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CITY OF CANNING

**CANNING CITY CENTRE ECONOMIC
DEVELOPMENT STRATEGY**

REPORT

FEBRUARY 2015

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1 EXECUTIVE SUMMARY

The Canning City Centre Economic Development Strategy (CCCEDS) has been prepared to provide direction for the Canning City Centre Structure Plan and assist in the delivery of a vibrant, resilient and diverse Strategic Metropolitan Activity Centre.

An activity centre's ultimate urban form and structure stems from the ways in which users (residents, workers, visitors and firms), interact with the centre. These interactions are influenced by factors including:

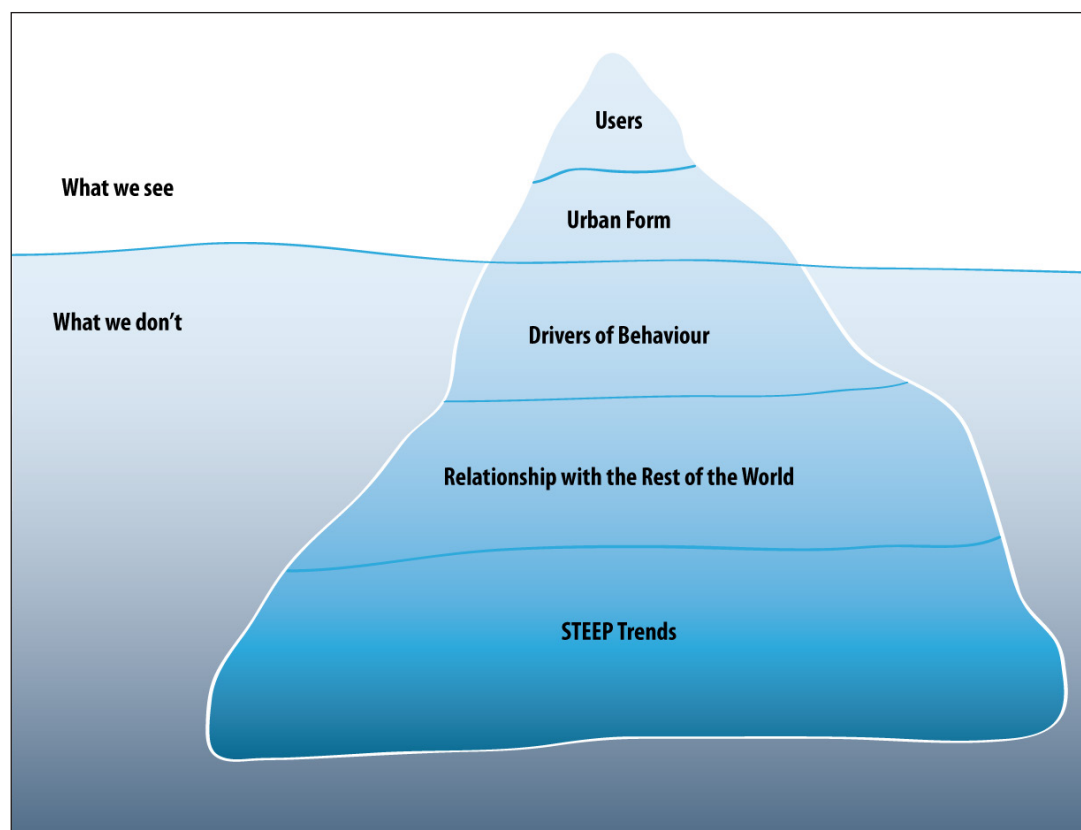
- Behaviour drivers (e.g. available income, underlying needs);

- The centre's relationships with the rest of the world; and
- Underlying social, technological, environmental, economic and political trends.

A centre's urban form and users are relatively easy to observe, whilst the underlying factors require the more detailed analysis outlined in this Strategy (Figure 1).

Canning City Centre is set to become one of the premier activity centres in the south east of the Perth Central Sub-Region. Currently with a strong retail-focus, the expansion of the centre

Figure 1: Activity Centre Factors



Source: Pracsys 2012

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to more diverse uses including residential, offices, community, healthcare, education and entertainment will consolidate Canning City Centre's important position in Perth and Peel's activity centres hierarchy. In particular, the incorporation of dwellings within the core of the activity centre, and the introduction of strategic employment will transform Canning City Centre into the nerve center of the City of Canning and has the potential to be the archetypical high-level activity centre outside of the Perth CBD.

The overarching vision for Canning City Centre is:

"A re-energised city centre with a community heart that is connected, accessible, vital and resilient.

Working together with community, private sector and government partners, our aim to revitalise Canning City Centre under a shared vision and place values:

- **Connected** - Canning City Centre will be a connected place that celebrates its heritage as a commercial hub focussed on trade, movement, the river and people. It will be a place that puts people first, including residents, businesses and visitors
- **Accessible** - We will create a welcoming place, easy to get to and move through, with fresh, green and open meeting places and spaces, a revitalised train station and pedestrian and cycle ways that connect to the river
- **Resilient** - We will create a place that inspires people to take another look by delivering resilient and innovative design. We will focus on our buildings, their landscape setting and visibly improve our public spaces and underutilised areas
- **Vital** - Actively demonstrating Canning City Centre's vital position as the south east's primary retail, business and investment destination, we will build a positive investment climate through a strong vision, commercial leadership and credible partnerships that create a shared platform for growth
- **Re-energised** - We will be a place that is safe, fun and leisure orientated - day and night, from the Greyhounds to the Cinemas; the river to cafes; from Carousel to Coker Park, through to our people and places"

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To achieve this, the CCCEDS consciously prioritises a 'performance-based paradigm' over the selection of specific projects and industries. This is in recognition of the need for the implementation systems to be flexible, responsive to changing economic conditions and social trends and above all, effective in the development and maturation of Canning City Centre towards fulfilment of its stated vision. The CCCEDS provides the evidence for, and means of, intervening in the local economy to produce outcomes which would not have otherwise occurred, capitalising on the synergistic effects of intense, diverse activity located within a highly accessible node of the Perth Metropolitan Region.

1.1 ACTIVITY CENTRE CONTEXT

A Strategic Metropolitan Centre is required by State Planning Policy 4.2: Activity Centres for Perth and Peel to function at a high level in terms of the following:

- Service population catchment;
- Accessibility and transport connectivity;
- Range of retail and office floor-space types; and
- Residential density.

In order to function at a high level an activity centre must have a high degree of economic maturity. The economic maturity of a centre is determined by the proportion of high quality employment located there. At maturity Canning City Centre should have moved from an immature, population-driven centre characterised by a low diversity of retail-focused activity, to a more mature centre characterised by a diversity of population-driven and strategic activity.

Canning City Centre will provide a high-quality environment for a range of users. Currently this user mix is comprised of:

- Canning City Centre residents (4,600 people and 1,640 dwellings);
- Main trade area residents (276,000 people);
- Visitors, residing in the tertiary trade area (100,275 people);
- Workers within the centre (5,600 people); and
- Enterprises within the centre (584 enterprises).

Currently commercial activity measured within the centre is underperforming significantly in the areas of development intensity and employment, and underperforming slightly in the areas of diversity and accessibility.

Urban form, which contributes considerably to economic activation, measured within the centre showed high deficiencies in the areas of quality (attractiveness) and amenity, and significant deficiencies in the areas of mobility and safety.

Interventions to Canning City Centre will need to address the current deficiencies and improve in underperforming areas. This is particularly important in the context of increased numbers of centre users who require high quality economic activity and urban form to capture increased patronage.

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1.2 OPPORTUNITIES AND CONSTRAINTS

Broadly the opportunities that exist for Canning City Centre include:

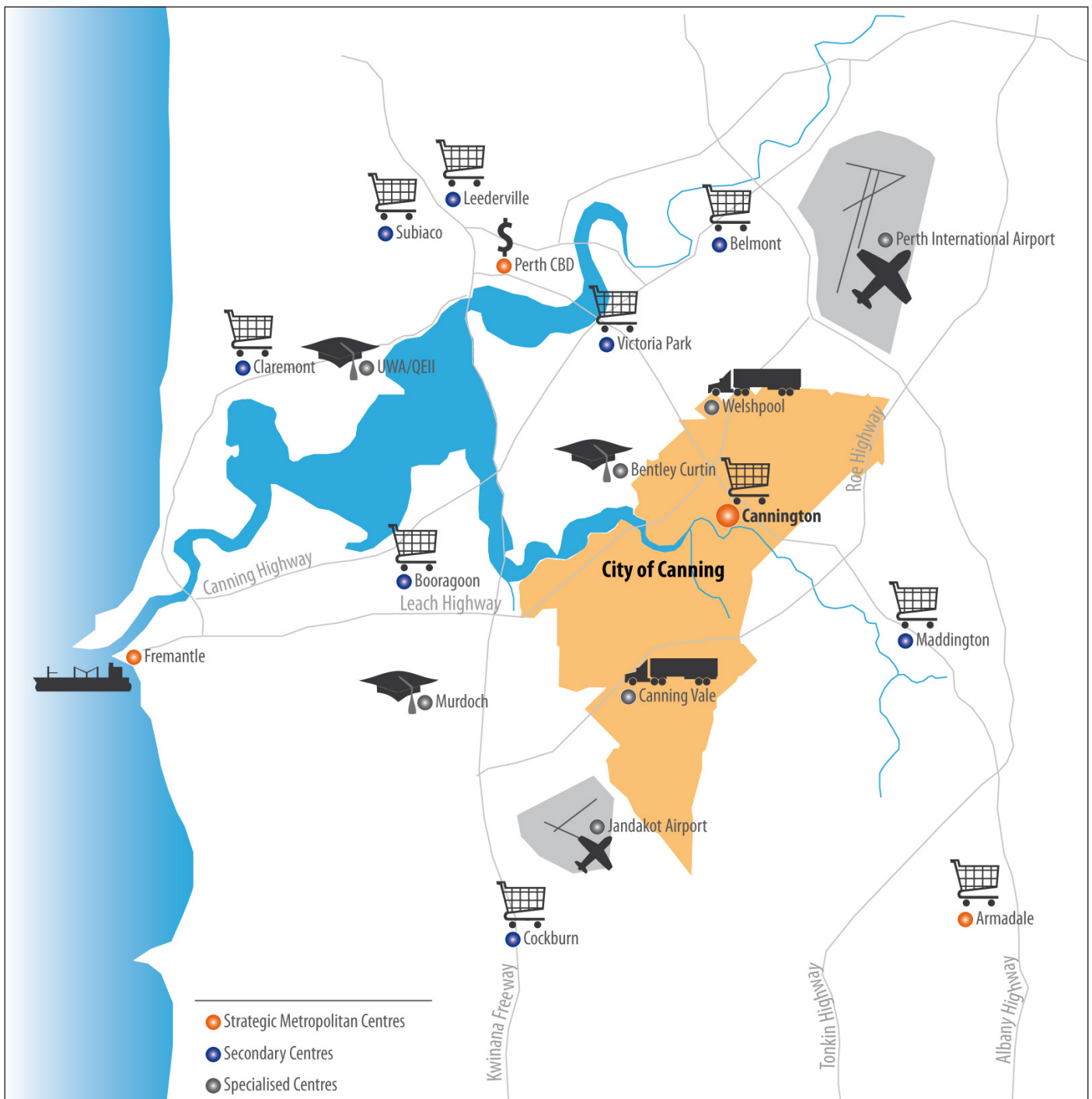
- A significant proportion of publically held land in strategic locations;
- Servicing and infrastructure that will support growth;
- Expansion of a major activity driver (in Carousel Shopping Centre) that draws from a large catchment;
- A strong urban form 'skeleton' that allows for growth in a logical and functional manner;
- A strong location in the inner south-east with potential relationships with Welshpool, Canning Vale, Perth Airport and Curtin University (Figure 2); and
- Significant gaps in the sub-regional provision of commercial office space to a range of population-driven and strategic needs in a vibrant attractive urban form.

For these opportunities to be taken advantage of a number of constraints need to be addressed. These include:

- Albany Highway acting as a significant barrier for intra-centre accessibility;
- Poor intensity and diversity potentially acting as a barrier to user behaviour change and investment attraction;
- Existing poor relationships between activity uses requiring a significant upgrade in infrastructure and relationship to users; and
- More economically mature activity centres competing for the attraction of strategic office-based activity.

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Figure 2: Spatial Context of Canning City Centre



Source: Pracsys 2012

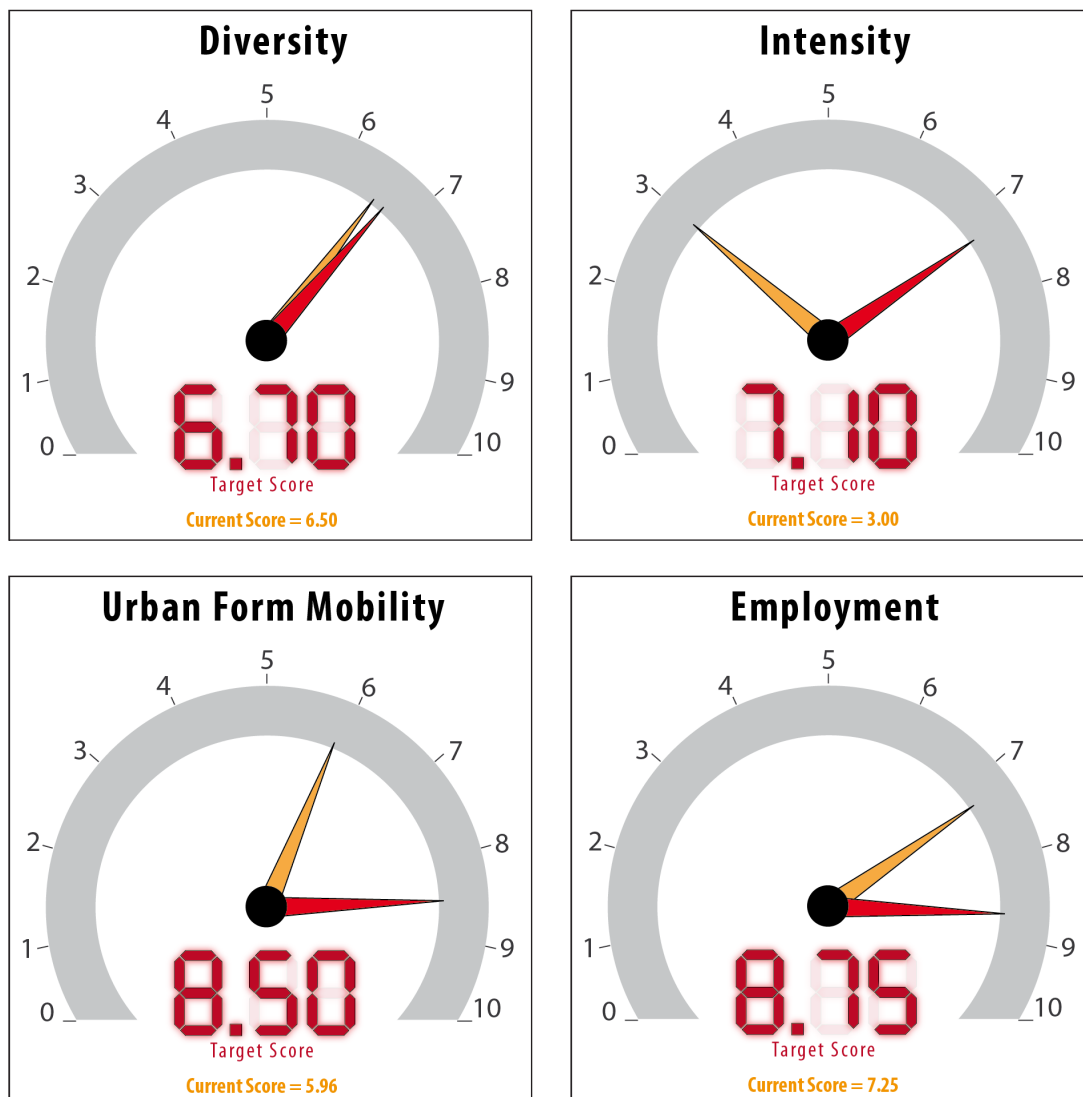
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1.3 FUTURE PERFORMANCE

The future performance of Canning City Centre will reflect its maturation into a desirable, diverse, intense and well connected Strategic Metropolitan Centre (Figure 3).

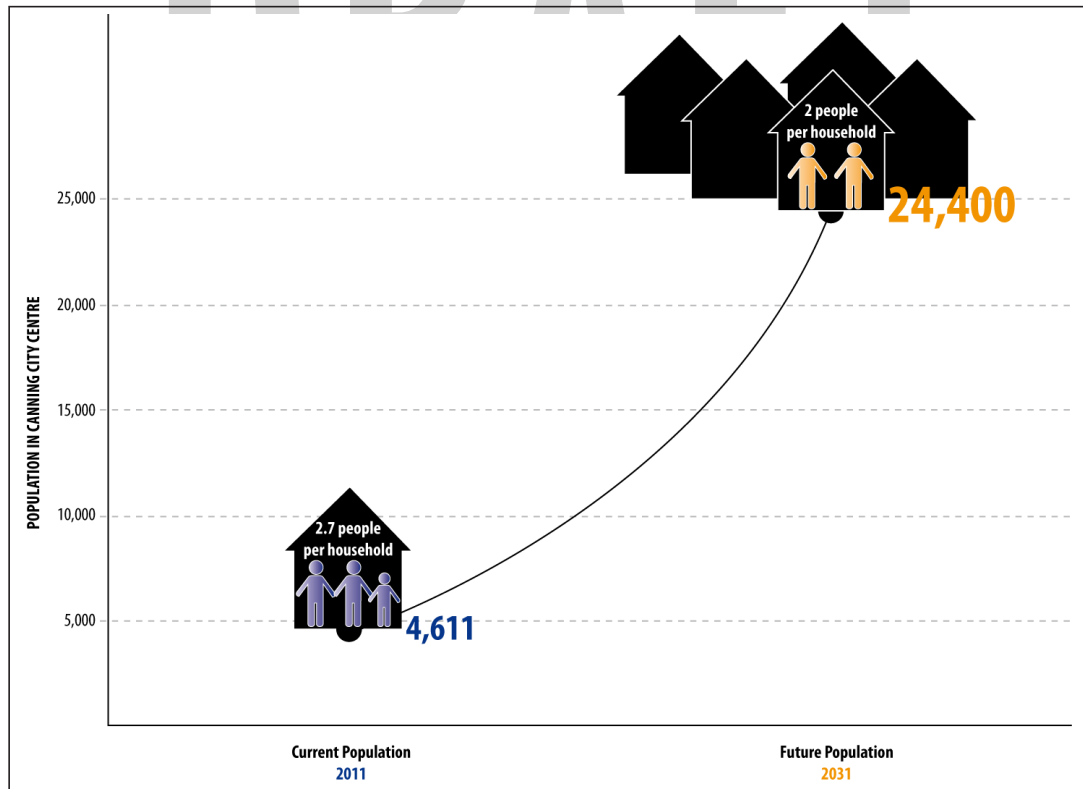
As such user mix for Canning City Centre by 2031 should reflect changes shown in Figures 4 - 7.

Figure 3: Diversity, Intensity, Urban Form Mobility and Employment Speedos



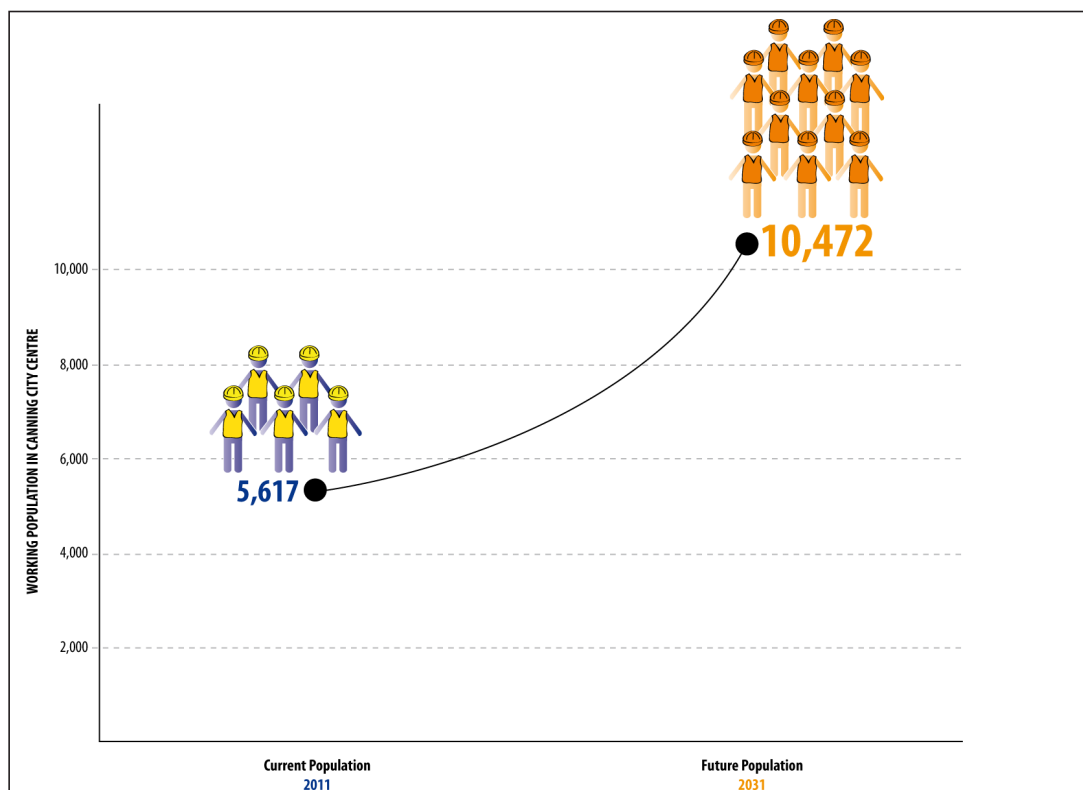
Source: Praxisys 2012

Figure 4: Population in Canning City Centre by 2031



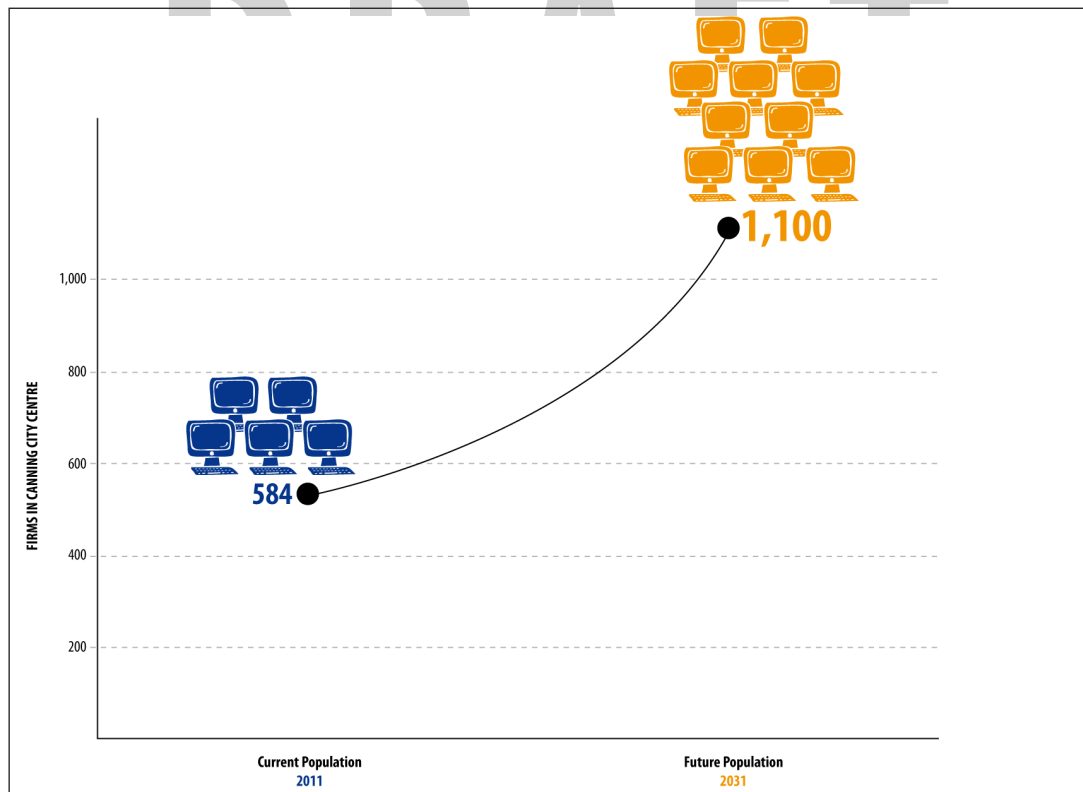
Source: Pracsys 2012

Figure 5: Working Population in Canning City Centre by 2031



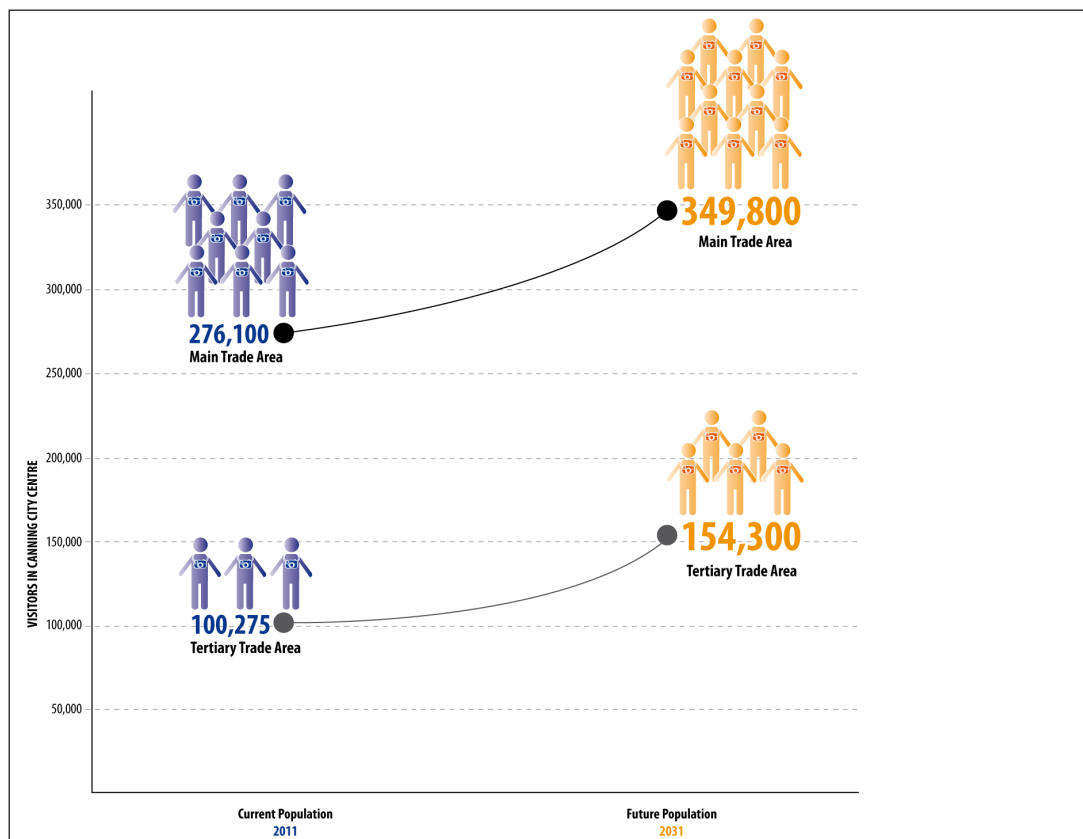
Source: Pracsys 2012

Figure 6: Firms in Canning City Centre by 2031



Source: Pracsys 2012

Figure 7: Visitors in Canning City Centre by 2031



Source: Pracsys 2012

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The extent to which these goals are being met will need to be assessed on a regular basis to determine the success of interventions, and to allow responsiveness to changing economic conditions and trends.

An urban growth model has been developed to target specific industries which have a comparative competitive advantage by locating within Canning City Centre. These are:

- Medical and education services;
- Allied health services;
- Architectural, engineering and technical services; and
- Management and related consulting services.

1.4 IMPLEMENTATION

Successful implementation of the CCCEDS will require a number of conscious initiatives by the City of Canning across the following three broad areas:

- Strategy formalisation and stakeholder buy-in;
- Alignment of City support, policies and strategies; and
- Adoption of consistent broad themes across all activities.

Specific actions to be undertaken by the City of Canning are detailed in Figure 8. As the implementation of the structure plan progresses and progress towards meeting stated goals eventuates this list will grow in response to newly identified needs and the continuing evolution of the centre.

Figure 8: City of Canning Actions

| CITY OF CANNING INTERNAL ACTIONS | CONSULTATION ACTIONS |
|---|--|
| <ul style="list-style-type: none"> • Staff and councillor awareness • Develop a broad performance-based framework for future business cases for City assets within the Canning City Centre • Determine need for City of Canning assets and infrastructure to support the implementation of CCCEDS • Develop targeted business cases for the development and management of City of Canning assets in alignment with the CCCEDS vision • Identify State and Federal opportunities for funding and supporting of relevant initiatives | <ul style="list-style-type: none"> • Briefing with major activity centre owners and operators • Public consultation • Develop an ongoing program of opportunity identification for Canning City Centre through active engagement with industry groups, centre landowners and major economic development initiatives • Actively promote multiple transaction trips by all major user groups |

Source: Pracsys 2012

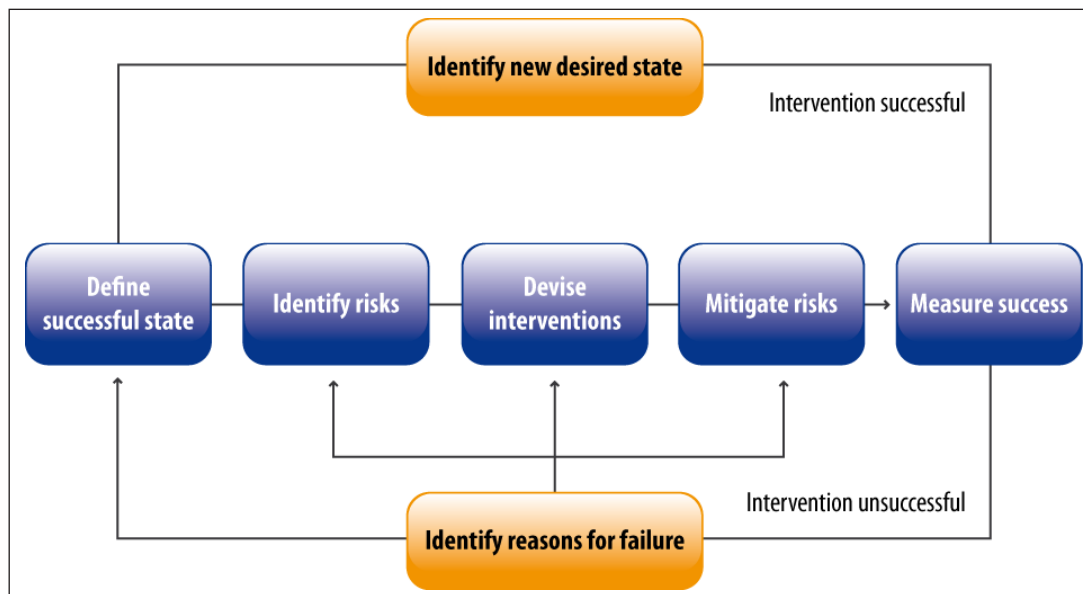
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There are a number of risks and challenges associated with implementing this strategy. Understanding these risks and what may be required to overcome them is critical to ensuring the success of the strategy and of the redevelopment of Canning City Centre. These are:

- Ensuring a common understanding of the definitions of success is developed;
- Ensuring a risk-management approach to economic development is developed;
- Ensuring the focus remains on Key Investment Areas; and
- Ensure delivery by appropriately resourced, empowered and competent staff.

An appropriate governance structure, geared towards ensuring success of the redevelopment, will be required to practically implement CCCEDS. This will align with the place activation structures proposed in a report being prepared concurrently to this. Figure 9 shows the characteristics of a governance and implementation structure, which includes a feedback loop to provide a mechanism to adapt to changing outside influences or adjust goals where risks or interventions are inadequately designed to address the goal or 'successful state'.

Figure 9: Governance and Implementation Framework

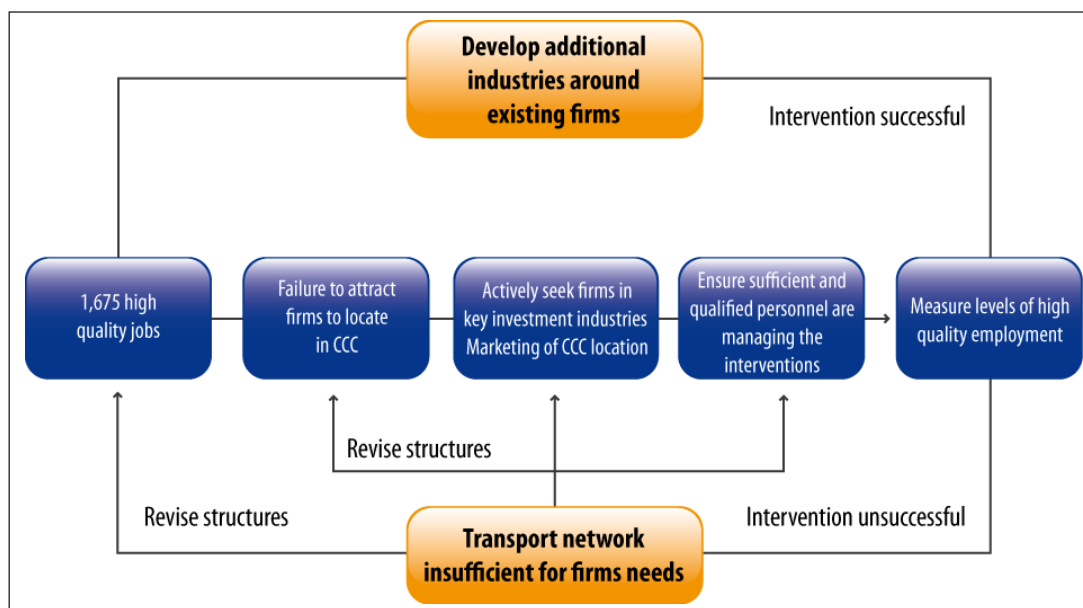


Source: Pracsys 2012

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Figure 10 provides an example of how this structure can be applied to one of the goals of the EDS. In this case the goal of increasing the level of high quality (strategic) employment is used to demonstrate how the governance and implementation structure can be used to guide implementation actions, manage risks and provide feedback on the relative success of implementing the stated goal.

Figure 10: Example of use of the Governance and Implementation Framework



Source: Pracsys 2012

2 BACKGROUND

2.1 INTRODUCTION

The urban regeneration of the Canning City Centre presents a significant opportunity for the City of Canning to facilitate the maturation of a vibrant, resilient and diverse Strategic Metropolitan Centre. Through the Canning City Centre Structure Plan and subsequent work, the City and its consulting team have endeavoured to identify and describe the required structures to support the ultimate vision of Canning City Centre. As part of this work Pracsys has been engaged to prepare an Economic Development Strategy that supports the urban planning vision through proactively increasing the quality and quantity of economic transactions within the Centre (see Figure 11).

The Canning City Centre Economic Development Strategy (CCCEDS) is an important tool in framing delivery of the vision for the Centre. A Centre's unique value proposition stems from the quality, quantity and concentration of economic, social and environmental transactions. Clarifying the economic drivers are critical for unlocking investment and providing much of the impetus for the way users engage with the site.

Canning City Centre is in a strategically important location at the centre of a ring of other significant centres: Welshpool 3 km north-west, Bentley Technology Park/Curtin University 3.5km west, Canningvale 4.5km south, Perth Airport 8km north and Perth CBD 9km north-west.

Figure 11: Canning Destination Zones



Source: Pracsys 2012

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Given that Canning City Centre regeneration is currently in the early stages of planning, there is a significant opportunity to embed into the centre 'DNA' a set of characteristics that will position it at the forefront of local economic development in Perth. The CCCEDS consciously prioritises a 'performance-based' paradigm over the selection of specific projects and industries based on the need to have reliable, effective implementation systems that can respond to changing economic conditions over the next 20 years.

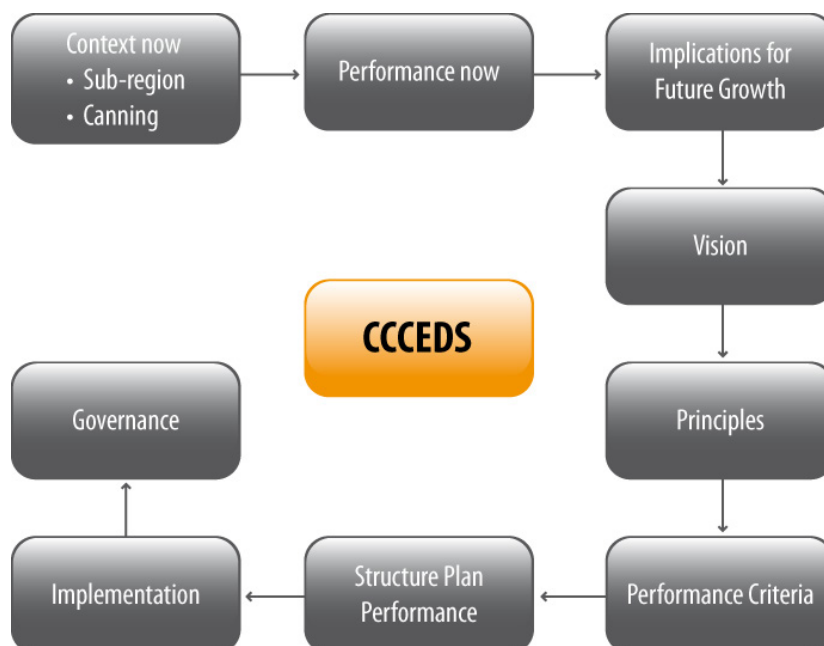
CCCEDS is based on a clear understanding of the current context of the activity centre and Inner South East Sub-Region. The Strategy articulates a performance-based approach to future development, focusing on the maturation of Canning into a true Strategic Metropolitan Centre as defined by SPP 4.2 – Activity Centres for Perth and Peel (SPP 4.2).

Figure 12 outlines this logic flow presented in this report with an emphasis on the centrality of governance. This is to ensure that from the outset, the team responsible for implementation of the CCCEDS will be:

- Accountable for outcomes and allocation of resources made available to it
- Managed and delivered by a competent and experienced team
- Structured to provide surety to stakeholders as to the commitment of the City of Canning to deliver tangible economic development outcomes
- Structured to support the attraction of additional financial resources from private, state and federal funding sources

The context of the sub-region and Canning City Centre is discussed in sections 2.2 to 3.2. The current performance and implications for future growth are addressed in sections 3.3 to 3.7.

Figure 12: Methodology diagram



Source: Pracsys 2012

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The vision, principles, performance criteria and structure plan performance are set out in sections 4.1 to 4.6. Implementation and governance are discussed in section 6.

2.2 CANNING CITY CENTRE ECONOMIC DEVELOPMENT STRATEGY

The Activity Centre Structure Plan for Canning City Centre is currently being prepared and exists in draft format. The structure plan was to be led by a comprehensive economic development strategy, but due to the absence of this, the structure plan lacks:

- A reliable, replicable evidence base that provides the project with an understanding of the future function of the centre, its user mix and projected demand across a range of activities
- A strong economic rationale that supports Canning City Centre's position of a Strategic Metropolitan Centre in the activity centres hierarchy
- Performance measures that support a well-defined vision, linking the vision and structure plan interventions to demonstrate the effect and effectiveness of each intervention
- Implementation strategies that support the maturation of Canning City Centre's economy to the level envisaged in SPP 4.2.

2.3 SCOPE OF THE ECONOMIC DEVELOPMENT STRATEGY

The purpose of an economic development strategy is to intervene in the local economy to create outcomes which would not have otherwise occurred, thus moving from a current state to a desired future state. To determine

which interventions are appropriate for the local economy, an economic development strategy should identify the opportunities and constraints implicit with the current state, define a vision of the desired future state and provide a structure for the way forward.

Typically an Activity Centre Structure Plan will provide 'How' Strategies to change the 'Now' Situation to the 'Where' Goals. Without an EDS to provide evidence on employment, floor-space, user mix and demand, the link between 'Now' and 'Goals' is missing.

2.4 ECONOMIC DEVELOPMENT STRATEGY METHODOLOGY

Given the structure plan is currently in draft form, this EDS will provide the means to test the proposed interventions against the goals set by both the structure plan and the EDS. It will also articulate the economic goals for the centre. The EDS has been split into four sections:

1. Current context of the Canning City Centre in terms of planning controls, current activity centre maturity, current user mix, current commercial activity and opportunities and constraints
2. Future vision for development of Canning City Centre to 2031 and performance metrics to measure relative success of this
3. Results from consultation with major stakeholders
4. An implementation strategy, including success factors, a governance structure and feedback mechanisms

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3 CANNING CITY CENTRE DRAFT ACTIVITY CENTRE STRUCTURE PLAN: CURRENT CONTEXT

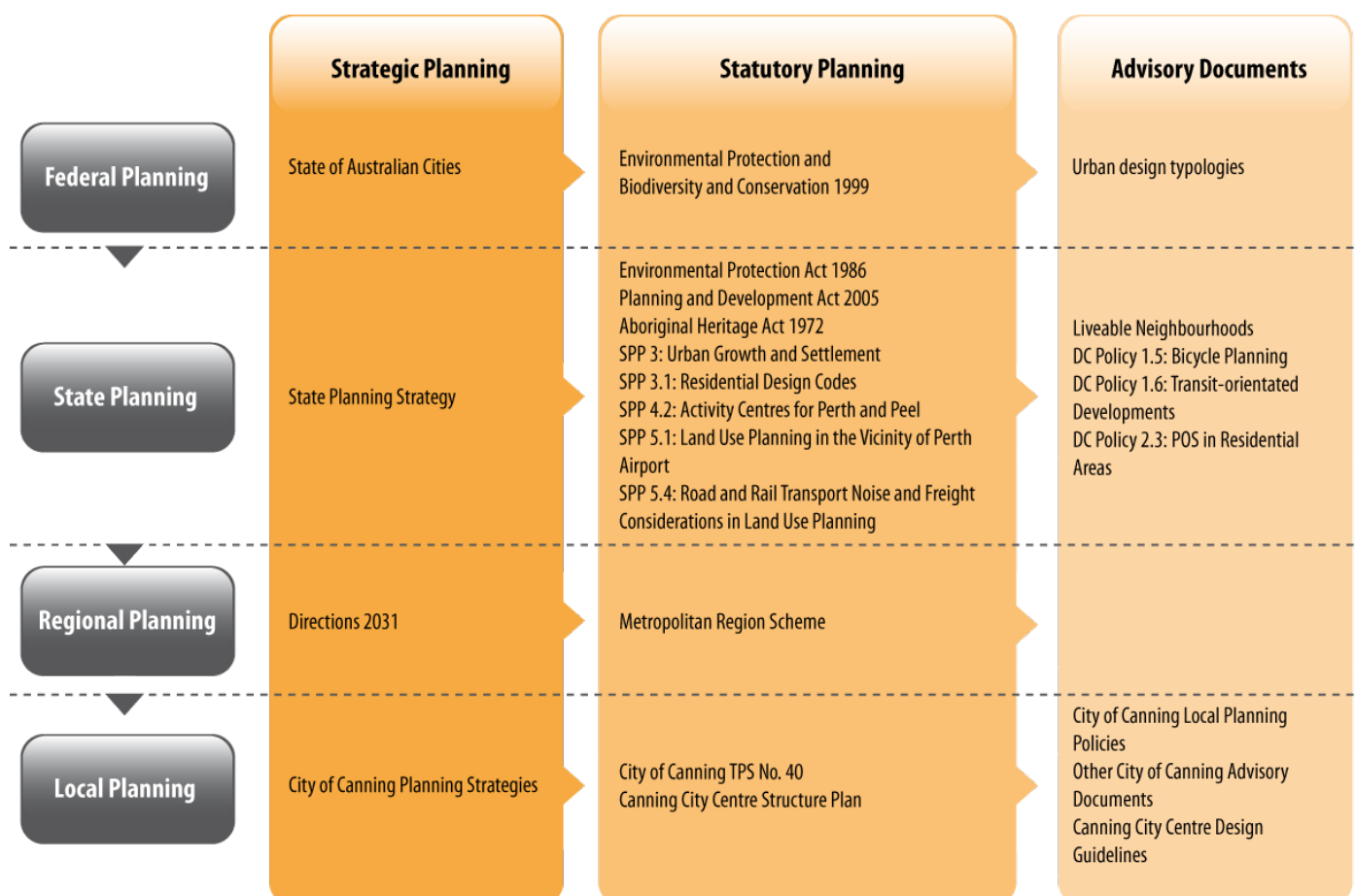
The following section addresses the local and sub-regional context of Canning City Centre, including the planning policy context, and the current performance of the centre and implications for future growth.

3.1 PLANNING POLICY CONTEXT

This section provides an analysis of the current planning and economic context of the Canning City Centre. Figure 13 shows the hierarchy of planning controls most relevant to the preparation of the structure plan, and the position of the structure plan relative to the other controls. These controls can be classified as:

- **Strategic planning:** providing high-level meta-analysis relevant to the context (i.e. federal, state, regional or local) and the strategic intent for an area
- **Statutory planning:** legally enforceable planning instruments used to control development and as a tool to implement strategic planning
- **Advisory documents:** used to provide detailed advice for a specific type of development or for development in a specific area, and inform the development assessment process. Performance measures can be incorporated into an advisory document

Figure 13: Hierarchy of Planning Controls



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The Canning City Centre Structure Plan is prepared under the guidance of Directions 2031 and as required by State Planning Policy 4.2: Activity Centres for Perth and Peel (SPP 4.2). An activity centre structure plan is a statutory document¹. Once approved by the City of Canning and the Western Australian Planning Commission the structure plan will need to be formally adopted under the City of Canning Town Planning Scheme No. 40.

3.2 CANNING CITY CENTRE PLANNING REQUIREMENTS

Canning City Centre is classified as a Strategic Metropolitan Activity Centre under Directions 2031. Strategic metropolitan centres are defined as:

‘...the main regional activity centres. They are multipurpose centres that provide a diversity of uses. These centres provide the full range of economic and community services necessary for the communities in their catchments.’

In the activity centres hierarchy, this type of centre is second only to Perth Capital City in terms of catchment population size, residential density targets, and diversity and intensity of commercial activity. Figure 14 lists the targets for Strategic Metropolitan Centres as defined in SPP 4.2.

Figure 14: SPP 4.2 Strategic Metropolitan Centre Target

| Area of Focus | Strategic Metropolitan Centre Target |
|---|---|
| Service population | 150,000 – 300,000 people |
| Walkable catchment | 800 m |
| Transport connectivity and accessibility | Important focus for passenger rail and high frequency bus networks |
| Typical retail development | <ul style="list-style-type: none"> • Department stores • Discount Department Store • Supermarkets • Full range of speciality shops |
| Typical office development | <ul style="list-style-type: none"> • Major offices • State government agencies |
| Residential density target (gross ha) | 30 (minimum) 45 (ideal) |
| Diversity performance target (mix of land uses floor-space as a proportion of the total centre floor-space) | Above 100,000 m ² – 50% 50,000 m ² – 100,000 m ² : 40% 20,000 m ² – 50,000 m ² : 30% 10,000 m ² – 20,000 m ² : 20% Less than 10,000 m ² : N/A |

Source: State Planning Policy 4.2: Activity Centres for Perth and Peel, WAPC, 2010

¹ Draft structure plan preparation guidelines, WAPC (2011)

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3.3 CURRENT ACTIVITY CENTRE MATURITY

The economic maturity of an activity centre is based upon the proportion of quality employment that exists within a centre, rather than the physical scale of a centre. Immature centres are those typified by low productivity population-driven activity. Mature centres are characterised by high productivity activity, 'creating' wealth through the export of goods or services. Figure 15 describes the envisaged maturation of Canning City Centre over time, based upon the proportions of Knowledge Intensive Consumer Services employment

(KICS) and Knowledge Intensive Export Oriented (KIEO) employment (see Glossary). The role of these types of employment is discussed on the following pages.

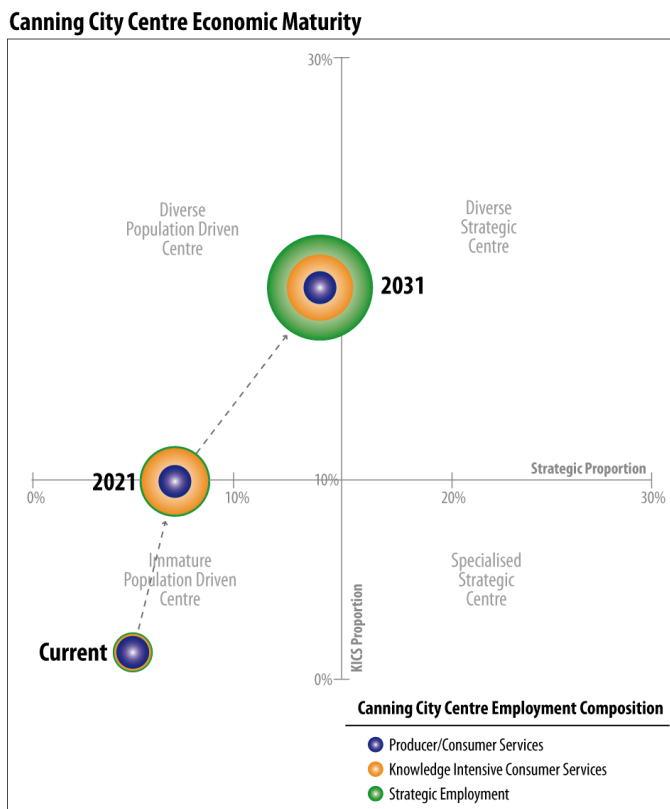
The target maturity level for a centre must be considered in the context of the centres hierarchy in SPP 4.2. Not all centres are required to reach the highest level of maturity, and different types of centres will follow different maturation paths.

Activity centres in the outer sub-regions of Perth are most often immature population driven centres. More mature and diverse centres lie within the Central Sub-Region, having matured over decades and benefiting from the effective density of a city's centralised employment characteristics. In order to achieve the employment self-sufficiency targets set for the outer sub-regions, activity centres in these sub-regions will have to mature faster than the natural rate which will require a targeted effort from both the private and public sector.

3.3.1 Specialised Population-Driven Centres

An immature population driven centre services the basic consumer/producer needs of users within its catchment. Characterised by low concentrations of KICS and strategic employment, these centres require either an increasing catchment or increasing expenditure levels to drive growth. Eventually, growth will be constrained as either market forces limit growth or statutory controls limit specific land-uses (in particular retail). Examples of these types of centres are, Booragoon, Whitfords, Karrinyup and Warwick.

Figure 15: Activity Centre Maturity Matrix



Source: Pracsys 2011

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3.3.2 Multi-Function Population-Driven Centres

A diverse population driven centre services both the basic consumer/producer needs and the high level consumer needs of its catchment. Characterised by high concentrations of KICS and low concentrations of strategic employment, maturation to a diverse population driven level occurs as a result of a combination of consumption-based growth and a shift in focus to higher intensity, diversity, employment and connectivity. Examples of these types of centres are, Stirling, Joondalup and Rockingham.

3.3.3 Multi-Function Strategic Centres

A diverse strategic centre services the high-level consumer/producer needs of its catchment. Through the creation and export of goods and services, these centres provide economic leadership for the urban environment, attracting wealth and providing resilient support to the city. Some centres achieve this level of maturity through the benefit of natural competitive advantages. Others need to develop it through targeted initiatives that support knowledge creation, innovation systems, technology and commercial development and efficient supply chains. Examples of these types of centres are Parramatta (NSW) and Coolangatta (Qld). Joondalup and Stirling are likely to evolve into multi-function strategic centres over time.

3.3.4 Specialised Strategic Centres

Specialised strategic centres are characterised by high levels of strategic employment and low levels of KICS employment. Like diverse strategic centres, some achieve this level of maturity

through the benefit of natural competitive advantages. Others need to develop it through targeted initiatives that support knowledge creation, innovation systems, technology and commercial development and efficient supply chains. Examples of these types of centres are Henderson, UWA/QEII and Curtin University/Bentley Technology Park.

3.3.5 Canning City Centre Activity Centre Maturity

Canning City Centre is classified as a Specialised Population-Driven Centre (see Figure 15). The maturation of Canning City Centre, in alignment with SPP 4.2, the EDS, Structure Plan and associated documents, will depend heavily on ongoing targeted investment and governance by the City, the State and major private sector stakeholders.

3.4 CURRENT USER MIX

To develop a strategy to guide Canning City Centre towards the desired state described in the previous section requires an understanding of the existing user mix. The user mix of an activity centre is a profile of residents, workers, enterprises and visitors that will interact with the centre now and in the future. The population and expenditure base of each group forms the economic base and drives the commercial vitality of the activity centre.

The user groups are defined as:

- Canning City Centre Residents – households living within the centre;
- Main Trade Area Residents – Households living within the defined primary and secondary catchments;

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- Visitors - Households living within the tertiary trade area as well as day/night/overnight, regional, state, interstate, international visitors;
- Workers – full time equivalent employment located within the defined activity centre; and
- Enterprises – businesses based within the centre.

3.4.1 Canning City Centre Residents

Based on ABS Census 2011, there are approximately 4,600 residents living within the Cannington City Centre, in 1,640 occupied dwellings. The population has an average median weekly household income of \$1,281 per household, or \$575 per person. This compares with the average for the Perth Metropolitan Region of \$1,459 per household and \$669 per person. This lower than average income will most likely result in less available income for expenditure, compared to the Perth average, from this user group.

Canning City Centre has a higher proportion of group households than the Perth average (as opposed to family or lone person houses). This user group is also younger than the Perth average – 30 years, as compared with a Perth average of 36 years. It should be noted that the centre has a relatively high proportion of dwellings that are being rented (49% compared with the Perth average of 28%). This will mean that demand for consumer services can be expected to be very sensitive to movements in rental prices. For example, increases in rent unaccompanied by increases in income will leave less disposable income available to this user group.

3.4.2 Main Trade Area

The main trade area is the principal geographic catchment served by the activity centre. Figure 16 outlines the current main trade area of Westfield Carousel shopping centre. Carousel is the primary anchor of the centre, and it is unlikely that the catchment of any other single current or future tenants will extend beyond this. As such the trade area of Carousel is assumed to broadly reflect the trade area of the activity centre as a whole.

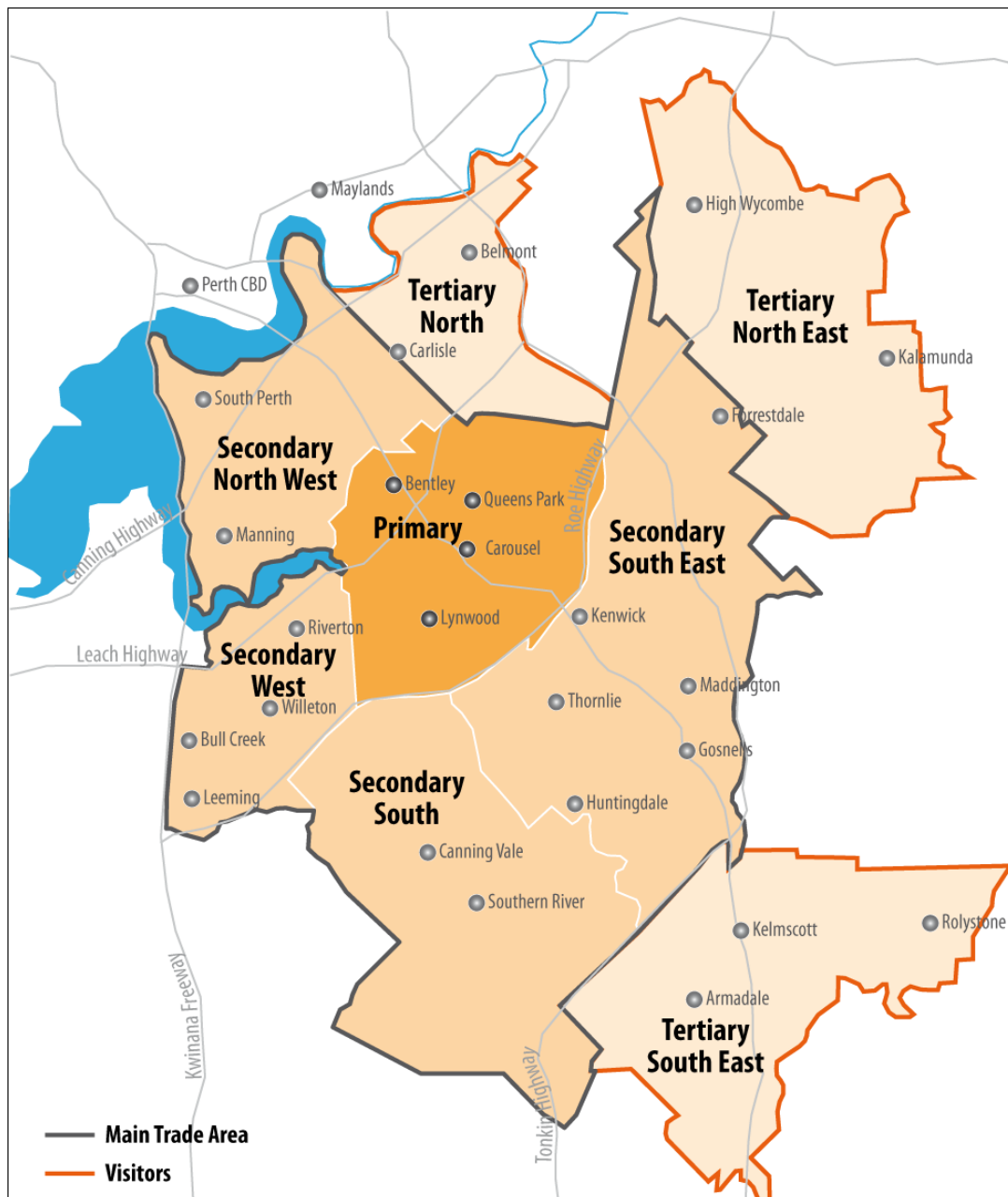
Based on ABS Census 2011 there are approximately 276,100 residents living within the Canning City Centre main trade area. The population residing within this area has a median weekly household income of \$1,440 per household. This compares with the average for the Perth Metropolitan Region of \$1,459 per household. This is largely due to the relative affluence of the centre secondary catchment.

The main trade area has lower proportion of family households than the Perth average (as opposed to singles or group houses). The residents living within the main trade area is also younger than the Perth average. This is once again largely due to the relatively young primary catchment, which has an average age of 32 years.

The main trade area's relatively young population and average earnings means that demand for economic transactions is expected to be relatively strong. It should be noted that the main trade area has a high proportion of dwellings that are being rented (i.e. homes under mortgage), with 49% compared with the Perth average of 28%. Similar to the Canning City Centre residents user group, this will mean that demand for consumer services can be expected to be sensitive to movements in rental prices.

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Figure 16: Westfield Carousel Main Trade Area



Source: Westfield and Pracsys 2012

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3.4.3 Visitors

The visitors segment for Canning City Centre is defined as the tertiary trade area. According to the ABS Census 2011 there are approximately 100,275 residents living within the Canning City Centre tertiary trade area.

3.4.4 Workers and Enterprises

According to the *Perth Land Use and Employment Survey* there were approximately 5,600 workers in the Canning City Centre in 2008.

According to the *Landuse Matrix: Cannington City Centre* (May 2011), provided by Curtin University, there were approximately 584 enterprises based in the Canning City Centre in 2011. This equates to an average firm size of 9.6 workers.

3.4.5 Current User Mix Summary

The existing user mix of the Canning City Centre is typical of many large mall-based activity centres. Overall residential users from an expansive catchment dominate the mix. However in terms of the user groups based within the centre boundary, the user mix is dominated by local workers (See Figure 17). A key goal for the future of the centre will be to improve the overall balance of users.

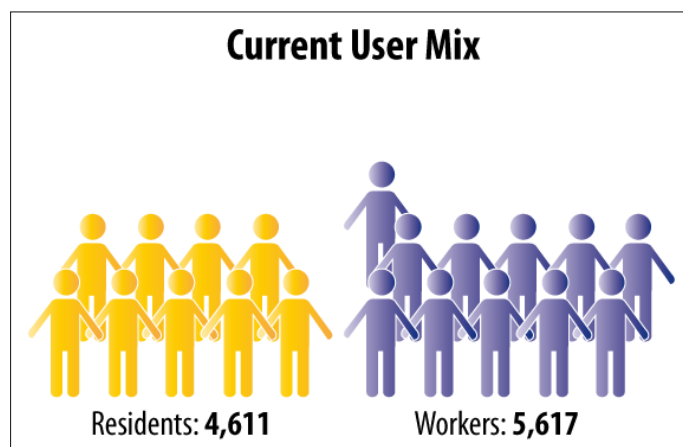
3.5 CURRENT ACTIVITY

Analysis of current activity includes measures of activity intensity, diversity, employment and accessibility showing the overall economic performance. In addition, the measures of urban form discussed above provide supportive infrastructure for economic activity and activation.

Measures of economic performance have been compared with average scores achieved by a group of 16 case study centres from around Australia, performing at an equivalent level within their respective activity centre hierarchies. Appendix 2: Activity Centre Benchmarking Study contains a list of the centres included in the benchmarking study. Appendix 3 shows the methodology used to assess the performance of Canning City Centre across the areas described in section 3.5.1 to 3.5.4.

The measurement framework enables data to be generated that can be compared to centres across the metropolitan area, the state, nationally or internationally. Data outputs can also be used to set goals for each category and assess progress towards these goals.

Figure 17: Current centre-based user mix



Source: Pracsys 2012

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3.5.1 Current Activity Intensity

Co-locating activity within vibrant, intense spaces ensures walkability, social interaction and economic activation. Intense agglomerations (grouping) of activity have been shown to increase the productivity of certain industry mixes through a reduction in transport and communication costs, improved links to suppliers and markets and the ability to learn from others and share knowledge.

Activity intensity measures employment density and residential density in line with the vision for Canning City Centre, on the basis that co-locating activities will produce numerous productivity and efficiency benefits and contribute to centre success.

The scores for activity intensity are shown in Figure 18.

Figure 18: Current Activity Intensity

| Category | Element | Element Score | Category Score |
|--------------------|---------------------|---------------|----------------|
| Activity Intensity | Residential Density | 0.50 | 3.00 |
| | Employment Density | 5.50 | |

Source: Pracsys Analysis, 2012

Currently the Centre contains 5.02 dwellings per hectare within an 800 metre walkable catchment, derived using ABS Census 2011 Statistical Area 1 units (SA1). 5.02 dwellings per hectare equates to a score of 0.5 out of 10 (see Appendix 3: Activity Centre Benchmarking Study for the scoring system). The average dwelling density for equivalent case study centres across Australia is 14 dwellings per hectare, equating to a score of 6.50. SPP 4.2 includes a guiding target of 45 dwellings per hectare for Strategic Metropolitan Centres.

In addition to housing, the centre currently accommodates a total of 30 jobs per hectare, which achieves a score of 5.50 out of 10. The average density for the equivalent case study centres is 51 jobs per hectare, generating a score of 6.50 out of 10.

Canning City Centre currently achieves a total activity intensity score of 3 out of 10. This is more than 50% lower than the equivalent centres’ average of 6.50.

3.5.2 Current Activity Diversity

A diverse mix of users and activity are desirable for an economically, environmentally and socially sustainable centre. This is fundamental to the vision set for Canning City Centre. Highly diverse centres enable users to access multiple needs with fewer trips and retain users in the centre for longer periods of time, to interact both socially and economically. In addition, providing more local job opportunities within a variety of industries will contribute to higher rates of employment self-sufficiency for the City of Canning.

The activity diversity metric (as shown in Figure 10) measures the number of different land use categories present within the centre and the equitability of land uses. The mixed use metric calculates the proportion of jobs within the centre that are in categories other than retail. This is based on a desire to transform internally focused shopping malls into much more diverse town centres that provide a wider range of transaction opportunities. The equitability index measures how evenly jobs are distributed to ensure that all amenities are represented, and certain land use categories do not dominate the mix at the expense of others.

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Activity diversity scores are shown in Figure 19.

Figure 19: Current Activity Diversity

| Category | Element | Element Score | Category Score |
|--------------------|--------------------|---------------|----------------|
| Activity Diversity | Mixed Use | 6.00 | 6.5 |
| | Equitability Index | 7.00 | |

Source: Pracsys Analysis, 2012

Currently 64% of employment accommodated within the activity centre is in non-retail categories, such as health, office and entertainment. This equates to a score of 6.00 out of 10. The equivalent case study centres across Australia identify a mixed use average of 80%, equating to a score of 8.00.

However Canning City Centre's equitability index of 0.76 is greater than the equivalent centres' average of 0.73, illustrating a fairly even spread of activity across the ten planning land use categories (PLUC). Canning City Centre's current equitability score is 7.00 out of 10 compared with an equivalent centres' average of 6.50.

Combining the two metrics generates Canning City Centre's total diversity score of 6.50 out of 10. This can be compared with a score of 7.40 achieved by the equivalent study centres.

3.5.3 Current Employment

Centres require both a quantity and quality of employment, as befits their position within the centres hierarchy. Employment is one of the main drivers of our collective standard of urban living. Quantity of employment refers to the number of jobs directly situated within a defined activity centre. Quality of employment differentiates between types of jobs.

Employment can be strategic or population-driven and can vary in its knowledge intensity. Population-driven employment may be defined as employment resulting from economic activity servicing the needs of a particular population. Strategic employment results from economic activity focused on the creation and transfer of goods and services to an external market. Knowledge-intensity is measured as the degree of education required for the occupation. High quality employment (knowledge or export-based) drives economic development and facilitates higher levels of employment self-sufficiency. It is important to measure the quality and quantity of employment, as it is a key driver for ensuring the sustainability of local economies.

As identified in Figure 20, the Canning City Centre currently contains 5,617 jobs across a range of industries and land use categories. This scale of employment equates to a score of 7.00 out of 10 (see Figure 12). In comparison, the benchmark centres accommodate 10,734 jobs on average, achieving an employment quality score of 9.50.

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Figure 20: Canning City Centre total employment

| PLUC | Employment (persons) | Floor-space (m ²) |
|--------------------------------------|----------------------|-------------------------------|
| Primary/Rural | 0 | 0 |
| Manufacturing/Processing/Fabrication | 17 | 5,424 |
| Storage/Distribution | 100 | 44,379 |
| Service Industry | 229 | 22,940 |
| Shop/Retail | 2,601 | 116,736 |
| Other Retail | 677 | 48,449 |
| Office/Business | 1,395 | 62,434 |
| Health/Welfare/Community Services | 371 | 8,754 |
| Entertainment/Recreation/Culture | 192 | 11,134 |
| Residential | 0 | 2,525 |
| Utilities/Communications | 35 | 8,555 |
| TOTAL | 5,617 | 331,330 |

Source: Land Use & Employment Survey (Department of Planning) 2007 (Consolidated precincts within Canning City Centre)

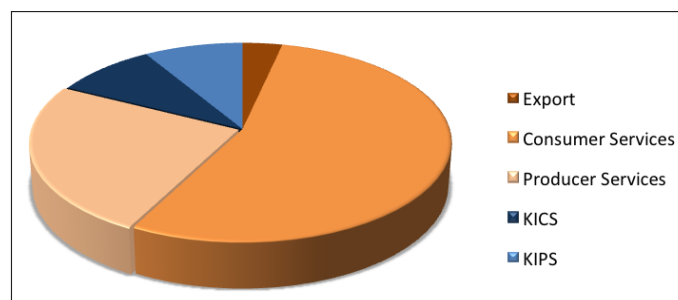
Figure 21: Current Employment Quality

| Category | Element | Element Score | Category Score |
|--------------------|------------------------|---------------|----------------|
| Employment Quality | Employment Scale | 7.00 | 7.25 |
| | Strategic Employment % | 7.50 | |

Source: Pracsys Analysis, 2012

Employment quality measures the percentage of centre employment in knowledge-intensive and export-oriented industries (KIEO), otherwise referred to as strategic employment (see Glossary for definition). Measurement of Canning City Centre's industry mix identifies that 14% of total employment is considered of a high quality or 'strategic' in nature, as

illustrated in Figure 22. This equates to a score of 7.25 out of 10. Analysis of employment in the set of equivalent case study centres identified an average employment quality of 14%, with an average score of 7.50.

Figure 22: Canning City Centre Employment Quality

Source: Pracsys Analysis 2012

Canning City Centre's combined employment quality and quantity score is 7.25 out of 10. The employment score for the average of the equivalent case study centres is 8.50.

3.5.4 Current Accessibility

Activity centres must be accessible to a wide mix of user groups, via different modes of transport. This reduces the impact of petrol price shocks, increases sustainable centre catchments and facilitates efficient movement between employment nodes.

The centre accessibility score relates to how easily a centre can be accessed from other employment nodes, (the CBD in particular), and by the surrounding residential catchment. Being close to major employment nodes creates the opportunity for activity centres to develop supply chains and knowledge networks that can generate efficiency and productivity gains. It also expands user populations to include

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worker categories, which increases overall centre activity and extends trading hours.

Canning City Centre is located 11 kilometres from the Perth CBD, and is in close proximity to the Perth Airport Strategic Specialised Centre, industrial employment nodes at Welshpool, Canning Vale and Kenwick, and the knowledge-based employment node at Curtin University and Bentley Technology Park. It achieves a current connectivity score of 6.50 out of 10, which is greater than the equivalent case study centres' average of 5.00 (see Figure 23).

Figure 23: Current Accessibility

| Category | Element | Element Score | Category Score |
|---------------|--------------------------------|---------------|----------------|
| Accessibility | Connectivity | 6.50 | 6.75 |
| | Major Transport Infrastructure | 7.00 | |

Source: Pracsys Analysis, 2012

The Canning City Centre is adjacent to Cannington Train Station on the Armadale line, and is also home to a bus interchange. This generates a transport infrastructure score of 7.00 out of 10, equal to the average of the equivalent case study centres.

Canning City Centre's total current accessibility score is 6.75 out of 10. This means that the centre scores higher than the equivalent case study centres' average score of 6.00 in the accessibility category. This reflects Canning City Centre's strategic location and comparative transport infrastructure advantage. As these characteristics are difficult and/or expensive to alter, it is vital that Canning City Centre maximises the value proposition by improving intensity and diversity of uses within the centre.

3.6 CURRENT URBAN FORM PERFORMANCE

3.6.1 Importance of Urban Form in Activity Centres

Urban form is primarily concerned with public realm infrastructure and the interface with the private realm, but in the case of activity centres, is also concerned with publically accessible private realm infrastructure and the integration of all three components.

The urban form of an activity centre is an integral component of the overall economic performance and activation of the commercial tenancies. Urban form should lend support to economic activation and address the needs of the centre users. Within an activity centre the urban form should assist with the following:

- Link the residents, visitors and workers to core activity precincts
- Concentrate retail tenancies to encourage life and vibrancy of activity
- Maximise possible modes of transport for easy access via multiple modes
- Minimise access routes to channel traffic past shop fronts and public spaces
- Provide an attractive, high amenity and safe environment suitable for residents in all stages of life, workers commuting via active transport and visitors visiting the centre across diurnal and nocturnal time periods

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The degree to which urban form affects centre economic performance is dependent on a range of factors, including:

- Users perception of the centre
- Centre maturity
- Local demographic
- Relationships between public and private realm infrastructure

3.6.2 Urban Form Metrics

Indicators of urban form which contribute to user needs and economic performance have been quantified to provide a performance score, measured against an ideal score of ten, using 26 metrics across the following four categories:

- Quality (attractiveness/unattractiveness)
- Amenity (comfort, noise and recreation/ social infrastructure)
- Mobility (pedestrian, cyclists, private vehicles and public transport)
- Safety (perceived safety and crime statistics)

The metrics used have been included as they fall into one or more of the following categories in terms of activity centre activation, particularly that of the public realm:

- Research has indicated they are a pre-requisite for use
- Research has shown they are an indicator of use
- Research has shown they form either a barrier or motivator for use

Metrics are applied to the centre as a whole, to a segment of a street/walkway, or to each side of a street segment. Breaking down the area of the centre to be measured into segments provides a high level of detail about each element assessed, allows assessment to be tailored to each metric and provides locational data about the element within several hundred metres. Performance scores are also compared to other benchmarked centres to provide a better overall indication of urban form performance.

The urban form performance for Canning City Centre was measured across the activity centre core, as shown in the draft structure plan, and extended east to encompass all of Carousel Shopping Centre and Albany Highway up to Liege Street.

3.6.3 Current Urban Form Quality

Urban form quality relates to the amount of visually attractive and unattractive features located within the area measured. High amounts of visually attractive features and low amounts of unattractive features will result in an optimal quality score. Canning City Centre scored a total of 4.06 in urban form quality (see Figure 24).

Figure 24: Current Urban Form Quality

| Category | Element | Element Score | Category Score |
|--------------------|-----------------------|---------------|----------------|
| Urban Form Quality | Attractive Features | 7.81 | 4.06 |
| | Unattractive Features | 0.32 | |

Source: Pracsys Analysis 2012

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Unlike a number of other centres benchmarked with the same tool, Canning City Centre displayed remarkable juxtapositions of urban form quality indicators. A high number of attractive features were found to be present (score of 7.81) as well as a high number of unattractive features (score of 0.32). The high attractive features score was primarily due to the presence and visibility of high numbers of parks, reserves, street trees and landscaped areas. The very low, unattractive features score was due to the very high number of car parks visible from almost all parts of the public realm. Overall, the quality score was fairly low but the main reasons for this are likely to be overcome as part of an increase in activity centre intensity.

3.6.4 Current Urban Form Amenity

Urban form amenity is concerned with how pleasant the measured environment is to move through as a pedestrian, if there are detractors from this experience, and the level of recreational opportunities provided throughout the centre. In terms of economic activation amenity, it is important to ensure users within the catchment are attracted to use the centre rather than choosing an alternative location to carry out transactions.

Figure 25: Current Urban Form Amenity

| Category | Element | Element Score | Category Score |
|--------------------|--|---------------|----------------|
| Urban Form Amenity | Comfort | 0.90 | 2.80 |
| | Noise | 0.00 | |
| | Leisure, recreation and social opportunities | 7.50 | |

Source: Pracsys Analysis 2012

The overall score for urban form amenity was very low at 2.80 out of 10 (see Figure 25). Once again some elements of amenity have been present at very low levels and others at reasonably high levels. Within amenity, leisure, recreation and social opportunities were well-represented (7.50 out of 10) due to the relatively high concentration of green spaces, playgrounds and sports grounds present within the core of the activity centre. While some of these areas may need improvement to be highly attractive, accessible and multi-functional spaces, they are a significant resource already present. Some of the spaces are clearly underdeveloped and lack a high residential catchment within a short walk. Increasing residential density throughout the core of the structure plan area will provide a much greater potential user base.

Scores were very low for pedestrian comfort (0.9 out of 10) due to a lack of shade or shelter throughout the exterior parts of the activity centre core. This element is important to facilitate a move from a car-dependent centre to a centre containing dense residential development and high numbers of workers. The score for aural amenity was very low at 0 out of 10. This is due to the fact that the activity centre core lies under the 20 – 25 ANEF contour and is dissected by a primary regional road (Albany Highway) and another regional road (Sevenoaks Street). Adequate noise mitigation measures will need to be applied to both commercial and residential as this may present a significant detractor for residents and workers considering locating in the centre.

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3.6.5 Current Mobility

Mobility is concerned with transit to and within the centre via a variety of modes, including walking, cycling, public transport and private vehicles. While State and local planning strategies and policies require an increased focus on more sustainable, active forms of transport (i.e. walking, cycling, public transport), private vehicle access is also required to cater for the full range of users and provide a variety of transport to allow users to switch transport modes in response to changes in their individual circumstances or the current environmental conditions.

Figure 26: Current Urban Form Mobility

| Category | Element | Element Score | Category Score |
|----------|------------------|---------------|----------------|
| Mobility | Walkability | 4.04 | 5.96 |
| | Bicycle Access | 4.36 | |
| | Vehicle Access | 9.15 | |
| | Public Transport | 6.28 | |

Source: Pracsys Analysis 2012

Canning City Centre scored reasonably well for mobility, with 5.96 out of 10. This category showed a more even split between the elements comprising the mobility category although there was a distinct disparity displayed between private vehicle access and active transport modes. Walkability and bicycle access rated 4.04 and 4.36 respectively, public transport rated 6.28 and private vehicle access was excellent at 9.15. While both walkability and bicycle access were considered to be less than adequate, infrastructure such as well-connected footpaths and signed shared paths for pedestrians and cyclists were consistently present in most street segments measured. While this network will need to

be drastically improved to cater for a higher density residential population and larger numbers of workers and visitors to the centre, the infrastructure will need to be improved rather than introduced. Some of the issues involved with introducing new infrastructure can therefore be avoided. The presence of such infrastructure also allows current users to develop positive habits in terms of active transport, which is an important factor in removing barriers to these forms of transport.

The key to improving mobility performance will be increasing the infrastructure related to walking and cycling while maintaining adequately high levels of convenient private vehicle access for the future user mix.

3.6.6 Current Safety

The safety category measures the provision of infrastructure enabling greater safety from vehicle traffic when crossing roads and moving through the activity centre, and the crime rate in the suburb. The current perception of personal safety by users has not been measured due to the difficulty of using indicators for such a subjective element, which tends to vary across user groups and other user segments. User safety and perceptions of safety will also change drastically as the user mix of the centre shifts, and as the residential population within the centre increases dramatically and changes the passive surveillance of the centre and times at which the centre is used.

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Figure 27: Current Urban Form Quality

| Category | Element | Element Score | Category Score |
|----------|------------------|---------------|----------------|
| Safety | Traffic safety | 4.68 | 7.34 |
| | Crime statistics | 10.00 | |

Source: Pracsys Analysis, 2012

Canning City Centre scored reasonably high in this category, attaining a score of 7.34 out of 10. Infrastructure enabling safe movement within the centre with low danger from traffic was fairly well provided, although the results for some street segments measured show areas where there is room for improvement.

The crime rate in the suburb of Cannington for 2011 was within the first quartile for benchmarked suburbs. Compared with 2006 data for the same suburb, the 2011 crime rate per 100 persons has almost halved while the population has increased by almost 30%. However, according to the *Landuse performance study for Cannington Activity Centre* (Curtin University, 2011), the perceived poor safety of the activity centre was rated as a prime concern by the current users of the centre. Concern about crime and anti-social behaviour in the area was also high. It is therefore very important to ensure the location of activities and public realm interfaces create an environment that feels safe for users, especially at night.

Future urban form will need to continue to contribute towards high levels of traffic safety, perceived safety and lower crime rates as the centre grows from a car-dependent, specialised population-driven centre to a multi-function population-driven centre tending towards a multi-function strategic centre.

3.6.7 Limitations of Urban Form Performance Measurements

Like any tool, the set of metrics used to quantify urban form performance have their limitations. The data from the tool should be considered in terms of these limitations.

Firstly, the metrics only provide indicators of use or potential use, but will not provide data on actual use. Usage data, if collected at a later date, should be correlated with the existing urban form measures and any future interventions to urban form. The metrics can then be used to provide an evidence base for relative success or failure of interventions and to demonstrate the adequacy of the urban form infrastructure provided.

Secondly, the metrics used are limited in number and therefore cannot provide a complete measure of each category they are being used to assess. For example, one measure of safety focuses on infrastructure enabling greater safety from vehicle traffic when crossing roads and moving through the activity centre. This type of infrastructure can provide a safer environment for activity centre users, but only so far as the infrastructure is used.

Thirdly, the tool cannot account for individual perceptions of the centre urban form as these are typically highly subjective and therefore difficult to quantify. User perceptions may stay constant even after significant intervention in the urban form has taken place, or users may simply dislike an aspect of the urban form. For this reason, the metrics have focused on elements which provide a tangible function directly related to centre usage. An example of this is the wide variation of perception of safety that a range of studies have been shown

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to occur across different user groups, and even across different cultural backgrounds.

Lastly, the tool can only provide data on the metrics measured. Urban form is complex physically and in its interaction with other aspects of activity centre performance. The complexity of urban form should be taken into account when considering the results of the urban form analysis.

It should also be noted that in this case, the tool was not used to quantify urban form within the shopping centre. From previous assessment of similar centres it has been shown that the interior of shopping malls have a number of typical characteristics, including high interior mobility, high perceived safety, excellent pedestrian comfort and insulation from exterior noise. Higher variation has been observed among scores for attractive and unattractive features, mobility and the range of recreational opportunities on offer.

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4 CANNING CITY CENTRE FUTURE PERFORMANCE TARGETS

4.1 DEFINING THE VISION

Defining the vision or goals for Canning City Centre is critical to determining the appropriate interventions for the local economy. Following an analysis of the relevant policy requirements, the following broad vision for the future has been set (Figure 28):

Figure 28: Canning City Centre Vision Statement

Canning City Centre Vision – Unlocking the potential

“Our vision to connect Canning’s residents, visitors and workers with their city centre and create a welcoming place that is safe, accessible, fun and commercially productive.

A revitalised City Core will turn Canning inside out and create new opportunities for people to live and work in a compact, comfortable and rewarding community.

Canning will come to life through a rich experience of shaded streets and public spaces that are active day and night. There will be diverse activities and attractions for people of all ages, reflecting a forgotten history and leveraging the beauty of the Canning River.

New partnerships will unlock Canning’s potential to drive sustainable development and growth, and position it as a key retail, business and investment destination. We will deliver on the promise of an exciting future and create one of Perth’s most significant metropolitan centres.”

For the purposes of the Canning City Centre Economic Development Strategy (CCCEDS) the key components of the Structure Plan Vision to be addressed are:

- A focus on meeting the needs of an increasingly diverse catchment population of residents, workers, visitors and enterprises
- The encouragement of innovation, and attraction of new industries to the activity centre
- Maturation of Canning into a key retail, business and investment destination

Based upon a detailed understanding of Canning’s economic context, the strategic direction of CCCEDS, its performance standards and proposed initiatives are based upon four interrelated principles. These are:

1. Achievement of the economic function envisaged by the designation of Canning as a Strategic Metropolitan Centre within Directions 2031 and SPP 4.2
2. Integration of Canning City Centre into the broader South-East sub-regional strategic economy
3. Capture of a full-range of economic transactions from residents from within the activity centre’s primary and secondary catchments
4. Strong interrelationships between activity centre uses to encourage the overlapping of localisation and urbanisation economies, and to encourage expenditure capture through multi-purpose trips

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These broad principles need to be understood in detail to be useful in guiding the direction of CCCEDS, the ultimate District Structure Plan, and the initiatives that will flow from both. Figure 29 therefore outlines the principles in regards to:

- What are the Strategy values
- What should be encouraged
- What should be avoided or mitigated against

Figure 29: Table of principles

| Principle | What the Strategy Values | What should be encouraged? | What should be avoided/mitigated against? |
|---|---|--|--|
| 1. Achievement of the economic function envisaged by the designation of Canning as a Strategic Metropolitan Centre with Directions 2031 and SPP 4.2 | Canning City Centre as a centre of metropolitan significance through meeting the diverse needs of sub-regional residents, workers, visitors and enterprises. | <ul style="list-style-type: none"> • Plans, initiatives and governance structures that focus on performance outcomes • Recognition and addressing the role of Canning City Centre in the context of its unique locations, demographical and economic characteristics | <ul style="list-style-type: none"> • Success being defined as conformation with below-standard metropolitan norms • Focus on input controls (e.g. retail floor-space, car-bays, maximum plot ratios) rather than performance outcomes |
| 2. Integration of Canning City Centre into the broader inner south-east strategic economy | Canning City Centre as the commercial node of the inner south-east through the integration of strategic commercial activities with major agglomerations of activity at Perth Airport, Welshpool, Canning Vale and Curtin University. | <ul style="list-style-type: none"> • Integration of components of sub-regional strategic economy into Canning through the development of complementary localisation and urbanisation economies • Planning for transit-oriented development that encourages the efficient and effective outflow and inflow of labour | <ul style="list-style-type: none"> • A stand-alone retail focussed centre that assumes investment and attraction and development from a singular retail investor • A 'zone-it-and-they-will-come' approach to attraction of non-retail uses |
| 3. More expenditure within Canning City Centre from the centre's catchment population, more often, across a wider range of activities and services | Canning City Centre as the choice destination for convenience retail, comparison retail, entertainment and hospitality for its broader catchment. | <ul style="list-style-type: none"> • Development of a competitive value proposition for convenience, comparison, entertainment, hospitality, healthcare, education and recreation transactions for Canning City Centre's residential catchment • Positioning of Canning City Centre as a destination for high value, less frequent economic transactions | <ul style="list-style-type: none"> • A centre that only provides for the day-to-day basic consumption needs of the catchment (with users going elsewhere for higher value transactions) • A centre that is overly vulnerable to structural changes in individual industries (in particular retail) |
| 4. Regenerate Canning City Centre into an intense place that actively encourages multiple purpose trips | Canning City Centre as a place to engage with throughout the week and weekend, day and night, throughout the year. A place where you come and stay for a range of experiences and opportunities that are all easily accessible once you have arrived at the centre. | <ul style="list-style-type: none"> • A Centre that facilitates a variety of quality economic, social and environmental transactions during each visit • Canning City Centre being accessible to a range of catchments via a variety of means day and night, weekday and weekends | <ul style="list-style-type: none"> • Users feeling compelled to drive between destinations within the Centre due to perceived physical barriers, safety or loss of convenience • A single-use centre where users arrive, perform a single transaction and leave without engaging with any other user or activity type. |

Source: Praxis Analysis, 2012

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4.2 PERFORMANCE STANDARDS

Based upon the CCCEDS principles, Pracsys identified measurable performance areas. To ensure that the Strategy and corresponding Structure Plan are best set up for success, it is critical that these performance measures, and the standards applied to each, align with the vision and principles.

Figure 30 outlines the relationship between each principle and the broad areas of performance. The method behind each performance measure is outlined in Appendix 2: Performance Measure Methodology.

4.3 FUTURE USER MIX

Based upon the articulated vision for the Canning City Centre, the following future user mix has been identified.

4.3.1 Centre Residents

The structure plan specifies a target residential density for the centre of 45 dwelling per gross hectare. Based on a usable site area of 271 ha, the achievement of this target will yield 12,200 dwellings within the activity centre by 2031. Based on an average household size of 2 persons per dwelling, this equates to a future resident population of 24,400.

4.3.2 Main Trade Area

Based on WA Tomorrow population projections at LGA level, the population of the main trade areas is forecast to increase by nearly 30% to 349,800 residents by 2031.

Figure 30: Canning City Centre Activity Centre Performance Standards



Source: Pracsys 2012

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4.3.3 Visitors

Based on WA Tomorrow population projections at LGA level, the population of the tertiary trade area is forecast to increase by over 50% to 154,300 residents by 2031.

4.3.4 Workers and Enterprises

Based on the growth plan prepared for the Structure Plan, the population of workers within Canning City Centre is expected to increase to 10,472 by 2031. Depending on the structure of the future businesses within the centre, there will be as many as 1,100 enterprises based within the centre by 2031.

4.3.5 Summary

Overall the user mix of Canning City Centre is expected to undergo two major structural changes:

- Increased relative significance of the workers user group in the overall mix of the centre, increasing from 1.5% to 2% of total users; and
- Increased relative significance of residents located within Canning City Centre in the mix of centre-based users, increasing from 45% to 70% (See Figure 31).

4.4 RETAIL NEEDS ASSESSMENT

A retail needs assessment was undertaken to determine the future demand for retail floorspace within Canning City Centre. Details of the methodology for this can be found in Appendix 4: Retail Needs Assessment Methodology.

Figure 31: Future centre-based user mix



Source: Pracsys 2012

4.4.1 Supportable Floorspace

Results of demand modelling are expressed as future 'supportable floorspace'. 'Supportable floorspace' is the quantum of floorspace that there is sufficient population, and therefore expenditure, to likely be profitable to sustain. Supportable floorspace is shown as a range with a minimum and maximum threshold with the supply of floorspace between the minimum and maximum considered sustainable.

It should be noted that this does not necessary mean the maximum amount of floorspace that can be supported within the centre should be the goal for the future. Rather, it provides an

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understanding of the amount of floorspace that can potentially be supported over time if modeling assumptions hold true. Modeling also does not account for the reality that some retail businesses will trade more profitably than others due to a more desirable offer of goods and services, better customer service or a more efficient business model (see Figure 32).

Figure 32: Supportable Floorspace Example: Two Cafes

Two adjacent cafes may have the same floorspace, but one turns over \$8,000/m² (NLA) and the other \$4,500/m² (NLA). The first cafe is trading at what is considered the maximum productivity for floorspace, with additional profit difficult to make given the physical constraints of trying to serve more customers in a limited area. The second cafe, which clearly does not provide a product and service that is sought after (perhaps the coffee isn't very good and the service slow) is trading below what is considered the minimum threshold to be profitable (\$5,000/m²). It is unlikely the second cafe can be sustained in the long term.

In this example there is sufficient expenditure to make both cafes profitable. The cafe trading exceptionally well could still be profitable trading at \$6,500/m², and the cafe trading poorly could trade at \$6,000/m² if the second cafe provided the kind of goods and services the successful cafe is.

If the supply of floorspace located within the activity centre falls below the minimum threshold, many residents within the catchment will need to look elsewhere for goods and services and may choose to travel further. If limited alternatives exist, significant congestion issues and time delays are likely within the activity centre as too many people are trying to access limited goods and services. With the increasing popularity of online retail for both convenience (e.g. groceries) and comparison (e.g. clothes) goods, there is also a risk that insufficient floorspace within an activity centre will result in significant leakage to online retailers. Whilst online retail expenditure might offer a convenient and efficient way of accessing goods and services for residents, significant online leakage may be poorly aligned with the goals for the activity centre.

If the amount of floorspace located within the activity centre is higher than the maximum threshold, it is likely that there will be insufficient expenditure within the catchment to sustain profit in the long term. It is not unusual for the amount of floorspace supplied exceed the modeled maximum threshold in the short term immediately following a large-scale expansion of floorspace, (for example, from a shopping centre redevelopment). Over time population growth within the catchment and the increased attractiveness of a larger shopping centre will provide sufficient expenditure to make the additional floorspace profitable. However, if this continues in the long term, or if it is a result of a shrinking catchment, businesses are at risk of failing and retail floorspace may need to be redeveloped for other purposes.

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4.4.2 Future Retail Floorspace to 2024

Future retail floorspace demand was split into the Planning Land Use Categories (PLUC) of Shop-Retail (SHP) and Other Retail (RET). The results are shown in Figure 33 and Figure 34.

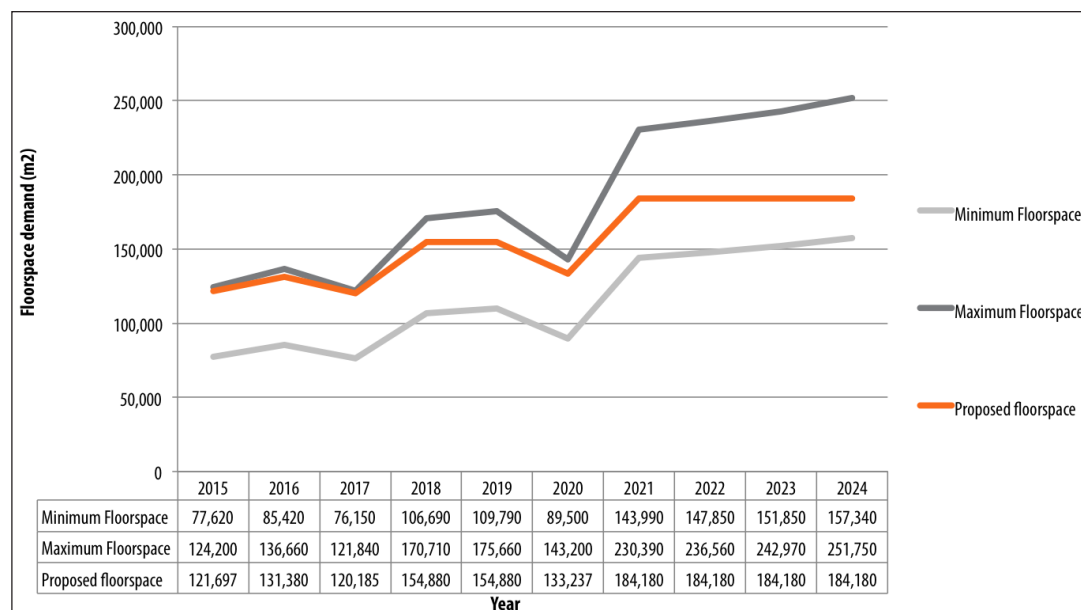
Increases in floorspace supply shown are the result of:

- Expanded shop-retail floorspace at Carousel Shopping Centre (shown as two stages)
- Expanded other retail floorspace due to a new, larger Bunnings being constructed

Based upon the modeling conducted, the range of supportable Shop-Retail floorspace is shown in Figure 33. Beyond the planned expansions discussed above, there is expected to be sufficient expenditure to support an additional 65,000 m² floorspace in this PLUC by 2024.

In Figure 34 the range of supportable Other Retail floorspace is shown. Taking into account the proposed new Bunnings, there is expected to be sufficient expenditure to support an additional 35,000 m² in this PLUC.

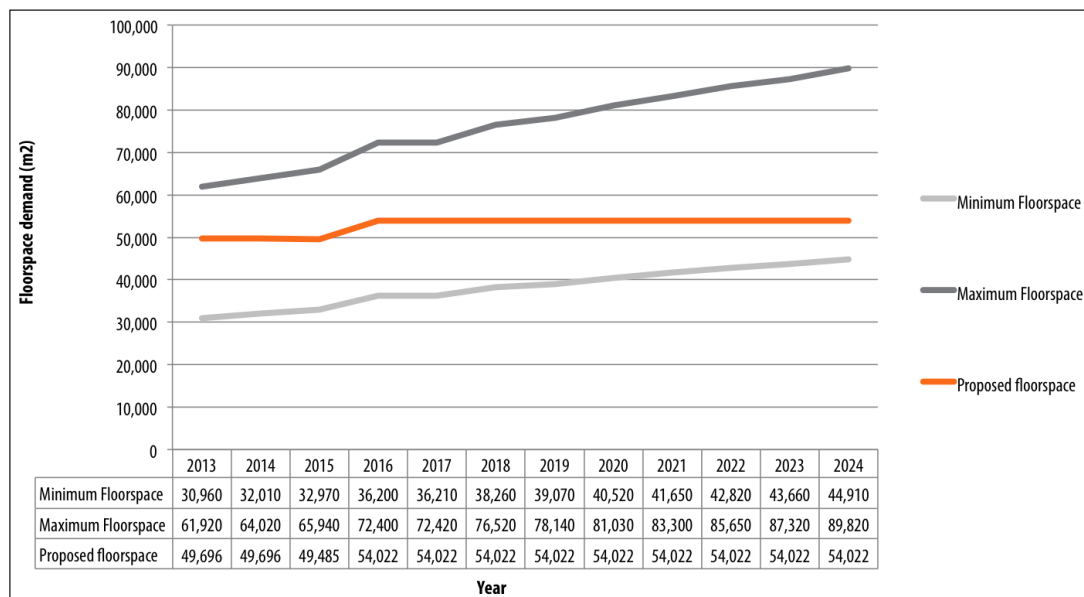
Figure 33: Shop-Retail floorspace demand



Source: Pracsys 2015

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Figure 34: Other Retail floorspace demand



Source: Pracsys 2015

4.4.3 Retail Floorspace Demand 2024 - 2031

Retail floorspace modelling has not been undertaken beyond 2024 to the end of the life of the structure plan, at 2031. It is likely that the current assumptions about the ratio of retail floorspace to population, household expenditure and income will change for the catchment by this time. However, it is considered unlikely that the amount of retail floorspace required to service the catchment population for Canning City Centre will increase substantially due to:

- Increasing cost of land, resulting in the need to use existing land more efficiently
- Increasing share of online retail
- Changing business models

It is important that the future retail needs of the Canning City Centre catchment are

monitored and reviewed periodically to ensure the amount of land zoned for retail uses is adequate, and the development and use of land and buildings for retail is configured to optimise economic activation.

4.5 ECONOMIC GROWTH MODEL

The following Economic Growth Model provides evidence for targeting specific industries for location at Canning City Centre to increase the non-retail commercial floorspace and diversity of uses within the centre. Industries have been identified as they are currently located within the activity centre due to a recognised competitive advantage, or locating the industry in the centre and forming agglomerations will have a competitive advantage.

The growth model outlines a potential scenario for future land use development at Canning

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City Centre, based on an understanding of the opportunities, constraints, risks and vision. The results are only indicative, and do not predicate investment decisions by the City or other public or private stakeholders. They do provide an indication of the potential of the site to deliver on the vision of the draft Canning City Centre Structure Plan, based on some assumptions.

4.5.1 Manufacturing/Processing/
Fabrication, Storage,
Distribution and Utilities

Growth in these categories is expected to be relatively negligible, however, they are expected to maintain a presence within Canning City Centre. Over time these uses are likely to evolve into more intense, higher productivity and cleaner operations.

Figure 35 summarises the modelled Manufacturing/Processing/Fabrication, Storage and Distribution and Utilities activity growth for Canning City Centre to 2031. This floor area is primarily comprised of the Western Power transformer located east of Carousel Shopping Centre. It should be noted that the Western Power Substation occupies around 9ha of this area.

Figure 35: Manufacturing/Processing/
Fabrication, Storage, Distribution and
Utilities Grow

| Growth Area | 2007/ 2008 | 2016 | 2021 | 2026 | 2031 |
|-------------------------------------|---------------|--------|--------|--------|--------|
| Floor-space (m ² NLA) | 58,360 | 64,130 | 65,660 | 67,240 | 67,240 |
| Employment (workers) | 160 | 180 | 180 | 200 | 200 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.2 Service Industry

Service industry is a relatively small component of the Canning City Centre but reflects the centre’s close proximity to major industrial centres. The activity is primarily population-driven, consisting predominately of automotive services located on the periphery of the centre. As the population of the catchment, and in particular the centre, grows, the demand for population-driven service activity will increase. There is also expected to be increased demand for producer services industries, such as catering and functions, and building services.

Figure 36 summarises the modelled service industry growth for Canning City Centre to 2031. It should be noted that currently there is 71,800m² of retail area.

Figure 36: Service Industry Growth

| Growth Area | 2007/ 2008 | 2016 | 2021 | 2026 | 2031 |
|-------------------------------------|---------------|--------|--------|--------|--------|
| Floor-space (m ² NLA) | 22,940 | 28,310 | 29,750 | 31,210 | 31,210 |
| Employment (workers) | 230 | 280 | 290 | 310 | 310 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.3 Shop Retail

The results of the retail needs assessment (RNA) indicate that taking into account the proposed expansion of Westfield Carousel Shopping Centre of 47,000 m², up to an additional 65,000 m² floorspace is likely to be supportable by 2024.

The growth model suggests planning for less than the maximum supportable floorspace

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will meet the goals and aspirations of the structure plan and is appropriate for a strategic metropolitan centre.

Figure 37 summarises the modelled staging and employment implications of the Shop-Retail activity growth for Canning City Centre to 2031. The majority of this area is located within Carousel Shopping Centre, however there is opportunity for significant floorspace to be located in the Cecil Avenue Main Street and incidental floorspace to be located elsewhere within the activity centre.

Figure 37: Shop Retail Growth

| Growth Area | 2007/ 2008 | 2016 | 2021 | 2026 | 2031 |
|----------------------------------|---------------|---------|---------|---------|---------|
| Floor-space (m ² NLA) | 116,740 | 146,740 | 161,740 | 176,740 | 176,740 |
| Employment (workers) | 2,600 | 3,430 | 3,650 | 3,880 | 3,880 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.4 Other Retail

The results of the retail needs assessment (RNA) indicate that taking into account the proposed new Bunnings, up to an additional 42,000 m² floorspace is likely to be supportable by 2024.

While the other retail land use category accommodates a range of business models, it has become synonymous with the 'large format retail' business model. As a result of the requirement for large areas of relatively cheap land, many large format retailers develop outside of existing activity centres. In the case of Canning City Centre the majority of Other Retail activity is accommodated in the frame of the Centre along Albany highway.

As a business model, large format retail has financially been very successful, however it has created numerous challenges for planners and policy makers. Understanding that the continued financial success of the business model is likely to drive its proliferation into areas where the activity is inappropriate, intervention is necessary in order to ameliorate any negative effects and properly plan for large format retail as well as promote other more sustainable, business models.

Figure 38 summarises the modelled Other Retail growth for Canning City Centre to 2031. Significantly less than the supportable floorspace has been proposed. This is due to an expectation that this type of floorspace is not ideal in its current form for a mature, high intensity, strategic metropolitan centre. Alternative locations for Other Retail floorspace, such as in light industrial areas or along transit corridors, are considered more appropriate.

Figure 38: Other Retail Growth

| Growth Area | 2007/ 2008 | 2016 | 2021 | 2026 | 2031 |
|----------------------------------|---------------|--------|--------|--------|--------|
| Floor-space (m ² NLA) | 48,450 | 61,200 | 64,610 | 68,080 | 68,080 |
| Employment (workers) | 680 | 840 | 890 | 930 | 930 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.5 Office Business

Office Business activity in Canning City Centre is currently anchored by a number of key enterprises including:

- City of Canning;
- State Government offices

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- o Department of Education
- o Department of Child Protection

The quantum and type of office uses supported in an activity centre varies depending on two factors: the size of centre's resident catchment; and whether the Centre can effectively accommodate higher order strategic office uses.

Growth in Canning City Centre's main trade area, and in particular the growth within the centre boundary, will drive demand for population-driven office-based activity. This will include the full range of office-based consumer services such as real estate agents, lawyers, accountants, banking and finance services. This will also include any potential relocation of other State Government Departments to the centre.

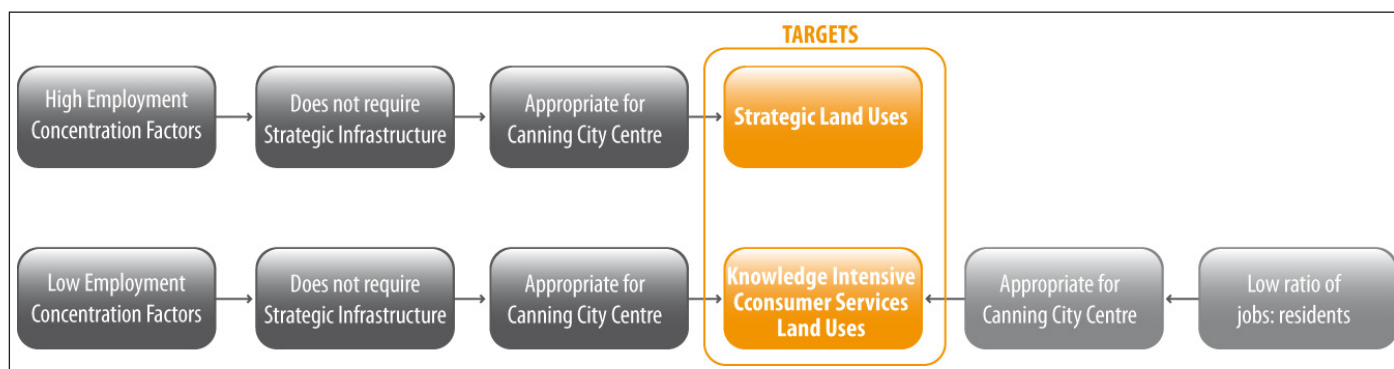
However in its designation as a Strategic Metropolitan Centre, Canning City Centre will need to develop or leverage an existing comparative advantage around which to generate higher order knowledge based activity.

Figure 39 outlines the process by which potential strategic activities were identified for Canning City Centre.

This methodology filters out the full-range of strategic land-uses present within the inner south-east, to focus on this that:

- a) Are part of an agglomeration of activity that represents a significant sub-regional competitive advantage
- b) Population-driven activity that is significantly under-represented in the sub-region
- c) Activity that is not reliant on infrastructure not present within the Canning City Centre
- d) Activity that will result in land-uses considered compatible to the ultimate vision for Canning City Centre

Figure39: Strategic Activities Pipeline



Source: Pracsys 2012

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Figure 40: Strategic Industry Analysis Results

| 3 Digit Industry | Activities Included | PLUC | Centre Employment | Sub-Region Employment | Sub-Region ECF |
|---|---|------|-------------------|-----------------------|----------------|
| Medical Services | General Practice Medical Services and Specialist Medical Services | OFF | 37 | 1146 | 0.70 |
| Allied Health Services | Dental, Optometry, Physiotherapy, Chiropractic etc | OFF | 106 | 1944 | 0.90 |
| Architectural, Engineering and Technical Services | Architectural Services, Surveying and mapping, Engineering design and consulting, scientific testing and analysis services | OFF | 7 | 4085 | 0.87 |
| Management and Related Consulting Services | Corporate Head Office Management Services, Management advice and related consulting services | OFF | 0 | 968 | 0.66 |
| Adult, Community and other Education | Sport and Physical Recreation instruction, Arts education study skills, Career development and job search training, parental education etc. | ENT | 14 | 1180 | 0.99 |
| Tertiary Education | Higher education, technical and vocational education and training | HEL | 7 | 4798 | 1.55 |

Source: ABS Census 2011 and Pracsys 2015

The resulting target industries can be divided into two broad categories:

- target population-driven activity
- target strategic activity

Target population-driven activity largely focuses on healthcare and education industry categories whilst target strategic categories focuses on high-level professional services related to sub-regional supply chains including engineering, architecture and consulting services. The implication for land-use planning, yields and the activities resulting from the Strategy will be discussed further in subsequent sections.

Based on the projected increased demand driven by population growth and the assumed development of the above strategic industries, Figure 41 summarises the modelled Office Business growth for Canning City Centre to 2031.

Figure 41: Office Business Growth

| Growth Area | 2007/2008 | 2016 | 2021 | 2026 | 2031 |
|----------------------------------|-----------|--------|--------|---------|---------|
| Floor-space (m ² NLA) | 62,430 | 79,500 | 97,620 | 129,380 | 142,940 |
| Employment (workers) | 1,400 | 1,880 | 2,400 | 3,300 | 3,690 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.6 Health, Welfare and Community Services (including education)

Canning City Centre and its main trade area are currently deficient in the supply of Health, Welfare and Community Services relative to the average for the Perth Metropolitan Area. The major Health, Welfare and Community Services anchors currently in the centre include:

- Seven Oaks High School;
- Healthscope Pathology; and
- Cannington Community College.

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There are currently a number of gaps in the Health, Welfare and Community Services provision which Canning City Centre should provide for the current population. These include general and allied health services and veterinary services. The addition of these uses, which are consistent with those provided at a Strategic Metropolitan Centre, would add diversity to the offer for catchment area residents.

Beyond this, growth in the Health, Welfare and Community Services provision will need to increase significantly in line with population growth and density envisaged for the city centre. This will likely include additional primary schools, childcare facilities, and health and advanced adult education services (eg. TAFE, language schools, apprenticeship training centres etc.). Other higher order uses such as hospitals and tertiary education are considered to be better suited to other regional locations, including Curtin University, Bentley Technology Park and the Murdoch Activity Centre.

To assess the potential for additional Health, Welfare and Community Services at Canning City Centre the existing provision and future demand for floor-space has been considered in the context of the Inner South East Sub-Regions population. Full details of the assumptions are outlined in Appendix 1: Growth Model Assumptions.

Figure 42 summarises the modelled Health, Welfare and Community Services Activity growth for Canning City Centre to 2031.

Figure 42: Health, Welfare and Community Services Growth

| Growth Area | 2007/ 2008 | 2016 | 2021 | 2026 | 2031 |
|-------------------------------------|---------------|--------|--------|--------|--------|
| Floor-space (m ² NLA) | 8,750 | 17,230 | 37,080 | 44,080 | 48,860 |
| Employment (workers) | 370 | 510 | 820 | 930 | 1,010 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

Provision of this type of floorspace is also critical in providing the support infrastructure for higher density living. A key example of this is the need to provide adequate primary school education infrastructure in a TOD location if the benefit of decreased commuting times is not cancelled by the increased ‘hassle’ of getting kids to school.

4.5.7 Entertainment Recreation and Culture

Currently the major entertainment recreation and cultural anchors in the centre include:

- Hoyts Cinemas
- Greyhounds WA
- City of Canning community facilities

A major new anchor, the Cannington Leisureplex and Library, is due for completion this year. Located adjacent to the Cannington Train Station the Leisureplex will provide a range of civic and recreational functions for the City and the wider centre catchment. These will include a library, aquatic centre, sports hall, child care centre and fitness centre. Greyhounds WA is also planning for new facilities in Canning City Centre to create a new track and facility behind its existing Albany Highway site. This

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development will enable the association to continue operating a racing facility after the lease for the current site expires.

In addition to this there are a number of small gaps in the current entertainment offer which Canning City Centre could provide. These include facilities such as dance studios, art galleries, and theatrical and music spaces. The addition of these facilities, which are consistent with those provided in a Strategic Metropolitan Centre, would add diversity to the entertainment offer for catchment area residents and ensure the full quotient of population-driven activities are provided within the centre.

Beyond this, growth in the entertainment, retail and cultural services will need to increase in line with population growth and diversify to meet the changing needs and preferences of the catchment population. Particularly in the context of the residential density envisaged in the structure plan, provision of high quality Entertainment, Recreation and Culture activities will be necessary to encourage uptake of higher densities. For example, increasing and diversifying the range of small bars, hotel and taverns to meet emerging niche markets.

To assess the potential for additional entertainment activity at Canning City Centre the existing provision and future demand for such floor-space has been considered in the context of the Inner South East Sub-Regions population. Full details of the assumptions are outlined in Appendix 1: Growth Model Assumptions.

Figure 43 summarises the modelled Entertainment Recreation and Culture activity growth for Cannington to 2031.

Figure 43: Entertainment Recreation and Culture Growth

| Growth Area | 2007/2008 | 2016 | 2021 | 2026 | 2031 |
|----------------------------------|-----------|--------|--------|--------|--------|
| Floor-space (m ² NLA) | 11,130 | 18,430 | 25,420 | 28,760 | 30,130 |
| Employment (workers) | 190 | 260 | 330 | 360 | 380 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.8 Residential

This category of land uses includes residential uses such as accommodation and residential facilities, but excludes houses as these are not a type of commercial activity.

Residential activity is significantly under-developed in and around Canning City Centre, particularly as an employment driver. As the centre matures, it is expected the demand for hotel and serviced apartment accommodation will emerge in response to growing demand from local businesses as well as the genuine tourism sector.

Expansion of health services activity may also support the development of age care facilities within the centre. This would be an important contributor to the development of balanced demographic within the Centre and also support aging in place for many local residents.

Figure 44 summarises the modelled Residential activity growth for Canning City Centre to 2031.

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Figure 44: Residential Growth

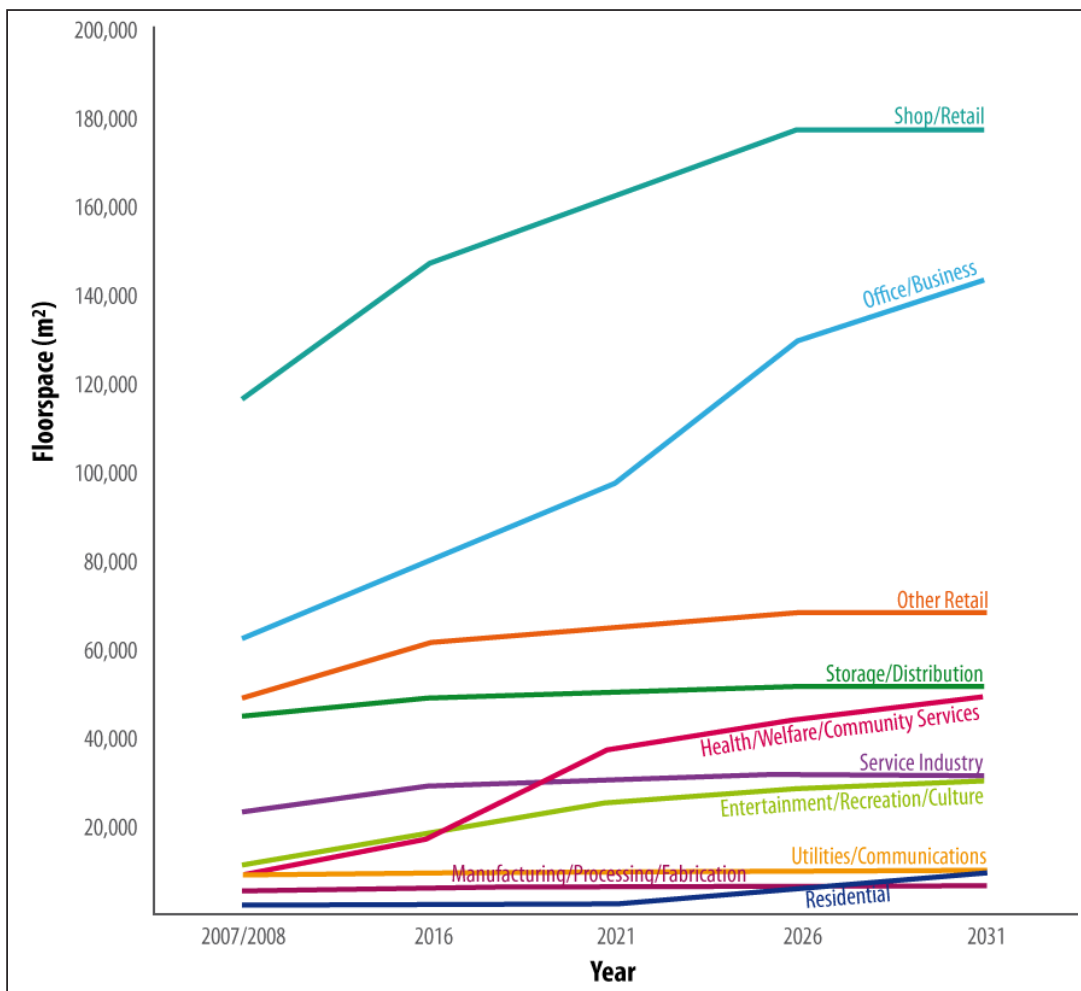
| Growth Area | 2007/ 2008 | 2016 | 2021 | 2026 | 2031 |
|---------------------------------|---------------|-------|-------|-------|--------|
| Floorspace (m ² NLA) | 2,530 | 2,530 | 2,530 | 6,320 | 10,110 |
| Employment (workers) | N/A | N/A | N/A | 40 | 80 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys 2012

4.5.9 Summary

Figure 45 summarises the growth model for Canning City Centre.

Figure 45: Canning City Centre Growth Model Summary



Source: Pracsys Analysis 2012

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4.5.10 State Planning Policy 4.2 Diversity Target

State Planning Policy 4.2 (SPP4.2) requires that strategic metropolitan centres with retail floorspace over 100,000 m² meet a diversity target of 50% shop-retail to other land uses. While this not representative of true diversity as it does not take into account drivers for non-retail land uses within retail-based centres, it can be used to demonstrate that other activities will contribute to trip generation to an activity centre.

There is potential to improve the diversity of the activity centre from 53% non-retail land uses to 62% non-retail land uses by 2031 if the aspirations of the structure plan are met (Figure 46). However, given the centre is currently anchored by Carousel Shopping Centre and the Other Retail land uses along Albany Highway, it is likely that in the short to medium term there will be an increase in shop-retail land uses and a decrease in Other Retail land uses. This is to be expected as shop-retail is the most significant competitive advantage currently available to Canning City Centre to pursue economic growth and development. Other Retail land uses are assumed be progressively replaced by residential and other higher intensity land uses, while some of the large format retail and bulky goods retail relocate elsewhere within the City of Canning.

Figure 46: Capacity to meet SPP 4.2 diversity target

| Planning Land Use Category (PLUC) | Current 2007/ 2008 (floorspace m ² NLA) | Future 2031 (floorspace m ² NLA) |
|--|---|--|
| Shop Retail | 116,740 | 176,740 |
| Other Retail | 48,450 | 68,080 |
| Office Business | 62,430 | 142,940 |
| Health, Welfare and Community Services | 8,750 | 48,860 |
| Entertainment, Recreation and Culture | 11,130 | 30,130 |
| Diversity Ratio | 35% shop retail : 65% other uses | 30% shop retail : 70% other uses |

Source: Pracsys 2015

4.6 FUTURE COMMERCIAL ACTIVITY

As a Strategic Metropolitan centre within the Perth and Peel activity centre hierarchy, Canning City Centre must be responsible for a significant proportion of the growing catchment's employment and services. The centre must accommodate regional services (such as health, community and commercial services) and population-driven activity for local and regional residents, while also linking to and providing opportunities for footloose and knowledge-intensive businesses associated with the region's industrial nodes.

The vision for Canning City Centre as a sustainable, liveable and productive centre is intrinsically linked to the provision of employment and amenities within a vibrant and useable urban environment. This vision is reflected in the economic and urban form performance targets developed for Canning City Centre as part of this economic development strategy.

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Figure 47 contains the current results and scores for Canning City Centre (as discussed in the previous section on Current Commercial Activity), along with the target scores set for Canning City Centre to achieve by 2031, as discussed in section 3.5. These scores are presented and discussed in the following sections.

Figure 47: Canning City Centre Current Commercial Performance and Future Goal

| Category | Cannington (Current) | | Cannington (Goal) | |
|---------------------------|---------------------------------|-------|--|-------|
| Metrics | Result | Score | Result | Score |
| Mixed Use | 64% | 6.00 | 69% | 6.50 |
| Equitability Index | 0.76 | 7.00 | 0.79 | 7.00 |
| Total Diversity Score | | 6.50 | | 6.70 |
| Residential Density | 5.02 | 0.50 | 45.00 | 8.50 |
| Employment Density | 30.45 | 5.50 | 56.91 | 6.50 |
| Total Intensity Score | | 3.00 | | 7.10 |
| Employment Quantity | 5,611 | 7.00 | 10,472 | 9.50 |
| Employment Quality | 14% | 7.50 | 16% | 8.00 |
| Total Employment Score | | 7.25 | | 8.75 |
| Connectivity | 11 | 6.50 | 11 | 6.50 |
| Transport infrastructure | Train station & bus interchange | 7.00 | Train station, bus station & rapid transit network | 9.00 |
| Total Accessibility Score | | 6.75 | | 7.75 |
| Total Score | | 24.45 | | 30.05 |
| Score out of ten | | 6.11 | | 7.51 |

Source: Pracsys Analysis 2012

The performance targets have been developed through:

- Research into the centre's competitive advantages and strategic opportunities;

- Benchmarking of other equivalent centres and local government areas in Perth and around Australia; and
- Analysis of Canning City Centre's current and future employment responsibility in the context of the growing residential population and the centre's position within the activity centres hierarchy set out in SPP 4.2.

4.6.1 Future Intensity

Intensity is a measure of the amount of development within the centre.

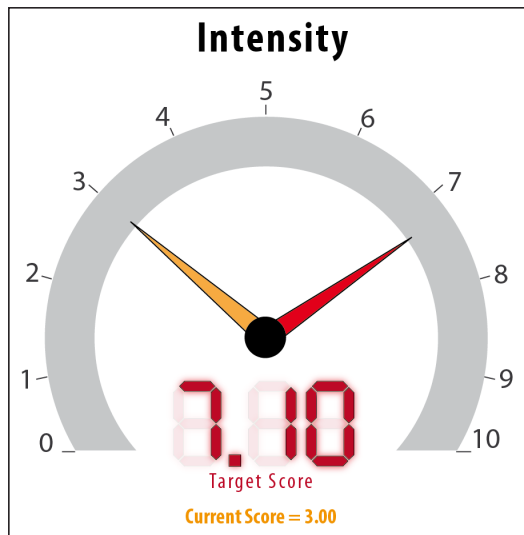
The employment target of 10,472 jobs will impact directly on the future intensity of the centre, as measured by employment density (jobs per hectare). Within the identified centre boundary, this will equate to almost 57 jobs per hectare, up from the current 30 jobs per hectare. Achieving 57 jobs per hectare at future development will increase Canning City Centre's employment density score from 5.50 to 6.50 out of 10 (see Figure 48).

The future residential density target has been taken from SPP 4.2 and reflects the proposed dwellings per hectare required within the walkable catchment of a Strategic Metropolitan Centre. Canning City Centre's train station infrastructure provides opportunities for residential transit-oriented development, and the amenity associated with the river can also be used to advantage with development of medium - high density residential dwellings. Achieving the target residential density of 45 dwellings per hectare by 2031 will lift Canning City Centre's residential density score from 2.00 to 8.50 out of 10.

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Based on the residential and employment density targets, Canning City Centre could increase its total activity intensity score from the current 4.45 to a future 7.10.

Figure 48: Future Canning City Centre Intensity



Source: Pracsys Analysis, 2012

4.6.2 Future Diversity

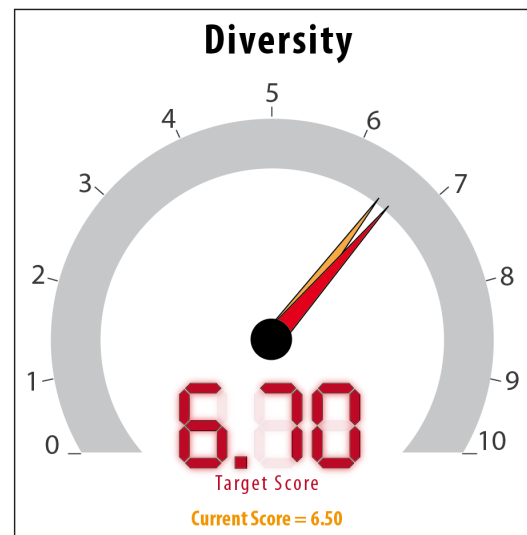
Diversity is a measure of the proportion of different types of land uses located in the centre.

The employment target of 10,472 future jobs is comprised of a mix of land use categories to ensure that the centre provides a diversity of local jobs, services and amenities as befits its role within the activity centres hierarchy. The Growth Model distributes employment by land use category based on the needs of the catchment, Canning City Centre's (and Perth's) growth trajectory, and opportunities within the centre. The model calculates that Canning City Centre has the potential to increase its

future proportion of mixed-use employment from 64% to 69%, reflecting a greater focus on entertainment uses, office-based activities and community services such as health. This would result in the mixed-use score increasing from 6.00 to 6.50.

In addition to a greater proportion of non-retail employment, Canning City Centre's future jobs are expected to be spread more evenly across land use categories, with retail in particular becoming less dominant. This will increase the equitability index from 0.76 to 0.79, although the score remains 7.00 out of 10.

Figure 49: Future Canning City Centre Diversity



Source: Pracsys Analysis, 2012

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Canning City Centre's future diversity score will increase to 6.70 out of 10 as the improvements to mixed-use and equitability are realised (see Figure 54). These targets are realistic for a centre that has developed around a retail mall, but requires a higher performance than the average 'retail-centric' centre in Australia. Canning City Centre's location, infrastructure and centre classification mean that it must make diversification a high priority.

4.6.3 Future Employment

Employment refers to the amount and types of employment available in the centre.

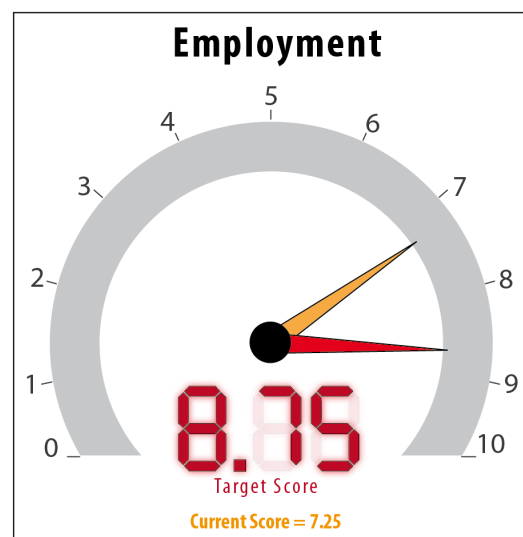
The Growth Model developed for Canning City Centre (as discussed in Section 4.5) identifies a future employment quantity of 10,472 jobs that should be accommodated within the centre. This is based on achieving greater population-driven jobs and services for the growing residential catchment, in addition to the attraction of knowledge-intensive strategic employment via a continued focus on the importance of prioritising activity centres for new economic development. A target of 10,000 jobs within the centre is also consistent with the average employment achieved in the equivalent case study centres throughout Australia, as identified in the benchmarking study. This would expand centre employment by just over 5,000 jobs by 2031, increasing the employment quantity score to 9.50 out of 10 (see Figure 50).

Canning City Centre's employment target of 10,472 jobs will be a mix of population-driven and knowledge-based or export-oriented employment. The population-driven component can be derived through an understanding of the residential catchment,

while the high quality component requires knowledge of competitive advantage and employment concentration factors within the region. The purpose of the economic development strategy is to direct quality employment to Canning City Centre, in line with the vision and strategic metropolitan centre role, and to generate productivity and employment self-sufficiency benefits.

The future employment quality target for Canning City Centre is to achieve 16% of total employment within knowledge-based or export-oriented industry (up from the current 12%). Based on the employment quantity target of 10,472 jobs, this would require 1,675 high quality jobs, which is consistent with growth in office land use categories within the centre (as identified in the growth model). Achieving this target would increase Canning City Centre's employment quality score from 7.25 to 8.00 out of 10.

Figure 50: Future Canning City Centre Employment



Source: Pracsys Analysis, 2012

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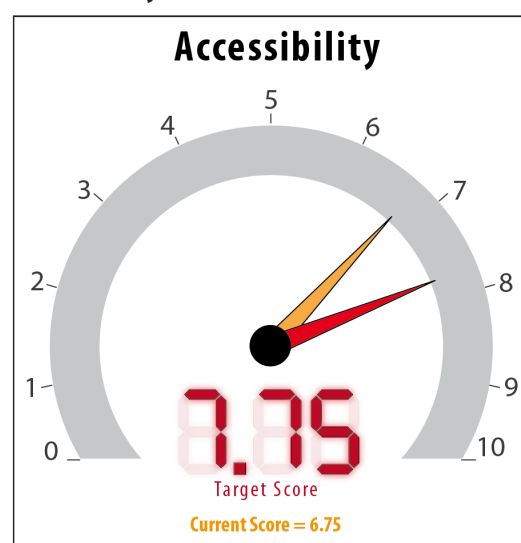
Combining the improvements in employment quantity and quality achieved through meeting future targets, Canning City Centre's total employment score would increase from 7.25 to 8.75. While attraction of a greater quality and quantity of employment must be the primary goal of the centre, it is one of the more difficult tasks for non-CBD centres to achieve. Land use planning and improvements to urban form can play a part, but must be accompanied by stakeholder buy-in and strong governance and implementation strategies.

4.6.4 Future Accessibility

Accessibility examines the proximity to other major regional centres and whether there is an efficient means of transit between them.

Although the connectivity of Canning City Centre in terms of physical proximity to employment nodes (including the Perth CBD) cannot be altered, it is possible to improve links through public transport. A goal for Canning City Centre is to introduce a rapid transit system that better links the different components of the centre, such as the train station and the retail core. The presence of a heavy passenger rail station is a significant advantage to Canning City Centre, however it is located over half a kilometre from the shopping centre and future town centre core. This highlights the importance of better integration and future development around the station to maximise use and strengthen Canning City Centre's strategic advantage (such as the ability for businesses to locate within Canning City Centre and easily access the CBD by train). Improvements to the bus network are also possible, including increased frequency of services and more routes with greater connectivity to key nodes such as Curtin University or the Perth Airport.

Figure 51: Future Canning City Centre Accessibility



Source: Pracsys Analysis, 2012

The addition of a regional bus interchange and a rapid internal transit system at Canning City Centre would have the potential to increase the accessibility score from 6.75 to 7.75 out of 10 (see Figure 56). Compared with other centres around Perth, this would give Canning City Centre a strong advantage that cannot be easily replicated due to the necessary infrastructure investment.

4.7 FUTURE URBAN FORM PERFORMANCE

The performance of future urban form will need to respond to the changes in user groups using Canning City Centre, in particular the increase in worker and residential population. For example, as a Strategic Metropolitan Centre, Canning City Centre will need to cater for the full range of residential users, with urban form infrastructure user needs differing for a number of reasons, including across age groups, cultural

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background and life stage. Some user groups or group segments may have conflicting needs which will need to be carefully managed to achieve optimal outcomes. The future urban form will also need to respond to changes in the time over which the centre is used.

The future urban form performance scores should be used to test the draft Canning City Centre Structure Plan and future detailed planning for the Canning City Centre for consistency with the changing user needs and to ensure a high level of support to the economic activity measures is delivered. Targets for each measure of urban form have been set, in response to the requirements of user groups, the relevant planning policies, the vision set for Canning City Centre and the unique context in which the centre is situated.

4.7.1 Future Urban Form Quality

Current urban form quality was measured at 4.06 out of 10.00. The future target is 8.50 (see Figure 52). This target was set through assessment of the user needs, the context of a Strategic Metropolitan Centre. Achieving this target will require a large reduction in the amount of unattractive features present within the centre, and an increase in the attractive features present. New development must be required to provide urban form consistent with this target, and which addresses the need to provide attractive features to create a pleasant urban environment for users, while avoiding highly visible unattractive features.

The future urban form quality will also need to be supported by a strong place-making strategy, which will allow urban form design to respond the Canning City Centre as a unique location and create a 'sense of place'.

Figure 52: Future Urban Form Quality



Source: Pracsys Analysis, 2012

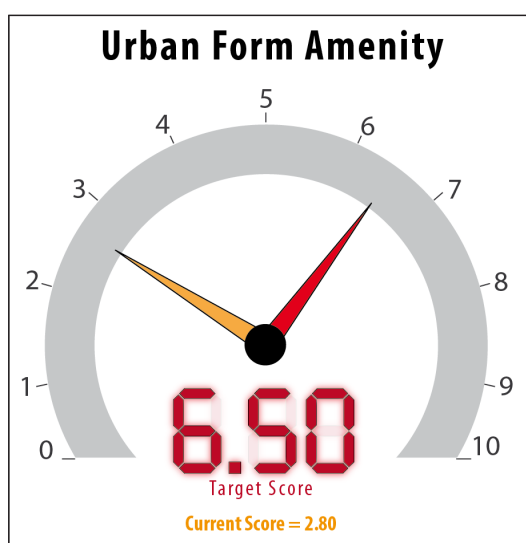
4.7.2 Future Urban Form Amenity

Current urban form amenity scored 2.80 out of 10.00. The future target is 6.50 (see Figure 53). Meeting this target will require a significant increase in infrastructure providing for pedestrian comfort, particularly in the context of Perth's high diurnal temperature variation, hot summers and wet winters. Measures of noise attenuation will also need to be provided to assist in mitigating the effects of the noise emissions from Albany Highway, low flying aircraft and the railway line, as well as future noise created through changes in the structure of Canning City Centre.

The target for this urban form category has been reduced in recognition of the fact that the noise emissions will always be present and higher score in this category is not likely to be achievable.

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Figure 53: Future Urban Form Amenity



Source: Pracsys Analysis, 2012

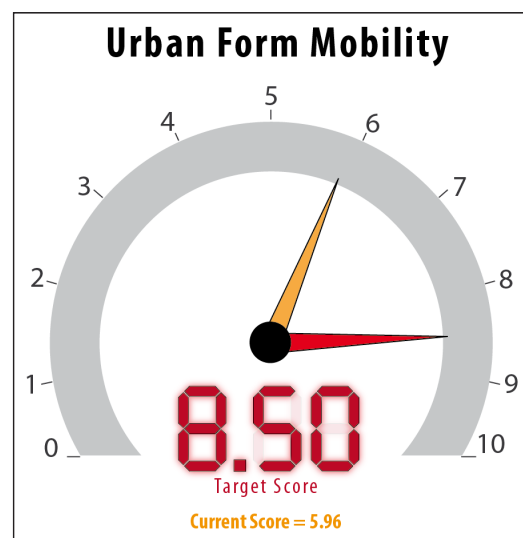
4.7.3 Future Mobility

The current mobility within Canning City Centre was calculated to be 5.96 out of 10.00. The future target has been set at 9.00 (see Figure 54). This is in recognition of the critical need to provide an efficient, effective network of transit modes throughout the centre and to the centre. The user base for this centre will be diverse and will have diverse needs in terms of mobility. Given the intensity of development proposed in the draft Canning City Centre Structure Plan, and the status of Canning City Centre as a Strategic Metropolitan Centre, deficiencies in the transit network will have significant negative impacts on the economic viability of individual businesses as well as on the choice of businesses to locate there.

To achieve the target mobility score, the coverage of the public transport network will need to be improved throughout the activity

centre. Some improvements in the provision of footpaths will be required to improve the connectivity of the footpath network. Vehicle access, which is currently very good, will need to be maintained at high levels without contributing to a negative urban form quality. Both bicycle access and walkability infrastructure will need to be upgraded in recognition of significant increase in users and shifts in user groups in the future.

Figure 54: Future Mobility



Source: Pracsys Analysis, 2012

4.7.4 Future Safety

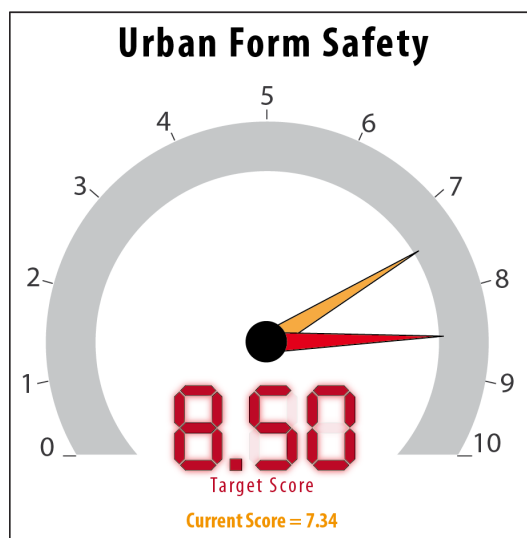
Current safety from traffic and statistical levels of crime were calculated at 7.34 out of 10.00. The target for this is 8.50 (see Figure 55). To improve safety from traffic there will need to be additional infrastructure devoted to facilitating safe road crossing and to buffer pedestrians and cyclists from the potential dangers from traffic. New infrastructure will need to respond to the changing urban form

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of Canning City Centre and the configuration of anchor commercial tenants and nodes of high residential density. Given that active forms of transport will be prioritised in the centre it is critical to ensure a lack of safety from traffic does not form a barrier to these types of user movements through the centre.

As the centre increases in density and intensity the urban form will also need to provide levels of passive and active surveillance appropriate to each stage of development to ensure crime does not increase in the centre, and to provide a level of perceived safety for the more vulnerable centre users. Perceived safety will also need to be assessed to ensure the urban form continues to support a centre environment which feels safe for all users.

Figure 55: Future Safety



Source: Pracsys Analysis, 2012

4.7.5 Economic Activation

Economic activation is defined as the frequency and concentration of social and economic transactions carried out by the diverse user groups of a place. Delivery of an activated place is a key reason why place managers seek to understand the needs of their user groups so as to provide an environment that both attracts and retains people.

From a centre design and ongoing management perspective, there are certain economic activation principles that should be considered to ensure that the place is able to maximise the number, length and purposes of visits. Precinct planning and urban design of new land uses and floorspace should consider the following six principles of economic activation.

1. Purpose of Place

- Address the question – what does this place represent to its target user population (residents, workers, visitors)?
- Successful places usually emanate from a single point, so establish a core precinct and ensure that the periphery follows in a complementary manner
- Send signals to fringe area land owners and tenants to enable collaboration
- Enhance land economics by using design to maximise frequency and concentration of transactions

Currently, the primary purpose of place for Canning City Centre is as a retail destination. Comparison and convenience retail within Carousel Shopping Centre and along Albany Highway are the primary reason the activity centre exists. In the future, it is expected that

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retail will perform a significant but lesser role in the purpose of place of the centre, as growth in other land uses, especially more knowledge-intensive land uses, occurs.

In order for Canning City Centre to experience economic growth and development, the current purpose of place should be leveraged to attract additional land uses to the activity centre.

2. Access – Arrival Points

- Decisions about access begin 5 km from the place
- Do not allow transport networks to bypass the place – ensure the design funnels people and traffic into the core
- Congestion and a mix of transport nodes is good
- Arrive at the “front door” of the place, not around the back

While Albany Highway currently forms a barrier to access between the main part of Canning City Centre and the riverside area, it also is an asset in bringing people to the centre. The train station is also a currently underutilised asset for the centre. People arriving at these points and at large carparks need to be directed towards the desired activities to capture expenditure, and ensure people are exposed to as many different activity options as possible.

3. Origins – Car Parking and Transport Nodes

- Disembarking at a transport node is the driver of pedestrian movement
 - o Train stations
 - o Bus stations/stops
 - o Car parks

- Strategic distribution of car parks and transport nodes will maximise pedestrian movement
 - o Location is more important than numbers
 - o Space the car parks around the centre
- Street parking is important (for commercial areas)
 - o Charge no fees
 - o Relax time limits

The car parks around Carousel Shopping Centre and along Albany Highway in front of tenancies are important locations of origin for pedestrian. Additional car parks to access the Cecil Avenue Main Street or other activity nodes should be carefully positioned to maximise pedestrian exposure to activity while ensuring access is convenient and efficient.

4. Exposure – Pedestrian Movement

- Economic activation is driven by the frequency and concentration of transactions
- Channel movements
 - o Concentrate transactions by pushing people past as many shop windows as possible
 - o Rents and sales are directly related to pedestrian traffic (eg: Butcher will pay three-times the rent to be at supermarket entry)
- Minimise possible routes from origin to destination points (eg: car park to main attraction) as architectural “permeability” is not always a good thing

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The design of road reserves, footpaths, main streets and pedestrian networks has the potential to make or break parts of an activity centre. Pedestrians tend to take the most efficient route from point A to point B. They should be channelled past frontages that are desired to be activated, whilst considering user's arrive at their destination efficiently. This is particularly important when planning a main street precinct.

5. Destinations – Major attractions

- Identify main destination – what will bring users into the core?
- Assess user behaviour
 - o Number of visits
 - o Timing of visits (time of day, seasonality)
- Give major destinations special treatment
 - o Understand what they need
 - o Build centre around them
- Amplify the impact of attractions by creating support amenity and infrastructure to maximise frequency, length of stay and expenditure

Anchor tenants can be considered as 'major attractions'. Supermarkets, department stores, sought-after cafes, train stations and major offices are all destinations in Canning City Centre. These are all major trip generators. Other activity, such as specialist retail, food and beverage retail and small offices, have the potential to capture expenditure from people whose primary purpose in visiting the centre was to undertake transactions at an anchor tenant.

6. Control – Strategic Sites

- Tenure control is vital for overall development success – determine which sites (supporting what uses) must stay in public ownership
- Identify active frontages and take control of key sites
- Corner sites drive uses on either side
- Not all areas in a place need to be active – be selective
- Have a plan and stick to it

Some sites within Canning City Centre are more important than others. These may be adjacent to major attractions or located on primary access routes. The purpose of these sites, and if and how they should be designed, oriented and developed needs to be carefully considered if the centre is realise its potential.

4.8 FUTURE EMPLOYMENT SELF-SUFFICIENCY

4.8.1 Policy Context

Directions 2031 outlines a hierarchy of Activity Centres in the Perth and Peel area. This hierarchy nominates the role each centre should play within the network and identifies which centres should assume a strategic role, and which should perform a purely population driven function. The hierarchy nominates a limited number of Strategic Metropolitan Centres, including Canning City Centre. These centres are based around infrastructure, and are large enough to produce productivity increases from agglomeration. The role of these centres is not only to provide a full range of population-driven amenity but also to play a greater role in the provision of high-order,

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knowledge-intensive, export-oriented (KIEO) jobs, services and facilities to the sub-region, as a means to reduce growing pressure and congestion in the Perth CBD. These centres should provide an alternative strategic employment location, maximise leverage from transport infrastructure and begin to address the economic, social and environmental costs associated with extensive commuting.

SPP 4.2 requires that employment outcomes are achieved by activity centres to drive the 'decentralisation' of jobs in line with the sub-regional self-sufficiency targets set out in Directions 2031.

Giving consideration to the strategic objectives of Directions 2031 and SPP 4.2, Pracsys has undertaken extensive economic modelling to translate high-level, sub-regional population and employment targets into specific employment generation targets for the activity centres in the City of Canning.

4.8.2 Central sub-region employment

The central sub-region covers an area of 45,290 hectares and encompasses the following 19 local government areas: Bayswater, Belmont, Canning, Fremantle, Melville, Nedlands, Perth, South Perth, Stirling, Subiaco, Peppermint Grove, Bassendean, Cambridge, Claremont, Cottesloe, East Fremantle, Mosman Park, Victoria Park, and Vincent (Figure 56).

The sub-region has a dominant role in the metropolitan area in terms of employment, economic, social, and cultural activity. It includes the Perth capital city area (the highest-order activity centre), four universities, major hospitals, major sporting infrastructure, and the State's preeminent culture and arts facilities. Consequently, the residents of the central sub-region enjoy good access to highly skilled jobs and consumer services relative to residents in the outer sub-regions.

4.8.3 Directions 2031 Employment Targets

One of the primary concerns of Directions 2031 is to better align the spatial location of places of residence and work by ensuring employment opportunities are made available close to residential areas. The rationale behind this is that by increasing employment self-sufficiency (ESS)², employment self-containment (ESC)³ will also increase. Directions 2031 addresses the challenge of aligning residents and employment from the employment perspective by imposing ESS targets on existing residential areas. This challenge is illustrated in Figure 57.

Due to the concentration of existing commercial and employment centres, the central sub-region has a high level of ESS at 122%. This means that there is a net influx of workers into the central sub-region from the outer sub-regions to access employment. While this trend is expected to continue due to the current levels of investment in the Perth CBD

² The proportion of jobs located in a geographic area (region, corridor, local government area) relative to the residents in that same area who are employed in the workforce.

³ The proportion of jobs located in a geographic area that are occupied by residents of the same area, relative to the total number of working residents of that area.

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Figure 56: Central sub-region local government boundaries

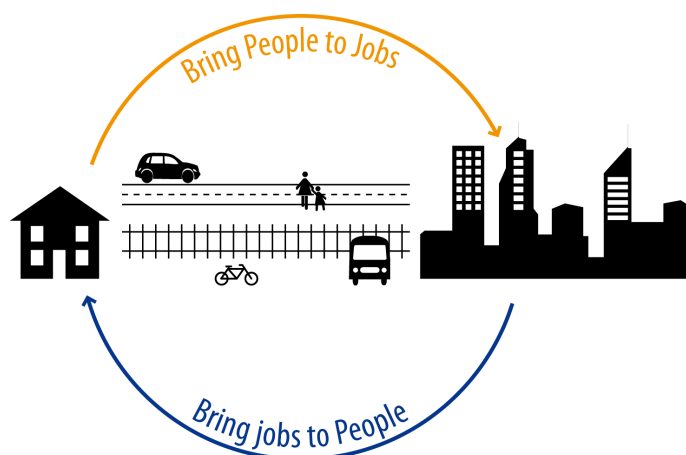


Source: Pracsys 2014

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and other central-subregion activity centres, in order to support the achievement of the outer sub-region ESS targets by 2031, the ESS of the central sub-region is expected to decline. Additional jobs will still be required in the central sub-region in the future to provide for the growing population within the central sub-region, however more jobs per head of population will be required in the outer sub-regions.

Figure 57: Aligning residents and jobs



Source: Pracsys 2014

4.8.4 Canning City Centre Employment Target

To support the Directions 2031 employment targets, a minimum of 11,000 additional jobs will be needed within the City of Canning by 2026⁴. Of these, just over 1,000 will need to be provided within Canning City Centre, with the majority of the remainder provided within the two industrial centres, Canning Vale and Welshpool (see Figure 58).

Figure 58: City of Canning employment targets to 2026

| Activity Centre | Estimated Employment 2011 | Target Employment 2026 | Gap |
|------------------------------|---------------------------|------------------------|--------|
| Canning City Centre | 4,960 | 6,040 | 1,080 |
| Industrial Centres | 41,920 | 51,200 | 9,280 |
| Remainder of City of Canning | 3,900 | 4,540 | 640 |
| Total | 50,780 | 61,780 | 11,000 |

Source: Pracsys analysis 2015

The Canning City Centre structure plan has a target of approximately 5,000 jobs to be supported within the activity centre. The employment target were produced by benchmarking other mature activity centres across Australia with similar strategic functions to that required of a Strategic Metropolitan Centre. Of the additional jobs, around 1,675 are projected to be strategic in nature, with the remainder expected to be population-driven.

The proposed expansion of Westfield Carousel Shopping Centre alone is expected to provide an additional 3,770 jobs alone⁵. These are primarily expected to be population-driven, with significant levels of low-knowledge consumer services (e.g. retail and restaurants), and some knowledge-intensive consumer services (e.g. banks and medical services).

⁴ Population projections for ESS targets are based on WA Tomorrow data, which provides estimates until 2026.

⁵ Westfield Carousel Expansion Development Application, Urbis 2014.

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4.8.5 Implications for Employment Self-Sufficiency Targets

Both the structure plan employment target and expected actual additional employment are likely to exceed the level required to meet the ESS target considerably. This is typical of most other high-level activity centres in the central sub-region, such as Perth CBD, Morley Strategic Metropolitan Centre and Subiaco Secondary Centre.

It is important that the minimum employment targets for the central sub-region are met to support population growth and the ongoing development of the economy of the wider Perth Metropolitan Region. However, exceeding these targets implies that the number of people commuting from their places of residence in the outer metropolitan sub-regions to the central sub-region will increase rather than stabilise. While this result may appear to run counter to the intentions of Directions 2031 to decentralise employment, this does not necessarily represent a failure of the strategy.

Currently, Directions 2031 seeks to influence the employment side of bringing people and jobs together. The strategy objectives can also be met by influencing the residential side. If public and private investments are required or most viable in the central sub-region, facilitating additional population in this area, rather than expanding the outer sub-region population, is a valid means of meeting the policy objectives. This means the residential density targets set out in SPP 4.2 for activity centres will become even more important in the central sub-region and for centres exceeding their targets. It should also be noted that the WA Tomorrow population

forecasts on which the ESS targets are based do not take into account the changing dispersion of population growth resulting from higher residential densities around activity centres.

In conclusion, given the aspirations for the future strategic function of Canning City Centre, the potential for a significantly higher residential population and consideration of employment drivers for the central sub-region, it is appropriate that the future employment accommodated within the centre is higher than that implied by the Directions 2031 ESS targets.

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5 STAKEHOLDER CONSULTATION

5.1 CONSULTATION DRIVERS

Given the short timeframe for consultation of major and minor stakeholders for this strategy a high level assessment of each stakeholder's future goals has been carried out. Stakeholders have been directly consulted where timeframes have allowed this. Where direct contact has not been made an assessment from available information has been carried out and will be verified with the stakeholders when possible.

- Interventions should deliver a competitive centre in the context of the Perth Metropolitan Region, that will meet the needs of the current and future business community;
- Facilitate and encourage public and private sector investment in the centre; and
- Create a platform for marketing of Canning City Centre to potential users.

5.2 MAJOR STAKEHOLDERS

5.2.1 City of Canning

Despite the City of Canning being the statutory authority for Canning City Centre, they are also a major stakeholder in the centre in their own right. The City of Canning is responsible for ensuring the Canning City Centre is planned and implemented in accordance with the relevant planning policies, in particular, the guidance of Directions 2031 and the requirements of SPP 4.2. The following goals have been stated by the City:

- Establish an agreed vision that will guide future centre development;
- The structure plan is considered to be a component of an EDS which will deliver a vibrant, diversified and sustainable city centre for Canning City Centre and the wider catchment;
- Structure plan is to be consistent with the criteria for a Strategic Metropolitan Centre set out in SPP 4.2;
- Interventions should provide immediate benefit to the local community and meet the needs of the future community;

5.2.2 Westfield

Westfield Carousel is the most significant activity and employment anchor in the activity centre. Consultation with Westfield revealed the following future goals and views:

- The ongoing success of Westfield Carousel is seen as a key contributor to the growth and maturation of Canning City Centre;
- Carousel is a shopping centre with significant growth potential;
- Maintain the current strong competitive advantage in food-based convenience retail, especially the food court and supermarkets; and
- Optimise the potential expenditure from their existing catchment by attracting greater comparison retail expenditure.

5.2.3 Department of Housing

Department of Housing have significant land holdings within the Centre. These represent an opportunity for the department to contribute to their goals of:

- Build better communities;
- Enable all Western Australians to have a place to call home; and

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- Improve people's access to secure, appropriate and affordable housing.

5.2.4 Public Transport Authority

The Public Transport Authority have significant interests in Canning City Centre. Cannington Train Station and bus interchange are located within the centre and there a number of bus routes traversing the centre. Public transport links the centre to Perth, Armadale, Curtin University and the catchment suburbs. It is expected that public transport will play an increasingly significant role in providing access to the centre for all user groups.

5.2.5 Greyhounds WA

Greyhounds WA occupy around 14 ha of land within the centre. They were granted funding in the recent state budget to plan for new facilities on the site. These will include a new track, lure, restaurant and administration facility.

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6 CANNING CITY CENTRE IMPLEMENTATION

6.1 KEY ACTIONS

Successful implementation of the CCCEDS will require a number of conscious initiatives by the City across the following three broad areas:

- Strategy formalisation and stakeholder buy-in;
- Alignment of City support, policies and strategies; and
- Adoption of consistent broad themes across all activities.

Figure 59 provides an overview of recommended implementation activities for CCCEDS. It outlines the actions, timeframes, responsibilities and suggested delivery mechanisms associated with each recommendation.

Figure 59: CCCEDS Recommended Implementation Activities

| Action | Justification | Timeframe | Responsibility | Delivery Mechanism |
|---|---|---|--|---|
| Strategy Formalisation and Stakeholder Buy-In | | | | |
| 1. Staff and Councillor awareness | The emphasis on performance-based decision-making a relatively new paradigm for City officers and elected members. Relevant internal stakeholders will need to be briefed and trained upon its application in making planning and investment decisions related to Canning City Centre | Initial briefing to the executive and elected members prior to formal endorsement Upon adoption of CCCEDS, a formal initiative to develop an awareness of expectations and implementation structures | City of Canning planning staff | Internal training and consultation |
| 2. Briefing with major activity centre owners and operators | Activity centre landowners, tenants and operators need to have a clear understanding of the city's expectations, as well as an understanding of the opportunities implicit within the Strategy to deliver more flexible, and innovative developments. | Initial briefing during the Public consultation period of Strategy endorsement Provision of information through a range of mechanisms post endorsement of the Strategy | City of Canning Council and officers | Workshops and information sessions Online and physical information sheets and checklists One-on-one briefings as part of approval processes |
| 3. Promote to the general City of Canning public | Inclusion of the CCCEDS principles and initiatives in the City's ongoing public consultation program will be required to engender support and confidence in the planning direction, and develop an understanding of the roles and responsibilities of individual landowners within, and outside of activity centres. | Ongoing briefing during regular City consultation initiatives Formal briefing post the adoption of the Canning District Structure Plan and CCCEDS | City of Canning Council and officers | Prepared general presentation and briefing Online and physical information sheets targeted at the community |
| Targeted Investment Attraction | | | | |
| 4. Develop a broad performance-based framework for future business cases for City assets within the Canning City Centre | A key opportunity for Canning is the significant land-holdings of both the City and the Department of Housing within the activity centre. Traditional business-cases that only focus on financial value optimisation may not contribute to the achievement of the vision for the activity centre, nor result in the best outcome for the City | Upon adoption by the City of Canning DSP and supporting documents | City of Canning Executive, with independent advice | A published criteria for assessment of Canning City Centre business cases involving the City |

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| Action | Justification | Timeframe | Responsibility | Delivery Mechanism |
|--|--|--|---|---|
| 5. Develop an ongoing program of opportunity identification for Canning through active engagement with industry groups, Centre landowners and major economic development initiatives | Achievement of the economic vision for Canning City Centre will rely on much more than proposed zoning changes and infrastructure planning. It will require proactive management of the centre to ensure that future opportunities are linked to potential sites and investment opportunities | Upon adoption by the City of the Canning DSP and supporting documents. Supported by the preparation of a City of Canning Economic Development Strategy focussing on governance, implementation and risk management structures. | Dedicated resources from the City of Canning with the competence, resourcing and support to proactively seek and act upon opportunities as they arise | Integration of the ongoing entrepreneurial actions of the City of Canning into City strategic plans, policies and organisational structures. Development of engagement materials and strategies that put appropriately competent City officers in front of decision makers at opportunistic times |
| 6. Identify State and Federal opportunities for funding and supporting of relevant initiatives | Significant resources exist for the development of sustainable and resilient activity centres. The Canning DSP and CCCEDS may provide an avenue to engage with a variety of agencies including the State government's ICC, Infrastructure Australia and the Suburban Jobs Program | Proactive identification of opportunities post endorsement of the Strategy | City of Canning Council and officers | Biannual audit of available federal and state funding programs Dedicated resources devoted to ongoing identification of potential programs, and the preparation of submissions and business cases Attraction and development of competencies related to tender and business case preparation |
| 7. Determine need for City assets and infrastructure to support the implementation of CCCEDS | The City's on-going and once-off asset development and infrastructure programs should be focused to support the principles of CCCEDS (based upon the performance criteria identified in Action 6.) | On-going review and updating of works programs post the endorsement of CCCEDS | All relevant City officers | Biannual review of existing programs by a combined group of planning, engineering, community development and economic development staff On-going testing of new initiatives against the performance criteria defined above On-going communication with the community as to the alignment of initiatives with the vision and principles of CCCEDS |
| 8. Develop targeted business cases for the development and management of City assets in alignment with the CCCEDS vision | Based upon identified needs and performance criteria identified in Actions 6 and 7, prepare targeted business cases for the development and management of City assets. The purpose of these business cases should be to unlock targeted public and private sector investment for purposes in alignment with the achievement of the Canning vision. | Upon identification of individual needs through Action 7 | Designated City officer/s | Ongoing production of business cases that deliver investment decisions in alignment with the vision and principles of CCCEDS |
| Encourage Local Economic Activation | | | | |
| 9. Actively promote multiple transaction trips by all major user groups | Achievement of the vision of the CCCEDS, and broader Canning City Centre DSP requires the maturation of the activity centre's value proposition to provide a widening range of reasons for users to be attracted to the centre, and engage with it once there | Upon adoption by the City of the Canning City Centre DSP and supporting documents | City of Canning Council and officers | A range of individual initiatives including: <ul style="list-style-type: none"> Active engagement with the liquor licencing board to facilitate small bar licences Planning and design with Westfield to achieve an integration between the Main St core and Carousel Redevelopment of pedestrian infrastructure to facilitate safe, efficient movement between activity nodes |

Source: Pracsys (2012)

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6.2 INDICATIVE DELIVERY TIMEFRAME

Based upon the outlined actions, the following indicative project plan outlines how the CCCEDS may be rolled out by the City over the first 5-years of the Canning City Centre Project. Integral to the success of the rollout will be whole-of-organisation buy-in, with the collective will to resource and manage the risks associated with the Strategy.

Figure 60: Canning City Centre Economic Development Strategy Project Plan

| Action | Years | | | | | |
|--|----------------|---|---|---|---|---|
| | First 6 months | 1 | 2 | 3 | 4 | 5 |
| Adoption of the CCCEDS and Canning City Centre DSP | | | | | | |
| Action 1. Staff and councillor awareness | | | | | | |
| Action 2. Briefing with major activity centre owners and operators | | | | | | |
| Action 3. Educate general City of Canning public | | | | | | |
| Action 4. Develop a broad performance-based framework for future business cases for City assets within the Canning City Centre | | | | | | |
| Action 5. Implement ongoing program of opportunity identification for Canning City Centre through active engagement with industry groups, Centre landowners and major economic development initiatives | | | | | | |
| Action 6. Identify State and Federal opportunities for funding and supporting of relevant initiatives | | | | | | |
| Action 7. Determine need for City assets and infrastructure to support the implementation of CCCEDS | | | | | | |
| Action 8. Develop targeted business cases for the development and management City assets in alignment with the CCCEDS vision | | | | | | |
| Action 9. Actively promote multiple transaction trips by all major user groups | | | | | | |

Source: Pracsys (2012)

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6.3 KEY ISSUES, RISKS AND CHALLENGES

Major key issues, challenges and risks associated with the implementation and governance of CCCEDS relate to four key areas:

1. Developing a common understanding of the definitions of success by articulating and understanding:
 - Why revitalise Canning City Centre?
 - What can each stakeholder do?
 - What are the goals?
 - What is the vision?
 - Who are the future users of the centre?
 - What actions are required?
2. The City developing a risk management approach to economic development. This means:
 - Determining the City's capacity for investment
 - Defining the City's appetite to risk
 - Defining the City's willingness to manage and/or delegate risk
 - Determine the most appropriate structures to deliver on the vision
3. Focusing investment on key areas. For the City of Canning, this includes:
 - Attracting major job-generators
 - Taking advantages of existing infrastructure
 - Creating new employment opportunities through development on vacant land

4. Delivery by appropriately resourced, empowered and competent staff

Challenge: Developing a common understanding of the definitions of success.

'Success' in a project such as the redevelopment and revitalisation of Canning City Centre will require multiple stakeholders to work together towards a common goal. In particular this project relies on major stakeholders including:

- City of Canning
- Westfield
- Royal Agriculture Society of WA
- Public Transport Authority
- Main Roads
- Swan River Trust
- Western Power

Whilst each of these groups will have their own goals related to their assets within Canning, the City needs to facilitate a shared understanding of the overarching vision for the Centre. This will require a significant investment in time and energy, with the City building strong relationships with relevant stakeholders. This needs to occur at a council, executive and officer level. The extent of the shared vision will also depend on the willingness of the City to continue to consider the needs and goals of each stakeholder post the consultation that has been undertaken during the structure planning process.

Issue: Developing a risk-management approach to economic development.

A direct result of public sector dominance within economic development governance structures is the aversion to entrepreneurial

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risk. A proactive investment strategy by local government needs to carefully manage the risks associated with the investment of ratepayer monies and the use of City assets. However, mitigating all risk will likely lead to sub-optimal results.

The allocation of scarce resources with a seemingly uncertain outcome may provoke a strong reaction with decision-makers, not only due to political imperatives (including a fear of corruption and compromise, the influence of powerful lobby groups, and an egalitarian notion of equal access to all) but also due to the existing constraints of commercial activities undertaken by local authorities as per the Western Australian Local Government Act 1995. Despite these concerns it will be critical to the success of CCCEDS that the City undertake a responsible, yet courageous, approach to management of City assets and investment, with a patient view to the achievement of the Strategy's vision. In considering its approach to risk management the City should also be cognisant of the increasing recognition of the importance of innovation, entrepreneurship and investment at a local government level, with likely changes for the Act foreshadowed by the existing Western Australian State Government.

Challenge: Focusing on Key Investment Areas.

A major challenge of many urban renewal projects is the potential mismatch between where investment is available, and where the vision needs it to go. Often proponents see opportunities for profit on either their existing held assets, or low-value assets on the periphery of a centre, whereas the City's vision requires investment in the core. The City should

be conscious of the potential for this conflict at Canning City Centre. In order to assist in ameliorating this challenge, pre-determined decision-rules need to be prepared to assist officers in engaging with and determining proposals that may increase conflict, or be sub-optimal in the context of the project vision.

As discussed in previous sections, a major opportunity for Canning is the quantity of publically held land in strategic locations within the activity centre. Through appropriate management of these assets there is significant potential to direct private capital investment, as other seek to leverage the initial investments of the City and State.

Risk: Delivery by appropriately resourced, empowered and competent staff.

A significant challenge of economic development governance initiatives is the attraction of personnel into appropriate positions with sufficient expertise and experience to achieve the outcomes sought. Such expertise needs to begin with an understanding of the diverse, multi-actor nature of economic development, and the various actors' relevance within the specific regional context.

An activity centre governance structure needs to include a strong understanding of the globalised economy, and the challenges and opportunities that this presents to their region and the centre. A structure that focuses on 'turf wars' with adjacent centres, or 'small wins' within the activity centre of focus will be ultimately unsuccessful in identifying and taking advantage of the significant knowledge intensive, export oriented opportunities that present themselves.

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The governance structure also needs to be comprised of individuals from a variety of backgrounds. An understanding of public sector administration and funding mechanisms is crucial, as is an understanding of business and entrepreneurship, workforce education, and capital raising. Such expertise is likely to require significant efforts in identification, attraction and retention across a broad range of sectors. It requires investment in developing as well as attracting appropriate employees.

Economic development governance structures should be wary of the appointment of interest groups for public relations or political purposes only. Compromising a board and agency with such appointments may make it harder to attract appropriate personnel and may distract the agency from the big picture as special-interests are pushed.

6.4 IMPLEMENTATION

Successful implementation of the CCCEDS will require a number of conscious initiatives by the City of Canning across the following three broad areas:

- Strategy formalisation and stakeholder buy-in;
- Alignment of City support, policies and strategies; and
- Adoption of consistent broad themes across all activities.

Specific actions to be undertaken by the City of Canning are detailed in Figure 61. As the implementation of the structure plan progresses and progress towards meeting stated goals eventuates this list will grow in response to newly identified needs and the continuing evolution of the centre.

Figure 61: City of Canning Actions

| CITY OF CANNING INTERNAL ACTIONS | CONSULTATION ACTIONS |
|---|--|
| <ul style="list-style-type: none"> • Staff and councillor awareness • Develop a broad performance-based framework for future business cases for City assets within the Canning City Centre • Determine need for City of Canning assets and infrastructure to support the implementation of CCCEDS • Develop targeted business cases for the development and management of City of Canning assets in alignment with the CCCEDS vision • Identify State and Federal opportunities for funding and supporting of relevant initiatives | <ul style="list-style-type: none"> • Briefing with major activity centre owners and operators • Public consultation • Develop an ongoing program of opportunity identification for Canning City Centre through active engagement with industry groups, centre landowners and major economic development initiatives • Actively promote multiple transaction trips by all major user groups |

Source: Pracsys 2012

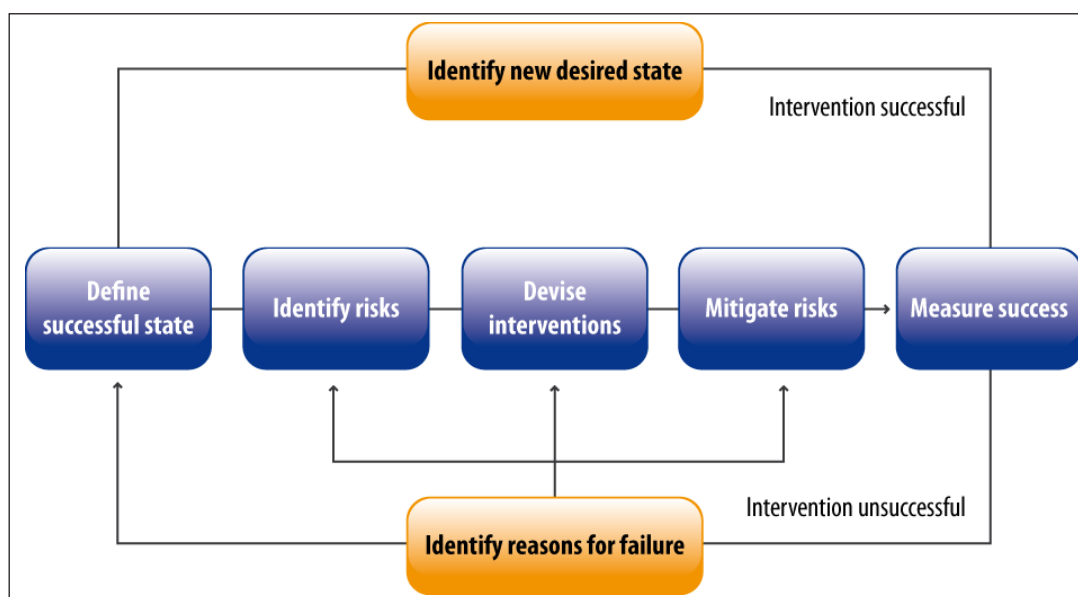
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There are a number of risks and challenges associated with implementing this strategy. Understanding these risks and what may be required to overcome them is critical to ensuring the success of the strategy and of the redevelopment of Canning City Centre. These are:

- Ensuring a common understanding of the definitions of success is developed;
- Ensuring a risk-management approach to economic development is developed;
- Ensuring the focus remains on Key Investment Areas; and
- Ensure delivery by appropriately resourced, empowered and competent staff.

An appropriate governance structure, geared towards ensuring success of the redevelopment, will be required to practically implement CCCEDS. This will align with the place activation structures proposed in a report being prepared concurrently to this. Figure 62 shows the characteristics of a governance and implementation structure, which includes a feedback loop to provide a mechanism to adapt to changing outside influences or adjust goals where risks or interventions are inadequately designed to address the goal or 'successful state'.

Figure 62: Governance and Implementation Framework

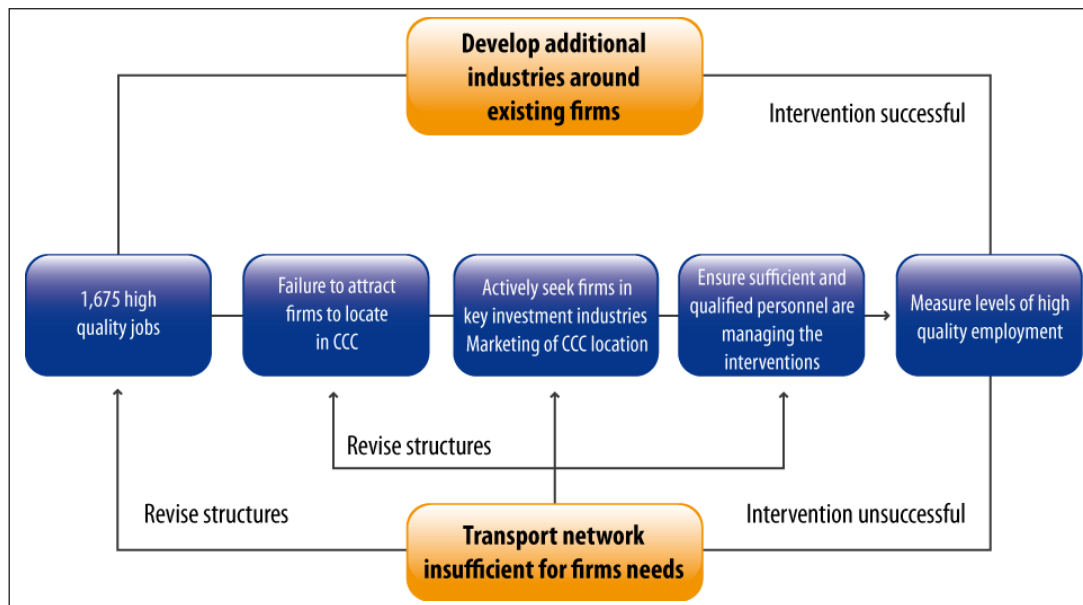


Source: Pracsys 2012

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Figure 63 provides an example of how this structure can be applied to one of the goals of the EDS. In this case the goal of increasing the level of high quality (strategic) employment is used to demonstrate how the governance and implementation structure can be used to guide implementation actions, manage risks and provide feedback on the relative success of implementing the stated goal.

Figure 63: Example of use of the Governance and Implementation Framework



Source: Pracsys 2012

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7 CONCLUSION

The Canning City Centre redevelopment provides an opportunity for delivering an economically vibrant and resilient community, that will set the benchmark for Strategic Metropolitan Centres in Perth. For this to occur, the structures outlined in the Canning City Centre Economic Development Strategy are designed to respond efficiently and effectively to a changing economic environment. These need to be able to effectively prioritise and allocate resources to projects within the Canning City Centre, as well as guide future investment from a range of stakeholders.

The CCCEDS proposes a paradigm shift away from land-use led redevelopment. In the past this has resulted in the delivery of poorly resourced, locally-focused, small-win economic development initiatives aimed at compliance. Implementing CCCEDS will be a performance-based system aimed at targeted, well-resourced interventions that deliver long-term vision for the Centre.

The Canning City Centre Economic Development Strategy provides a roadmap for effective positive interventions in the Canning City Centre economy. The identified structures will need to be further refined as the development gains momentum, especially in the context of the future preparation of the City of Canning Commercial and Economic Development Strategies. This will allow for ongoing constructive engagement with key private and public sector stakeholders, that will mark the beginning of delivery of the Strategy's Vision.

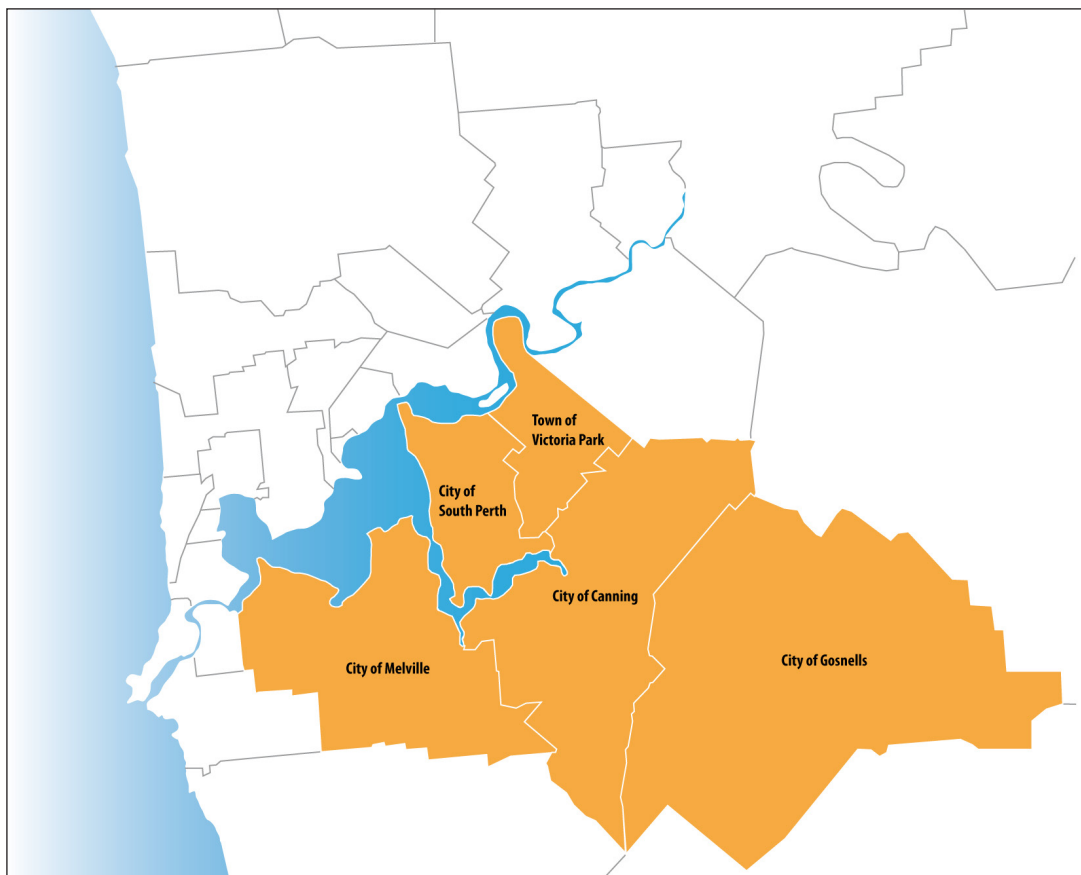
APPENDIX 1: GROWTH MODEL ASSUMPTIONS

8.1 BASELINE EMPLOYMENT

Baseline employment growth for all activity types was derived by normalising Cannington's employment per capita in the main trade area with that of the Perth Metropolitan Region. That is, it was assumed the inner South East Sub-Region will achieve the same level of employment per capita as the Perth Metropolitan Region for all future population growth. It was also assumed that the relative significance of Canning City Centre as an activity centre will remain unchanged, in

so far as the proportion of inner South East Sub-Region employment it attracts will remain constant. The purpose of the baseline employment is to illustrate the growth that would likely occur with little to no economic development intervention.

Figure 64: Canning City Centre Main Trade Area



Source: Pracsys 2012

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8.2 ADDITIONAL EMPLOYMENT

Beyond the baseline employment growth, significant employment growth is anticipated for Canning City Centre. This is projected to occur as a result of both the implementation of targeted economic development initiatives, and a dramatic shift in the activity centre's user mix that will result from the increased residential density required by SPP 4.2 and reflected in the draft structure plan. To reflect this transformation, a range of activity types have been assumed to attract an additional share of new inner South East Sub-Region employment growth. Figure 65 summarises the assumptions and the implications of these for total future additional employment.

The employment projections for each activity type are the result of the sum of the both the baseline and the additional employment estimates.

Figure 65: Additional Employment Growth

| Planning Land Use Category | Baseline Proportion of Sub-Region Growth | Future Proportion of Sub-Region Growth | Total Future Additional Employment | Additional Employment Above Baseline |
|-----------------------------------|--|--|------------------------------------|--------------------------------------|
| Office/Business | 5.04% | 10% | 2,294 | 1,546 |
| Health/Welfare/Community Services | 0.00% | 10% | 640 | 432 |
| Entertainment/Recreation/Culture | 0.87% | 10% | 185 | 76 |
| Residential | 4.51% | 10% | 75 | 75 |

Source: Pracsys 2012

8.3 FLOOR-SPACE RATIOS

Figure 66 compares the floor-space per employee between Canning City Centre, the inner South East Sub-Region and the Perth Metropolitan Region. Overall, the floor-space per employee currently in the activity centre is low relative to the metropolitan average, however there are some exceptions.

Figure 66: Floor-space per Employee

| Floor-space Type | Canning City Centre | Inner South East Sub-Region | Perth Metropolitan Region |
|--------------------------------------|---------------------|-----------------------------|---------------------------|
| Primary/Rural | N/A | 174 | 168 |
| Manufacturing/Processing/Fabrication | 319 | 127 | 104 |
| Storage/Distribution | 444 | 244 | 234 |
| Service Industry | 100 | 104 | 92 |
| Shop/Retail | 45 | 33 | 31 |
| Other Retail | 72 | 77 | 81 |
| Office/Business | 45 | 35 | 27 |
| Health/Welfare/Community Services | 24 | 63 | 59 |
| Entertainment/Recreation/Culture | 58 | 102 | 82 |
| Residential | N/A | 101 | 130 |
| Utilities/Communications | 244 | 97 | 86 |

Source: Perth Land Use and Employment Survey 2007-08 and Pracsys Analysis 2012

In converting the employment projections from the growth model to floor-space yields, the Inner South East Sub-region ratios have been applied to all categories except Shop Retail. This floor-space category has been based the results of the Retail Needs Assessment prepared by Taktics 4. This profile better represents the future types of activity envisaged for the centre.

APPENDIX 2: ACTIVITY CENTRE BENCHMARKING STUDY

Data has been collected, measured and assessed for centres across a wide range of typologies and cities. Figure 67 contains the list of 16 centres assessed as benchmarks for Canning City Centre's future economic performance. They are classified at a hierarchical level equivalent to strategic metropolitan centres within their state centres' networks.

Figure 67: Benchmark Centres

| |
|-------------------|
| Elizabeth (SA) |
| Marion (SA) |
| Hurstville (NSW) |
| Burwood (NSW) |
| Chatswood (NSW) |
| Parramatta (NSW) |
| Penrith (NSW) |
| Ipswich (QLD) |
| Chermside (QLD) |
| Southport (QLD) |
| Garden City (QLD) |
| Strathpine (QLD) |
| Midland (WA) |
| Stirling (WA) |
| Fremantle (WA) |
| Cannington (WA) |

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APPENDIX 3: PERFORMANCE MEASURE METHODOLOGY

Applying quantified metrics enables decision-makers to undertake evidence-based assessment of the value of development proposals and structure plans, providing the foundation for decision rules that can guide the evolution of centres to higher levels of performance.

Figure 68 contains the economic sustainability and urban form principles that have been identified as relevant to activity centre performance, based on their impact on a centre's ability to attract and retain sustainable user catchments. Each principle contains two or more metrics, which combine to measure a centre's performance. The metrics used have been chosen based on availability of data and consistency of data across Australian states.

Centre performance is measured against each of the metrics and scored on a fixed scale of one to ten. The scoring system was initially developed along SPP4.2 guidelines, and has been adjusted following extensive analysis of national centre performance. This ensures that scores are generally consistent with average and best of type performances achieved by Australian centres.

It is recognised that not all centres are expected to function in the same way, and centres at a lower level of the hierarchy will not achieve the scores that are expected of strategic metropolitan centres. The benefit of the performance measurement framework however, is that it enables centres to be compared with other centres at the same or different levels of the hierarchy, or against more established centres in other cities to map out a future growth trajectory.

Figure 68: Performance Measures

| Principle | Impact on Centre Success | Metrics |
|----------------------|--|---|
| Activity Diversity | A diverse mix of users and activity are desirable for an economically, environmentally and socially sustainable city, enabling users to access multiple needs with fewer trips and contributing to higher rates of employment self-sufficiency. | Mixed Use Threshold, Equitability Index |
| Activity Intensity | Co-locating activity within a vibrant, intense space ensures walkability, social interaction and economic activation. Intense agglomerations of activity have been shown to increase industry productivity. | Residential Density, Job Density |
| Employment Quality | Centres require both a quantity and quality of employment, as befits their position within the centres hierarchy. High quality employment (knowledge or export-based) drives economic development and facilitates higher levels of employment self-sufficiency. | Employment Quantum, Employment Quality |
| Centre Accessibility | Centres must be accessible to a wide mix of user groups utilising different modes of transport. This reduces the impact of petrol price shocks, increases sustainable centre catchments and facilitates movement between employment nodes. | Transport Infrastructure, Distance from CBD |
| Urban Quality | Improving the aesthetics, attractiveness and pleasantness of the physical environment makes an urban area more conducive to frequent and prolonged use. | Attractive and Unattractive Features |
| Urban Amenity | Offering opportunities for recreation and leisure within the centre and ensuring the comfortable use of the centre by pedestrians increases centre attractiveness and activation and is conducive to more frequent and prolonged use. | Public Realm, Comfort, Continuing Noise Emissions, Street Furniture, Leisure/ Recreation Facilities |
| Mobility | Facilitating easy movement around the centre for all users and ensuring a variety of well linked and positioned transport options means the potential for the centre to be equitably accessed by a range of user groups will be maximised, and use of the centre may be induced. | Walkability, Bicycle Access, Vehicle Access, Public Transport |
| Safety | Improving infrastructure directed at enabling safe movement throughout the centre and improving the perception of safety in the centre will increase the attractiveness of using the centre over a greater daily time period and for a greater range of user groups. | Perception of Safety, Personal and Traffic Safety |

Source: Pracsys, Hames Sharley 2011

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Figure 69: Canning City Centre Current Commercial Performance and Future Goal

| Category | Cannington (Current) | | Cannington (Goal) | |
|---------------------------|-----------------------------------|-------|--|-------|
| | Result | Score | Result | Score |
| Mixed Use | 64% | 6.00 | 69% | 6.50 |
| Equitability Index | 0.76 | 7.00 | 0.79 | 7.00 |
| Total Diversity Score | | 6.50 | | 6.70 |
| Residential Density | 5.02 | 0.50 | 45.00 | 8.50 |
| Employment Density | 30.45 | 5.50 | 56.91 | 6.50 |
| Total Intensity Score | | 3.00 | | 7.10 |
| Employment Quantity | 5,611 | 7.00 | 10,472 | 9.50 |
| Employment Quality | 14% | 7.50 | 16% | 8.00 |
| Total Employment Score | | 7.25 | | 8.75 |
| Connectivity | 11 | 6.50 | 11 | 6.50 |
| Transport infrastructure | Train station and bus interchange | 7.00 | Train station, bus station and rapid transit network | 9.00 |
| Total Accessibility Score | | 6.75 | | 7.75 |
| Total Score | | 24.45 | | 30.05 |
| Score out of ten | | 6.11 | | 7.51 |

Source: Pracsys Analysis 2012

Figure 70: Canning City Centre Current Urban Form Results

| Centre | Current Performance | Future Performance Goals |
|--------------------------------|---------------------|--------------------------|
| Metrics | Score | Score |
| Total Urban Form Quality Score | 4.06 | 8.50 |
| Total Urban Form Amenity Score | 2.80 | 6.50 |
| Total Mobility Score | 5.96 | 8.50 |
| Total Safety Score | 7.34 | 8.50 |
| Total Score | 20.16 | 32.00 |
| Overall score out of ten | 5.04 | 8.00 |

Source: Pracsys Analysis 2012

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APPENDIX 4: RETAIL NEEDS ASSESSMENT METHODOLOGY

The methodology for the retail needs assessment (RNA) is detailed below. This includes:

- Gravity modelling
- Study area
- Demand assumptions
- Supply assumptions

Modelling was undertaken for a ten-year period from 2014 to 2024. Modelling beyond this timeframe is considered to be of limited accuracy, as the assumptions for floorspace demand and supply are likely to change in the future.

11.1 GRAVITY MODELLING

Gravity models allow for the measurement of spatial interaction as a function of distance to determine the probability of a given customer visiting a centre, and provide an approximation of trade area and sales potential for a development. This modelling technique uses the distance between a household and each centre, and a measure of 'attractiveness' to define the probability model. The 'attractiveness' of a centre has been defined by total floorspace and the distance has been calculated by measuring straight-line distances between each centre and population. The gravity model probability formula is shown in Figure 71.

Figure 72 shows that the demand for retail category k, at centre j, is equal to the sum of the probabilities of customers living in statistical areas i to n, multiplied by the expenditure pool of statistical area i. In other words, the demand for retail is a function of the probability of a customer from a particular

Figure 71: Gravity model probability formula

$$P_{ij} = \frac{\frac{A_{jk}^a}{D_{ij}^\beta}}{\sum_{j=1}^m \frac{A_{jk}^a}{D_{ij}^\beta}}$$

P_{ij} = Probability of customer living/working in statistical area i shopping at complex j.
 A_i = Area of floorspace in centre, j in square metres, according to the type of supply, k.
 D_{ij} = Distance between statistical area of households, i and complex j.
 a = Area exponent
 β = Distance exponent
 k = Type of supply or expenditure, either Convenience or Comparison
 i = Statistical area ($i=1, \dots, n$)
 j = Complexes ($j=1, \dots, m$)

Figure 72: Gravity model demand formula

$$D_{kj} = \sum_{i=1}^n (P_{ij} * E_i)$$

D_{kj} = Demand for retail category k, at centre j.
 E_i = Expenditure pool of statistical area i.

statistical area attending the centre multiplied by the expenditure pool of that statistical area; with expenditure working as a function of population and income distribution.

In its core form, gravity modelling provides a clear, reproducible outcome that can be easily

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assessed. However it does not consider local factors such as:

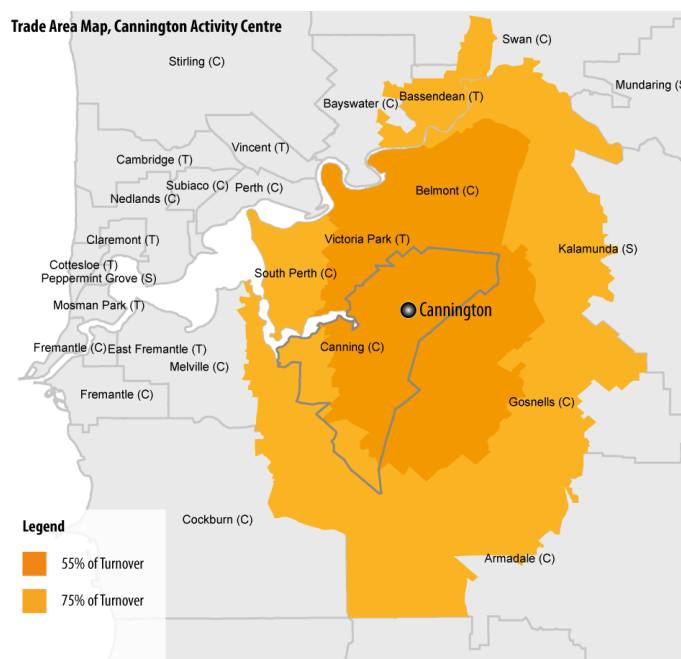
- The comparative value proposition of centres (e.g. the presence of an 'anchor' attractor that draws significant market share)
- The brand preference of users
- The efficiency of transport networks, as well as geographical barriers (i.e. in some cases it may be easier for customers to access a centre that lies physically further away).

11.2 MAIN TRADE AREA

The catchment generating 75% of the demand modelled for Canning City Centre is shown in Figure 73. The catchment extends:

- North, to South Perth and Belmont
- East, into the Darling Escarpment

Figure 73: Trade area, Canning City Centre



Source: Pracsys 2014

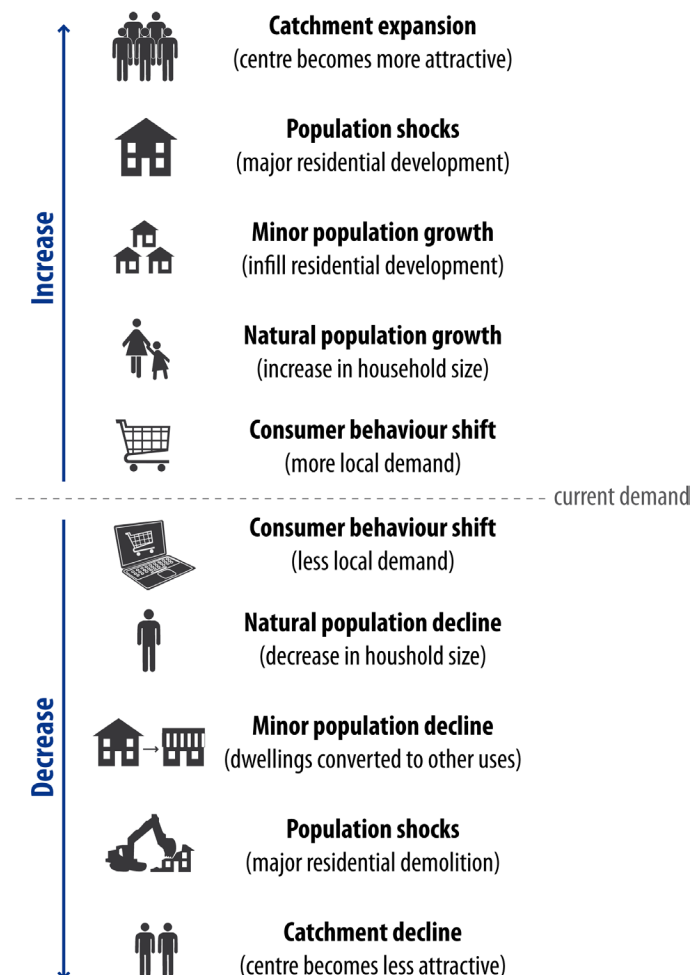
- South, to the suburb of Baldivis
- West, to the City of Melville.

11.3 DEMAND ASSUMPTIONS

Demand Drivers

As demand is a function of population and associated expenditure, it is shown in terms of additional population. The drivers of changes in demand are shown in Figure 74. This shows ways demand growth can be achieved as well as factors that can cause demand to decline.

Figure 74: Future demand changes



Source: Pracsys 2013

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The catchment of Canning City Centre is expected to grow over the life of the structure plan in the following ways:

- Consumer behaviour shift - where changes in consumer behaviour result in higher local consumption of goods and services. The expansion of retail at Carousel and the development of the Cecil Avenue Main Street has the potential to offer goods and services better aligned with the catchment needs, and may result in higher local consumption.
- Natural population growth - where the household size increases, as children are born, or as group households form. The high proportion of families within the catchment is likely to result in a birthrate higher than the deathrate, although the effect may be dampened by the high workforce participation rate, or if residents choose to move elsewhere once they have a family.
- Minor residential development - where existing large blocks in developed areas are subdivided and there is a net increase in dwellings through infill development. This may form a small proportion of residential development within the structure plan area, but is more likely to increase the residential population in the areas surrounding Canning City Centre.
- Major development - where significant high-intensity development or redevelopment occurs, significant greenfields lots are released, or grouped dwellings or offices are developed. It is expected the majority of residential development within the structure plan area will be the result of major new development.

- Catchment expansion - where an increased offer of retail or entertainment result in the centre becoming more attractive to prospective users. The expanded Carousel shopping centre and additional retail elsewhere in Cannign City Centre is expected to result in people travelling further to access a better range of goods and services, expanding the catchment of the activity centre.

The catchment of Canning City Centre also has the potential to contract. The ways this may happen are:

- Consumer behaviour shift - where changes in consumer behaviour results in lower local consumption of goods and services. This may include higher leakage to other activity centres/online retail, less convenient access to local goods and services compared to offerings further away, and decreases in the amount of income spent on goods and services.
- Natural population decline - where the deathrate exceeds the birthrate.
- Minor population decline - where existing dwellings are converted to other uses, such as commercial, due to the pressure for additional commercial floorspace at the location.
- Major demolition - where development host to large amounts of demand-generating activities are demolished to make way for other uses, resulting in a net decrease in dwelling yields or office floorspace.
- Catchment decline - where the activity centre becomes less attractive due to fewer goods and services being available.

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It is not considered likely that catchment contraction on a significant scale will occur during the life of the structure plan. It is possible that as some land is redeveloped there will be a temporary decrease in demand, however the scale of Canning City Centre is large enough that this effect is expected to be temporary and have minimal impact.

11.3.1 Household growth

Gravity modelling uses households to calculate demand from the local population, rather than the number of people. As local population grows, so does the local demand for goods and services (and vice versa). Increases to demand over the modelling period were approximated using dwelling growth projections.

Dwelling growth projections were calculated using the following methodology:

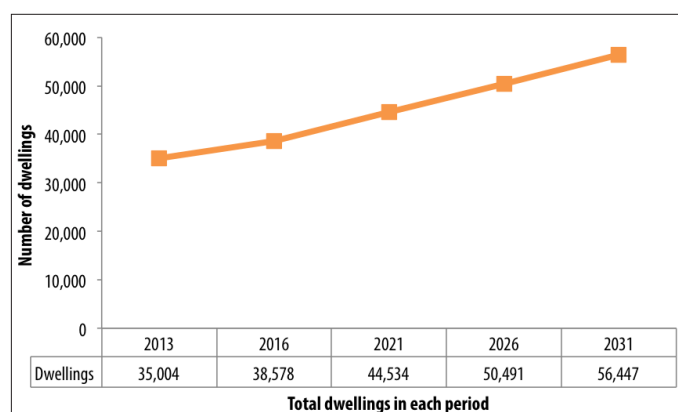
- Number of dwellings in the base year were extracted from the 2011 Census⁶
- Increases over the modelling period were calculated to match projected population growth in WA Tomorrow⁷
- Within the City of Canning area, additional dwellings were added based on data provided by the City on known project areas⁸.

⁶ Australian Bureau of Statistics (ABS) 2011, Census of population and housing. Dwellings by SA1, online resource, accessed on 1 March 2014, at <http://www.abs.gov.au>.

⁷ Western Australian Planning Commission (WAPC) 2012, WA tomorrow, local government areas total only by year (2006–2026), excel spreadsheet, accessed on 1 March 2014, at <http://www.planning.wa.gov.au/publications/6196.asp>

⁸ City of Canning 2014, Local Planning Strategy +C(Cap), City Land Use Scenario Template, Scenario 2: Notional LHS 80% DE, spreadsheet provided by City of Canning. Dwelling increases per suburb were provided at 2031; interval dwelling increases were calculated in a linear fashion.

Figure 75: Household growth, City of Canning, 2013-2031



Source: Pracsys analysis of ABS 2011, WAPC 2012, and City of Canning 2014.

11.3.2 Household income

ABS 2011 Census household income data was used as the basis to estimate future expenditure on retail. In 2013, the average household within the study area is located within the third income quintile (\$1,000 - \$1,674 per week). An income escalation rate of 1.5% per annum was applied.

In order to estimate the number of households within each income bracket in the future, it was assumed that income distribution within each SA1 would remain static throughout the modelling period. In other words, it was presumed future households within each area would receive roughly the same income as current residents do. In reality, suburbs go through different processes (i.e. gentrification, urban decay) that result in changes to the income profile of residents. This limitation of the model needs to be considered when interpreting the modelling outputs.

11.3.3 Household retail expenditure

The following assumptions were made regarding household expenditure on each retail category (Figure 76). Of note, expenditure

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in each category does not increase linearly or proportionally with household income. Instead, as income increases, individuals tend to increase expenditure on certain products (known as 'superior' goods), and decrease for others ('inferior goods'). An example of this could be a person transitioning from being a student to a full-time employee, who stops buying furniture at discount retail stores (i.e. reject shop), in favour of brand items (i.e. Harvey Norman), or stops buying certain good altogether (i.e. instant noodles). In this particular case, the person would be moving their whole furniture budget between retail categories (i.e. from Shopping centre retail convenience; to Other retail comparison). As income varies, similar substitutions of goods occur across the whole retail spectrum.

Figure 76: Annual household expenditure on retail, by income bracket and retail category, study area, 2013

| Retail type | Retail household expenditure by income bracket | | | | |
|--------------------------------------|--|---------------|-------------------|-------------------|--------------------|
| | Negative - \$599 | \$600 - \$999 | \$1,000 - \$1,674 | \$1,675 - \$2,999 | \$3,000 - \$5,000+ |
| Shopping centre retail (convenience) | \$7,438 | \$10,724 | \$13,573 | \$16,377 | \$20,341 |
| Shopping centre retail (comparison) | \$4,140 | \$6,873 | \$9,841 | \$13,362 | \$21,072 |
| Other retail (convenience) | \$1,179 | \$1,958 | \$2,897 | \$3,570 | \$4,813 |
| Other retail (comparison) | \$2,118 | \$3,341 | \$5,063 | \$6,700 | \$10,890 |
| Total | \$14,875 | \$22,896 | \$31,374 | \$40,009 | \$57,116 |

Source: Pracsys analysis of ABS 2011a and ABS 2011b

11.3.4 Online retail share

The share of online retail expenditure is expected to grow in coming years. Consistently, an online leakage factor was applied to the total retail expenditure (above). Based on a review of recent literature⁹, current online

penetration was estimated at 8% of total retail trade. An escalation factor of 0.8% per annum was applied over the following years, capping at 15% in 2023.

Figure 77: Annual online retail spend as a percentage of total retail spend, 2013-2031

| Retail spend | 2014 | 2016 | 2021 | 2026 |
|--------------|------|------|------|------|
| Gross (%) | 8% | 10% | 14% | 15% |
| Net (%) | 1% | 2% | 6% | 8% |

Source: Pracsys analysis of PwC and Frost Sullivan 2012, Bird 2012, The New Zealand Herald 2012 and AMP Capital 2012.

11.3.5 Leakage per retail type

Leakage factors account for potentially different behaviours consumers assume depending on the type of retail. An example of this could be consumers who are more willing to travel longer distances to acquire comparison products (i.e. car, furniture) than convenience ones (i.e. groceries).

Figure 78: Leakage factors

| Retail Type | Factor |
|--------------------------------------|--------|
| Shopping centre retail (convenience) | 4% |
| Shopping centre retail (comparison) | 5% |
| Other retail (convenience) | 5% |
| Other retail (comparison) | 10% |

Source: Pracsys 2014

online publication, accessed on 10 March 2014, at <http://www.pwc.com.au/>; Bird, J 2012, Online as a % of Retail Sales: What's the Magic Number?, online publication, accessed on 10 March 2014, at <http://www.newretailblog.com/>; The New Zealand Herald 2012, Web-based retail sales tipped to peak, online news article, accessed on 10 March 2014, at <http://www.nzherald.co.nz/business/>; AMP Capital 2012, Online Retailing: a real estate perspective, retail monthly report, online publication, accessed on 10 March 2014, at <http://www.ampcapital.com.au/>.

⁹ PwC and Frost & Sullivan 2012, The rapid growth of online shopping is driving structural changes in the retail model,

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11.3.6 Distance and area exponents

Distance and area exponents also account for different consumer behaviours, this time in relation to the size of the activity centre and the distance from each household. Consistently with the rationale behind gravity modelling, it is generally assumed that people are more attracted to activity centres that are bigger in size (which generally offer increased amenity, variety and urban form quality) and located closer to home (cost and time convenience). In Figure 79, for example, the exponent of 1.8 indicates that a household will feel attracted to a bigger shopping centre almost twice as much as a smaller shopping centre when shopping for comparison goods. When shopping for convenience goods (i.e. groceries), on the contrary, distance was awarded a greater exponent (2), to reflect the assumption that consumers will value proximity over amenity when shopping for these types of goods (i.e. choose the activity centre that is closer to home).

Figure 79: Distance and area exponents

| Retail Type | Area exponent | Distance exponent |
|--------------------------------------|---------------|-------------------|
| Shopping centre retail (convenience) | 1 | 2 |
| Shopping centre retail (comparison) | 1.8 | 1 |
| Other retail (convenience) | 1 | 2 |
| Other retail (comparison) | 1 | 1 |

Source: Pracsys 2014

Carousel premium

An initial run of the gravity model showed discrepancies between Carousel Shopping Centre's modelled and actual performance¹⁰,

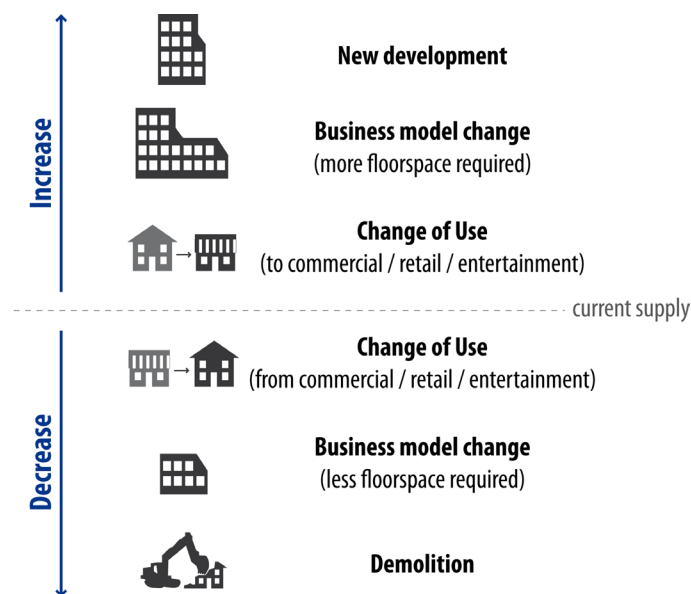
where actual performance was significantly higher than anticipated by the model. This may be due to a range of factors that increase consumer preference, such as tenancy mix, branding, or shopping centre management, among others. To calibrate the model to known performance, a premium of 20% was applied to comparison shop retail floorspace.

11.4 SUPPLY ASSUMPTIONS

11.4.1 Supply Drivers

Supply is expressed in terms of floorspace. The causes of changes in supply are shown in Figure 80. This shows ways supply growth can be achieved as well as factors that can cause supply to decline.

Figure 80: Future supply changes



Source: Pracsys 2013

¹⁰ Actual revenue data at Carousel Shopping Centre was facilitated by Westfield 2014 for model calibration purposes.

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The supply of floorspace within Canning City Centre may potentially grow in the following ways over the modelling period:

- Changes of use - where existing floorspace currently used for purposes other than commercial, retail or entertainment is converted to commercial, retail or entertainment uses. An example of this is the a showroom being converted to an entertainment venue.
- Business model change - where the business model for an existing activity becomes more floorspace-intensive. For example, a retailer might need to carry higher levels of stock, or an office tenant diversifies their core business and requires space for additional workers.
- New development - where significant greenfields lots are released, or large-scale retail tenancies and offices are developed.

Canning City Centre also has the potential for contractions in floorspace supply. The ways this may happen are:

- Change of use - where existing floorspace currently used for commercial, retail or entertainment is converted to other uses. This may be due to a drop in demand, changes in the landowner's intentions for the site or an increase in demand for other uses at the location.
- Business model change - where the business model for an existing activity becomes less floorspace-intensive.

- Major demolition - where development host to large amounts of floorspace are demolished to make way for other uses, resulting in a net decrease in retail or office floorspace.

It is expected that over time, the total supply of floorspace across Canning City Centre will increase. However, it is likely the redevelopment process will result in some temporary dips in floorspace supply.

11.4.2 Current competitive environment

Competitors

Competitors within study area (impacting the results) include:

- Armadale Strategic Metropolitan Centre
- Cockburn Secondary Centre
- Booragoon Secondary Centre
- Perth CBD
- Murdoch Specialised Centre
- Midland Strategic Metropolitan Centre

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Floorspace supply

Current supply was estimated using available floorspace data from the Department of Planning's Land Use and Employment Survey (LUES)¹¹ shows floorspace data input for each of City of Canning's activity centres at 2013 and 2031.

Future supply was calculated using only confirmed developments across the study area¹².

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- 11 DoP 2008, Land Use and Employment Survey (LUES), database, provided by DoP; DoP 2002, Land Use and Employment Survey (LUES), database, provided by DoP.
- 12 Projects included developments approved or in progress within the study area, with a retail floorspace of 5,000 m² or above; as well as structure planned areas. Metropolitan Redevelopment Authority (MRA) 2014, Projects, online government resource, accessed on 1 March 2014, at <http://www.mra.wa.gov.au>; Department of Housing (DoH) 2013, Bentley Regeneration Precinct Retail Needs Assessment, government publication, accessed on 1 March 2014, at http://www.housing.wa.gov.au/aboutus/projects/brownlie/Documents/Land_use_planning/Activity_Centre_Analysis.pdf; City of Canning 2013, Canning city centre structure plan, government publication, accessed on 1 March 2014, at <http://canning.wa.gov.au/largefiles/SRS237%20Canning%20City%20Centre%20Structure%20Plan.pdf>; Westfield Carousel Expansion, Urbis 2014.

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GLOSSARY

Bulky goods

Bulky goods are those which are of a size, shape, weight or volume to require a large area to store, display and sell. Bulky goods premises typically have a floor area greater than 500 m², a large area for handling display and storage, and direct vehicular access by consumers to load and unload items into vehicles after sale or hire.

Business model

The method or means by which a business captures value, including how it creates, distributes, prices or advertises its products and/or services.

Consumer services

Consumer services have a high transaction frequency and must locate in close proximity to their customer base in order to deal directly with them. Like retail tenancies, consumer services often locate in centres to minimise trip generation and benefit from convenience good attractors. Consumer services can include real estate agents, travel agents, shoe repair, dry cleaning services and beauty salons.

Comparison retail

Comparison retail refers to retail goods for which the volume of goods and the number of transactions are generally lower, occur less frequently and have a higher cost both in terms of the value of goods purchased and the search costs involved. Examples of comparison retail goods include electronics and furniture.

Convenience retail

Convenience retail refers to retail goods for which the volume of goods and number of transactions are generally higher, occur more frequently and have lower costs both in terms of the value of goods purchased and the search costs involved. Examples of convenience retail goods include fuel and groceries.

Economic activation

From a centre design and ongoing management perspective, there are certain economic activation principles that can be implemented to ensure that the place is as user-friendly as possible to maximise the number and length of visits.

Economic activation is defined as the frequency and concentration of social and economic transactions carried out by the diverse user groups of a place. A successful place must understand what its user groups need and want and provide an environment that both attracts and retains people.

Economic concentration factors

An economic concentration factor (ECF) represents the concentration of a particular industry within a region compared with that industry's strength within the state (or nation). An ECF of 1.0 means that an industry has the same concentration in the region as it does the state. An ECF of greater than 1.0 identifies industries that employ more workers in the region than the national average for that same industry. By employing more workers than the national average, the industry is producing more goods and services than the region can consume and can therefore export the excess product out of the region.

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Measurement of economic concentration factors is useful in urban economic analysis as it provides a strong indication of the agglomeration of an industry or group of industries. Care must be taken as the metric gives no indication of the relative size of the industry, i.e. a region may have a very high ECF with a small number of employees if the industry is small, whilst a low ECF in a large industry may still equate to a significant proportion of employees.

Economic development

Economic development results from strategic industry drawing in greater income from external markets through the export of goods and/or services.

Economic growth

Economic growth results from changes in the quantity or characteristics of the population being serviced by population-driven activity.

Employment self-containment

Employment self-containment (ESC) is defined as the proportion of local residents who are employed in local jobs (i.e. they live and work in the same geographic region, corridor, local government) relative to the total labourforce of the area. For example, if the area has 500 locally employed residents and a local labourforce of 2,000, the employment self-containment rate is 25%.

The reason that this measure is so important to the sustainability of the urban system is that if residents are travelling out of their residential area for employment, they are utilising scarce transit infrastructure (roads, public transport)

and creating negative externalities in doing so (e.g. pollution, stress).

Employment self-sufficiency

Employment self-sufficiency (ESS) is defined as the proportion of jobs located in a geographic area (region, corridor, local government) relative to the residents in that same area who are employed in the workforce. For example, if the area has 1,000 employed residents and 450 local jobs available, the employment self-sufficiency rate is 45%.

The reason that this measure is so important to the sustainability of the urban system is that if residents are travelling out of their residential area for employment, they are utilising scarce transit infrastructure (roads, public transport) and creating negative externalities in doing so (e.g. pollution, stress).

Export-oriented activity

Export refers to jobs in industries in the subject area of study has a comparative advantage - deemed strategic due to growth and development through exports and the inflow of funds. Export jobs are producer services, however they occur in strategic industries such as mining, oil and gas and defence. Export jobs are likely to be hands on, involving the physical construction of a marine vessel or operation of machinery on a mine site - as opposed to the mathematical or scientific analysis carried out by KIPS. Strategic industries tend to require physical infrastructure, such as ports, airports or universities.

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Knowledge intensive consumer services

Knowledge intensive consumer services are those specialist services that deal directly with consumers, yet typically have a higher productivity and lower transaction frequency. KICS provide a skilled service to consumers that usually requires a higher level of education or training. Depending on the scale of their catchment, KICS may choose to locate within major or regional centres, or larger business districts with greater soft infrastructure and amenity levels. Examples of KICS include general practitioners, accountants, veterinarians and legal services.

Knowledge intensive producer services

Knowledge intensive producer services involve businesses dealing directly with other businesses, rather than consumers. Transactions are less frequent, however generally have a higher monetary value, due to the intellectual property or knowledge involved. KIPS businesses often locate near their client businesses, although with low transaction frequency and good communications infrastructure, they are to an extent 'footloose'. This means they can choose to locate in places with relevant physical infrastructure, high retail amenity, or soft infrastructure such as access to a solid education base. Examples of KIPS are engineers, architects, medical scientists and computer software developers.

Leakage rate

The ABS Household Expenditure Survey identifies average weekly spending on goods and services for households in each income quintile. Goods purchased can be aggregated into convenience (e.g. groceries, newspapers)

and comparison (e.g. clothing, furniture) categories. If goods are not available within a residential catchment (or are more expensive/lower quality etc.), residents travel elsewhere to access these items. The proportion of weekly spending that is not spent within the catchment is called the leakage rate.

Planning Land Use Category

PLUCs were developed by the Ministry for Planning to meet a need for broad descriptors of land use activities which have similar impacts on the land. The categories can be viewed as a superset of the Western Australian Standard Land Use Classification from which they grew.

Planning Land Use Category - Entertainment/Recreation/Culture

Includes government, government-subsidised and non-government activities which provide the community with a specific service, such as hospitals, schools, personal services and religious activities.

Planning Land Use Category - Health/Welfare/Community Services

Includes government, government-subsidised and non-government activities which provide the community with a specific service, such as hospitals, schools, personal services and religious activities.

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Planning Land Use Category - Manufacturing/Processing/Fabrication

This category includes land use activities involving the manufacture, processing and fabrication of all general goods. Both the scale and associated environmental impact of these activities separate them from other land use categories.

Planning Land Use Category - Primary/Rural

Land use activities which usually involve the use of large areas of land including mining, agriculture, fishing and nature conservation. The function of many of these activities is to make use of, or extract from, the land in its natural state. Since such activities are the first step in the production process they are quite distinct from the other categories.

Planning Land Use Category - Office/Business

Administrative, clerical, professional and medical offices are activities which do not necessarily require the land area/floorspace or exposure of other land uses. Although offices require building and parking facilities, these needs are quite distinct from those of commercial uses and service industries.

Planning Land Use Category - Other Retail

Many of these activities normally are not accommodated in a shopping centre. By virtue of their scale and special nature, the goods of these activities separate them from the Shop/Retail category (e.g. car sales yard, carpet showroom).

Planning Land Use Category - Residential

Includes all types of residential land use ranging from single housing to nursing homes for the aged, residential hotels, motels, other holiday housing, institutions and religious housing. Floorspace and employment on private Residential land uses are not included in the output of the Commercial Land Use Survey.

Planning Land Use Category - Service Industry

This category includes service industries offering a range of services. The scale and environmental impact of such activities require their separation from other land uses. These services include film processing, cleaning, motor vehicle and other repair services, and other servicing activities, including some construction activities.

Planning Land Use Category - Shop/Retail

This category includes service industries offering a range of services. The scale and environmental impact of such activities require their separation from other land uses. These services include film processing, cleaning, motor vehicle and other repair services, and other servicing activities, including some construction activities.

Planning Land Use Category - Storage/Distribution

Any land use activity which involves the storage, warehousing or wholesaling of goods usually conducted from large structures, or involving large bulky goods, but does not include activities that attract general retail trade activities.

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Planning Land Use Category - Utilities/ Communication

All forms of local, State, national and international communication, transport and other utilities (electricity, gas, water, sewerage, roads, parking and other transport or communication-related activities, etc.) covering the public and private sectors.

Planning Land Use Category - Vacant Floor Area

This category accounts for vacant floor areas of buildings including non-residential and residential.

Planning Land Use Category - Vacant Land Area

This category accounts for vacant floor areas of buildings including non-residential and residential.

Population-driven activity

Population-driven activity refers to industries or jobs directly related to servicing the needs of a specific catchment population. As such its location will be largely determined by the location of population growth, as well as activity centre hierarchy and maturity. Consumer services, producers services and knowledge intensive consumers are collectively referred to as population-driven.

Producer services

Producer services deal directly with other businesses, rather than consumers. Like retail; wholesale producer services must locate close to the businesses they serve, due to the frequency of transactions required. For example, the Coles distribution warehouses must occupy a central location in order to carry out daily delivery of goods to supermarkets. Producer service industries include manufacturing, construction, and distribution.

Strategic activity

Strategic economic activity occurs through the development of agglomerations of economic activity. Such agglomerations result from the development of localisation and/or urbanisation economies.

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