

6 July 2015

ACT Environment and Planning Directorate and the National Capital Authority
C/- Territory Plan Variation Unit
Territory Plan Comments
GPO Box 158
Canberra ACT 2601

By email: terrplan@act.gov.au

**Draft Territory Plan Variation No. 351 and Draft National Capital Plan Amendment No. 85
West Belconnen urban development, Belconnen District
Adverse impact on Kippax Group Centre and retail hierarchy**

Thank you for the opportunity to comment on the Draft Variation to the Territory Plan No. 351 (DV351) and the Draft Amendment to the National Capital Plan (DA85) for the West Belconnen Urban Development. We make this submission as the Crown Lessee of the Kippax Fair development located in the Kippax Group Centre on Block 59 Section 51 Holt.

As owner of Kippax Fair, we have a genuine concern regarding the potential detrimental impact that DV351 and DA85 (and in particular the proposed West Belconnen Group Centre) will have on the Kippax Group Centre and the retail amenity for the residents of the expanded West Belconnen area.

Enclosed are the detailed comments and concerns we have on DV351 and DA85.

It is our strong recommendation that:

1. there be accelerated the proposed process to finalise a master plan for the Kippax Group Centre. The new master plan should be finalised to harmonise with the finalisation of DV351 and DA85 and contemplate a complementary expansion of the Kippax group Centre;
2. the proposed new West Belconnen Precinct Code and Structure Plan and associated maps need to be sculptured to:
 - a. enshrine the principles of the retail hierarchy from the Territory Plan and the NCP;
 - b. include the general principle that the Kippax Group Centre is the primary Group Centre for the expanded West Belconnen area (including the new development area);
 - c. ensure that a new town centre is not created;
 - d. ensure the new West Belconnen Group Centre is located more centrally within the whole new West Belconnen precinct (including the NSW portion);
 - e. recognise that the proposed road access for the new Group Centre will place the Kippax Group Centre at a comparative material disadvantage;
 - f. delay the commencement of construction of the new Group Centre until the later of:
 - i. the total supermarket GFA of the Kippax Group Centre exceeds 9,000 sqm; and
 - ii. the population size of the new West Belconnen development exceeds 12,000; and

- iii. 5 years of the commencement of the Territory Plan variation for the expansion of the Kippax Group Centre;
- g. ensure that no more than one Group Centre exists in the new development area;
- h. include the following GFA limitations as mandatory rules for the new Group Centre:
 - i. the total Supermarket GFA is limited to 5,000 sqm;
 - ii. the total shop GFA is limited to 10,000 sqm when the population of the new West Belconnen development exceeds 12,000.
- i. there should be complementary road improvements to benefit the Kippax Group Centre.

We look forward to:

1. discussing our recommendations further with the proponent, EPD and the NCA, and other stakeholders ; and
2. participating in the next stages of the community and Legislative Assembly assessment of DV351 and DA85.

We note that most of the matters expressed in this submission have also been raised directly with representatives of the proponent for the new development. We will continue to actively engage with the proponent, EPD, the NCA and others to ensure the provision of adequate retail services and other amenities for the current and future residents of West Belconnen as well as the ongoing sustainability of the Kippax Group Centre.

Yours Sincerely,

Philip Christodoulou
Property owner
Kippax Fair.

Detailed comments and concerns

1) Introduction

The Kippax Group Centre has been western Belconnen's main group centre for over 35 years. This includes Kippax Fair Shopping Centre, an enclosed 8,000 sqm shopping centre which includes a 4,000 sqm full line Woolworths Supermarket and a retail and services mix to meet most of the needs of the surrounding suburbs. An Aldi supermarket is also adjacent to Kippax Fair.

One of the nine strategies expressed in the ACT Planning Strategy is to 'create a more *compact*, efficient city by focusing on urban **intensification** in town centres, around group centres and along major public transport routes, and **balancing** where greenfield expansion occurs' (own emphasis). Amongst other proposals, the Strategy indicates proposed urban intensification for the Kippax Group Centre.

The planning strategies for the ACT make clear the importance of nurturing and supporting the viability and use of existing town centres, and, more importantly, group centres. This is evident in the number of current Master Plans being developed for the purpose of developing and rejuvenating the ACT's existing Group Centres, and taking active steps to ensure that they adequately support the needs of the surrounding communities and are sustainable/viable.

DV351 and DA85 together propose to enable the retail needs for the West Belconnen residents to be provided through the provision of a brand new Group Centre, rather than through a series of Local Centres. The changes to the Territory Plan Zones Map in DV351, in addition to the proposed Structure Plan and Concept Plan (i.e. new Precinct Code), position the Commercial CZ1 Core Zone in the proposed West Belconnen precinct centrally along Parkwood Road (which is an extension of Southern Cross Drive), less than 3km from the existing Kippax Group Centre and approximately 5 kilometres from the existing Charnwood Group Centre (with the Charnwood and Kippax Centres also only being approximately 4km apart).

2) Accessibility, proximity and threat to the retail hierarchy of the proposed West Belconnen Group Centre to existing Kippax Group Centre

The proposed West Belconnen Group Centre will be located less than 3 kms (under a 3 minute drive) from the Kippax Group Centre. The West Belconnen Group Centre would also be positioned only 5km (approx.) from the existing Charnwood Group Centre. In addition, both the West Belconnen Group Centre and the Kippax Group Centre will have their primary access from the same major arterial road, being Southern Cross Drive. The comparative apparent similarity in accessibility however, is not the same. In fact, the location of West Belconnen Group Centre, at the end of Southern Cross Drive, will make it more accessible than Kippax to Kippax's trade catchment area. Access off Southern Cross Drive is more circuitous for the Kippax Group Centre than the West Belconnen Group Centre (i.e. not as convenient for shoppers). This will have an unfairly detrimental impact on the Kippax Group Centre, threatening exactly the type of retail centre that the ACT Planning Strategy is trying to protect. The Charnwood Group Centre would also appear to be negatively impacted once Ginninderra Drive is extended into West Belconnen if the proposed extension is approved. In addition, proposed alterations to Drake Brockman Drive, Southern Cross Drive, and Ginninderra Drive (refer to Figure 2 below) are likely to facilitate the by-passing of existing local centres and group centres by local residents in favour of the more accessible proposed West Belconnen Group Centre – this is a concern to us. **There should at least be complimentary road improvements for the benefit of the Kippax Group Centre.**

We are not aware where else in the Territory Plan as a whole there is such close proximity and accessibility between group centres. A 3km distance with such similar accessibility between Group Centres appears to be unprecedented, and for good reason, as it is inconsistent with the fundamental retail hierarchy underpinning the Territory Plan, the National Capital Plan, as well as the ACT Planning Strategy. As you are aware, the retail hierarchy is an essential element within the finely balanced planning architecture of the ACT.

The retail hierarchy is based on the fundamental principle that Group Centres should serve a particular geographic area, while being supplemented by smaller Local Centres. This is opposed to the idea that multiple Group Centres should service the same, or significantly overlapping geographic area. Among the background reports accompanying DV351, and used to support DV351, is the *'West Belconnen Retail Market Potential Assessment – (Urbis, March 2014) ('Urbis Report')*. The Urbis Report itself provides that there would be clear overlap between the residents serviced by the Kippax Group Centre and the proposed West Belconnen Centre (see, for example, page 37 of that report). The Urbis Report also appears to question and undermine the established fundamental retail hierarchy principle. On page 7 of the report, the authors write: "Our assessment suggests that the implementation of the centres hierarchy is creating 'winners' and 'losers' in so far as the larger group centres align more closely with the success drivers for retail development. By contrast, local centres in the main do not align with the key factors for successful retail development and generally do not offer an attractive shopping experience." The report's authors therefore appear to be evaluating the choice between the provision of a group centre and local centres by focusing on the factors determining a land owner's financial success, rather than focusing on the planning considerations that are supposed to lie at the very heart of the Territory Plan.

The proposed location of the West Belconnen Group Centre does not appear to be located in an area that would be equally accessible by all residents in the proposed West Belconnen precinct. The CZ1 site is very close to the eastern part of the precinct. A key point mentioned in DV351 is that the proposed development has to "appropriately consider adjacent development in NSW and that the border interface is appropriately recognised and designed". Similar themes exist in DA85. It would seem logical that both the ACT and NSW parts of the precinct would have their retail needs serviced by the same shopping centres. Given the need to look at the NSW and ACT aspects of the development as a whole, it would seem logical to position any proposed central retail areas in a **central part** of the precinct. Criterion 43 in DV351 itself provides that "a minimum of one commercial group centre is to be located **centrally** within the development". Other parts of DV351 emphasise that the Group Centre should be easily accessible by as many West Belconnen suburbs as possible (see, e.g., page 2 of the West Belconnen Structure Plan contained within DV351). The actual proposed location of the CZ1 zone, however, is not centrally located, and it certainly does not appear to take into account the need for a cohesive ACT-NSW development. In fact, it would appear that any Group Centre within the development would serve a greater need closer to the NSW side of the proposed precinct. This is because there are no existing retail or other core services located to the north or west of the proposed site. There are, however, two Group Centres located within only 2-4 kilometres of the eastern edge of the proposed development site.

The Kippax Group Centre will play a vital role in supporting the new development, particularly in its early stages. This principle is acknowledged in the Urbis Report itself. In response to DV351 and DA85 we believe there is an urgent need to accelerate the master planning process for the Kippax Group Centre to address this principle and help support the new development. An expansion of the capacity of the Kippax Group Centre would appear an evident means of supporting the new development, the aggregate of residents in an expanded West Belconnen, and of ensuring the ultimate sustainability of the Kippax Group Centre.

It is recommended that the rules and criteria in the new Precinct Code need to be refined to properly manage the transition into a new retail environment for the greater West Belconnen. A combination of staging and GFA sculpturing of the new Precinct Code seems appropriate.

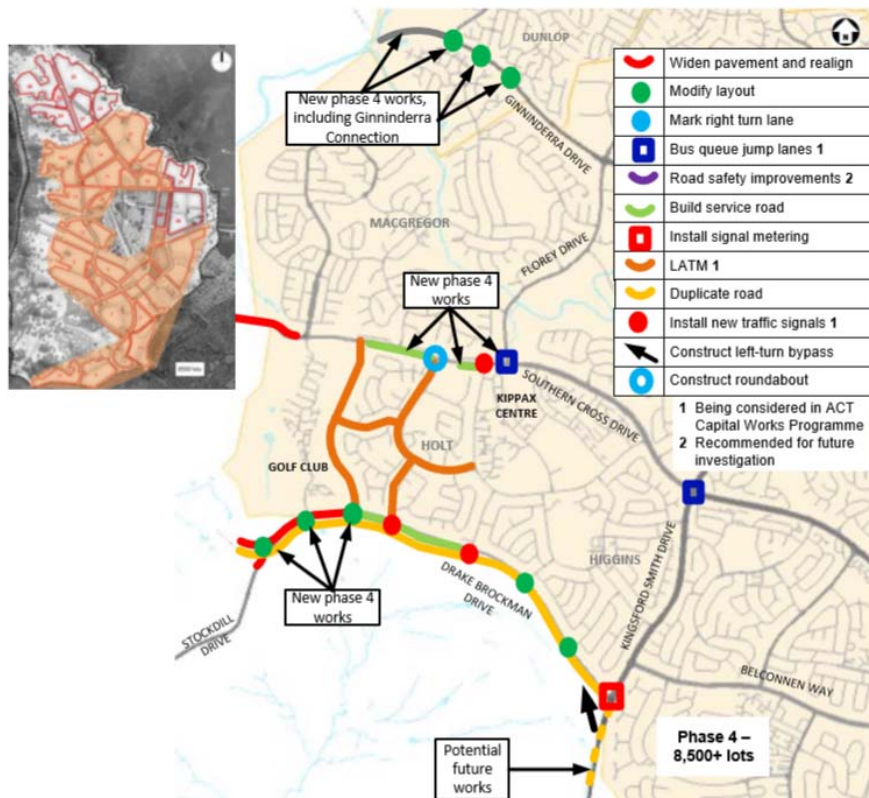
The following map (Figure 1) has been included from the Urbis Report. It highlights:

1. the relative location of Group Centres around the ACT; and
2. the “subject site” and its context in regard to its location straddling both NSW and the ACT – justifying a more balanced design for the proposed new Group Centre.

Figure 1 – ACT Group Centres



Figure 2: Proposed road works¹



3) A new Master Plan for Kippax Group Centre is urgently required

The Urbis Report provides advice on the development of retail uses within West Belconnen and includes a high level review for the future market outlook for the existing Kippax Group Centre. The report acknowledges that in the first few years of residential development at West Belconnen, until such time as new retail opportunities are operational at West Belconnen, the Kippax Group Centre is likely to benefit in the short term from food and grocery spending by new residents at West Belconnen.

The Urbis Report states the initial stage of the West Belconnen Group Centre is expected to have been completed by around 2025, dependent on good population growth within the trade area. Given the forecast growth, the initial stage will include the development of a 3,500 sqm full-line supermarket.

Given the need to address the retail needs of the initial residents of West Belconnen, and to maintain the commercial viability of the Kippax Group Centre for the existing residential community, it is vital that the Kippax Group Centre Master Plan is accelerated as soon as possible. This would reflect one of the key principles of the ACT Planning Strategy summarised earlier, that the expansion and intensification of existing Group Centres should be supported as a primary consideration in any future ACT planning decisions. This also reinforces the retail hierarchy principle within both the NCP and the Territory Plan.

We understand a draft Master Plan for the Kippax Group Centre is expected to be released in the last quarter of 2015. We are advised that the draft Master Plan will contain draft planning policies and will include a 6 week consultation period. The final Master Plan is scheduled to be released early

¹ AECOM (2014) West Belconnen Technical Traffic Report

in 2016. It is further understood that a Territory Plan variation will follow soon after. Given the interdependence of the New West Belconnen Precinct Code and the Kippax Master Plan, it is recommended that:

1. this proposed timetable be accelerated; and
2. the progression and finalisation of DV351 and DA85 should occur in harmony with a new and coordinated precinct code for the Kippax Group Centre.

Representatives of Kippax Fair look forward to continuing to work constructively with the Environment and Planning Directorate (“EPD”), the NCA and other stakeholders to provide assistance in the preparation of the Master Plan for the Kippax Group Centre. Kippax Fair has also already supported discussions around the proposed West Belconnen development, including assisting the proponent to open a project office at Kippax Fair in February 2014.

It is critical that the Master Plan for the Kippax Group Centre provides for an economically feasible outcome to enable the future sustainability of both Kippax Group Centre and the West Belconnen development. To enable the subsequent redevelopment of the Kippax Group Centre it is also vital that the Territory Plan variation needed to give effect to the Master Plan, is implemented as soon as possible after the Master Planning process is completed. This will enable the new works associated with the revitalisation of the Kippax Group Centre to be undertaken and established prior to the delivery of the West Belconnen Group Centre—ensuring that the needs of the initial West Belconnen residents are ready to be met.

4) Detrimental impact on long-term viability of the Kippax Group Centre

Throughout the proponent’s consultations with not only Kippax Fair, but also the broader community prior to the release of DV351, they made it clear that the Kippax Group Centre would remain as the primary Group Centre for West Belconnen residents.

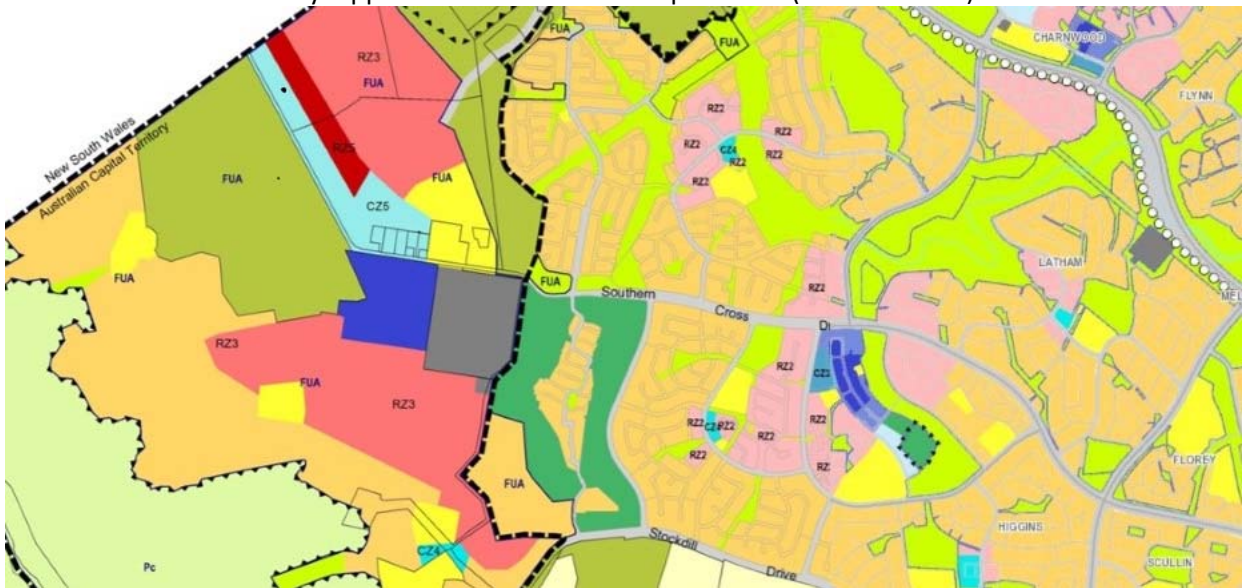
This is reflected in statements made in both the supporting Planning Study for DV351 and DA85, and also the Outcomes report on the Community and Stakeholder Vision Workshop and the Planning and Design Forum. These respective comments include:

- *‘The West Belconnen project will focus on the existing Kippax centre as the group centre for the West Belconnen area. The role of Kippax will be strengthened by the additional population. A smaller centre will be established within the project area, in accordance with the structure plan.’*
- *‘Kippax will continue as the principal centre for the West Belconnen area. A planning review of the Kippax centre is being undertaken in consultation with the community in parallel with the master planning process for West Belconnen.’*

The proposed new Precinct Code and rezoning of CZ1 with DV351 and the proposed size of the West Belconnen Group Centre, however, conflicts with this previously-expressed intention to retain Kippax Group Centre as the retail hub for West Belconnen.

This is clearly depicted in the Figure 3 (below), which illustrates the difference in size of the proposed CZ1 rezoning in West Belconnen, with the CZ1 zoning at the Kippax Group Centre and the Charnwood Group Centre.

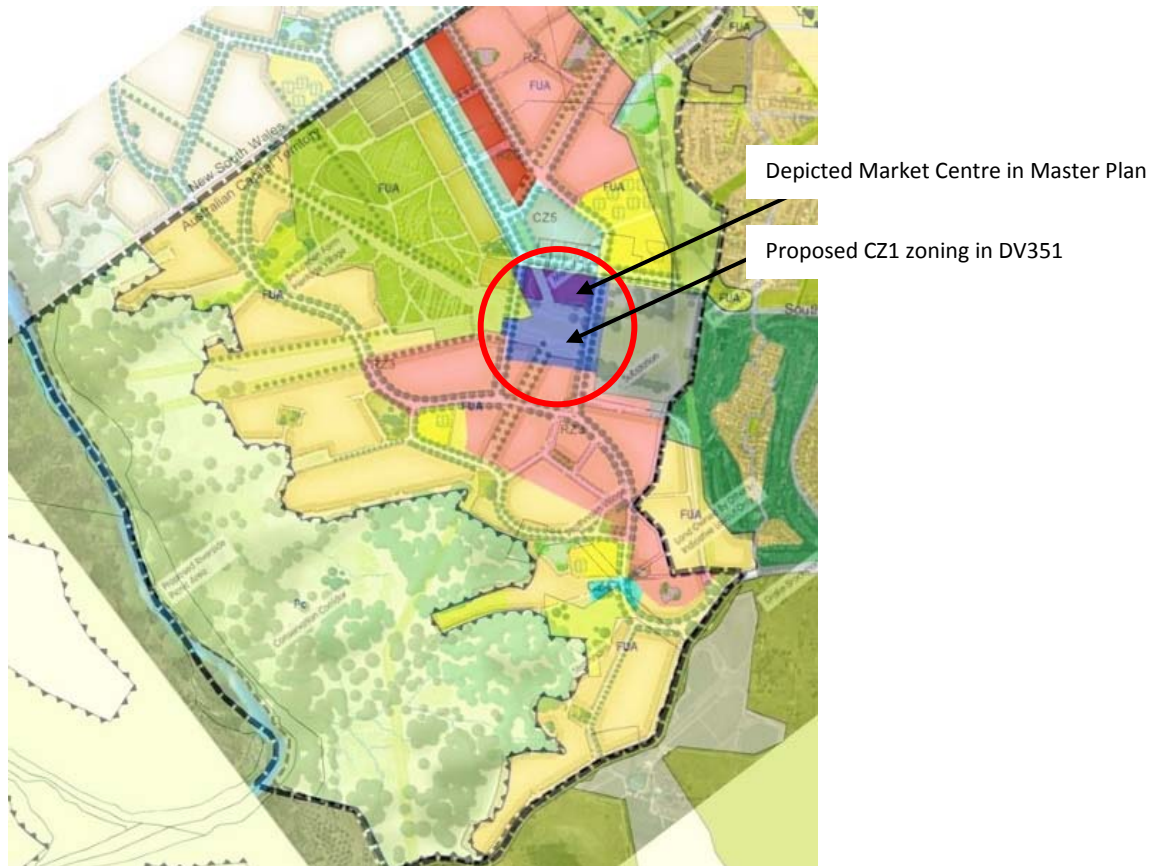
Figure 3: Size comparison of the proposed West Belconnen CZ1 zoning (in dark blue) with that of the nearby Kippax and Charnwood Group Centres (also dark blue)



The size of the proposed CZ1 zoning in the West Belconnen area is 3 to 4 times the size of any group centre in the ACT, and more closely resembles the dimensions of a **town centre**. An area of this size would grossly over-service the needs required for the West Belconnen precinct, especially when considering that the new West Belconnen precinct would also be serviced by two existing group centres (i.e. Kippax and Charnwood). This would appear to be contrary to the retail hierarchy principles in the Territory Plan and the NCP.

The size and location of the proposed CZ1 zone in DV351 is also vastly different to the size and location of the “Market Centre” depicted in the West Belconnen Master Plan (see Figure 4 below).

Figure 4: Comparison of the proposed West Belconnen CZ1 zoning (in blue) with that of the Market Centre within the West Belconnen Master Plan²



The new West Belconnen Precinct Code needs to be varied to enshrine the principle of the primacy of the Kippax Group Centre as the retail hub for the expanded West Belconnen and not create a new town centre. The proposed West Belconnen Precinct Code also implies that there is to be **at least** one commercial Group Centre, including the provision of additional local centres. The suggestion in C43 that there could be multiple group centres serving the new development area is a grave concern.

Although the Urbis Report proposes that West Belconnen could support a 3,500 sqm full-line supermarket, including 8,000 sqm of retail by the end of the initial stages of development (by around 2025), it states that retail could be increased to 12,000 sqm including an additional 1,500 sqm supermarket by 2035. As was highlighted above, this is a lot larger than other Group Centres, and therefore undermines the differentiation between Group Centres and Town Centres, which is pivotal to the retail hierarchy principles underpinning retail development in the ACT, in the NCP and the Territory Plan.

The new Precinct Code also contains no GFA limits on the potential exploitation of the size and expansion of the retail services within the new development area – a better balanced approach needs to be considered.

We believe the new Precinct Code in its present form needs to be refined, as otherwise it is a direct threat to the viability of the Kippax Group Centre if not appropriately managed, especially without a long-term plan for the Kippax Group Centre.

² RobertsDay Sydney (2014) West Belconnen Master Plan Report

We note also there are no time frames in the new Precinct Code regarding the provision of additional retail services to the new development area. In other words, a new Group Centre could be developed and well established long before 2025, detrimentally impacting the immediate sustainability of the Kippax Group Centre and disturbing the present retail hierarchy in Belconnen. Consequently, the new Precinct Code should include provisions that allow for the orderly and appropriately staged provision of retail services within the new development area.

The approval of a new Group Centre of the size envisaged would constitute a short-sighted decision with unacceptable negative impacts on existing surrounding retail areas and amenity for the residents of the expanded West Belconnen.

The justification for one group centre (or it appears even more) in West Belconnen, as opposed to one or more local centres appears to be solely based on the Urbis Report.

The Urbis report was commissioned by the proponent, who is also the owner of the NSW component of West Belconnen and joint venture partner of the Territory. As Urbis states in its disclaimer, Urbis...“prepared this report on the instructions, and for the sole benefit, of the Riverview Group for the purpose of advice and not for any other purpose or use”.

From the onset, this report is not an independent review of the retail assessment and impacts on the Western Belconnen area. It was prepared solely for the purposes of, and on the instructions of, the proponent. The report does not adequately consider the competitive impacts of the proposed development on Kippax or other surrounding group and local centres.

The Urbis Report did not consider in any depth any other retail options for the proposed West Belconnen development (e.g. the provision of one or more local centres, rather than a group centre or apparent new town centre) to service retail requirements of West Belconnen, especially as it develops over the next 50 years. The report only considered the scenario of a single shopping precinct within West Belconnen, which is in fact in contrast to the proposed Territory Plan variation, which proposes retail space in at least three areas including within the Strathnairn Arts Precinct, and Belconnen Farm Heritage Precinct.

The report was therefore prepared for the purposes and use of a party with a significant financial interest in the implementation of DV351 and DA85. The planned residential development in West Belconnen is intended to be released in stages, and presumably only once a West Belconnen Group Centre is already established. It is a well-established principle of land valuation, that the existence of an established large retail centre (e.g. a Group Centre) within a greenfield residential development increases the value of the land being sold.

Further, we note that the Urbis Report was prepared over a year ago in March 2014 – well ahead of the release and finalisation of DV351 and DA85 and their supporting material. Given the significance of the report to DV351 and DA85 it would seem more appropriate that the retail analysis was undertaken based on the publicly released material and not something else.

The justification for a Group Centre as opposed to a Local Centre at West Belconnen is even more limited in absence of a Master Plan for the Kippax Group Centre. As the owner of Kippax Fair, we have been advocating for this to occur for a number of years in order to support the viability of Kippax, and its ability to appropriately service the retail needs of local residents and those of an expanded West Belconnen.

In fact, the Master Planning of Kippax is supported by at least two of the supporting documents for DV351. Supporting document I (“DV351 Planning Report”, page 154) and supporting document VIII

("West Belconnen Project Preliminary Risk Analysis", page 15 and item 23 in Table 5.1) both state that the impact of the West Belconnen development will have a "potential deleterious impact on economic viability of retail and business activities by establishment of competing activities in new urban areas." Indeed the preliminary risk analysis buried in the back of the Preliminary risk report identifies the detrimental impact on the Kippax Group Centre **as extreme**. The supporting documents not only suggest that further research is required to demonstrate acceptable levels of impact on nearby centres (noting that no such independent assessment appears to have actually been undertaken here); but they also suggest that one aspect of mitigating this impact is the Master Planning process for the growth of Kippax. It is therefore imperative that the Master Planning process for Kippax commence as soon as possible, to ensure the viability of not only Kippax, but also the proposed West Belconnen development.