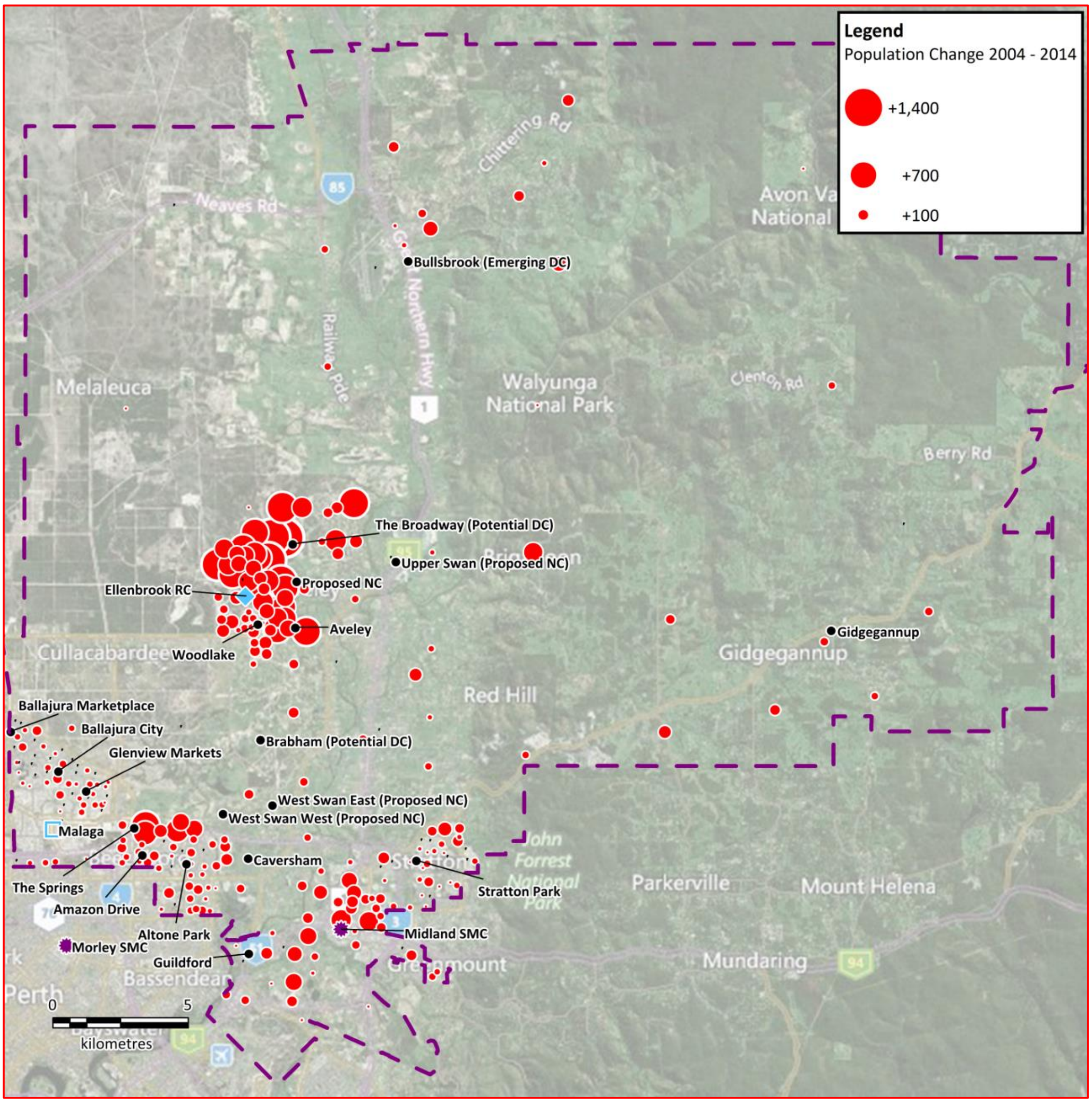
Source: ABS Regional Population Growth, Cat. 3218.0; Essential Economics

Figure 3.2 on the following page shows the location of recent population growth (2004-2014) in the City of Swan and illustrates the following:

- Population growth has been particularly strong in the greenfield residential growth area of Ellenbrook. In a wider context, the Ellenbrook Statistical Area 2 (SA2) as defined by the ABS has accommodated the second highest population growth in the State for the 2011 to 2014 period. The highest growth in the State for the same period was the Baldivis SA2.
- Population growth has also occurred to a lesser extent in other greenfield residential growth areas including Bennett Springs, Caversham and Brabham.
- Infill population growth is occurring in established urban areas, particularly in proximity to, and within, the Midland Strategic Metropolitan Centre.

On an overall basis, the current population trends for the City of Swan show that overall demand for new housing is strong. This includes a mix of greenfield urban development in identified urban growth areas such as Ellenbrook, as well as an increasing demand for infill residential development in established urban areas.

Figure 3.2: City of Swan Population Growth and Activity Centres, 2004-2014



Source: ABS Regional Population Growth, Cat. 3218.0; MapInfo; Bing Maps

Population Forecasts

The City of Swan is forecast to have a total population of 168,540 persons in 2021 according to population projections prepared by id Consulting. Total population growth in the City of Swan over the 6-year period from 2015 to 2021 is forecast to be +36,460 persons, or approximately +6,080 persons per annum.

The detailed population projections prepared by id Consulting are summarised in Table 3.4.

Table 3.4: Population Projections - City of Swan by Small Area, 2015 - 2036

Id Consulting Area	2015	2021	2026	2031	2036	*2015-2036*
Population (No.)						
Altone	22,930	22,350	22,290	23,100	23,330	*+400*
Ballajura	19,790	19,090	18,990	18,710	18,650	*-1,140*
Bullsbrook	4,910	7,780	11,720	15,840	20,300	*+15,390*
Ellenbrook	36,290	50,670	57,580	64,210	70,260	*+33,970*
Gidgegannup	2,870	3,110	3,590	4,870	6,580	*+3,710*
Guildford	6,280	7,380	8,440	9,770	11,050	*+4,770*
Midland	14,180	15,860	17,260	18,970	20,970	*+6,790*
Noranda	1,470	1,430	1,430	1,440	1,480	*+10*
Swan Valley	5,500	5,450	5,420	5,440	5,510	*+10*
Swan View	10,230	11,390	13,100	13,700	13,620	*+3,390*
Upper Swan	1,440	1,660	1,940	2,130	2,170	*+730*
Urban Growth Corridor	6,190	22,370	28,130	31,250	31,630	*+25,440*
City of Swan	**132,080**	**168,540**	**189,890**	**209,430**	**225,550**	***+93,470***
Average Annual Growth (%)						
Altone	-	-0.4%	-0.1%	0.7%	0.2%	*0.1%*
Ballajura	-	-0.6%	-0.1%	-0.3%	-0.1%	*-0.3%*
Bullsbrook	-	8.0%	8.5%	6.2%	5.1%	*7.0%*
Ellenbrook	-	5.7%	2.6%	2.2%	1.8%	*3.2%*
Gidgegannup	-	1.3%	2.9%	6.3%	6.2%	*4.0%*
Guildford	-	2.7%	2.7%	3.0%	2.5%	*2.7%*
Midland	-	1.9%	1.7%	1.9%	2.0%	*1.9%*
Noranda	-	-0.5%	0.0%	0.1%	0.5%	*0.0%*
Swan Valley	-	-0.2%	-0.1%	0.1%	0.3%	*0.0%*
Swan View	-	1.8%	2.8%	0.9%	-0.1%	*1.4%*
Upper Swan	-	2.4%	3.2%	1.9%	0.4%	*2.0%*
Urban Growth Corridor	-	23.9%	4.7%	2.1%	0.2%	*8.1%*
City of Swan	**-**	**4.1%**	**2.4%**	**2.0%**	**1.5%**	***2.6%***

Source: forecast i.d, 2015; Essential Economics
Note: Totals Subject to Rounding

Significant population growth is forecast for the id Consulting defined areas of Ellenbrook (+14,380 persons) and Urban Growth Corridor (+16,180). Population is forecast to be stable or moderately decline in the established urban areas Altone (-580), Ballajura (-700), Noranda (-40), as well as Swan Valley (-50).

During the subsequent 15-year period from 2021 to 2036, the population of City of Swan is estimated to increase by +57,010 persons to a total resident population of 225,550 people.

In total, between 2015 and 2036 areas grouped by sub-region are expected to experience the following population change:

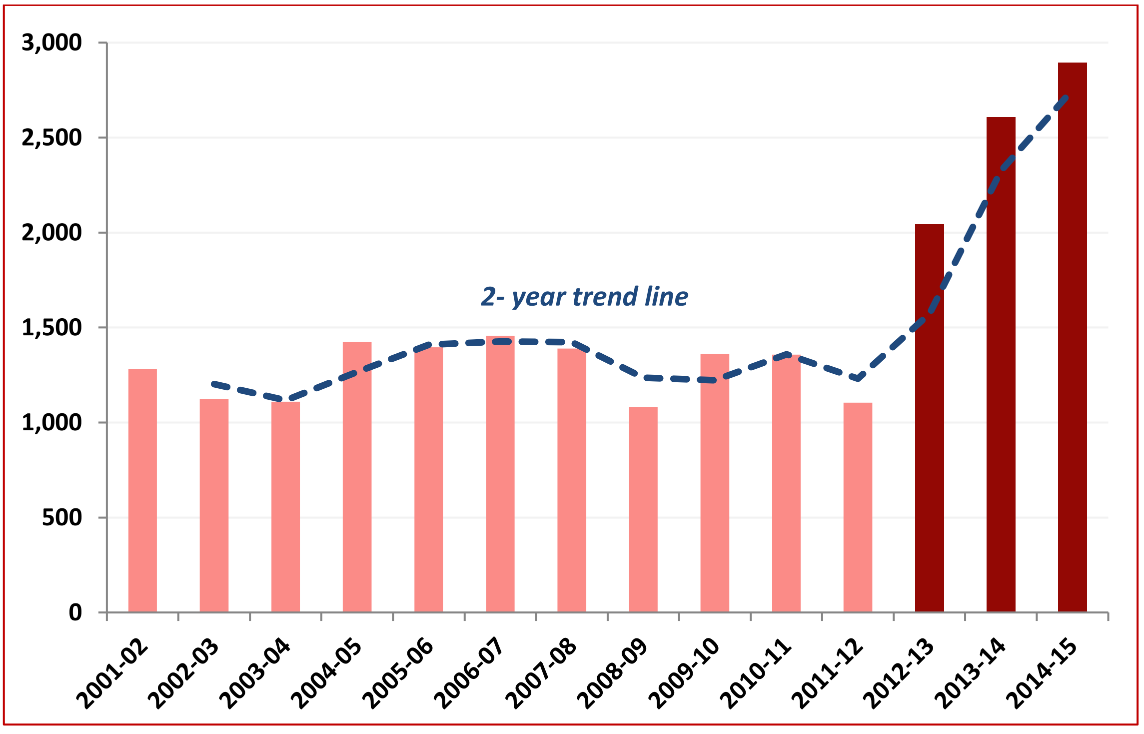
- **West Region** (Altone, Ballajura, Noranda). Total population change of -730 persons.
- **South Region** (Midland, Guildford, Swan View)**.** Total population change of +14,950 persons or 15% of total population growth in City of Swan.
- **Rural and Growth Region** (Bullsbrook, Ellenbrook, Gidgegannup, Swan Valley, Upper Swan, Urban Growth Corridor)**.** Total population change of +79,250 persons or 85% of total population growth in City of Swan.

3.4 Residential Development Trends

Between 2002 and 2012(all figures year ending June), the average number of residential dwelling approvals in the City of Swan was relatively consistent at between 1,000 and 1,500 per annum, as shown in Figure 3.3.

In 2013, residential dwelling approvals nearly doubled the previous year's total and subsequently the rate of new dwelling approvals in the City has accelerated further. Over half of all new dwelling approvals are located in Ellenbrook/The Vines, including 1,960 approvals in this area in 2014-15. The recent increase in residential dwelling approvals, and thus population growth, means increased demand for retail, commercial, and community facilities associated with activity centre development.

Figure 3.3: Annual Residential Dwelling Approvals, City of Swan



Source: ABS Building Approvals, Cat. 8731.0; Essential Economics

3.5 Socio-economic Characteristics

A summary of socio-economic and demographic characteristics for the City of Swan is shown in Table 3.5 and is based on data available from the ABS 2011 Census of Population and Housing. Comparisons are also made with the Greater Perth benchmark.

Table 3.5: Socio-economic Characteristics - City of Swan, 2011

Category	City of Swan	*Greater Perth*
Income		
Median individual income (annual)	**$33,860**	*$34,860*
Variation from Greater Perth median	**-2.9%**	*0.0%*
Median household income (annual)	**$75,070**	*$76,080*
Variation from Greater Perth median	**-1.3%**	*0.0%*
Median Age (years)	**34**	*36*
Country of Birth		
Australia	**68.0%**	*63.3%*
Other Major English Speaking Countries	**15.6%**	*18.8%*
Other Overseas Born	**16.4%**	*17.9%*
% speak English only at home	***83.2%***	*82.4%*
Family Composition		
Couple family – Total	**81.6%**	*83.4%*
One parent family – Total	**16.8%**	*14.6%*
Dwelling Structure (Occupied Private Dwellings)		
Separate house	**89.4%**	*78.6%*
Semi-detached, row or terrace house, townhouse etc.	**6.1%**	*11.9%*
Flat, unit or apartment	**3.6%**	*9.1%*
Other dwelling	**0.8%**	*0.4%*
Occupancy rate	***92.1%***	*90.5%*
Average household size	**2.8**	*2.5*
Tenure Type (Occupied Private Dwellings)		
Owned outright	**24.7%**	*30.0%*
Owned with a mortgage	**51.1%**	*40.7%*
Rented	**23.7%**	*28.2%*
Other tenure type	**0.5%**	*1.2%*
Car Ownership per Dwelling		
None	**4.9%**	*6.3%*
One	**29.0%**	*34.1%*
Two	**41.8%**	*39.8%*
Three of more	**24.3%**	*19.8%*
Highest Year of School Completed (% of population aged 15 years and over)		
Year 12 or equivalent	**44.5%**	*52.7%*
Year 9-11 or equivalent	**41.6%**	*34.1%*
Year 8 or below	**4.2%**	*3.8%*
Did not go to school	**0.8%**	*0.6%*
Highest year of school not stated	**8.9%**	*8.7%*
Occupation		
Managers & professionals	**24.0%**	*33.6%*
Clerical & sales workers	**36.8%**	*34.5%*
Technicians & trades workers	**18.4%**	*16.3%*
Machinery operators & drivers	**9.8%**	*6.7%*
Labourers & related workers	**11.1%**	*8.9%*

Source: 2011 ABS Census of Population and Housing

The main features from Table 3.5 which are relevant to the Local Commercial Activity Centres Strategy include the following:

- **Income**: The median individual income level for the City of Swan ($33,860) is marginally below the Greater Perth median ($34,860). This is a reflection of lower income levels in the Midland ($29,650) and Altone ($31,340) regions, with income levels in the Ellenbrook region ($40,980) significantly higher than the Greater Perth average.

- The level of **education** completed by City of Swan residents is considerably below the average for Greater Perth. Approximately 45% of persons have completed year 12 or equivalent in City of Swan compared to 53% for Greater Perth.

- A higher proportion of households have a **mortgage** in City of Swan (51%) compared to Greater Perth (41%). Households in regions with lower than average household income and higher than average unemployment (Altone, Ballajura, Midland), are at a greater risk of mortgage stress.

- High proportion of residents born in Australia, which account for 68% of residents compared to approximately 63% for metropolitan Perth.

- Slightly younger demographic, with the **median age** of residents in the City of Swan (34 years old) lower than for metropolitan Perth (36 years old).

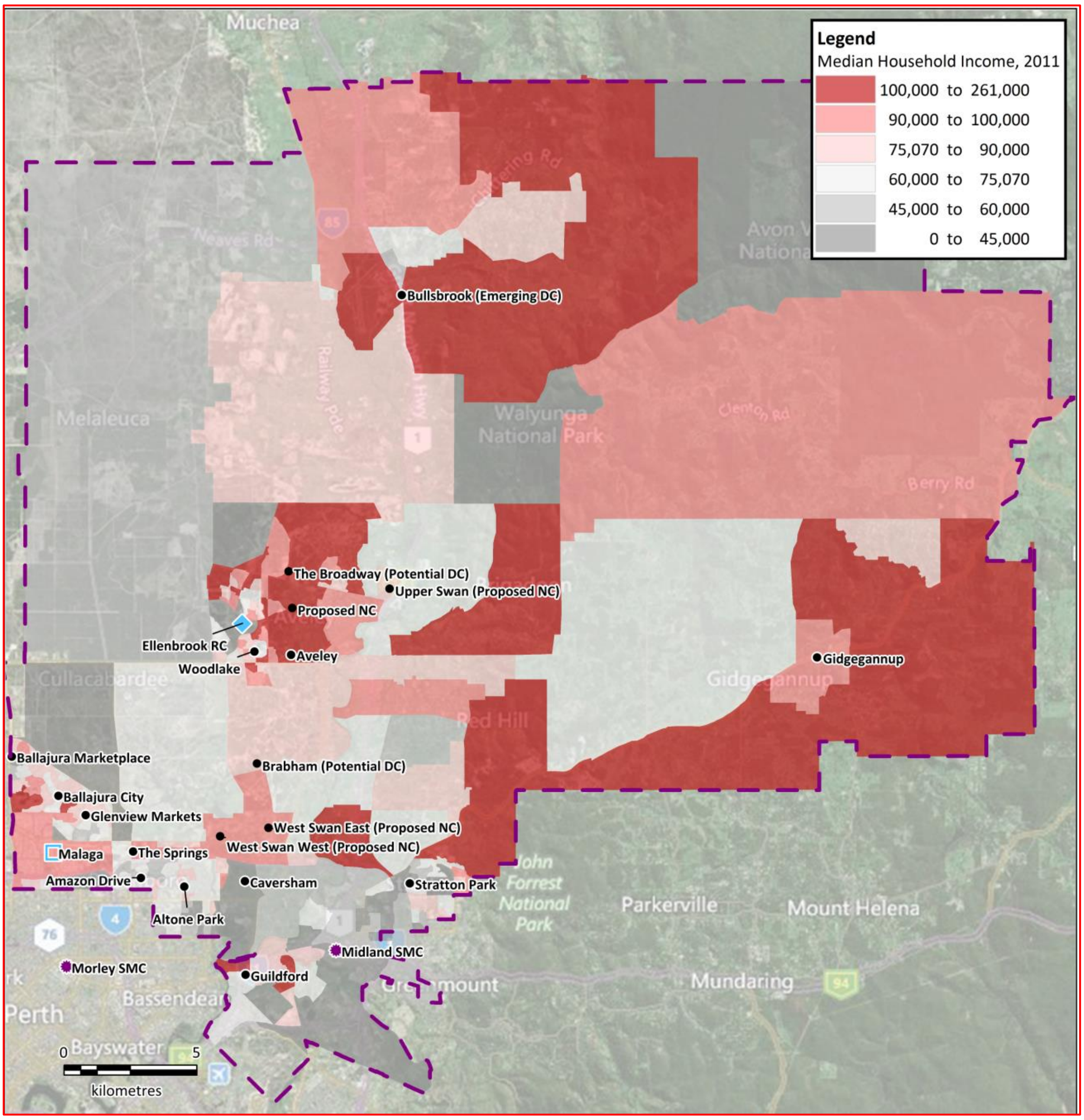
- Low proportion of **employed residents** working as 'managers & professionals' who account for 24% of employed persons compared to approximately 34% for metropolitan Perth. While a higher proportion of City of Swan residents work in 'blue collar' occupations than the average for metropolitan Perth.

The median individual income in the City of Swan is shown in Figure 3.4 and illustrates the following:

- In City of Swan's established suburbs, individual income is predominantly highest in Ballajura, Swan View, and Guildford. While individual income is lowest in Midland, Beechboro, and Caversham.

- Greenfield and rural areas in the City of Swan largely comprise households with higher than average income levels, specifically in Ellenbrook, Bullsbrook, and Brigadoon.

Figure 3.4 Median Household Income – City of Swan, 2011



Source: 2011 ABS Census of Population and Housing; MapInfo; Bing Maps

3.6 Retail Spending Growth

Per Capita Retail Spending, 2015

Estimates of per capita retail spending by City of Swan residents have been prepared with reference to the *MarketInfo* retail spending model. *MarketInfo* is a micro-simulation model which uses data from the ABS Household Expenditure Survey, the ABS Census of Population and Housing, ABS Australian National Accounts, and other relevant sources.

Estimates of average per capita retail spending in 2015 for City of Swan residents are shown in Table 3.6 and compared with the average for metropolitan Perth.

Average per capita retail spending by City of Swan residents in 2015 is estimated at $13,090 per annum, which is approximately -9% below the average for metropolitan Perth, and comprises:

- Approximately $6,740 per annum on food merchandise;
- Approximately $5,710 per annum on non-food merchandise; and
- Approximately $640 per annum on retail services.

Table 3.6 Average Per Capita Retail Spending, 2015 (2015 dollars)

Id Consulting Area	Food	Non-Food	Services	Total Retail
Per Capita Spending ($2015)				
Altone	$6,600	$5,480	$620	$12,700
Ballajura	$6,630	$5,820	$650	$13,100
Bullsbrook	$6,840	$5,800	$620	$13,260
Ellenbrook	$6,930	$6,370	$730	$14,030
Gidgegannup	$7,380	$6,540	$660	$14,580
Guildford	$6,900	$5,950	$600	$13,450
Midland	$6,380	$4,740	$470	$11,590
Noranda	$7,600	$6,780	$690	$15,070
Swan Valley	$7,040	$5,970	$600	$13,610
Swan View	$6,580	$5,600	$650	$12,830
Upper Swan	$8,100	$7,520	$730	$16,350
Urban Growth Corridor	$6,970	$6,060	$640	$13,670
City of Swan	**$6,740**	**$5,710**	**$640**	**$13,090**
Metro Perth	*$7,250*	*$6,380*	*$680*	*$14,310*
Var'n from Metro Perth Average (%)				
Altone	-10%	-16%	-10%	-13%
Ballajura	-9%	-10%	-5%	-9%
Bullsbrook	-6%	-10%	-10%	-8%
Ellenbrook	-5%	-0%	+7%	-2%
Gidgegannup	+2%	+2%	-3%	+2%
Guildford	-5%	-7%	-13%	-6%
Midland	-14%	-35%	-45%	-23%
Noranda	+5%	+6%	+1%	+5%
Swan Valley	-3%	-7%	-13%	-5%
Swan View	-10%	-14%	-5%	-12%
Upper Swan	+10%	+15%	+7%	+12%
Urban Growth Corridor	-4%	-5%	-6%	-5%
City of Swan	**-8%**	**-12%**	**-6%**	**-9%**

Source: MarketInfo; Essential Economics
Note: Figures are rounded and in constant 2015 dollars

Total Retail Spending, 2015 to 2036

In 2015, total available retail spending by City of Swan residents is estimated at $1,752m, which includes:

- Approximately $895m on food merchandise
- Approximately $772m on non-food merchandise, and
- Approximately $85m on services.

Forecasts of spending by City of Swan residents have been prepared for the period to 2036, with the application of population forecasts as presented in Section 3.3 and real growth in retail spending per capita. Growth in real per capita spending has been based on historical growth rates in retail spending over the past 20 or so years as derived from ABS Australian National Accounts data and which reflects an average growth rate of 1.1% per annum.

Future increases in retail spending will be driven by a combination of population growth and spending per capita on retail merchandise and services. This growth in available retail spending by residents of the City will contribute to future retail development opportunities in activity centres.

Forecasts of total retail spending have been prepared for the twelve sub-regions defined by id Consulting and are shown in Table 3.7. Total retail spending by City of Swan residents in 2036 is forecast to more than double current total retail spending, increasing from $1,752m in 2015 to $3,822m by 2036. This represents an annual average growth rate of +3.8%.

Table 3.7 Forecast Retail Spending by City of Swan Residents

Id Consulting Area	2015	2021	2026	2031	2036	Av. Growth pa 2015-2036
Altone	$291m	$302m	$319m	$349m	$373m	+1.2%
Ballajura	$259m	$267m	$281m	$293m	$309m	+0.8%
Bullsbrook	$65m	$110m	$175m	$250m	$340m	+8.2%
Ellenbrook	$509m	$759m	$912m	$1,078m	$1,251m	+4.4%
Gidgegannup	$42m	$48m	$59m	$85m	$122m	+5.2%
Guildford	$84m	$106m	$128m	$157m	$188m	+3.9%
Midland	$164m	$195m	$224m	$260m	$304m	+3.0%
Noranda	$22m	$23m	$24m	$26m	$28m	+1.2%
Swan Valley	$75m	$79m	$83m	$88m	$95m	+1.1%
Swan View	$131m	$156m	$189m	$209m	$221m	+2.5%
Upper Swan	$24m	$29m	$36m	$42m	$45m	+3.1%
Urban Growth Corridor	$85m	$326m	$433m	$510m	$547m	+9.3%
City of Swan	**$1,752m**	**$2,400m**	**$2,863m**	**$3,346m**	**$3,822m**	**+3.8%**

Source: MarketInfo; Essential Economics
Note: Figures are rounded and in constant 2015 dollars

The most significant growth in retail spending is forecast to occur in City of Swan's residential growth areas, including Bullsbrook (+8.2% pa), Ellenbrook (+4.4% pa), and the Urban Growth Corridor (+9.8%).

All figures are represented in constant 2015 dollars and therefore the effects of price inflation are excluded from the analysis.

3.7 Tourism and Visitor Spending

Swan Valley is a tourism destination of State significance which consistently attracts overnight and day visitors throughout the year to the geographic heart of the City of Swan. These visitors provide a stimulus to the local economy through their spending, a proportion of which is directed to retailers and other businesses in the activity centres of the City.

According to Tourism Research Australia data, the City of Swan attracted an average of approximately 179,420 overnight visitors in the year to June 2015, and these visitors stayed approximately 943,480 visitor nights.

It is difficult to accurately estimated the level of 'retail' spending by visitors as the tourism expenditure categories used by Tourism Research Australia do not directly correlate to those used in conventional retail assessments. However, based on analysis of tourism expenditure patterns of visitors to Perth and applying those to the estimated overnight visitation in Swan, it is broadly estimated that overnight visitors spend approximately $68 million on retail items a year. It is expected that a significant proportion of this expenditure is directed to retailers in the City of Swan.

In addition to overnight visitors, City of Swan also attracted an average of 700,000 day visitors per annum between 2010 and 2015. Day visitors represent a significant contributor to the local tourism and retail economy, and this contribution will continue to grow as planned road and rail upgrades are implemented in the region.

3.8 Retail and Commercial Investment Trends

Retail and commercial sector investment trends are reflected by the value of retail and commercial buildings constructed, shown annually in Table 3.8.

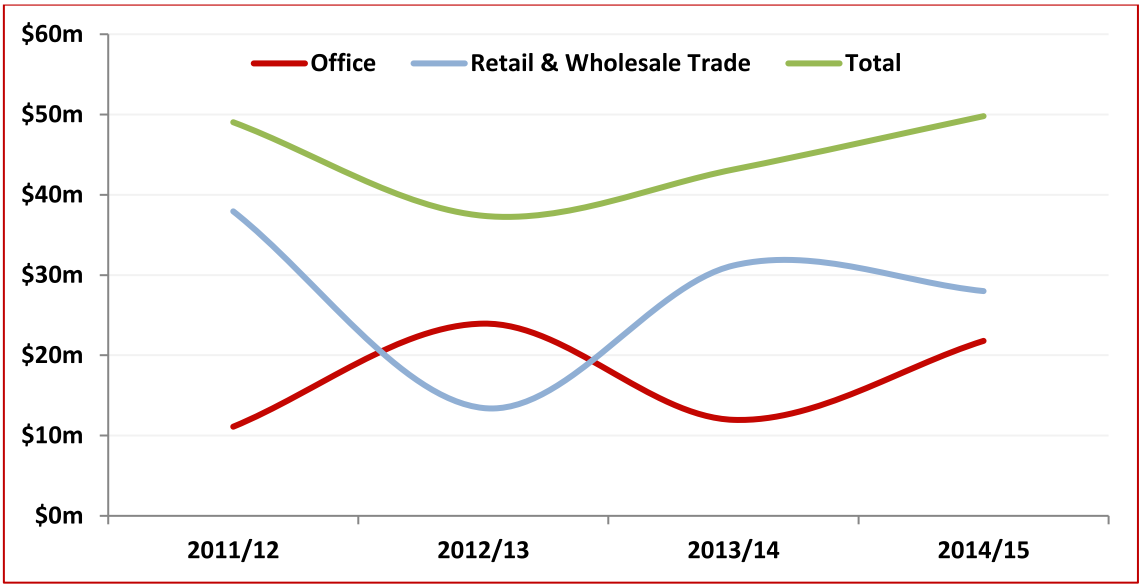
Table 3.8 Value of Retail and Commercial Building Approvals, City of Swan

Category	2011/12	2012/13	2013/14	2014/15	2015/16 (July-Jan)
Office	$11.1m	$23.9m	$12.0m	$21.8m	$8.7m
Retail & Wholesale Trade	$37.9m	$13.4m	$31.2m	$28.0m	$23.2m
Total	**$49.0m**	**$37.4m**	**$43.1m**	**$49.8m**	**$31.9m**

Source: ABS Building Approvals by Statistical Area (SA2 and above)

The City of Swan attracts significant investment in retail and commercial building approvals. In recent years the value of retail and commercial building approvals has fluctuated from a low of $37.4m inn 2012/13 to $49.8m in 2014/15.

Figure 3.5: Value of Retail and Commercial Building Approvals, City of Swan



Source: ABS Building Approvals by Statistical Area (SA2 and above)

3.9 Implications for the Strategy

Key Implications for the Local Commercial Activity Centres Strategy identified in this Chapter include the following:

- Activity centres are an important component of the economy in the City of Swan and relevant industry sectors have grown rapidly in recent years
- The rates of population growth forecast for the City of Swan in the period to 2031 are significantly higher than was originally considered in the Retail Needs Assessment report of 2011
- Activity centres will have the opportunity to attract significant growth in visitation and spending over coming years associated with per capita spending growth, an increased resident population and spending by tourists and other visitors.

4 CITY OF SWAN ACTIVITY CENTRES REVIEW

This Chapter considers the hierarchy of activity centres in the City of Swan, including a review of the directions contained in the Retail Needs Assessment prepared in 2011.

4.1 City of Swan Activity Centre Hierarchy

At present, the activity centres hierarchy operating in the City of Swan is informed by a mix of SPP 4.2 and local policies including the City of Swan Commercial Centres Strategy (2004) and City of Swan Retail Needs Assessment (2011). All three are summarised in Table 4.1 below.

Table 4.1 Comparison of Centre Hierarchies

City of Swan Commercial Centres Strategy (2004)	SPP 4.2 (2010)	Retail Needs Assessment (2011)
Strategic Regional Centre	Strategic Metropolitan Centre	Strategic Metropolitan Centre
Regional Centre	Secondary Centre	Secondary Centre
District Centre	District Centre	District Centre
Neighbourhood Centre: - Large Neighbourhood Centre - Medium Neighbourhood Centre - Small Neighbourhood Centre	Neighbourhood Centre	Neighbourhood Centre (suggests simplifying Council hierarchy to just two levels, large and small neighbourhood centres)
Local Centre: - Large Local Centre - Medium Local Centre - Small Local Centre	Local Centre	Local Centre
Mixed Business Area	Bulky goods and industrial areas recognised in Policy	Mixed Business Area
-	Specialised Centres	-

Source: Western Australian Planning Commission, SPP 4.2, 2010; City of Swan, Commercial Centres Strategy, 2004; Essential Economics, City of Swan Retail Needs Assessment, 2011

Refining the centres hierarchy to reflect local policy requirements was identified in the Retail Needs Assessment (2011) as one of the key principles for retail policy in the City of Swan.

The comparison shows that while all three documents define higher-order centres (e.g. Strategic Metropolitan/Regional, Secondary/Regional and District Centres) in a similar manner, the existing Commercial Strategy (2004) provides very prescriptive definitions for Neighbourhood and Local Centres.

The Commercial Strategy (2004) provides three levels each for Neighbourhood and Local Centres, or six different centre types across both levels of the hierarchy.

As identified in the Retail Needs Assessment (2011), this is considered:

> "*an overly complicated basis for centre planning, and one that has the potential to lead to a prescriptive planning policy*". (p. 83)

The Retail Needs Assessment (2011) recommends a more streamlined hierarchy by providing just one level of Local Centre and, at the most, two levels of Neighbourhood Centres (e.g. large and small).

A review of other metropolitan and local centre strategies conducted for the *Best Practice Review of Key Issues* report, indicates a trend towards less prescriptive and defined definitions for neighbourhood and local centres. This approach allows for greater flexibility in planning and contributes to opportunities for centres to attract new developments that improve centre viability and the provision of services to the surrounding communities.

The key consideration is that any new development contributes to the centre's role as a 'neighbourhood' or 'local' centre, and not elevate to a role or function which is higher in the hierarchy without prior approval for this to occur.

For the City of Swan Local Commercial Activity Centres Strategy, it is important that a hierarchy is adopted which:

- Is consistent with the directions of SPP 4.2
- Supports an appropriate distinction between the role and function of centres at varying levels of the hierarchy
- Is sufficiently robust to accommodate the changes in community needs and development trends
- Is practical and easily implemented by Council and stakeholders.

On this basis, the new Local and Activity Centres Strategy adopts just one definition of Neighbourhood and Local centres within the City of Swan activity centres hierarchy. This recommendation aligns with the hierarchy defined in SPP 4.2.

Bulky goods retailing and commercial activities in industrial areas are identified in SPP 4.2. For the purposes of applying the principles of SPP 4.2 in the City of Swan a formal classification of 'Mixed Business Area', as identified in the Retail Needs Assessment, is adopted.

No need exists at the present time for the identification of a Specialised activity centre in the City of Swan.

Based on above, the City of Swan activity Centre hierarchy is summarised in Table 4.2 and is based on the definitions provided in SPP 4.2.

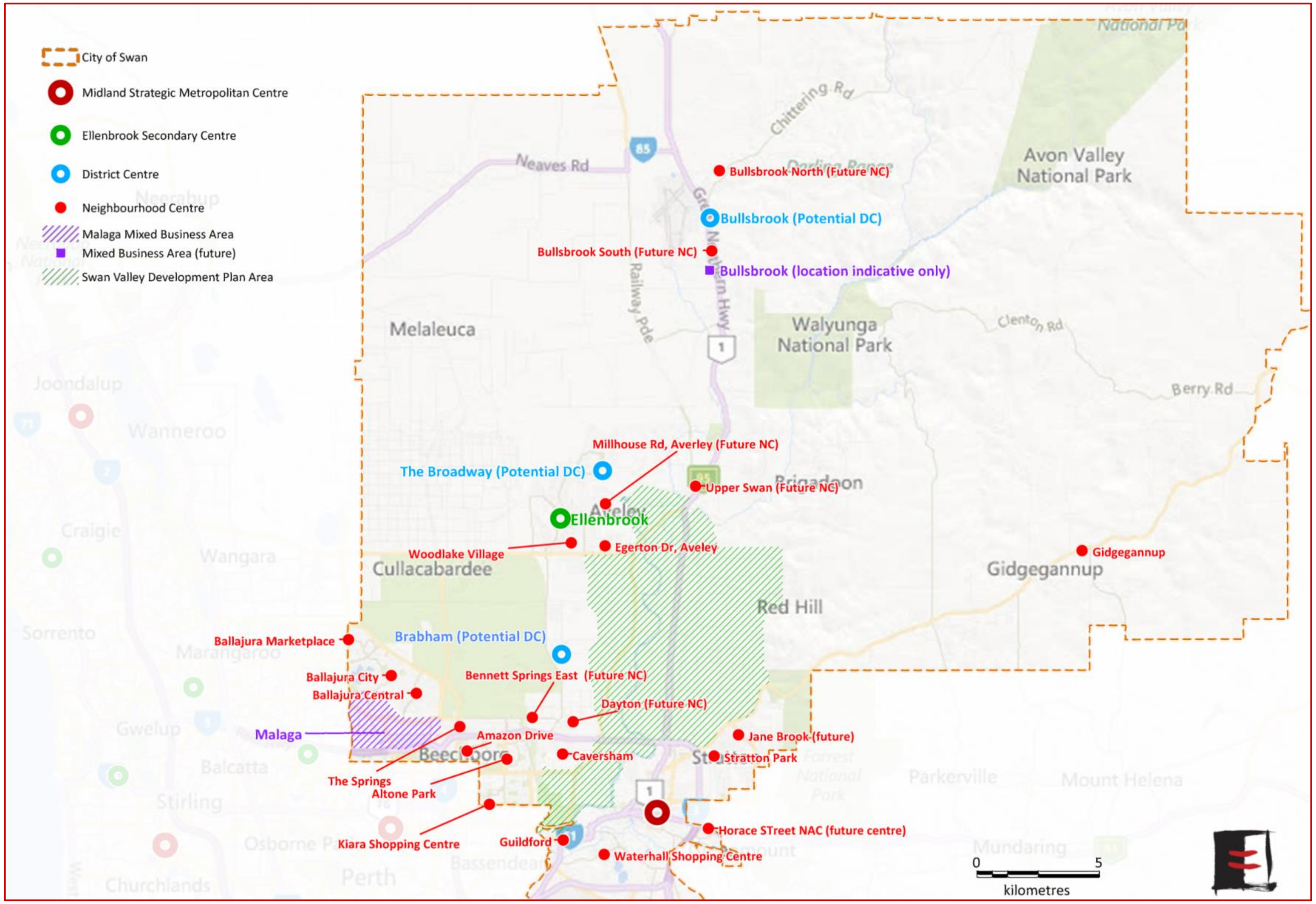
The location of centres in the City of Swan are shown in Figure 4.1. More detailed descriptions of centres and their future opportunities is provided in Section 4.3 of this report.

Table 4.2: City of Swan Activity Centres Hierarchy

Centre types	Main role/function	Retail types	Office uses	Service population area
Perth Capital City	Largest activity centre, with intensely concentrated development and wide range of higher-order services.	Department store/s, discount department stores, supermarkets, specialty shops.	Major offices, Commonwealth and State government agencies	Greater metropolitan region
Strategic Metropolitan centres	Multi-purpose centres with a diversity of uses, offering the full range of economic and community services.	Department store/s, discount department stores, supermarkets, specialty shops.	Major offices, State government agencies	150,000 – 300,000 persons
Secondary centres	Similar to strategic metropolitan centres but serving smaller catchments and with a more limited range of services.	Department store/s, discount department store/s, supermarkets, specialty shops.	Major offices, professional and service businesses	Up to 150,000 persons
District centres	Greater focus on daily and weekly needs and serve smaller catchments in which the local community role is strong.	Discount department stores, supermarkets, convenience goods, small scale comparison shopping, personal services, some specialty shops.	District level offices and local professional services	20,000 – 50,000 persons
Neighbourhood centres	Provide for daily and weekly household shopping needs, community services and a small range of other convenience services.	Supermarket/s, personal services, convenience shops.	Local professional services.	2,000 – 20,000 persons
Local centre	Provide for the day-to-day shopping and service needs of the immediate catchment.	Convenience shopping, personal services.	Limited local professional services.	Up to 2,000 persons

Source: Department of Planning, State Planning Policy 4.2; Essential Economics

Figure 4.1: City of Swan Retail Hierarchy 2016



Produced by Essential Economics using MapInfo and BingMaps

4.2 Review of the Retail Needs Assessment (2011)

The Retail Needs Assessment (2011) responds to the requirement in SPP 4.2 for centre policy to be supported by forecast demand for retail and commercial floorspace.

Overview of Key Findings of the Analysis

Key findings of the Retail Needs Assessment in relation to demand for future retail development include the following:

1. Retail is the second largest employer in the City of Swan, accounting for 12% of jobs
2. The City of Swan's resident population is forecast to increase from an estimated 114,560 residents in 2011 to 190,240 residents in 2031.
3. In 2011, total retail floorspace in the City of Swan was estimated at approximately 319,400m^2, with the Midland Strategic Metropolitan Centre accounting for more than 40% of this floorspace (or 134,500m^2).
4. Retailers in the City of Swan generated $1,524m in retail sales in 2011 (in constant 2011 dollars), of which 69% was derived from the retail spending of City of Swan residents.
5. In 2011, a total of approximately $345m is retail spending by City of Swan residents 'escapes' to retail facilities outside of the municipality. This represented 25% of total retail spending by City of Swan residents.
6. Opportunities for new retail development in the City of Swan will be generated over coming years through:
   - Population growth which creates additional demand for retail goods and services
   - Real growth in per capita retail spending from income and economic growth
   - Opportunities to attract additional levels of 'captured' spending to the City of Swan, including from tourists and other visitors
   - Opportunities to reduce escape spending by providing a broad range of convenient and accessible retail facilities for local residents.
7. Potential retail floorspace growth in the City of Swan over the period 2011 to 2031 is forecast at between 241,000m^2 and 280,700m^2. This retail floorspace growth is to be distributed across a hierarchy of existing and proposed new centres in the City of Swan.

The future distribution of retail floorspace growth throughout the City of Swan is based on assessments for centres within defined 'Place Planning Areas', which are now referred to within Council as 'Local Planning Areas'. Population growth, as forecast by id Consulting at the time of the assessment, was one of the key inputs for distributing retail floorspace growth.

A summary of the retail floorspace provision as of 2011 and the indicative retail floorspace for 2031 for centres and Local Planning Areas as shown in the Retail Assessment is summarised in Table 4.3.

Table 4.3 Retail Development Opportunities, 2011-2031 (Retail Needs Assessment 2011)

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Midland Local Planning Area				
Midland Strategic Metropolitan Centre	Strategic Metropolitan Centre	134,480m²	200,000m²	+65,520m²
Ellenbrook Local Planning Area				
Ellenbrook	Secondary Centre	35,200m²	55,000m²	+19,800m²
The Broadway'	District		15,000m²	+15,000m²
Aveley	Neighbourhood		6,500m²	+6,500m²
Woodlake Village	Neighbourhood	2,600m²	3,000m+	+400m²
Other 'Village' Centres	Local	500m²	Market Demand	
Bullsbrook Local Planning Area				
Bullsbrook Town Centre (emerging District Centre	District	1,900m²	10,000m²	+8,100m²
Upper Swan (current Local Centre)	Neighbourhood	900m²	6,000m²	+5,100m²
Urban Growth Corridor Local Planning Area				
Albion	District Centre	-	15,000m²	+15,000m²
Swan West (East)	Neighbourhood	-	6,000m²	+6,000m²
Swan West (East)	Neighbourhood	-	4,500m²	+4,500m²
Caversham	Neighbourhood	-	4,500m²	+4,500m²
Altone Local Planning Area				
Altone Park	Neighbourhood	6,280m²	7,500m²	+1,220m²
The Springs	Neighbourhood	5,100m²	6,500m²	+1,400m²
Amazon Drive	Neighbourhood	1,600m²	2,000m²	+400m²
Ballajura Local Planning Area				
Ballajua City	Neighbourhood	5,500m²	6,500m²	+1,000m²
Glenview Markets	Neighbourhood	3,500m²	4,000m²	+500m²
Ballajua Marketplace	Neighbourhood	1,700m²	2,000m²	+300m²
Gidgegannup Local Planning Area				
Gidgegannup Town Centre	Neighbourhood	800m²	2,000m²	+1,200m²
Swan View Local Planning Area				
Stratton Park	Neighbourhood	1,700m²	5,000m²	+3,300m²
Guildford Local Planning Area				
Guildford	Neighbourhood	9,950m²	11,000m²	+1,050m²
Malaga Local Planning Area				
Malaga Mixed Business Area	Mixed Business Area	89,000m²	150,000m²	+61,000m²
Swan Valley Local Planning Area				
No specific direction is made in relation to the retail demand in the Swan Valley, although appropriate retail development which is focussed on encouraging tourist visitation, and which maximises the spending of tourists in the City of Swan, is encouraged.				

Source: Essential Economics, City of Swan Retail Needs Assessment, 2011

Summary of Retail Planning Principles

The Retail Needs Assessment also provides a set of retail planning principles for centres in the City of Swan. These include a number of well-accepted principles for activity centre planning in general, as well as principles specific to the City of Swan activity centre hierarchy. Although five years has passed since the Retail Needs Assessment (2011) was completed, these principles remain relevant to activity centre planning in the City of Swan over the next 15-20 years and reflect the content of SPP 4.2.

A summary of the retail planning principles as presented in the Retail Needs Assessment (2011) is provided below:

1 <u>Refine the Centre hierarchy</u>: ensure that the hierarchy applying in the City of Swan reflects the intended role and function of each centre. (refer discussion presented in Section 4.1 of this Background Report).

2 <u>Support the retail hierarchy</u>: use the hierarchy as the basis for the application of town planning policy and decision making for development applications, as well as for other Council initiatives.

3 <u>Maximise the retention of retail expenditure</u>: Economic and community benefits can be realised through the creation of a vibrant, viable and sustainable network of centres which offers a wide range of shopping formats and environments, and which retains a high proportion of the available spending by residents in the City of Swan.

4 <u>Consolidate activities in centres</u>: support the concept of clustering activity in centres, in order to realise benefits through shared infrastructure provision, encouraging vibrant centres, and co-locating complementary business activities in order to help generate employment.

5 <u>Recognise the importance of the Midland Strategic Metropolitan Centre</u>: Midland is the most significant shopping destination in the City, accounting for some 42% of total occupied retail floorspace (in 2011). Ongoing attention will need to be given to Midland to ensure that the centre can improve as a location for shopping, business activity, community service delivery and for a range of entertainment activities.

6 <u>Encourage a wide mix of activities</u>: successful activity centres are characterised by a wide range of uses that assist in attracting people to the centre and deliver a range of services such as retail, entertainment, business services, and community facilities.

7 <u>Consolidate the network of neighbourhood centres</u>: the principle of supermarket-based centres as the basis for network planning should be used to inform new structure plans for emerging urban communities including Albion, Ellenbrook and Bullsbrook. In planning these new growth areas to encourage a sustainable centres hierarchy, the City of Swan should avoid identifying a dense structure of (potentially under-performing) small neighbourhood and local centres.

8 <u>Promote integrated development</u>: the City of Swan should encourage land use and development that is integrated with transport infrastructure (principally bus services) so

that activity centres are well-served by public transport alternatives, and have potential to improve the amenity of centres by reducing car-based traffic.

9 Encourage well-planned homemaker clusters: in the future, new development of this type should be encouraged to co-locate in an integrated manner, forming new homemaker centres rather than disjointed ribbon development along major roads. This would be aided by a strategic review of zoning controls and zone boundaries, and may include the nomination of particular land/sites for a larger future integrated development.

Overview of Relevant Changes Since 2011

Five years have passed since the Retail Needs Assessment (2011) was completed. It is appropriate to review the main findings of the assessment in the context of the preparation of a new Local Commercial Activity Centres Strategy.

An overview to the key changes to the activity centre planning landscape in the City of Swan since 2011 is provided below.

Higher Than Anticipated Rates of Residential Development in Ellenbrook

As shown in Section 3.3, the rate of residential development in the City of Swan has accelerated markedly since 2011. This is primarily due to an increased rate of residential development in Ellenbrook and the adjacent urban growth corridor. The continued development of the Ellenbrook Town Centre and community facilities throughout Ellenbrook have had positive implications on the rate of residential development by enhancing the liveability of the area for residents.

Updated and Revised Population Forecasts

id Consulting prepare population forecasts for the City of Swan and which are updated on a regular basis to reflect current trends and expectations. The last update of the population forecasts occurred in July 2015 and forecast a higher rate of growth over the period to 2031 than the population forecasts which were used in the Retail Needs Assessment (2011).

The latest population forecasts for the City of Swan are for 209,400 residents in 2031, compared with the 190,200 residents applied in the Retail Needs Assessment (2011). This represents an increase of +10% in the population of the City in 2031, relative to the previous projection.

Analysis of the implications of these new population forecasts for activity centres in each Local Planning Area is provided later in this Section.

Activity Centre Planning and Development in Ellenbrook

Since 2011, the Ellenbrook Town Centre has continued to develop with addition retail and commercial development along Main Street and the development of Masters and Bunnings. An ALDI supermarket is currently being constructed to the east of 'The Shops' shopping centre.

Other changes that have occurred in the activity centre hierarchy serving the Ellenbrook Planning Area (which incorporates the Ellenbrook and adjacent housing estates) include:

- The development of the Vale Town Centre in Aveley. At the time of the Retail Needs Assessment (2011), it was envisaged that this centre would develop to approximately 6,500m^2; however this has not occurred. It is estimated that the Vale Town Centre contain approximately 4,000m^2 of retail/commercial floorspace including mid-sized IGA supermarket of approximately 1,800m^2.
- A proposal exists for a neighbourhood centre anchored by a Woolworths supermarket and comprising approximately 5,000m^2 of retail/commercial floorspace. Development of this site is yet to commence.
- Retail development at the 'The Boulevard' centre (potential District Centre) is yet to commence; however, development applications for various commercial uses (e.g. service station, child care, self-storage) exists for land in the southern part of 'The Boulevard' site.

Bullsbrook Town Centre

The Retail Needs Assessment (2011) identified the constraints to future development of the existing Bullsbrook centre, and determined the need for a new location able to accommodate a true District Centre in Bullsbrook.

The *Bullsbrook Townsite – Land Use Masterplan* was endorsed by the City of Swan in 2014 and identifies a District Centre on land to the immediate east of the existing town centre, on the eastern side of the Great Northern Highway.

Adoption of the Urban Housing Strategy (2015)

A specific planning framework to increase residential densities in proximity to activity centres has been implemented by the Urban Housing Strategy (2015). This policy framework will result in urban consolidation around activity centres which contributes to additional demand for retail, commercial and other facilities.

In addition, increased policy weight is being given to activity centres as a focus for residential development opportunities.

Continued Development of Midland as a Mixed-use Centre

The Midland Strategic Metropolitan Centre continues to experience high rates of development supporting its role as a major mixed-use centre. Recent construction of the St John of God Public Hospital and continued residential development interest highlight that the opportunities for Midland identified in the Retail Needs Assessment are being delivered. On this basis, the Local Commercial Activity Centres Strategy must seek to accommodate enhanced growth of the centre.

Review of Population Forecasts in Local Planning Areas

A comparison of the population forecasts used in the Retail Needs Assessment (2011) and the most recent prepared by id Consulting is shown in Table 4.4. The analysis shows a difference in the forecast population in the City of Swan in 2031 of +19,200 residents, with 89% of this difference (+17,150 residents) accounted for by the Ellenbrook Local Planning Area.

Table 4.4: Comparison of Population Forecasts for 2031

Location	Forecast Population in 2031		
	Retail Needs Assessment (2011)	Current Population Forecasts (July, 2015)	Difference (no.)
City of Swan	190,230	209,430	+19,200
Local Planning Area			
Ellenbrook	47,060	64,210	+17,150
Guildford	7,370	9,770	+2,400
Urban Growth Corridor	29,440	31,250	+1,810
Altone	21,420	23,100	+1,680
Midland	17,400	18,970	+1,570
Swan View	12,850	13,700	+850
Noranda	1,510	1,440	- 70
Swan Valley	5,680	5,440	- 240
Ballajura	19,390	18,710	-680
Upper Swan, Gidgegannup and Bullsbrook (combined)	28,110	22,840	-5,270

Source: id Consulting; Essential Economics, City of Swan Retail Needs Assessment, 2011

Accelerated population growth in Ellenbrook provides an opportunity for additional retail and commercial development to occur within a shorter than anticipated timeframe.

More modest additional population growth is also forecast within the Local Planning Areas of Guildford, Urban Growth Corridor, Altone, Midland, Swan View and Ballajura.

The boundaries for the Local Planning Areas of Upper Swan, Bullsbrook and Gidgegannup have changed since 2011, therefore, it is difficult to compare population forecasts for these adjoining areas individually. For this reason, the areas have been combined in order to improve comparability, and this is shown in Table 4.4.

The latest population forecasts for the combined areas of Upper Swan, Bullsbrook and Gidgegannup show -5,270 less people are forecast by 2031 compared to the projection used in the Retail Needs Assessment (2011).

Commentary on the implications of recent changes and the updated population forecasts on the existing and future activity centre hierarchy in the City of Swan is provided in the following Section.

4.3 Revised Retail Needs for Activity Centres

An overview of the future retail opportunities for activity centres in the City of Swan based on the review of the Retail Needs Assessment and taking into account recent changes in the activity centre planning context for the City of Swan is provided below. The broad directions provided below are intended to inform the development of the Strategy.

Altone Local Planning Area

The Altone Local Planning Area is expected to experience only limited population growth over the next 15 years from approximately 22,810 persons in 2016 to 23,100 persons in 2031, representing an average annual growth rate of +0.1% per annum (source: id consulting). The implementation of the Urban Housing Strategy and policy changes that encourage a higher density of residential housing will encourage in-fill housing development, with positive implications for the future performance of the three neighbourhood centres in the Altone Local Planning Area.

Future Directions

Future directions for centres in the Altone Local Planning Area are outlined below:

- **Support existing role of centres**: Altone Park, The Springs and Amazon Drive will continue to provide neighbourhood-level services to the surrounding population.
- **Opportunities for centre expansion**: Some limited opportunities for centre expansions exist for the Altone Park, The Springs and Amazon Drive. Redevelopment or consolidation of sites surrounding Altone Park may provide an opportunity for an expansion of retail and other services, while vacant land adjoins The Springs that could support retail/commercial development in the future.

Table 4.5: Altone Place Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Altone Park	Neighbourhood	6,280m^2	8,000m^2	1,720m^2
The Springs	Neighbourhood	5,100m^2	6,500m^2	1,400m^2
Amazon Drive	Neighbourhood	1,600m^2	2,000m^2	400m^2

Source: Essential Economics

Ballajura Local Planning Area

The Ballajura Local Planning Area is expected to experience population decline over the next 15 years from approximately 19,790 persons in 2015 to 18,710 persons in 2031, representing an average annual growth rate of -0.4% per annum (source: id consulting). Current forecasts indicate there will be approximately 680 fewer people living in Ballajura than what was initially described in the Retail Needs Assessment. In this context, the potential for expansion of the three neighbourhood centres in the Ballajura Local Planning Area is limited.

Future Directions

Future directions for centres in the Ballajura Local Planning Area are outlined below:

- **Continue to support existing neighbourhood centres**: Ballajura City, Glenview Markets and Ballajura Marketplace will continue to provide neighbourhood-level services to the surrounding population.
- **Support re-investment and improved amenity**: Continue to support re-investment and improvements in amenity, appearance and mix of uses in centres as they age. Consider opportunities for more diverse activities, including residential, in any future redevelopment of centres.

Table 4.6: Ballajura Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Ballajura City	Neighbourhood	5,500m^2	6,500m^2	1,000m^2
Ballajura Marketplace	Neighbourhood	3,500m^2	4,000m^2	500m^2
Glenview Markets	Neighbourhood	1,700m^2	2,000m^2	300m^2

Source: Essential Economics

Ellenbrook Local Planning Area

Significant residential development and population growth has occurred in recent years in the Ellenbrook Local Planning Area.

Over the next 15 years, the population in Ellenbrook is forecast to increase by approximately +23,930 residents from approximately 40,280 residents in 2016 to 64,210 residents in 2031 (source: id consulting). This population growth will support the continued expansion of retailing and other facilities at the Ellenbrook Secondary Centre as well as the development of new neighbourhood centres at Millhouse Road, Averley and The Broadway (potentially a District Centre).

Potential for The Broadway to develop into a District Centre in the longer-term may exist and flexibility in activity centre planning policy should be provided to allow this to occur.

A neighbourhood centre has recently been developed in Egerton Drive, Averley which is anchored by a mid-sized IGA supermarket. This currently has approximately 4,000m^2 of retail floorspace with limited physical opportunities for an expansion of retail/community floorspace within the centre.

The continued expansion of Ellenbrook Secondary Centre will provide residents in Ellenbrook with a wide variety of retail, commercial, entertainment and civic facilities and uses. However, it will be important that the Ellenbrook Local Planning Area is also provided with a network of viable and accessible neighbourhood centres. This will include the development of two new centres at Millhouse Road and The Broadway, complemented by existing neighbourhood centres at Averley and Woodlake Village. The location of centres in Ellenbrook is shown in Figure 4.2.

Future Directions

Future directions for centres in the Ellenbrook Local Planning Area are outlined below:

- **Ellenbrook Secondary Centre**: Ellenbrook Secondary Centre will continue to play an important role as the main sub-regional location for grocery and higher-order comparison shopping including large format retailing.

  The centre will evolve to include non-retail activities, including social and community facilities, entertainment and leisure activities, and cafes and restaurants. The provision of government services at, or adjacent to, the centre is encouraged. Importantly, the role of Ellenbrook must not replace nor challenge the overarching regional role of the Midland Strategic Metropolitan Centre.

- **Potential District Centre**: Development of a District Centre on the corner of The Broadway and Bordeaux Lane is supported over the long-term. This centre may incorporate up to 15,000m^{2}of retail floorspace at full development dependant on market demand. An appropriate program of development staging is encouraged and this should involve the development of a supermarket-based centre in the near-term.

- **Support neighbourhood centres**: The development of a new neighbourhood centre on Millhouse Road in Aveley is supported, including a total retail floorspace provision of up to 6,500m^2. Support should also be provided to existing neighbourhood centres at Woodlake Village and Egerton Drive, Averley, to ensure existing and future residents have convenient access to neighbourhood shopping facilities.

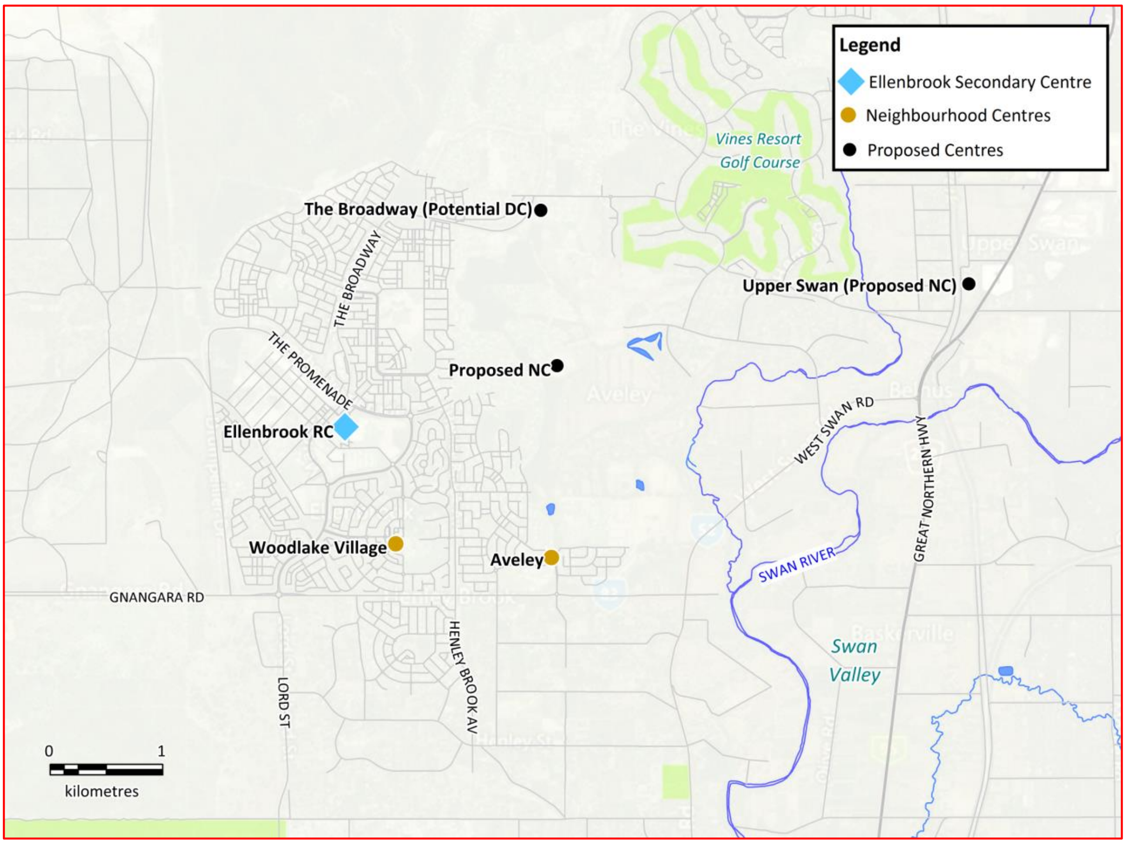
- **Local centres**: Limited development of "Village" or local centres has occurred throughout the Ellenbrook Local Planning Area. These centres face continued competition from higher order centres which can make them unviable. Where supported by market demand, a limited range of retail and commercial facilities are appropriate at these locations.

Table 4.7: Ellenbrook Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Ellenbrook	Secondary Centre	35,200m^2	60,000m^2	+24,800m^2
The Broadway	District	-	15,000m^2	+15,000m^2
Millhouse Road, Averley	Neighbourhood	-	6,500m^2	+6,500m^2
Egerton Drive, Aveley	Neighbourhood	- (currently: 4,000m^2 approx)	5,000m^2	+1,000m^2
Woodlake Village	Neighbourhood	2,600m^2	3,000m^2	+400m^2
Other 'Village' Centres	Local	500m^2	Market Demand	-

Source: Essential Economics

Figure 4.2 Ellenbrook Activity Centre Hierarchy



Source: Essential Economics using MapInfo

Guildford Local Planning Area

The Guildford Local Planning Area is expected to experience moderate population growth over the next 15 years, from approximately 6,280 persons in 2015 to 9,770 persons in 2031. This represents an average annual growth rate of 2.8% per annum (source: id consulting). Guildford is an established urban area, and population growth in the next 15-years will capitalise on infill development opportunities.

Future Directions

Future directions for centres in the Guildford Local Planning Area are outlined below:

- **Support the niche role of the Guildford centre** as a focus for tourist and visitor spending. Encourage shoppers to spend more time and money in the centre by protecting and enhancing the precinct's heritage assets.

- **Encourage additional retail development** at the Guildford centre, where appropriate, to continue to meet the needs of a growing local population. Additional retail development should be assessed with consideration of Midland SMC's role in meeting a share of the retail needs of Guildford residents.

Table 4.6: Guildford Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Guildford	Neighbourhood	9,950m^2	11,000m^2	1,050m^2

Source: Essential Economics

Midland Local Planning Area

The Midland Local Planning Area is expected to experience moderate population growth over the next 15 years from approximately 14,180 persons in 2015 to 18,970 persons in 2031, representing an average annual growth rate of 1.8% per annum (source: id consulting). Current forecasts indicate there will be approximately +1,570 additional people living in Midland than what was initially described in the Retail Needs Assessment.

In this context, Midland Strategic Metropolitan Centre will support a growing number of local residents, including an increasing number who live in the Midland CBD. In addition, Midland SMC will continue to meet the retail, community, employment, entertainment, and other needs of the wider north-east metropolitan region and rural hinterland.

Future Directions

Future directions for centres in the Midland Local Planning Area are outlined below:

- **Continue to support the regional role of Midland:** Facilitate additional higher-order retail development in Midland to ensure retail provision is sufficient to meet the needs of the local community, wider north-east metropolitan region, and rural hinterland. The provision of additional commercial office, community, entertainment, and cultural facilities will also be supported to sufficiently serve the centre's regional catchment.

- **Encourage high-density residential development:** Support appropriately located and designed high-density residential development in Midland CBD and surrounds in accordance with TOD principles.
- **Support re-investment, improved amenity**: Continue to support re-investment and improvements in amenity and appearance in Midland as the building stock ages, particularly in the traditional town centre precinct.

Table 4.6: Midland Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Midland SMC	Strategic Metropolitan Centre	134,480m^2	200,000m^2	65,520m^2

Source: Essential Economics

Swan View Local Planning Area

The Swan View Local Planning Area is expected to experience modest population growth over the next 15 years, increasing by approximately +3,270 residents from 10,430 residents in 2016 to 13,700 residents in 2031 (source: id Consulting). The majority of this population growth is expected to be located in the Farrall Road Structure Plan Area.

The Stratton Park neighbourhood centre is currently the only centre in the Swan View Local Planning Area, although residents are also partly served by other neighbourhood centres in the adjoining Shire of Mundaring.

Stratton Park is an under-performing centre that will require re-investment in the future if it is going to continue to serve its intended neighbourhood centre role.

A development application for a small neighbourhood centre in Jane Brook consisting of 2,615m^2 of retail floorspace is due to expire by mid-2016; however, Council are considering an application to extend the time for construction.

At present, residents in the Swan View Local Planning Area are provided with a limited range and low quality of retailing facilities relative to the expectations of activity centres policy.

Future Directions

Future directions for centres in the Swan View Local Planning Area are outlined below:

- **Consider the opportunity to re-develop the Stratton Park centre** so as to provide an improved level of retail and other services to surrounding residents.
- Failing the redevelopment of Stratton Park, **consider opportunities to improve the accessibility of residents** to the range of facilities and services expected from neighbourhood centres.

Table 4.7: Swan View Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Stratton Park	Neighbourhood	1,700m^2	5,000m^2	+3,300m^2

Source: Essential Economics

Urban Growth Corridor Local Planning Area

The Urban Growth Corridor Local Planning Area is expected to accommodate significant greenfield residential development over the next 15 years. As a result, the population is forecast to grow from approximately 6,190 persons in 2015 to 31,250 persons in 2031, representing an average annual growth rate of 10.6% per annum (source: id consulting).

Current forecasts indicate there will be approximately 1,810 additional people living in the Urban Growth Corridor by 2031 than what was initially described in the Retail Needs Assessment.

Caversham neighbourhood centre has been constructed since the Retail Needs Assessment, and comprises approximately 4,500m^2 of retail floorspace.

The Brabham centre (formerly Albion) is retained as a District centre. A District centre is required at Brabham to ensure that the future retail and other needs of the surrounding community are met in a region of significant urban development and population growth.

Development of the proposed commuter rail line to serve the urban growth corridor and Ellenbrook will influence the commercial investment decisions of developers and businesses, and thus the timing of activity centre development in the area.

Future Directions

Future directions for centres in the Urban Growth Corridor Local Planning Area are outlined below:

- **Support future centres investment:** Provide direction to commercial investment in new and emerging activity centres in the region, and ensure that the highest levels of amenity, appearance and functionality are achieved for each centre.

- **Meeting retail demand:** It is important that retail provision in the Urban Growth Corridor is sufficient to meet the retail and other needs of the rapidly growing resident population in the region. An important aspect of this is to ensure that a district centre classification is retained at Brabham. Flexibility will need to be provided to ensure the development of activity centres meets the needs of the community as it evolves and develops.

Table 4.8: Urban Growth Corridor Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Brabham (potential District Centre) – formerly Albion	District	$0m^2$	$15,000m^2$	$15,000m^2$
Dayton NC	Neighbourhood	$0m^2$	$6,000m^2$	$6,000m^2$
Bennett Springs NC	Neighbourhood	$0m^2$	$4,500m^2$	$4,500m^2$
Caversham	Neighbourhood	$0m^2$	$4,500m^2$	$4,500m^2$

Source: Essential Economics

Bullsbrook Local Planning Area

Bullsbrook local planning area contains the town of Bullsbrook and the surrounding rural hinterland. In the period since the Retail Needs Assessment, the Bullsbrook Town Site Land Use Masterplan report has been prepared, which includes a proposed land-use plan for the Bullsbrook town centre.

The Masterplan estimates that 19,740 people can be accommodated into the town, based on total build out of future residential land. However, this figure excludes the 'future investigation area'.

In this context, Bullsbrook is expected to grow from approximately 4,910 persons in 2015 to 15,840 persons in 2031, representing an average annual growth rate of +7.6% per annum (source: id consulting). The remaining residential capacity will be reached after 2031.

Currently forecast rates of population growth in Bullsbrook are significantly lower than were considered in the Retail Needs Assessment. This reflects changes to the timing of residential development in Bullsbrook rather than any change in the long-term capacity for future growth.

No changes to the retail floorspace requirements are made for the Bullsbrook Town Centre, with approximately $8,000m^2$ to $10,000m^2$ required by 2031.

Two additional neighbourhood centres are proposed in the Bullsbrook Town Site Land Use Masterplan, and are to be oriented along the north-south spine of the town. Comments on indicative floorspace requirements for the proposed neighbourhood centres are considered in the Local Commercial Activity Centres Strategy.

Approximately 414 hectares of industrial land is proposed for the town of Bullsbrook and is to be located in the southern gateway to the town, west of the Great Northern Highway. This substantial provision of industrial land will support substantial employment and provide an additional source of demand for a wide range of retail, commercial and other facilities potentially located in the Bullsbrook Town Centre.

Population growth is also expected to occur at the township of Upper Swan associated with new urban development identified in the North-East Corridor Extension Strategy. In accordance with the Retail Needs Assessment, a neighbourhood activity centre is required in order to meet the basic retail needs of current and future residents.

Future Directions

Future directions for centres in the Bullsbrook Local Planning Area are outlined below:

- **Support future centres investment:** Support investment in new and emerging activity centres in the region, and ensure that the highest levels of amenity, appearance and functionality are achieved for each centre.
- **Meeting retail demand:** It is important that retail provision in Bullsbrook is sufficient to meet the retail and other needs of the growing resident and working population in the region. A balance is to be struck with consideration of higher-order retail provision at Secondary centre at Ellenbrook and Midland Strategic Metropolitan Centre.

Table 4.9: Bullsbrook Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Bullsbrook Town Centre (emerging District Centre)	District	1,900m^2	10,000m^2	8,100m^2
Upper Swan (current Local Centre)	Neighbourhood	900m^2	6,000m^2	5,100m^2
Future Neighbourhood Centre (south)	Neighbourhood	-	N/A	N/A
Future Neighbourhood Centre (north)	Neighbourhood	-	N/A	N/A

Source: Essential Economics
N/A = Not Assessed

Malaga Local Planning Area

Malaga is a mixed business area and employment hub, serving a regional catchment extending across northern metropolitan Perth. The area contains a substantial provision of large-format homemaker retailing, which is predominantly located along Beach Road/Marshall Road. A number of small convenience retail stores serve the growing number of workers in Malaga.

The Malaga markets which operate from Friday to Sunday are a well-established destination for bargain oriented shoppers, while more recently some large-format ‘wholesale’ food and grocery outlets located in the mixed use area.

Future Directions

Future directions for centres in the Malaga Local Planning Area are outlined below:

- **Ensure that that the role and function of retail and commercial uses in Malaga** are complementary to the operation of the activity centres hierarchy and does not include uses more appropriate for an activity centre location
- **Support the continued growth of appropriate retail and commercial uses in Malaga** in a manner that consolidate its role as a major employment hub and destination for homemaker retailing of metropolitan significance.

Table 4.10: Malaga Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Malaga Mixed Business Area	Mixed Business Area	89,000m^2	150,000m^2	61,000m^2

Source: Essential Economics

Swan Valley Local Planning Area

The Swan Valley is a popular tourism region and contains a number of tourist oriented business nodes, many of which include ancillary retail uses.

No formal activity centres planning policy applies to tourism nodes in the Swan Valley region, beyond the directions for the 'Swan Valley Intensive Tourism Zone' outlined in the draft Swan Valley Development Plan (2015). The new Swan Valley Intensive Tourism Zone controls permit retail uses including cafes, restaurants, and specialty retailing subject to planning approval.

The Swan Valley Development Plan also introduces planning policy controls for the Herne Hill town centre under the 'Swan Valley Town Centre Zone'. The zone is intended to:

> *"…consolidate existing residential, commercial and community activities at Herne Hill, and refocus them as part of a dedicated and identifiable rural town." (Swan Valley DP, p.26)*

A Swan Valley town centre local structure plan is to be developed by the City of Swan to guide future subdivision and development, including retail development.

No specific direction is made in relation to the retail demand in the Swan Valley, although appropriate retail development which is focussed on encouraging tourist visitation, and which maximises the spending of tourists in the City of Swan, is encouraged.

Gidgegannup Local Planning Area

Gidgegannup is primarily a rural area which is serviced by the small township of the same name. As previously identified in the Retail Needs Assessment, some limited long-term residential growth is likely to occur in the Gidgegannup region.

A minor expansion of the Gidgegannup neighbourhood centre to meet the convenience retail needs of future residents is expected in the future.

Table 4.11: Gidgegannup Local Planning Area, Future Implications, 2011-2031

Local Planning Area / Centre	Centre Classification	2011 Retail Floorspace	Indicative Retail Floorspace, 2031	Change, 2011-2031
Gidgegannup	Neighbourhood	800m^2	2,000m^2	1,200m^2

Source: Essential Economics

4.4 Implications for the Strategy

Key Implications for the Local Commercial Activity Centres Strategy identified in this Chapter include the following:

- The activity centre hierarchy in the City of Swan should reflect that identified in SPP 4.2 with a minor variation to reflect the importance of Mixed Business Areas such as Malaga
- A range of policy and other changes since 2011 mean that some minor changes to the expectations of retail development contained in the Retail Needs Assessment are required
- The primary changes are related to the higher than expected rates of population growth identified in Ellenbrook and other urban growth areas which may ‘bring forward’ anticipated retail development outcomes
- The overall policy and economic support for ongoing growth and development in the Midland SMC is even stronger than was identified in the Retail Needs Assessment
- A significant policy challenge is identifying the centres in established areas of the City of Swan which are appropriate for growth and development associated with new retail formats such as ALDI.

5 KEY CONSIDERATIONS FOR THE STRATEGY

In preparing the Local Commercial Activity Centres Strategy, the following key considerations need to be taken into account. These considerations have been identified in the Best Practice Review, the background analysis identified in this report and through consultation with relevant stakeholders.

Activity Centre Planning Framework

Consideration 1: ***Current activity centre policy for the City of Swan pre-dates State Planning Policy 4.2 (SPP 4.2) prepared by the Western Australian Planning Commission and no longer reflects the needs of the local community.***

Response: The Local Commercial Activity Centres Strategy needs to provide an up-to-date policy framework that provides renewed policy focus on activity centres as a driver for employment and investment. State Government policy objectives for activity centres, such as accommodating a greater share of residential growth, will be incorporated into Strategy directions. It is also important that the Strategy ensures that the integrity of the activity centres hierarchy is retained through the prevention of inappropriate development outcomes.

Consideration 2: ***A coherent hierarchy of activity centres in the City of Swan is required to inform planning policy and ensure that development occurs in a manner consistent with objectives relating to economic, social and environmental outcomes.***

Response: The implementation of a robust activity centres hierarchy will reflect current circumstances and policy objectives, while creating a framework that supports the appropriate development of all activity centres across the municipality. A set of policies which give appropriate weight to the activity centres hierarchy in Council decision-making is also required.

Consideration 3: ***Activity centres policy needs to provide more clarity in relation to how development of large-format homemaker retailing and other relevant retail and commercial operations can be undertaken outside of activity centres, such as in Mixed Business Areas.***

Response: Scope exists for development of some retail and commercial uses outside of the activity centres hierarchy where this is required to meet a specific community need. An example includes the development of homemaker retailing in mixed business areas. Specific policy guidance is required for the City of Swan which provides certainty on the exact scale and nature of retail and commercial development that is appropriate in out-of-centre locations and the assessment criteria to be applied by Council in assessing relevant planning proposals.

Consideration 4: The development of activity centres continues to evolve in order to meet changing consumer preferences and to provide greater social, economic and community benefits. Activity centre policy needs to remain responsive in order to accommodate changes in how activity centres are developed.

Response: The policy framework developed in the Local Commercial Activity Centres Strategy needs to provide strong direction to stakeholders on preferred development outcomes, whilst also allowing for flexibility and change in response to inevitable shifts in consumer and industry trends over time. A performance-based approach to policy is required which can be used by Council to make decisions based on a preferred set of objectives and outcomes.

Midland Strategic Metropolitan Centre

Consideration 5: The Midland Strategic Metropolitan Centre (SMC) is the traditional higher-order centre for the entire region and is the focus for significant investment and development. The future development of Midland SMC needs to be undertaken in a planned manner that recognises the role of the Metropolitan Redevelopment Authority and recent strategic planning work.

Response: The Midland SMC will be supported in the Local Commercial Activity Centres Strategy as a popular mixed-use activity centre serving the City of Swan and beyond. Supported by transit oriented development outcomes and delivering a high-quality built-form, the Midland SMC will drive significant investment, business development and employment outcomes for the City.

Consideration 6: The attractiveness of the Midland SMC as a place to visit can be undermined by a range of factors, including perceptions of anti-social behaviour, areas of low quality urban form, and a lack of integration of the various precincts within the centre.

Response: Ensuring that the Midland SMC is a high-quality location for people to visit, shop and do business, will be a particular focus for the Strategy. The future success of the Midland SMC relies heavily on quality of its built environment, and the safety and enjoyment of the general public who visit the centre. For this reason, the Strategy will provide actions and ideas that are aimed at improving the amenity for shoppers, workers, visitors and residents.

Other Opportunities

Consideration 7: Activity centres have the opportunity to respond pro-actively to the process of continuous innovation by retailers and other businesses in response to shifts in consumers spending, preferences and habits. New

retail formats such as ALDI and Costco are a challenge for land use policies which are seeking to accommodate the evolution of the business sector in a manner that still reflects overall activity centre policy goals.

Response: The Local Commercial Activity Centres Strategy will ensure that consideration is applied to the need to attract new and innovative business models to the City of Swan. Activity centre policy in the City will be a driver of competition and innovation, although this will be implemented in a way that also realises the benefits to the community of a strong activity centres hierarchy.

Consideration 8: Increased residential densities in close proximity to, and within, activity centres have positive benefits for the community in terms of retail and commercial activity, liveability and accessibility to services and infrastructure.

Response: Deliver an activity centre policy which is integrated with the directions contained in the Urban Housing Strategy for higher density residential development on the fringe of activity centres. Also provide specific direction on how activity centres in the City of Swan can directly accommodate high density residential formats in order to provide additional housing choice to the community.

Consideration 9: The City of Swan is forecast to experience ongoing population growth for the foreseeable future.

Response: Activity centres in the City of Swan will be trading in an environment of population growth in the surrounding region that provides significant opportunities for high-quality businesses to increase their sales and profitability over time. Strategies will be developed to ensure that this growing market demand is met as much as possible by the City of Swan activity centres hierarchy.

Consideration 10: Lifestyle changes in Australia mean that activity centres are increasingly a focus for socialisation and a range of leisure activities. Centres are where people will increasingly meet and interact in a social setting, often outside of traditional business and shopping hours. Typically, this will include dining or 'catching up with friends for a coffee'.

Response: Activity centres will become places that move beyond being locations for retail and business activity, to being locations where communities come to meet and interact safely and comfortably outside normal business hours. This will be built on a high-quality food and dining offer, supported by a range of leisure activities including those relating to fitness and cultural activities.

Consideration 11: ***Activity centres require re-investment throughout their life-cycle in order to remain viable for business and to continue to provide a sufficient level of service to the surrounding population.***

Response: It is important for activity centres policy to encourage sales and visitation growth at activity centres, and provide a planning framework which encourages re-investment and centre improvement initiatives.

Consideration 12: ***Significant urban growth has been identified for the corridor extending from Caversham in the south to Bullsbrook in the north, and including Ellenbrook. This urban growth corridor requires continued policy review to ensure the appropriate provision of new activity centres and a response from existing activity centres to the additional demand for retail and other services.***

Response: The ongoing urban growth in the northern parts of the City of Swan requires the application of a robust activity centres policy framework which ensures that current and future residents are well-served by an evolving activity centres hierarchy. Planning for new centres needs to be up-to-date, while the appropriate evolution and growth of existing centres is to be supported. Uncertainty around the timing and nature of a new commuter rail service to Ellenbrook is another issue of relevance to the Local Commercial Activity Centres Strategy.

Consideration 13: ***The Swan Valley is an area of significant natural beauty and environmental value which is subject to policies seeking to protect these outcomes. However, as a tourist region of national importance it is appropriate to consider how retail and commercial development can occur in a manner consistent with these protections.***

Response: Subject to the strict controls and policy intent identified in the draft Swan Valley Development Plan, the Local Commercial Activity Centres Strategy will support opportunities for retail and commercial development which generates benefits to the local economy from tourism visitation, and which services local residents and businesses.