



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING, TRANSPORT AND CITY SERVICES

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Submission No 26 -

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Inquiry into Giralang

Shops

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The Committee Secretary Standing Committee on Planning, Transport, and City Services
ACT Legislative Assembly
GPO Box 1020
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COMMITTEE INQUIRY INTO PETITION No 4-21 CONCERNING GIRALANG SHOPS

Thank you for the opportunity to make a submission to the Committee on the long running saga of the Giralang shops.

This submission argues:

- The Giralang retail and service centre is integral to the design of the Giralang suburb and needs to be restored.
- The planning decisions made by the government have contributed to the demise of the Giralang centre.
- The types of retail and services provided in the suburbs can be expected to change due to Covid, on-line retail and the need to reduce global warming emissions and have an increasing bias towards physical services (eg dentistry) and social activities (eg Cafes).
- The Giralang retail centre will need to be designed to provide flexibility able to accommodate evolving changes in retail and services.
- Lawson should not include a retail and services centre so as to improve the viability of centres in the surrounding suburbs, such as Giralang.
- Nikias Diamond closed down the Giralang retail precinct rather than pursue a strategy to upgrade it in the face of the competition that emerged in Kaleen.
- The Nikias Diamond appears to have made the signing up of a supermarket lessee an absolute hurdle to taking any action to replace the Giralang retail precinct.
- The Nikias Diamond claim that the reinstatement of the Giralang centre is not viable without a supermarket needs to be independently audited given the project is now mostly an apartment complex.
- Nikias Diamond has significant assets in the ACT and has felt no financial pressure to redevelop the Giralang retail precinct.
- Nikias Diamond will have benefitted significantly from the rise in land values since 1974-5 when they first obtained their lease.
- Nikias Diamond appears to have gamed the ACT Government to increase the number of apartments and so increase the value of their lease and their leverage in negotiations over how and when they will proceed and what the consequences might be if the government seeks to pursue a different solution to what they have proposed.
- The proposed 50 apartment building should be reviewed to ensure it is compliant with the current planning rules, and if found so a minimalist scale model of the complex should be presented to the Giralang community for sign off so the full impact of such a large apartment building can be appreciated by the community.

- If the 50 apartment building is within the current planning rules then Nikias Diamond must be given a clear ultimatum to complete the project or at least the retail and services component with or without a supermarket tenant in the shortest time possible.
- If the apartment complex is deemed not in line with current planning rules and Nikias Diamond is unwilling to proceed with a scaled down apartment complex then the Government should act to resolve the situation in favour of the residents of Giralang as the retail precinct is an important and integral community asset.
- Whatever the inquiry finds, the ACT Government needs to take action to have the Giralang retail centre restored as early as possible.

The demise of Giralang Shops

As I have lived in Giralang since 1975 I have seen the Giralang shops progress from a temporary supermarket to thriving shopping centre and then its demise with the establishment of the Kaleen Centre approved by the government. It was clearly a poorly considered decision given the impact it has had on the pre-existing Kaleen central retail centre and the Giralang retail centre.

However the Giralang retail precinct did not need to be run down by Nikias Diamond – that was their decision. Some of the businesses were viable and history shows that no attempt was made to actively seek to compete with the new Kaleen centre. They terminated or did not renew the lease on the small bar that the operators are on the public record saying it was operating profitably and they wanted to stay. Nikias Diamond upped the rent on the newsagent and so he moved to Evatt. They let the supermarket run down to the point that few people would consider using it (poor lighting and rusting refrigeration units). The other businesses progressively moved away (Was it because their leases were not renewed or the rents became too much?).

Giralang was designed to have retail services at its heart –we should have its urban plan restored

Anyone who knows Giralang knows it was designed with walkways all leading to the retail service precinct and primary school. And these services are located at the natural centre of the suburb, at the base of the natural geological amphitheatre.

There is increasing recognition of the desirability of low miles in providing food and services and in accessing them and Giralang's design for resulted in most of Giralang being within a 15 minute walk of this centre. The retail centre and school were designed to be the heart of Giralang. If the precinct is not returned then Giralang can never a strong sense of community as a community needs a social meeting place.

The retail and services precinct is community resource that should be returned

The retail precinct is a community resource that needs to be protected. We can anticipate rapid changes in the provision of retail and personal services in the next decade or two driven by climate change and the internet. These pressures increase the desirability of having retail and services in close by and are almost certainly changing the type of retail and services that will be required by people in the suburbs close to their homes. Without the restitution of the Giralang retail precinct the residents are likely to suffer some long term disadvantage because of the forces at work in the changing retail and services environment outlined below.

- **Internet impact**

We can already see the emerging impacts of the use of the internet in accessing goods and services. Online shopping is increasing and home delivery of supermarket products is increasing as I observe daily in my own life and the activity in my street.

The Covid induced need to work from home has had a marked impact on the structure and organisation of work and service provision. Covid has accelerated some changes. Online shopping for goods, groceries, food and services have all expanded rapidly and the trend for business to move online is expected to continue and have office workers to continue to work from home for part of the week.

The businesses that will not move online are those that need to be physically delivered to people. For example: dentistry, health and beauty services, and social hubs like cafes, pubs, live music and work spaces where people can connect and feel connected. These may emerge as the businesses operating in suburban centres.

- **Global warming impact**

The pressures to minimise energy and resource consumption to meet the objective keeping global warming below 1.5 or even 2 degrees Celsius and having zero emissions by 2050, if not sooner, are likely to compound the emerging trends that lead to suburbs becoming more self contained in providing direct access to personal and social services.

There will have to be radical change in how communities operate if the global warming objectives are to be achieved. One only needs to look at the modelling of how the world can achieve this zero emissions target. For example one climate model requires emissions to be cut by around 2.4% per annum from now until 2030 and then 4.5% per annum between 2030 and 2050. This steep contraction in emissions is likely to require major changes in our society.

The international Climate Summit (COP26) to be held at the end of this year is likely to highlight how far behind the world is in curbing emissions and that Australia is behind the rest of the developed world in achieving the necessary change. Pressure for radical adjustments by advanced countries will mount and Australia, Canberra and Giralang will all have to adapt much faster to reducing our emissions. For example the International Energy Agency has reported that half the world's cars in use will need to be electric by 2030 to reach carbon neutrality by 2050 (<https://www.climatechangenews.com/2020/10/13/iea-outlines-world-can-reach-net-zero-emissions-2050/>).

The Giralang retail precinct is a community asset

In the face of this rapidly changing situation we need to maintain our options for providing for business and social hubs in the suburbs. The suburban hubs are a key community asset and should not be lost through short-sighted planning arrangements or close off future options for responding to the prospects of a rapidly changing world that will impinge on us.

Lawson development

Another factor that impinges on the Giralang retail and services precinct is the development of North Lawson. The Lawson North development Stages 1 and 2 by the Defence Housing

Australia will give a boost to the demand for personal services and general retail to the Kaleen-Giralang area. This would increase the potential viability of a Giralang retail and services centre.

Commonly across Belconnen the suburban retail and services centres have been associated close to local primary schools. If Lawson is not having a future primary school then this would benefit Giralang and South and Central Kaleen retail and service centres and possibly weaken the demand for a Lawson retail centre.

If future stages of the Lawson development did not contain a retail hub and the road network connected up to the Chuculba Crescent-Baldwin Drive intersection then this would also increase the future viability of a Giralang retail and services hub.

The focus on the need for super market is now a diversion

The focus up to now has been on having the retail area that is anchored by a supermarket. Having a supermarket has been shown to be difficult to achieve and the prospects may be diminishing in the face of the changes taking place in the retail and services market place.

It is not possible to know what services would be attracted to a Giralang retail and services precinct. In this light the precinct should be seen as a community asset designed with the flexibility to be able to adjust to what retail and services will be in demand, including capacity for a future supermarket.

There are a number of examples of suburban shopping centres that have no supermarkets - North Lyneham, Downer and Macquarie retail centres, to name a few. While a supermarket is desirable it is not essential in having a centre that provides other retail and services for the local community. It seems unnecessary to make the provision of a supermarket the hurdle to the redevelopment of the Giralang centre and in the mean time leave an eyesore of a construction site and deprive Giralang residents of other local services and retail.

This leads the question about how to have the Giralang retail precinct restored.

The approach of Nikias Diamond to redevelopment

Nikias Diamond claim that the reinstatement of the Giralang centre is not viable without a supermarket needs to be independently audited given the number of apartments has climbed from 13 in 2008 to 50 in 2018. In relative terms, the supermarket and retail component is the smaller part of the prospective profit Nikias Diamond will make from the project. The project is now an apartment complex with some provision for retail services.

In 2008 Nikias Diamond considered that only 13 apartments would be sufficient to proceed with the redevelopment. Now they are clearly pushing to maximise their profits while the Giralang community is left to suffer the loss of local retail and services. And this loss of amenity has now lasted about 17 years.

Nikias Diamond, like all long term property lessees in Giralang, has gained a significant financial return from the increase in the unimproved value of its lease. By example, my unimproved land value has increased by 10.13% compound from January 1975 to January 2020, while inflation has averaged 4.7% over the same period.

For Nikias Diamond the returns will have been much greater, especially if their 50 apartment complex does proceed. Each favourable decision by the ACT Government has increased the value of their lease – a gift from the Canberra community given that the ACT Government is the agent of the community. One could expect that even building a smaller apartment and retail complex would deliver a significant gain.

Nikias Diamond has clearly not felt under any pressure to act in the interests of the Giralang community. They appear to have effectively played the government and its advisors who have accepted the company's claim that the centre cannot be developed without a supermarket when much of the real profit is likely to be in the apartment complex which they have been able to increase to 50 apartment complex.

The Government needs to act

- The Nikias Diamond proposed 50 apartment building should be reviewed to ensure it is compliant with the current planning rules, and if found so, a minimalist scale model of the complex should be presented to the Giralang community for sign off.
- If the 50 apartment building is within the current planning rules then Nikias Diamond must be given a clear ultimatum to complete the project or at least the retail and services component with or without a supermarket tenant in the shortest time possible.
- If the apartment complex is deemed not in line with current planning rules and Nikias Diamond is unwilling to proceed with a scaled down apartment complex then the Government should act to resolve the situation in favour of the residents of Giralang as the retail precinct is an important and integral community asset.
- Whatever the inquiry finds, the ACT Government needs to take action to have the Giralang retail centre reinstated as early as possible.

Yours faithfully

Greg Gurr

