

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

***FURTHER RETAIL POLICY MEASURES TO MAINTAIN
DIVERSITY IN THE A.C.T. RETAIL MARKET***

REPORT NO.20
OF THE
STANDING COMMITTEE ON PLANNING AND ENVIRONMENT

NOVEMBER 1996

**Resolution of appointment [by the Legislative Assembly] of the
Standing Committee on Planning and Environment:**

[that] a Standing Committee on Planning and Environment [be established] to examine matters related to planning, land management, transport, commercial development, industrial and residential development, infrastructure and capital works, science and technology, the environment, conservation, heritage, energy and resources...

[And that the committee] inquire into and report on matters referred to [it] by the Assembly or matters that are considered by the committee to be of concern to the community.

Minutes of Proceedings (Third Assembly) No.1 - 9 March 1995, amended
22 June 1995

Committee Membership

Mr Michael Moore MLA (Chair)

Mr Trevor Kaine MLA (Deputy Chair)

Ms Lucy Horodny MLA

Ms Roberta McRae OAM, MLA

Secretary: Mr Rod Power

Assistance: Mrs Anne Munns

1. This report by the Standing Committee on Planning and Environment relates to the resolution of the Legislative Assembly of 27 June 1996:

That the Standing Committee on Planning and Environment examine and report on further retail policy measures that can be taken to maintain diversity in the A.C.T. retail market... [taking account of]

- (a) the current retail hierarchy;
- (b) the Government proposals as outlined in *Striking a Balance*;
- (c) employment impacts;
- (d) the appropriate level of retail space;
- (e) remission of betterment and other incentives to assist with the revitalisation of neighbourhood shopping centres;
- (f) shopping centre management;
- (g) rent inequities;
- (h) domination of the market by large retailers; and
- (i) any other related matter.

2. In considering this reference, the Committee noted that the Government's retail policy package entitle *Striking a Balance*, announced on 30 May 1996, addressed many of the ways in which diversity can be enhanced in the A.C.T.'s retail market.

3. Further diversity might be achieved by addressing issues affecting, for example, the hierarchy of retail centres - but the Committee is conscious that this matter might be one of the issues addressed in the Government's *Strategic Plan for the A.C.T.*, which will shortly be released.

4. *The Committee, therefore, is reluctant to duplicate work which may be under consideration already by the Government, in this particular matter.*

5. Further, the Committee is aware that the A.C.T. Government has undertaken to provide information to the Commonwealth's National Competition Council in relation to the effect of some elements of its retail policy on competition.

6. *The Committee recommends that the Government table, in the Assembly, the information it passes to the National Competition Council.*

7. The Committee notes that the components of the *Striking a Balance* package bear on the terms of reference for this inquiry.
8. The Committee makes the following observations on the various elements of the Government's *Striking a Balance* statement.
9. The statement says that a variation to the Territory Plan is being prepared to permit further kinds of development at local centres, including light industry and guest houses; and to permit redevelopment of a non-viable centre (such as allowing a change to medium density housing).
10. *Since this draft Variation will come before the Committee when all the prescribed steps involving public consultation are completed, the Committee will then give the draft Variation careful scrutiny.*
11. The statement says that the Government will consider reducing the user rights charge (betterment) for certain enhancements of local shopping centres (by allowing remission of up to 50 percent for a redevelopment that will assist the viability of a centre).
12. *The Committee understands the rationale for this action.*
13. *However, some members of the Committee consider that the more open and accountable way for Government to encourage such redevelopment is by direct grant, rather than adjustment to betterment.*
14. The statement advises that the Government will sponsor an ideas competition for local shops, to encourage innovation and redevelopment.
15. *The Committee understands that this competition has just concluded and that officials are assessing the implications of the public comment for possible changes to the retail strategy.*
16. *The Committee looks forward to a statement by the Minister on this matter.*
17. The statement announced the introduction of the *helpShop* program to provide retailers and building owners with free advice on planning, leasing, management, design and marketing.
18. *The Committee supports this initiative.*

19. The statement announces the introduction of a retail evaluation checklist to serve as a guide (for both officials and developers) when major proposals are assessed.
20. *Again, the Committee supports this measure.*
21. The statement says that the Government is reviewing the size and location of local and group centres in Gungahlin and South Tuggeranong to ensure that new centres respond to social trends.
22. *As before, the Committee supports this initiative.*
23. The statement says that the Government will move to restrict the opening hours of large town centre supermarkets in order to help local supermarkets recover their after-hours business.
24. The Government subsequently introduced its Trading Hours legislation, which was debated, and passed, by the Assembly on 5 September 1996. The legislation took effect on 9 September 1996.
25. *The Committee is divided on the Government's initiative in this area.*
26. *Two members of the Committee (Mr Moore and Ms McRae) consider that the key studies that, according to the Government, led it to decide on restricted trading hours for supermarkets in town centres **do not actually support** the Government's position.*
27. *These two Committee members note that the Ibecon Retail Study, the Hyndes Review of Trading Hours, and the Planning Team's Social Impact Assessment of Retail Changes call for more detailed studies to be undertaken to determine the effect of trading hours on the A.C.T. economy and residents.*
28. *These members look to the ABS survey now underway to provide the missing information. The ABS survey is intended to provide a suburb by suburb breakdown of residents' shopping habits. It will provide reasons why people are shopping where they do, the types of shopping they do (whether it is weekly household shopping or convenience shopping) and what shops they are attending (whether it is a supermarket or specialty store).*

29. *In the opinion of these two members of the Committee, this type of information should have been obtained before the Government's trading hours legislation was introduced.*

30. In light of the information contained in this report, the Committee wishes to advise the Assembly that it considers it has done all that it can at the present time in relation to the Assembly's resolution of 27 June 1996.

Michael Moore MLA

Chair

18 November 1996

DISSENTING REPORT BY LUCY HORODNY MLA

I am dissenting from the Report of the Standing Committee on Planning and Environment because I do not believe that the Committee has adequately addressed the Terms of Reference of this inquiry.

This inquiry was initiated by the Greens in the context of the debate over the Government's Trading Hours legislation. We were very concerned at the time that the Government was ignoring a range of other factors that are affecting the viability of the local shopping centres, and wanted the Planning and Environment Committee to examine these factors.

One issue in particular which we have raised in the Assembly a number of times is the issue of the current oversupply of retail space in the A.C.T.

The Terms of Reference of the inquiry state quite clearly that the Committee "should examine and report on further retail policy measures" [my emphasis]. The Terms of Reference list eight specific points that the Committee was to consider, as well as a general reference to consider any related matter.

Instead of examining these eight points, the other Committee members chose to use the Committee's inquiry mainly to resurrect the retail trading hours issue despite the many hours of debate on this topic in the Assembly, and despite the fact that the new retail hours have only been in effect since 9 September 1996. This is hardly sufficient time for the effect of the retail trading legislation to be fully observed, and thus unable to be effectively reviewed by the Committee at this time.

The Report of the rest of the Committee in effect only addresses point (b) of the Terms of Reference, which is to review the Government's Retail Policy as outlined in *Striking a Balance*, and has ignored the other seven points in the Terms of Reference.

I also wanted the Committee to examine the Government's recent call for expressions of interest in the redevelopment of the Manuka carpark into a major supermarket

complex, which will have a major impact on the retail hierarchy in South Canberra and contradicts the Government's own Retail Policy, but was unable to get sufficient support within the Committee.

I am disappointed that the other Committee members, by refusing to move from their entrenched positions over the retail trading hours issue, have undermined the Committee process which is designed to provide a more informal forum than the Assembly to debate issues of concern to the A.C.T. Community, and to give members of that Community the opportunity to present their views directly and openly to Assembly members.

I believe that Canberra retailers and consumers will be worse off as a result of the Committee's inadequate performance on this inquiry, because the factors that have caused many small retailers to close in recent years and for the major retail chains to increase their dominance of the A.C.T. retail market remain unresolved.

Lucy Horodny MLA

18 November 1996