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Committee Secretary
Standing Committee on Planning, Public Works and TAMS
ACT Legislative Assembly
London Circuit
CANBERRA
ACT 2601

Sent via email: committees@act.gov.au

Dear Ms Kosseck,

Submission to Committee on Planning, Public Works and TAMS
Inquiry into Draft Variation to the Territory Plan No.299 -Lawson South

We refer to the above inquiry into the draft plan variation for Lawson South and provide the following written submission on behalf of Supabarn Supermarkets Pty Ltd. CB Richard Ellis (CBRE) would also like to note our interest in appearing as a witness at the public hearing of the Committee.

Supabarn are the proprietors of the supermarket at the Kaleen Group Centre which they have operated for 11 years and are currently seeking to expand. The expansion plans include a further 1000m2 of retail floorspace. Together with other improvements to the centre this will represent a considerable capital investment. It will rejuvenate the centre to better serve the need of its catchment community into the 21st century. The catchment for this group centre includes the suburbs of Lawson, which is adjacent to it. Development of this suburb has long been anticipated. From the point of view of the Kaleen centre, the new suburb will inject a newer and younger population. This will serve to reverse the aging trend that is currently being experienced in this part of Belconnen as "baby boomer" families mature and age.

Submission

Overall, we support the future urban development in the southern part of Lawson however we wish to register our strong opposition to the proposed planning controls for the Lawson local centre as prescribed in the draft plan variation. We object to the draft plan variation for the following reasons:

1. The potential demise of the Kaleen group centre as a result of the proposed planning controls for the Lawson local centre (e.g. no designated local centre location or no mandatory limits on supermarket provision); and
2. Failure to protect the ACT retail hierarchy of local, group and town centres.

A detailed explanation of our objection is provided in the remainder of this submission:

Objection One – Demise of the Kaleen Group Centre

In our October 2009 response to ACTPLA we generally supported the draft plan variation as it was then proposed for the Lawson local centre. The draft plan zoned the Lawson local centre as CZ5 mixed use which recognised the higher densities of residential development that were proposed. In particular, we welcomed the mandatory limits on commercial development set out in the proposed precinct code. These included an overall maximum gross floor area for commercial use of 1500m^2, and a maximum gross floor area for a supermarket of 700m^2 within the overall total of 1500m^2.

The recommended final plan variation has unfortunately abandoned these very important controls and now has the potential to seriously disrupt the retail hierarchy in this part of Belconnen potentially leading to the demise of the existing Kaleen group centre which has seen substantial vacancies over the last 10 years. The recommended final variation now includes the following features:

- The total gross floor area is no longer limited and, importantly, there is no limit on supermarket GFA (under the provisions of criterion C35);
- The 'local centre' is not zoned as a 'local centre', but rather as CZ5 Commercial' and is designated as a 'Future Urban Area' which means that the area allocated for commercial use can be enlarged beyond what is shown in the plans accompanying the recommended final variation.
- The location of the commercial centre is now not fixed; it could be relocated to a position adjacent to Ginninderra Drive (under the provisions of criterion C2).

Whilst the Territory Plan does not categorise supermarkets, the ACT Governments '*ACT Supermarket Competition Policy Implementation Plan*' includes definitions of supermarkets based on their size and the number of product lines carried. Large format or full line supermarkets are described as '*generally over 2500m^2*'and as carrying around 30,000 items, whereas convenience/local supermarkets are described as being under 1500m^2. Using these definitions, it is clear that without appropriate mandatory limits on commercial developments for the Lawson local centre the potential exists for a full-line supermarket to be established adjacent to Ginninderra Drive at the entrance to Lawson. This will result in the Lawson local centre performing the role of a group centre and severely impacting the viability of other nearby group or local centres.

The rationale for these changes is set out in the report page 12 where it states that these changes are in *"in response to the ACT government's recently announced polices to encourage greater supermarket competition"*. In our view the proposed changes are not in line with the supermarket competition policy and in fact will have the effect of directly frustrating the intent of the policy.

In particular, it is contrary to the intent of recommendation 7 of the Martin Review of supermarket competition in the ACT. Recommendation 7 states, inter alia:

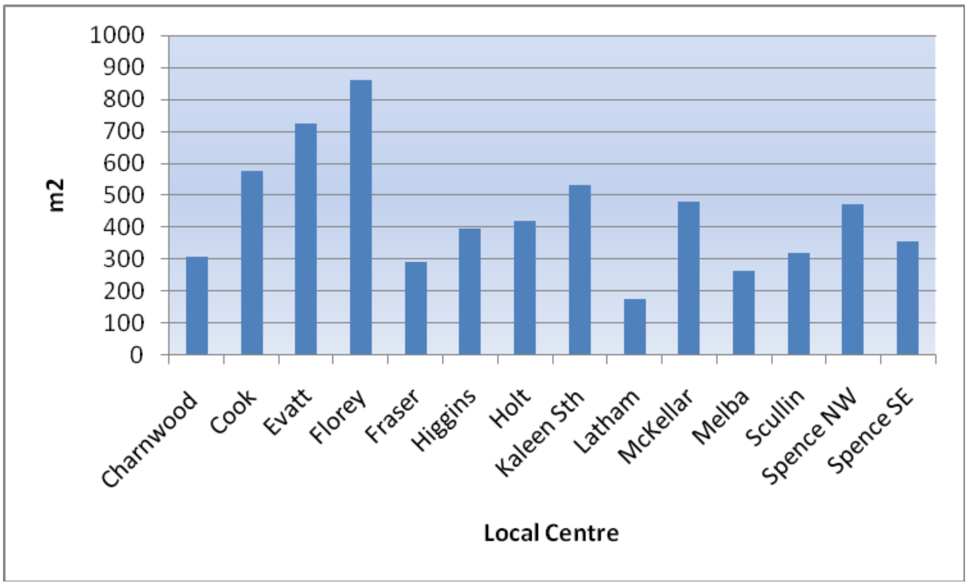
> *"Establish and regularly review processes, procedures and competition criteria to enable the government to facilitate entry of suitable independent full line chains in suitable new and redeveloped group centres to achieve a better balance of competitive tension, choice and diversity."*

The Lawson centre is not a new group centre, nor is it an existing centre being developed. It is an unsuitable location for a full line supermarket. The vision for Lawson South is a liveable, sustainable 'urban village' that minimises the impact on the surrounding environment and maximises the positive aspects of the suburbs.

The development of a full line supermarket within Lawson local centre, on this prime location would lead to the demise of the existing Kaleen group centre and would certainly frustrate the redevelopment of the Kaleen centre.

The Martin Review includes a summary of retailing floor space in city, town, group and local centres as of 2009. Of the 58 local centres, just 18 had supermarkets or foodstores with floor areas of 500m^2 or more, and just two had supermarkets with floor areas of 1000m^2 or more. The range within the Belconnen district, which forms the immediate context of the Lawson urban development area, is even more restricted, as illustrated in Figure 1.

Figure 1: Belconnen District Local Centre Supermarket GFA



A second full line supermarket at Lawson local centre will draw trade from Kaleen (given its close proximity to the new suburb) and will undermine the role of the existing Kaleen group centre. Supabarn are not opposed to sensible competition but any future releases of land for retail purposes should be controlled by sound planning principles and should not threaten the viability of existing nearby local or group centres.

CBRE recommend that mandatory limits on commercial development be set out in the proposed precinct code. As illustrated in Figure 1, an overall mandatory maximum gross floor area for commercial use of 1500m^2 in the Lawson local centre and a mandatory maximum gross floor area for a supermarket of 700m^2 (within the overall total of 1500m^2) will ensure a mix of uses appropriate to local centres without compromising the viability of existing local or group centres in the catchment.

Objection Two – Impact on the ACT Retail Hierarchy

The Territory Plan establishes the planning framework for the development in the ACT and promulgates a hierarchy of commercial centres which has '*been developed to ensure that people have a wide choice of facilities and services wherever they live or work within Canberra*'. The hierarchy identifies local centres as the fourth and lowest tier of the hierarchy, distinct from and sitting below the city centre, town centres and group centres respectively.

Local centres are unique as they are the only type of commercial centre within the hierarchy that have a specific zone. The Territory Plan describes the CZ4 Local Centre Zone as '*intended for local shops, non retail commercial and community uses, service stations, and restaurants to service a local community*'. Our view is that the Lawson local centre should be zoned as CZ4 (rather than CZ5 as currently proposed) to ensure a mix of uses appropriate to this level of the commercial hierarchy. As defined by objective (a) of the CZ4 zone '*local centres provide for convenience retailing*[1] *and other accessible, convenient shopping and community and business services to meet the daily needs of local residents*'. The rezoning of Lawson local centre will facilitate convenience retailing of a scale necessary to meet the daily requirements of residents living within the suburb.

This recommended change is further reinforced by a comparison with the Territory Plan description of and zone objectives for group centres like Kaleen, which sit above local centres in the retail hierarchy. Group centres are described as comprising '*larger shopping centres*' that provide for major food retailing, and which are intended to '*(a) provide for a wide range of shopping, community, business and recreational facilities predominately serving the surrounding or nearby suburbs*'.

The retail hierarchy therefore quite clearly envisages that daily and weekly convenience needs will be satisfied by local and group centres respectively, not concurrently. The retail hierarchy also involves a spatial element whereby local centres can occupy the same catchment as group centres. Both local and group centres can remain viable despite the overlapping catchment as they attract different types of convenience expenditure. Indeed, the distinction between the type of convenience expenditure is fundamental to the integrity of retail hierarchy. It is therefore important that the size and mix of uses within the Lawson local centre is commensurate with its level in the commercial hierarchy to ensure the long-term viability of all centres within the catchment.

Considerable difficulties are faced by supermarket operators within existing group centres such as Kaleen. These centres were located to service the needs of local catchment, and are typically within a suburb rather than on the edge. They do not have a high profile location or main road access. This is simply a matter of planning practice and history, but it leaves a legacy that cannot be ignored.

The location of these centres means that if competing centres are allowed to open nearby but in more commercially viable locations (such as Ginninderra Drive) then the less competitive centres will decline, and the redevelopment and rejuvenation (as discussed above for Kaleen) will not occur. Ultimately this will be to the disbenefit of the whole community as their community focal point diminishes and is transferred at least in part to a main road location on the fringe of the catchment.

The supermarket policy recognises the above problem and does not contemplate the random establishment of defacto group centres within existing urban areas. The current recommended plan variation provisions for Lawson will have the effect of permitting a defacto group centre to emerge in a prime location on Ginninderra Drive.

[1] The reference to convenience retailing is taken as a reference to the sale of non durable low cost goods which are easily and frequently purchased. The term 'convenience' broadly encapsulates grocery, produce, health and beauty and pet care goods widely available through supermarkets.

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Recommendation

We recommend that following planning controls be reinstated in the final plan variation:

- The location of the commercial centre is fixed within the suburb and not along Ginninderra Drive;
- The 'local centre' is rezoned as a 'local centre' (CZ4);
- Mandatory limits on commercial development set out in the proposed precinct code as follows:
  - Overall maximum gross floor area for commercial use of $1500m^2$;
  - Maximum gross floor area for a supermarket of $700m^2$ within the overall total of $1500m^2$.

We ask that you give consideration to the above written submission at the inquiry.

Yours sincerely
CB Richard Ellis (V) Pty Ltd

Tony Adams – CBRE Town Planning
Senior Director