

17 November 2011

Committee Secretary  
Select Committee on ACT Supermarket Competition Policy  
Email: [committees@parliament.act.gov.au](mailto:committees@parliament.act.gov.au)

To whom it may concern,

## **Submission to Select Committee on ACT Supermarket Competition Policy**

I refer to the invitation by the Select Committee on the inquiry into ACT Supermarket Competition Policy.

I am the owner of Kippax Fair shopping centre (Block 59 Section 51 Holt) and I have been involved in retailing in Canberra for more than 40 years and in particular in the West Belconnen area. This includes being a supermarket owner in both Higgins and Holt during the expansion of the Kippax precinct.

My response to the inquiry is to address the following terms of reference of the select committee, with particular reference to the Kippax Group Centre:

- The appropriateness of settings as it applies to ACT Government direct sales, group centres and local centres; and
- Impacts on the retail hierarchy.

### **Overview of the Kippax Group Centre**

Kippax Group Centre is located within a crescent-shaped area bounded by Southern Cross Drive, Starke Street, Hardwick Crescent and Flack Street in the suburb of Holt. The Kippax Fair shopping centre (i.e. Kippax Fair) is a linear building with its main address to Hardwick Crescent. Although tenancies have changed over time, this shopping complex has endured in its current format since completion in 1977.

Kippax Fair is the retail anchor for the Group Centre – intended to serve a “group” of three to four surrounding suburbs (Macgregor, Latham, Holt and Higgins). The total area of commercially zoned floor space (i.e. within zones CZ1, CZ2 & CZ3) in the Group Centre is 22,589m<sup>2</sup> of which Kippax Fair occupies 8,017m<sup>2</sup>.

The range of shops within Kippax Fair comprise a Woolworths supermarket, liquor stores, take away food premises, bakery, butcher, Asian grocer, pathology services, two banks, post office, newsagency, discount department stores, personal services, cafes and restaurant, chemist, jewellers and professional office suites.

Adjoining Kippax Fair to the north is an ALDI supermarket that was developed in 2006 on former vacant Blocks 15 & 16 of Section 51 and part of former Block 53(now Block 61). This development is also within the CZ1 Core Zone of the Group Centre.

The Woolworths supermarket at Kippax Fair was extended in 2005. Together with the direct grant of land that allowed the development of the ALDI supermarket in 2006, the supermarket floor space at the Group Centre has almost tripled over the last six years from 1,800m<sup>2</sup> to approximately 5,500m<sup>2</sup>.

### **Supermarket development in and around Kippax Group Centre**

It should be noted that the Territory Plan provides no minimum or maximum size for commercial centres at any level of the retail hierarchy. This has led to expectations by lessees of under-performing centres that the ACT Government will consider (since there is no statutory impediment) development applications to diversify and sometimes expand the retail offer at centres. It also follows that applications for lease purpose variations to accommodate re-development proposals will be considered on their merits.

As stated previously, over the last six years, supermarket retail space has tripled at Kippax Group Centre. This is due to the expansion of the existing Woolworths and the development of the new ALDI supermarket. From a lessee's point of view, the retail catchment for Kippax Group Centre **cannot sustain a third supermarket**.

The matters of shopping patterns and overlapping catchments are not addressed in the zoning provisions of the Territory Plan, nor the ACT Supermarket Competition Policy. The Kippax Group Centre has overlapping catchments with Charnwood Group Centre and to a certain extent, Hawker Group Centre.

At Charnwood Group Centre there is a small Woolworths supermarket, which will shortly be extended to a full-line supermarket. In addition, an 800m<sup>2</sup> supermarket recently opened at the Dunlop Local Centre, together with 400m<sup>2</sup> of specialty retailing. Both these developments will have an impact on the viability of Kippax Fair retailers.

If such expectations are unfounded, it would be of benefit to all commercial centre lessees if the ACT Government (in this case, ACTPLA) could clarify its position with respect to the opportunities available within the ACT's statutory planning framework, to seek to improve, diversify or expand commercial centres at any level of the hierarchy.

It is my opinion that the ACT Government's supermarket competition policy implementation plan, by limiting the larger supermarket players from certain Group Centre sites is having a more detrimental effect to supermarket competition. This "prevention" is increasing the aggressiveness in the market place of the large-format

supermarkets who are responding by seeking opportunities in Local Centres where, in the past, such centres have been the province of the independent retailers.

I wholeheartedly support the notion that the location and development of supermarkets should be restricted to specific locations and zones, particularly the retail core zones (Commercial CZ1). However, on the basis of adequate master planning, there are opportunities to review the boundaries of zones – particularly for older shopping centres such as Kippax, where planning in the past has been a knee-jerk re-action to development applications. Examples of these include the multi-unit residential development on Block 60 Section 51 and the ACT Government’s site selection for an ALDI supermarket. It is considered unlikely that such exercises were undertaken on the basis of an holistic approach to physical planning at Kippax.

Any consideration of a new supermarket, regardless of operator, should provide the opportunity and the support for existing and new retailers at Kippax Group Centre to thrive with the growing community, whilst still being mindful of the challenging retail environment resulting from local as well as regional factors. In view of this, I reiterate my point of the inability for Kippax Group Centre to sustain a third supermarket.

Thank you for the opportunity to respond to this review.

Yours sincerely,

Philip Christodoulou  
Property Owner,  
Kippax Fair Shopping Centre